

# **Antelope Valley Air Quality Management District Governing Board Regular Meeting**

## **Agenda**

### **LOCATION**

**ANTELOPE VALLEY AQMD District Office  
43301 Division Street, Suite 206  
Lancaster, CA 93535  
661.723.8070  
TUESDAY, JULY 16, 2019  
10:00 A.M.**

### **BOARD MEMBERS**

Marvin Crist, Chair, City of Lancaster  
Austin Bishop, Vice Chair, City of Palmdale  
Ron Hawkins, Los Angeles County  
Vern Lawson, Los Angeles County  
Ken Mann, City of Lancaster  
Steven Hofbauer, City of Palmdale  
Newton Chelette, Public Member

IF YOU CHALLENGE ANY DECISION REGARDING ANY OF THE LISTED PROPOSALS IN COURT, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED DURING THE PUBLIC TESTIMONY PERIOD REGARDING THAT PROPOSAL OR IN WRITTEN CORRESPONDENCE DELIVERED TO THE GOVERNING BOARD AT, OR PRIOR TO, THE PUBLIC HEARING.

DUE TO TIME CONSTRAINTS AND THE NUMBER OF PERSONS WISHING TO GIVE ORAL TESTIMONY, PUBLIC COMMENTS ARE LIMITED TO FIVE MINUTES PER SPEAKER. YOU MAY WISH TO MAKE YOUR COMMENTS IN WRITING TO ASSURE THAT YOU ARE ABLE TO EXPRESS YOURSELF ADEQUATELY.

Except where noted, all scheduled items will be heard in the District Office of the Governing Board, 43301 Division Street, Suite 206, Lancaster, CA 93535 and the teleconference location(s), if applicable. Please note that the Board may address items in the agenda in a different order than the order in which the item has been posted.

Public Comments on any Agenda Item will be heard at the time of discussion of the Agenda Item. Public Comments not pertaining to Agenda Items will be heard during the PUBLIC COMMENT period below.

**CALL TO ORDER 10:00 A.M.**

Pledge of Allegiance.

Roll Call

PUBLIC COMMENT

**CONSENT CALENDAR**

**The following consent items are expected to be routine and non-controversial and will be acted upon by the Board at one time without discussion unless a Board Member, staff member or a member of the public request an item be held for discussion under DEFERRED ITEMS.**

1. [Approve Minutes from Regular Governing Board Meeting of June 18, 2019.](#)
2. [Monthly Grant Funding Summary. Receive and file. Presenter: Bret Banks, Executive Director/APCO.](#)
3. [Monthly Activity Report. Receive and file. Presenter: Bret Banks, Executive Director/APCO.](#)
4. [1\) Authorize establishing four \(4\) commercial revolving bank accounts for the purposes of receiving and disbursing funds received from the California Air Resources Board \(CARB\) from designated grant programs; and 2\) authorize the Executive Director/APCO to appoint signatures on the account, authorize single signature approval up to \\$2,500; authorize the transfer of funds; and negotiate and execute any necessary agreements to establish the accounts and disbursement mechanisms, approved as to legal form. Presenter: Bret Banks, Executive Director/APCO.](#)
5. [Approve payment to MDAQMD in the total amount of \\$105,045.84, subject to availability of funds, for services provided during the month of May 2019. Presenter: Bret Banks, Executive Director/APCO.](#)
6. [Receive and file the Financial Report. The Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at May 31, 2019, which provides financial information and budget performance concerning the current fiscal status of the District. Presenter: Bret Banks, Executive Director/APCO.](#)

**ITEMS FOR DISCUSSION**

DEFERRED ITEMS

NEW BUISNESS

7. [Conduct a public hearing to consider the amendment of Rule 301 – Permit Fees: a. Open public hearing; b. Receive staff report; c. Receive public testimony; Receive public testimony; d. Close public hearing; e. Make a determination that the CEQA Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption.](#)

amending Rule 301 and directing staff actions. Presenter: Barbara Lods, Air Quality Planner I.

8. Conduct a public hearing to consider the amendment of Rule 302 – Other Fees: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the CEQA Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending Rule 302 and directing staff actions. Presenter: Barbara Lods, Air Quality Planner I.
9. 1) Award \$70,000.00 in Mobile Source Emission Reductions Program (AB 923) funds to Waste Management dba Antelope Valley Hauling (WM) toward the development of a compressed natural gas (CNG) vehicle refueling station; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Bret Banks, Executive Director/APCO.
10. 1) Award an amount not to exceed \$47,591 in Mobile Source Emission Reductions Program (AB 923) funds to Learn 4 Life toward the purchase and installation of Electric Vehicle Charging Stations; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.
11. 1) Authorize \$20,000 in Mobile Emission Reductions Program (AB 2766) funds to the Alternative Fuel Vehicle Program; and 2) Authorize the Executive Director/APCO and staff to execute the Alternative Fuel Vehicle Program as outlined in the Work Plan. Presenter: Julie McKeehan, Grants Analyst.
12. Reports: Governing Board Counsel, Executive Director/APCO, Staff.
13. Reports: Governing Board Counsel, Executive Director/APCO, Staff.
14. Adjourn to Regular Governing Board Meeting of Tuesday, August 20, 2019.

*In compliance with the Americans with Disabilities Act, if special assistance is needed to participate in the Board Meeting, please contact the Executive Director during regular business hours at 661.723.8070 x2. Notification received 48 hours prior to the meeting will enable the District to make reasonable accommodations.*

**Mailed & Posted on: Tuesday, July 9, 2019.**

*Deanna Hernandez*

Deanna Hernandez

The following page(s) contain the backup material for Agenda Item: [Approve Minutes from Regular Governing Board Meeting of June 18, 2019.](#)

Please scroll down to view the backup material.

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT  
GOVERNING BOARD MEETING  
TUESDAY, JUNE 18, 2019  
ANTELOPE VALLEY DISTRICT OFFICE  
LANCASTER, CA**

**Draft Minutes**

Board Members Present:

Marvin Crist, Chair, City of Lancaster  
Austin Bishop, Vice Chair, City of Palmdale  
Newton Chelette, Public Member  
Howard Harris, Los Angeles County  
Ron Hawkins, Los Angeles County  
Steven Hofbauer, City of Palmdale  
Raj Malhi, City of Lancaster

Board Members Absent:

**CALL TO ORDER**

Chair **CRIST** called the meeting to order at 10:02 a.m. Chair **CRIST** asked Mr. Josh Mann of Waste Management to lead the Pledge of Allegiance. Roll call was taken.

**PUBLIC COMMENT**

- ❖ Public comment made by John Welson, Waste Management dba Antelope Valley Hauling, on agenda item #9. Mr. Welson advocated for board approval on this item to serve Waste Management's fleet of CNG refuse trucks and one public access retail dispenser to support local/regional fleets and passenger vehicles.

**CONSENT CALENDAR**

**Agenda Item #1 – Approve Minutes from Regular Governing Board Meeting of May 21, 2019.**

Upon Motion by **MALHI**, seconded by **HARRIS**, and carried unanimously, the Board **Approved** Minutes from Regular Governing Board Meeting of May 21, 2019.

**Agenda Item #2 – Monthly Grant Funding Summary. Receive and file.**

Presenter: Bret Banks, Executive Director/APCO.

Upon Motion by **MALHI**, seconded by **HARRIS**, and carried unanimously, the Board **Received and Filed** Monthly Grand Funding Summary.

**Agenda Item #3 – Monthly Activity Report. Receive and file.**

Presenter: Bret Banks, Executive Director/APCO.

Upon Motion by **MALHI**, seconded by **HARRIS**, and carried unanimously, the Board **Received and Filed** Monthly Activity Report.

**Agenda Item #4 - Approve payment to MDAQMD in the total amount of \$106,083.29, subject to availability of funds, for services provided during the month of April 2019.**

Presenter: Bret Banks, Executive Director/APCO.

Upon Motion by **MALHI**, seconded by **HARRIS**, and carried unanimously, the Board **Approved** payment to MDAQMD in the total amount of \$106,083.29, subject to availability of funds, for services provided during the month of April 2019.

**Agenda Item #5 – Receive and file. The Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at April 30, 2019, which provides financial information and budget performance concerning the current fiscal status of the District.**

Presenter: Bret Banks, Executive Director/APCO.

Upon Motion by **MALHI**, seconded by **HARRIS**, and carried unanimously, the Board **received and filed** the Financial Report. The Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at April 30, 2019, which provides financial information and budget performance concerning the current fiscal status of the District.

**Agenda Item #6 – Approve the candidate selection for the Board of Directors of the Special District Risk Management Authority and delegate signature authority to the Executive Director/APCO for the ballot.**

Presenter: Bret Banks, Executive Director/APCO.

Upon Motion by **MALHI**, seconded by **HARRIS**, and carried unanimously, the Board **approved** the candidate selection for the Board of Directors of the Special District Risk Management Authority and delegate signature authority to the Executive Director/APCO for the ballot.

**ITEMS FOR DISCUSSION**

**DEFERRED ITEMS**

None.

**NEW BUSINESS**

**Agenda Item #7 – Conduct a Continued Public Hearing to receive comments and staff presentation for the proposed AVAQMD Budget for FY 2019-20: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Adopt a resolution approving and adopting the budget for FY 2019-20.**

Presenter: Bret Banks, Executive Director/APCO

Chair **CRIST** **opened** the continued public meeting. Executive Director/APCO Bret Banks **presented** the Staff Report and answered questions from the Board. Chair **CRIST** solicited public comment, being none, Chair **CRIST** **closed** the public hearing and upon Motion by **HAWKINS**, seconded by **HOFBAUER**, and carried unanimously, the Board, **adopted** Resolution 19-01, “**A RESOLUTION OF THE GOVERNING BOARD OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT APPROVING AND ADOPTING THE PROPOSED OPERATING BUDGET FOR FISCAL YEAR 2019-20.**”

**Agenda Item #8 – Approve spending authority for the District consistent with the Fiscal Year 2018-19 Budget until the FY 2019-20 Budget is adopted.**

Presenter: Bret Banks, Executive Director/APCO.

Item was withdrawn as unnecessary as the previous agenda item #7 was approved and adopted.

**Agenda Item #9 – 1) Award \$279,515 in Mobile Source Emission Reductions Program (AB 923) funds to Waste Management dba Antelope Valley Hauling (WM) toward the development of a compressed natural gas (CNG) vehicle refueling station; and 2) Authorize the Executive Director/APCO and staff to**

**negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter.**

Presenter: Bret Banks, Executive Director/APCO.

After public comment and discussion and upon Motion by **HOFBAUER**, seconded by **CHELETTE**, and carried unanimously, the Board, 1) **Awarded** \$279,515 in Mobile Source Emission Reductions Program (AB 923) funds to Waste Management dba Antelope Valley Hauling (WM) toward the development of a compressed natural gas (CNG) vehicle refueling station; and 2) **Authorized** the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Chair **CRIST** directed staff to prepare an agenda item to award \$70,000 in Mobile Source Emission Reductions Program (AB 923) funds to Waste Management dba Antelope Valley Hauling to be presented at the next scheduled Governing Board meeting.

**Agenda Item #10 – 1) Award \$10,000 in Mobile Source Emission Reductions Program (AB 923) funds to the City of Lancaster toward Electric Vehicle Charging Stations (Project); and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.**

Presenter: Julie McKeehan, Grants Analyst.

After discussion and upon Motion by **HOFBAUER**, seconded by **CHELETTE**, and carried by the following roll call vote, with six **AYES** votes by Board Members **CRIST, CHELETTE, HARRIS, HAWKINS, HOFBAUER, and MALHI**, with Board Member **BISHOP RECUSING** on this agenda item, the Board, 1) **Awarded** \$10,000 in Mobile Source Emission Reductions Program (AB 923) funds to the City of Lancaster toward Electric Vehicle Charging Stations (Project); and 2) **Authorized** the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

**Agenda Item #11 – 1) Award an amount not to exceed \$214,111 in Carl Moyer Program funds to Alameda Metals to replace an older heavy-duty diesel equipment with new, clean technology; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details, and execute an agreement, approved as to legal form by the Office of District Counsel.**

Presenter: Julie McKeehan, Grants Analyst

After discussion and upon Motion by **CHELETTE**, seconded by **HOFBAUER**, and carried unanimously, the Board, 1) **Awarded** an amount not to exceed \$214,111 in Carl Moyer Program funds to Alameda Metals to replace an older heavy-duty diesel equipment with new, clean technology; and 2) **Authorized** the Executive Director/APCO and staff to negotiate target time frames and technical project details, and execute an agreement, approved as to legal form by the Office of District Counsel.

**Agenda Item #12 – Reports.**

**Governing Board Counsel –**

- None.

**Executive Director/APCO –**

- Notified the Board of the upcoming Antelope Valley’s Third Annual Valley Fever Walk Saturday, June 29, 2019 and invited all to attend. AVAQMD will have a booth and provide information about various District programs.
- Publicly congratulated Board Member Chelette for being inducted into the California Community College Athletic Director’s Association Hall of Fame. This was Mr. Chelette’s second community college induction as he is also in the California Community College Men’s Basketball Coaches Association Hall of Fame.

**Staff –**

- None.

**Agenda Item #13 – Board Member Reports and Suggestions for Future Agenda Items.**

- Board Member Hofbauer requested to adjourned the meeting in memory of Leroy Halley.

**Agenda Item #14 – Adjourn to Regular Governing Board Meeting of Tuesday, July 16, 2019.**

Being no further business, the meeting adjourned at 10:22 a.m. to the next regularly scheduled Governing Board Meeting of Tuesday, July 16, 2019.



The following page(s) contain the backup material for Agenda Item: [Monthly Grant Funding Summary. Receive and file. Presenter: Bret Banks, Executive Director/APCO.](#)  
Please scroll down to view the backup material.

## Item #2 – Grant Funds Project Summary

June

### AB 2766 (\$4 DMV Fee)

#### \$426,500 Annually by Monthly Distribution

These fees fund the District’s Mobile Source Emission Reductions (MSER) Grant Program. The funds must be used “to reduce air pollution from motor vehicles and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of the California Clean Air Act of 1988”.

**Funding Limits:** No surplus emission reductions or cost-effectiveness limit requirements.

**Current Balance: \$ 31,089.61**

### PROPOSED PROJECTS

<u>Action Date</u>	<u>Project Description</u>	<u>Grant Award</u>	<u>Status</u>
July-19	AFV Add'l Funds	\$ 20,000.00	
<b>BALANCE PENDING APPROVAL</b>		<b>\$ 11,089.61</b>	

<b>AB 2766 Approved Funding Awards</b>			
<u>Action Date</u>	<u>Project Description</u>	<u>Grant Award</u>	<u>Status</u>
Feb-18	Kyle & Kyle Ranches On-road Vehicle Project	\$ 68,016.00	paid
Feb-18	LBC – Bus Replacement Project #1 of 7	71,848.00	paid
Feb-18	LBC – Bus Replacement Project #2 of 7	74,733.00	paid
Feb-18	LBC – Bus Replacement Project #3 of 7	69,121.00	paid
Feb-18	LBC – Bus Replacement Project #4 of 7	69,121.00	pending
Feb-18	LBC – Bus Replacement Project #5 of 7	69,121.00	pending
Feb-18	LBC – Bus Replacement Project #6 of 7	69,121.00	pending
Feb-18	LBC – Bus Replacement Project #7 of 7	69,121.00	pending
Mar-18	Kyle & Kyle Ranches On-road Vehicle Project	31,984.00	paid
Mar-18	2018 Lawn Mower Exchange Program	10,000.00	paid
May-18	AFV Program Add'l Funds	15,000.00	paid
May-18	LBC – Bus Replacement Project #1 of 7	66,516.00	paid
Aug-18	AFV Program Add'l Funds	15,000.00	paid
Aug-18	Antelope Valley College - Student Pass Program	80,000.00	paid
Aug-18	Heritage Sign Company Vehicle Replacement Project	8,720.00	paid
Oct-18	LBC - Bus Replacement Project #1 of 7	5,332.00	paid
Oct-18	American Plumbing Services Vehicle Replacement	10,810.00	paid
Nov-18	UAV Vehicle Replacement Project	27,869.00	paid
Nov-18	AFV Program Add'l Funds	15,000.00	paid
Dec-18	AFV Program Add'l Funds	15,000.00	paid
Dec-18	Paraclete High School Vehicle Replacement Project	35,000.00	pending
Dec-18	LA County Sheriff’s Palmdale Bio Diesel Truck Project	50,000.00	pending
Mar-19	AFV Program Add'l Funds	15,000.00	paid
Mar-19	LBC – Bus Replacement Project #2 of 7	74,733.00	paid
Apr-19	AFV Program Add'l Funds	30,000.00	Paid
Apr-19	Curb Crafters Vehicle Replacement	19,029.00	pending

**AB 923 (\$2 DMV Fee)****\$609,500 Annually by Monthly Distribution**

These fees fund the District's Mobile Source Emission Reductions (MSER) Grant Program. The funds must be used to remediate air pollution harms created by motor vehicles.

Funding Limits: Carl Moyer eligible projects; unregulated agriculture vehicles and equipment; school bus projects; light-duty vehicle retirement program; and alternative fuel and electric infrastructure projects. Surplus emission reductions required. Subject to cost-effectiveness limit.

**Current Balance: \$ 349,136.39**

**PROPOSED PROJECTS**

<u>Action Date</u>	<u>Project Description</u>	<u>Grant Award</u>	<u>Status</u>
July-19	Waste Management-AV CNG Station	\$ 70,000.00	
July-19	Learn 4 Life EV Charging Project	47,591.00	
<b>BALANCE PENDING APPROVAL</b>		<b>\$ 231,545.39</b>	

<b>AB 923 Approved Funding Awards</b>			
<u>Action Date</u>	<u>Project Description</u>	<u>Grant Award</u>	<u>Status</u>
Jan-18	Wilsona School District EV School Bus Charging Project	\$ 49,976.00	paid
Feb-18	Vehicle Retirement Program Add'l Funds	47,000.00	paid
Mar-18	2018 Lawn Mower Exchange Program	10,000.00	paid
Mar-18	Robertsons Palmdale Honda EV Charging Project	86,000.00	paid
May-18	Home2 Suites by Hilton Palmdale EV Charging Project	15,200.00	paid
May-18	Sierra Commons EV Charging Project	30,640.00	paid
Sep-18	AV Harley-Davidson EV Charging Project	20,000.00	paid
Nov-18	Vehicle Retirement Program Add'l Funds	50,000.00	paid
Dec-18	High Desert Dairy Equipment Replacement Project	54,918.00	paid
Dec-18	AVTA EV Charging Project	50,000.00	pending
Dec-18	AVSTA (3) New Electric School Buses	31,250.00	pending
June-19	Waste Management-AV CNG Station	279515.00	pending
June-19	City of Lancaster EV Charging City-MOAH	10000.00	pending

**Carl Moyer Program****\$701,500 Annually**

Carl Moyer Program (CMP) funds provide incentives to gain early or extra emission reductions by retrofitting, repowering, or replacing older more polluting engines with newer, cleaner engines including zero and near zero emission technologies. CMP funding categories include on-road heavy-duty vehicles, off-road equipment, locomotives, marine vessels, light-duty passenger vehicles, lawn mower replacement and alternative fuel infrastructure projects. Surplus emission reductions required. Subject to cost-effectiveness limit.

**Current Balance: \$ 154,490.00**

**PROPOSED PROJECTS**

<u>Action Date</u>	<u>Project Description</u>	<u>Grant Award</u>	<u>Status</u>
	none	0.00	
<b>BALANCE PENDING APPROVAL</b>		<b>\$ 154,490.00</b>	

<b>Carl Moyer Program Approved Funding Awards</b>			
<u>Action Date</u>	<u>Project Description</u>	<u>Grant Award</u>	<u>Status</u>
Apr-18	McWhirter Steel Forklift Replacement Project	\$ 185,943.00	paid
May-18	McCarthy Steel Forklift Replacement Project	59,155.00	paid
June-18	Gall Brothers Engineering Equipment Replacement Proj	94,211.00	paid
Jul-18	Fine Grade Equipment Replacement Project	240,850.00	paid
Aug-18	Heritage Sign Company Vehicle Replacement Project	23,545.00	paid
Oct-18	American Plumbing Service Vehicle Replacement Proj	14,112.00	paid
Dec-18	Bills Landscaping Equipment Replacement Project	94,700.00	paid
Dec-18	High Desert Dairy Equipment Replacement Project	45,082.00	paid
Deposit	Carl Moyer Program Yr. 21 FY 18-19	661,741.00	received
Mar-19	Commercial Lawn and Garden Exchange Program	200,000.00	paid
Apr-19	AV Fair Assoc. ERP Aerial Lift Proj. 4	93,140.00	pending
Apr-19	Curb Crafters On-road Replacement Project	14,363.00	pending
June-19	Alameda Metals Corporation ERP	214,111.00	pending

**AB 617 Community Air Protection (CAP) Admin.**

**\$79,305 FY 18/19 Allocation**

The purpose of AB 617 is to reduce emission sources in disadvantaged and low income communities by community-based air monitoring and local emission reduction programs. Funding is allocated to Air Districts to implement and administer all aspects of AB 617. These funds support community collaborative/community involved programs such as the deployment of air monitoring systems (i.e. Purple Air Sensors) and supporting local emission reductions programs. As a result, the AVAQMD is able to create new and enhance existing programs (i.e. lawn and garden equipment replacement, vehicle retirement, light-duty alternative fuel vehicle purchase incentive and residential electric vehicle charging) suggested by individual residents and group members as programs that best serve emission reductions within the community).

**Current Balance: \$ 79,945.00**

**PROPOSED PROJECTS**

<u>Action Date</u>	<u>Project Description</u>	<u>Grant Award</u>	<u>Status</u>
	none	\$ 0.00	
<b>BALANCE PENDING APPROVAL</b>		<b>\$ 0.00</b>	

<b>AB 617 CAP Admin. Approved Funding Awards</b>			
<u>Action Date</u>	<u>Project Description</u>	<u>Grant Award</u>	<u>Status</u>
Feb-19	Lawn Mower Exchange Events 2019	\$ 45,000.00	paid
Mar-19	Admin to implement AB 617	15,489.00	paid
Mar-19	Commercial Lawn and Garden Program	75,000.00	paid
Apr-19	Air Quality Sensors	4,440.00	paid
Deposit	AB 617 CAP Admin. FY 18-19	79,305.00	received

**AB 134 Community Air Protection (CAP) Projects****\$468,750 FY 18/19 Allocation**

The purpose of AB 134 funds is to implement projects under the Carl Moyer Program specifically for projects that meet the goals of AB 617. These funds are focused on replacing older polluting engines operating in disadvantaged and low-income communities with newer, cleaner engines prioritizing zero-emission projects. CMP funding categories include on-road heavy-duty vehicles, off-road equipment, locomotives, marine vessels, light-duty passenger vehicles, lawn mower replacement and alternative fuel infrastructure projects. Surplus emission reductions required. Subject to cost-effectiveness limit.

**Current Balance: \$ 0.00**

**PROPOSED PROJECTS**

<u>Action Date</u>	<u>Project Description</u>	<u>Grant Award</u>	<u>Status</u>
	none	\$ 0.00	
<b>BALANCE PENDING APPROVAL</b>		<b>\$ 0.00</b>	

<b>AB 134 CAP Projects Approved Funding Awards</b>			
<u>Action Date</u>	<u>Project Description</u>	<u>Grant Award</u>	<u>Status</u>
Dec-18	AVSTA (3) New Electric School Buses	\$ 468,750.00	pending

**NOx Remediation Measure (NRM)****\$53,644 FY 18/19 Allocation**

The purpose of NOx Remediation funds are to remediate any potential past emissions attributed to the Low Carbon Fuel Standard (LCFS) Regulation through a new NOx Remediation Measure (NRM) that replace diesel engines with low-NOx engines and tracks the progress of the NRM. Eligible projects are those eligible under the Carl Moyer Program with significant NOx emission reductions at a cost-effective limit of \$10,000/ton or less.

**Current Balance: \$ 0.00**

**PROPOSED PROJECTS**

<u>Action Date</u>	<u>Project Description</u>	<u>Grant Award</u>	<u>Status</u>
	none	\$ 0.00	
<b>BALANCE PENDING APPROVAL</b>		<b>\$ 0.00</b>	

<b>NRM Approved Funding Awards</b>			
<u>Action Date</u>	<u>Project Description</u>	<u>Grant Award</u>	<u>Status</u>
Jul-18	Fine Grade Equipment Replacement Project	\$ 53,644.00	paid

The following page(s) contain the backup material for Agenda Item: [Monthly Activity Report. Receive and file. Presenter: Bret Banks, Executive Director/APCO.](#)  
Please scroll down to view the backup material.

## **Item #3 Monthly Activity Report – June 2019**

	<u>JUNE 2019</u>	<u>JUNE 2018</u>	<u>YTD (7/1/19)</u>
Complaints	0	6	10
Complaint Investigations	0	6	10
Asbestos Notifications	7	13	107
Asbestos Inspections	0	0	0
Permit Inspections	103	108	1197
Permit Inspections in Compliance (%)	100	100	100
Notice of Violation (NOV)	4	2	10

### **\*Outstanding NOVs**

- AV00000207, Issued 06/2017
- AV00000208, Issued 07/2017
- AV00000210, Issued 03/2018
- AV00000219 Issued 06/2019
- AV00000221, Issued 06/2019

**Number of Active Companies: 284**  
**Number of Active Facilities: 543**  
**Number of Active Permits: 1,110**

### **Project Comment Letters – June 2019**

**Attached**



	A	B	C	D	E	F	G
1			AVAQMD CEQA PROJECTS				
2			BOARD MEETING				
3			7/16/2019				
4							
5	Date Rec'd	Location	Project Name	Description	Comment	Date Due	Date Sent
6	6/10/2019	Palmdale	Lockheed	Minor Modification 19-031 Determination of Application Completeness/Condition Setting for the request to build a 215,578 square foot building on 42 acres located at 1011 Lockheed Way	DCP Rule 219 CARB Equip	6/18/2019	6/11/2019
7	6/12/2019	Palmdale	AT & T Wireless-Drytown	Conditional Use Permit 14-014 Major Modification #2 Determination of Application Completeness/Condition Setting to modify an existing wireless communication facility at 4000 East Avenue S (Drytown Waterpark) (APN:3052-009-906 & 800)	No Comment	6/27/2019	6/20/2019
8	6/24/2019	Palmdale	Bingo Hall	Conditional Use Permit 19-013 Determination of Application Completeness/Condition Setting to establish a bingo hall in an existing commercial center located at 2270 East Palmdale Boulevard.	No Comment	7/16/2019	6/26/2019
9	6/24/2019	Palmdale	Retail Expansion	Conditional Use Permit 97-2 Major Modification Determination of Application Completeness/Condition Setting for the request to expand the interior of an existing retail store located at 1020 West Avenue M	Asbestos Rule 219	7/2/2019	6/26/2019
10	6/24/2019	Palmdale	Grocery Store-Carniceria Gonzalez	Conditional Use Permit 19-011 Determination of Application Completeness/Condition Setting to establish a grocery store use with alcohol and tobacco sales to be located at 3020 East Palmdale Blvd.	No Comment	7/2/2019	6/26/2019
11	6/24/2019	Palmdale	Auto Paint Business	Conditional Use Permit 19-012 Determination of Application Completeness/Condition Setting to expand the existing auto paint business by adding bodywork located at 40222-B La Quinta Lane, Suite 104	Rule 219 CARB Equip	7/2/2019	6/26/2019
12	6/25/2019	Lancaster	Gas Station and Mini-Mart	CUP 19-12-Gas station and mini mart with three commercial pad sites, located at the southeast corner of 10 <sup>th</sup> Street West and Avenue K-8 (APN:3128-004-016)	DCP Rule 219 CARB Equip Obtain ATC	7/25/2019	06/26/2019
13	6/26/2019	Lancaster	Tract Map	TTM 61921-Project is for a subdivision of two lots into 70 single family lots, located at the northeast corner of 40 <sup>th</sup> Street West and Avenue J (APN's:3153-011-036 and 043) in the R-7000 (Single Family Residential) zone	No Comment	7/26/2019	6/27/2019

The following page(s) contain the backup material for Agenda Item: 1) Authorize establishing four (4) commercial revolving bank accounts for the purposes of receiving and disbursing funds received from the California Air Resources Board (CARB) from designated grant programs; and 2) authorize the Executive Director/APCO to appoint signatures on the account, authorize single signature approval up to \$2,500; authorize the transfer of funds; and negotiate and execute any necessary agreements to establish the accounts and disbursement mechanisms, approved as to legal form. Presenter: Bret Banks, Executive Director/APCO.

Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD  
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT  
LANCASTER, CALIFORNIA**

*AGENDA ITEM #4*

**DATE:** July 16, 2019

**RECOMMENDATION:** 1) Authorize establishing four (4) commercial revolving bank accounts for the purposes of receiving and disbursing funds received from the California Air Resources Board (CARB) from designated grant programs; and 2) authorize the Executive Director/APCO to appoint signatures on the account, authorize single signature approval up to \$2,500; authorize the transfer of funds; and negotiate and execute any necessary agreements to establish the accounts and disbursement mechanisms, approved as to legal form.

**SUMMARY:** This item authorizes establishing four (4) commercial revolving bank accounts for the purposes of receiving and disbursing funds received from CARB for designated grant programs, the Mobile Emissions Reduction Programs (AB 2766 and AB 923) and the Carl Moyer Program; and approves administrative guidelines.

**BACKGROUND:** The District has one commercial bank account with Wells Fargo Bank for the General Fund from which operational expenses are paid. Managing grant revenue and payment of awards has been held with Los Angeles County.

Health & Safety Code 41335 and 41336 appoints the Los Angeles County Treasurer and Auditor Controller to serve in those capacities for the District. Since the District's formation, the District has contracted with Los Angeles County for processing payments on an item by item basis. Revenue is deposited into accounts at Los Angeles County and regular replenishments are transferred to the operating account for payments from the account at Wells Fargo Bank.

Program guidelines have recently been established for funds disbursed from CARB under the Community Air Protection (CAP) Fund. These guidelines require a separate interest-bearing account for receiving and disbursing those funds for eligible expenditures and projects. Several programs are included and CARB has determined these program related funds can be deposited in one account and interest earned calculated proportionately for each program.

**MINUTES OF THE GOVERNING BOARD  
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT  
LANCASTER, CALIFORNIA**

*AGENDA ITEM #4*

**PAGE 2**

During 2017 CARB initiated disbursement of funds pursuant to legislation implementing the Community Air Protection (CAP) Fund as cited in AB 617 and AB 134, Funding Agricultural Measures for Emission Reductions (FARMER) Program, and the Voluntary NOx Remediation Measure (NRM). The programs are now established as ongoing incentive programs. Recent guidance issued by CARB requires a separate bank account to track the funds received, specifies treatment of the interest earned, and disbursement for grant awards and eligible expenditures. The guidelines allow funds from these programs to be managed in one account but it must be separate from the District's General Fund or any other bank account.

Staff also recommends establishing separate bank accounts for the Mobile Emissions Reduction Program for AB 2766 and AB 923, and the Carl Moyer Program. Program guidelines are in place for these programs which require separate accounts and separate accounting. The opportunity to use the services of a commercial bank increases the potential for earnings on deposits. In addition, processing payments will move in house allowing for expedited delivery of payments as well as saving time for duplicate work in processing payment requests.

The daily operational finance matters for the District are generally handled by the contractor, Mojave Desert Air Quality Management District.

Legislative Authorization

In late 2011, the California Legislature passed SB 288 (Government Code 53952 & 53961) which authorizes an independent special district to establish revolving funds for the purpose of paying routine expenditures more efficiently and expeditiously. Using this legislative authorization, the District can establish revolving bank accounts and process payments in house.

Administrative Matters

1. The District has a Standard Practice, 5-2, "Internal Controls – District Bank Accounts" which governs the management of bank accounts.
2. This action authorizes the Executive Director/APCO to appoint check signers to the account and transfer funds to open the accounts.
3. This action authorizes single signature approval up to \$2,500 for all accounts.
4. This action authorizes the Executive Director/APCO to negotiate and execute any necessary agreements to establish the accounts and disbursement mechanisms, approved as to legal form.
5. The District has one revolving type accounts: General Fund (established in 2012), Experience has demonstrated that sufficient controls are in place that District staff is able to properly execute the duties associated with checking and savings accounts.

**MINUTES OF THE GOVERNING BOARD  
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT  
LANCASTER, CALIFORNIA**

*AGENDA ITEM #4*

**PAGE 3**

6. The District has acted since 2012 to move in house certain accounting functions from the Los Angeles County Auditor Controller, pursuant to Governing Board direction. In practice, funds are deposited into accounts established at Los Angeles County and payments are disbursed from the revolving accounts (currently on deposit with Wells Fargo Bank).
7. These revolving accounts will be used for expenditures associated with the established grant programs, as noted above, and conform to the program guidelines and regulations.
8. This action will not change the appointment of Los Angeles County as the District's Treasurer or Auditor Controller and the County will remain the District's fund custodian.

**REASON FOR RECOMMENDATION:** Governing Board authorization is required to establish bank accounts.

**REVIEW BY OTHERS:** This item was reviewed by Allison Burns, Special Counsel as to legal form and by Bret Banks, Executive Director/APCO (AVAQMD) on or about July 8, 2019.

**FINANCIAL DATA:** No increase in appropriation is anticipated.

**PRESENTER:** Bret Banks, Executive Director/APCO

The following page(s) contain the backup material for Agenda Item: [Approve payment to MDAQMD in the total amount of \\$105,045.84, subject to availability of funds, for services provided during the month of May 2019. Presenter: Bret Banks, Executive Director/APCO.](#)

Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD  
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT  
LANCASTER, CALIFORNIA**

*AGENDA ITEM #5*

**DATE:** July 16, 2019

**RECOMMENDATION:** Approve payment to MDAQMD in the total amount of \$105,045.84, subject to availability of funds, for services provided during the month of May 2019.

**SUMMARY:** The District contracts for services with MDAQMD; invoices for services are presented for payment.

**BACKGROUND:** Key Expenses: Staffing costs \$91,666.67.

**REASON FOR RECOMMENDATION:** The AVAQMD Governing Board must authorize all payments to the MDAQMD.

**REVIEW BY OTHERS:** This item was reviewed by Allison Burns, Special Counsel as to legal form; and by Bret Banks, Executive Director/APCO, on or before June 27, 2019.

**FINANCIAL DATA:** The contract and direct expenditure amounts are part of the approved District budget for FY 19. No change in appropriations is anticipated as a result of the approval of this item.

**PRESENTER:** Bret Banks, Executive Director/APCO.



**Mojave Desert AQMD**  
 14306 Park Avenue  
 Victorville, CA 92392  
 760.245.1661

Due Date **DUE UPON RECEIPT**  
 Invoice Date **5/31/2019**  
 Invoice Number **42259**

# INVOICE

<b>Bill To :</b>
<b>ANTELOPE VALLEY AQMD</b> <b>43301 DIVISION ST. SUITE 206</b> <b>LANCASTER, CA 93535</b>
<b>Company ID 10193</b>

FY19	Amount
Program Staff	91,666.67
Professional Services	9.63
Vehicles Expenses	469.17
Overhead	12,900.37
<p>TO INSURE PROPER CREDIT -            PLEASE INCLUDE A COPY OF THE INVOICE WITH YOUR PAYMENT</p> <p>FOR CREDIT CARD PAYMENTS            PLEASE VISIT <a href="http://www.mdaqmd.ca.gov">www.mdaqmd.ca.gov</a></p>	
<p><b>MAKE CHECKS PAYABLE TO MOJAVE DESERT AQMD</b>  <b>PLEASE INCLUDE THE INVOICE NUMBER ON THE CHECK</b></p>	<b>Invoice Total 105,045.84</b>
	<b>Amount Paid 0.00</b>
	<b>Balance Due 105,045.84</b>



**ANTELOPE VALLEY AQMD  
Program Staff  
FY 2018-19**

<b>Program</b>	<b>FY 17-18 Contracted Hours</b>	<b>Calendar Yr 2018 Actual Hours*</b>	<b>FY 18-19 Contracted Hours</b>	<b>Average Contract Cost/hr</b>	<b>Annual Contract Cost</b>	<b>FTE</b>
Lancaster Office	12,480	11,680	10,400	\$80	\$832,000	5.00
Planning, Grants, and Rulemaking	175	146	175	\$84	\$14,700	0.08
Air Monitoring and Surveillance	300	279	300	\$100	\$30,000	0.14
Stationary Sources	300	273	300	\$90	\$27,000	0.14
Executive Management and Legal	250	302	400	\$133	\$53,200	0.19
Community Relations & Education	65	75	78	\$104	\$8,112	0.04
Administration	1,169	1,182	1,350	\$100	\$135,000	0.65
<b>TOTAL</b>	<b>14,739</b>	<b>13,937</b>	<b>13,003</b>		<b>\$ 1,100,012</b>	<b>6.25</b>
<b>Full Time Equivalents (FTE) Administrative Costs</b>	<b>7.09%</b>	<b>6.70%</b>	<b>6.25%</b> <b>14.00%</b>			

<b>Fiscal Year Comparison:</b>	<b>Contract Cost</b>	<b>FTE</b>
Fiscal Year 18	\$ 1,100,000	7.09
Fiscal Year 19	\$ 1,100,000	6.25
Fiscal Year 19 Monthly	\$91,666.67	

\*Hours for year 2018 are provided as a point of reference compared to last fiscal year and next fiscal year.

**Mojave Desert AQMD  
Expenditures AVAQMD  
For Period Ending 5/31/2019**

Financial Report

	<u>Monthly YTD</u>	<u>Actual YTD</u>	<u>Annual Budget</u>	<u>% of Budget</u>
<b><u>Services &amp; Supplies</u></b>				
Professional Services				
Payroll Contract	9.63	261.80	420.00	0.62
Financial Services	0.00	7,750.00	32,500.00	0.24
<b>Total Professional Svcs</b>	<b>9.63</b>	<b>8,011.80</b>	<b>32,920.00</b>	<b>0.24</b>
Office Expenses				
Software	0.00	6,401.49	13,700.00	0.47
Supplies	0.00	0.00	500.00	0.00
Facility Leases	0.00	512.00	0.00	0.00
Postage	0.00	656.48	500.00	1.31
Meeting Expenses	0.00	51.76	0.00	0.00
<b>Total Office Expenditures</b>	<b>0.00</b>	<b>7,621.73</b>	<b>14,700.00</b>	<b>0.52</b>
Communications				
Computers	0.00	1,479.89	0.00	0.00
<b>Total Communications</b>	<b>0.00</b>	<b>1,479.89</b>	<b>0.00</b>	<b>0.00</b>
Dues & Subscriptions				
Publications & Subscriptions	0.00	204.61	0.00	0.00
<b>Total Dues &amp; Subscriptions</b>	<b>0.00</b>	<b>204.61</b>	<b>0.00</b>	<b>0.00</b>
Travel				
Training	0.00	0.00	1,000.00	0.00
Travel	0.00	0.00	500.00	0.00
<b>Total Travel</b>	<b>0.00</b>	<b>0.00</b>	<b>1,500.00</b>	<b>0.00</b>
Program Costs				
Legal				
Maintenance & Repairs				
Vehicles				
Gas & Oil	469.17	1,692.04	1,000.00	1.69
Maintenance	0.00	97.75	0.00	0.00
<b>Total Vehicles Expenses</b>	<b>469.17</b>	<b>1,789.79</b>	<b>1,000.00</b>	<b>1.79</b>
Non-Depreciable Inventory				
Machinery & Equipment Exp	0.00	14.40	0.00	0.00
Safety Equipment Exp	0.00	108.47	0.00	0.00
<b>Total Non-Depreciable Inventory</b>	<b>0.00</b>	<b>122.87</b>	<b>0.00</b>	<b>0.00</b>
Miscellaneous Expense				
Suspense				
<b>Total Services &amp; Supplies</b>	<b>478.80</b>	<b>19,230.69</b>	<b>50,120.00</b>	<b>0.38</b>
<b><u>Capital Expenditures</u></b>				
<b>Total Expenditures</b>	<b>478.80</b>	<b>19,230.69</b>	<b>50,120.00</b>	<b>0.38</b>

The following page(s) contain the backup material for Agenda Item: [Receive and file the Financial Report. The Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at May 31, 2019, which provides financial information and budget performance concerning the current fiscal status of the District. Presenter: Bret Banks, Executive Director/APCO.](#)

Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD  
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT  
LANCASTER, CALIFORNIA**

*AGENDA ITEM #6*

**DATE:** July 16, 2019

**RECOMMENDATION:** Receive and file.

**SUMMARY:** The Financial Report is provided to the Governing Board for information concerning the fiscal status of the District at May 31, 2019, which provides financial information and budget performance concerning the current fiscal status of the District.

**BACKGROUND:** The Financial Reports provide financial and budget performance information for the District for the period referenced.

**BALANCE SHEET.** The balance sheet is a financial statement that summarizes the District's financial position as of May 31, 2019.

**STATEMENT OF REVENUES & EXPENDITURES.** A fund accounting report of all District revenue and related expenditures incurred in the day to day administration of District Operations.

**STATEMENT OF ACTIVITY.** The target variance for March is 92% of FY19.

*District Wide* reports details revenue and expenses for the District's operating account and grant funds. *Contracted Services* reports the expenses made by the (MDAQMD) and passed through to the District. *Report Recap* is consolidates both reports.

**BANK REGISTERS.** This report details the Districts bank activity.

**DISTRICT CARDS.** This report details purchases made using the District's credit cards.

**REASON FOR RECOMMENDATION:** Receive and file.

**REVIEW BY OTHERS:** This item was reviewed by Allison Burns, Special Counsel as to legal form and by Bret Banks, Executive Director/APCO (AVAQMD) on or about June 26, 2019.

**PRESENTER:** Bret Banks, Executive Director/APCO.

**Antelope Valley AQMD**  
**Balance Sheet - Governmental Funds**  
**As of May 31, 2019**

## Financial Report

	<u>General Fund</u>	<u>AB2766 Mobile Emissions</u>	<u>AB923 Mobile Emissions</u>	<u>Carl Moyer</u>	<u>Total</u>
<b>Assets</b>					
Current Assets					
Cash	3,219,975.89	51,830.59	1,153,027.77	144,763.31	4,569,597.56
Cash Held For Other Fund	(817,364.47)	299,357.23	(238,268.76)	756,276.00	0.00
Receivables	199,501.70	0.00	0.00	(756,276.00)	(556,774.30)
Pre-Paid	3,713.37	0.00	0.00	0.00	3,713.37
<b>Total Current Assets</b>	<b>2,605,826.49</b>	<b>351,187.82</b>	<b>914,759.01</b>	<b>144,763.31</b>	<b>4,016,536.63</b>
<b>Total Assets</b>	<b>2,605,826.49</b>	<b>351,187.82</b>	<b>914,759.01</b>	<b>144,763.31</b>	<b>4,016,536.63</b>
<b>Liabilities and Net Position</b>					
Current Liabilities					
Payables	216,885.66	0.00	0.00	0.00	216,885.66
Due to Others	1,365.00	0.00	0.00	0.00	1,365.00
Unearned Revenue	0.00	0.00	0.00	82,125.23	82,125.23
<b>Total Current Liabilities</b>	<b>218,250.66</b>	<b>0.00</b>	<b>0.00</b>	<b>82,125.23</b>	<b>300,375.89</b>
Restricted Fund Balance	0.00	701,623.40	883,142.86	51,152.77	1,635,919.03
Cash Reserves	487,785.00	0.00	0.00	0.00	487,785.00
Unassigned Fund Balance	1,011,388.78	0.00	0.00	0.00	1,011,388.78
Pre-Paid	6,516.57	0.00	0.00	0.00	6,516.57
Change in Net Position	881,885.48	(350,435.58)	31,616.15	11,485.31	574,551.36
<b>Total Liabilities &amp; Net Position</b>	<b>2,605,826.49</b>	<b>351,187.82</b>	<b>914,759.01</b>	<b>144,763.31</b>	<b>4,016,536.63</b>

**Antelope Valley AQMD**  
**Statement of Revenues & Expenditures**  
**For the Period Ending May 31, 2019**

## Financial Report

	<u>General</u> <u>Fund</u>	<u>AB2766 Mobile</u> <u>Emissions</u> <u>Program</u>	<u>AB923 Mobile</u> <u>Emissions</u> <u>Program</u>	<u>Carl</u> <u>Moyer</u> <u>Program</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
<b>Revenues</b>					
Application and Permit Fees	54,039.62	0.00	0.00	0.00	54,039.62
AB 2766 and Other Program Revenues	79,193.05	42,620.17	60,862.48	186,548.59	369,224.29
Fines	978.00	0.00	0.00	0.00	978.00
Investment Earnings	4,748.70	618.29	2,816.66	1,770.79	9,954.44
Federal and State	0.00	0.00	0.00	0.00	0.00
Miscellaneous Income	0.00	0.00	0.00	0.00	0.00
<b>Total Revenues</b>	<b>138,959.37</b>	<b>43,238.46</b>	<b>63,679.14</b>	<b>188,319.38</b>	<b>434,196.35</b>
<b>Expenditures</b>					
Program Staff	91,666.67	0.00	0.00	0.00	91,666.67
Services and Supplies	62,112.27	65,625.00	11,000.00	189,197.00	327,934.27
Contributions to Other Participants	0.00	0.00	0.00	0.00	0.00
Capital Outlay Improvements and Equipment	6,407.00	0.00	0.00	0.00	6,407.00
<b>Total Expenditures</b>	<b>160,185.94</b>	<b>65,625.00</b>	<b>11,000.00</b>	<b>189,197.00</b>	<b>426,007.94</b>
<b>Excess Revenue Over (Under) Expenditures</b>	<b>(21,226.57)</b>	<b>(22,386.54)</b>	<b>52,679.14</b>	<b>(877.62)</b>	<b>8,188.41</b>

**Antelope Valley AQMD**  
**Statement of Activity - MTD, MTM and YTD**  
**For 5/31/2019**

00 District Wide

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
<b>Revenues</b>				
Permitting	52,142.62	993,738.26	842,150.00	(1.18)
Programs	369,224.29	2,198,101.71	2,603,044.00	(0.84)
Revenue - Other	0.00	75.00	0.00	0.00
Application Fees	2,875.00	39,531.00	42,000.00	(0.94)
State Revenue	0.00	721,308.97	141,500.00	(5.10)
Fines & Penalties	0.00	11,200.00	9,000.00	(1.24)
Interest Earned	9,954.44	69,305.24	14,300.00	(4.85)
Adjustments to Revenue	0.00	(20,852.52)	0.00	0.00
<b>Total Revenues</b>	<b>434,196.35</b>	<b>4,012,407.66</b>	<b>3,651,994.00</b>	<b>(1.10)</b>
<b>Expenses</b>				
Office Expenses	6,791.69	82,938.25	98,925.00	0.84
Communications	859.94	19,961.14	23,500.00	0.85
Vehicles	247.97	5,868.75	11,500.00	0.51
Program Costs	305,677.97	2,017,267.30	1,753,826.00	1.15
Travel	(108.24)	5,450.44	10,000.00	0.55
Professional Services				
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	0.00	0.00	3,000.00	0.00
Stipends	500.00	6,600.00	8,400.00	0.79
Maintenance & Repairs	225.00	4,360.01	6,500.00	0.67
Non-Depreciable Inventory	0.00	452.83	11,000.00	0.04
Dues & Subscriptions	0.00	6,520.00	35,500.00	0.18
Legal	0.00	13,941.74	19,000.00	0.73
Miscellaneous Expense	360.77	1,910.29	800.00	2.39
Suspense	0.00	15.38	0.00	0.00
Capital Expenditures	0.00	0.00	65,000.00	0.00
Other	0.00	(6,600.00)	0.00	0.00
<b>Total Expenses</b>	<b>314,555.10</b>	<b>2,158,686.13</b>	<b>2,052,951.00</b>	<b>1.05</b>
<b>Program Staff</b>				
Program Staff	0.00	0.00	100,218.00	0.00
<b>Total Program Staff</b>	<b>0.00</b>	<b>0.00</b>	<b>100,218.00</b>	<b>0.00</b>
<b>Excess Revenue Over (Under) Expenditures</b>	<b>119,641.25</b>	<b>1,853,721.53</b>	<b>1,498,825.00</b>	<b>(1.24)</b>

**Antelope Valley AQMD**  
**Statement of Activity - MTD, MTM and YTD**  
**For 5/31/2019**

10 Contracted Services

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
<b>Revenues</b>				
<b>Expenses</b>				
Office Expenses	0.00	7,062.69	8,500.00	0.83
Communications	0.00	1,072.79	0.00	0.00
Vehicles	469.17	1,692.04	500.00	3.38
Travel	0.00	0.00	1,000.00	0.00
Professional Services				
Payroll Contract	9.63	78.74	250.00	0.31
Financial Audit & Actuarial Svcs	12,900.37	255,023.56	190,000.00	1.34
Non-Depreciable Inventory	0.00	18.87	0.00	0.00
Dues & Subscriptions	0.00	204.61	0.00	0.00
<b>Total Expenses</b>	<b>13,379.17</b>	<b>265,153.30</b>	<b>200,250.00</b>	<b>1.32</b>
<b>Program Staff</b>				
Program Staff	91,666.67	1,008,332.87	1,100,000.00	0.92
<b>Total Program Staff</b>	<b>91,666.67</b>	<b>1,008,332.87</b>	<b>1,100,000.00</b>	<b>0.92</b>
<b>Excess Revenue Over (Under) Expenditures</b>	<b>(105,045.84)</b>	<b>(1,273,486.17)</b>	<b>(1,300,250.00)</b>	<b>(0.98)</b>



**Antelope Valley AQMD**  
**Statement of Activity - MTD, MTM and YTD**  
**For 5/31/2019**

Report Recap

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
<b>Revenues</b>				
Permitting	52,142.62	993,738.26	842,150.00	(1.18)
Programs	369,224.29	2,198,101.71	2,603,044.00	(0.84)
Revenue - Other	0.00	75.00	0.00	0.00
Application Fees	2,875.00	39,531.00	42,000.00	(0.94)
State Revenue	0.00	721,308.97	141,500.00	(5.10)
Fines & Penalties	0.00	11,200.00	9,000.00	(1.24)
Interest Earned	9,954.44	69,305.24	14,300.00	(4.85)
Adjustments to Revenue	0.00	(20,852.52)	0.00	0.00
<b>Total Revenues</b>	<b>434,196.35</b>	<b>4,012,407.66</b>	<b>3,651,994.00</b>	<b>(1.10)</b>
<b>Expenses</b>				
Office Expenses	6,791.69	90,000.94	107,425.00	0.84
Communications	859.94	21,033.93	23,500.00	0.90
Vehicles	717.14	7,560.79	12,000.00	0.63
Program Costs	305,677.97	2,017,267.30	1,753,826.00	1.15
Travel	(108.24)	5,450.44	11,000.00	0.50
Professional Services				
Payroll Contract	9.63	78.74	250.00	0.31
Financial Audit & Actuarial Svcs	12,900.37	255,023.56	190,000.00	1.34
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	0.00	0.00	3,000.00	0.00
Stipends	500.00	6,600.00	8,400.00	0.79
Maintenance & Repairs	225.00	4,360.01	6,500.00	0.67
Non-Depreciable Inventory	0.00	471.70	11,000.00	0.04
Dues & Subscriptions	0.00	6,724.61	35,500.00	0.19
Legal	0.00	13,941.74	19,000.00	0.73
Miscellaneous Expense	360.77	1,910.29	800.00	2.39
Suspense	0.00	15.38	0.00	0.00
Capital Expenditures	0.00	0.00	65,000.00	0.00
Other	0.00	(6,600.00)	0.00	0.00
<b>Total Expenses</b>	<b>327,934.27</b>	<b>2,423,839.43</b>	<b>2,253,201.00</b>	<b>1.08</b>
<b>Program Staff</b>				
Program Staff	91,666.67	1,008,332.87	1,200,218.00	0.84
<b>Total Program Staff</b>	<b>91,666.67</b>	<b>1,008,332.87</b>	<b>1,200,218.00</b>	<b>0.84</b>
<b>Excess Revenue Over (Under) Expenditures</b>	<b>14,595.41</b>	<b>580,235.36</b>	<b>198,575.00</b>	<b>(2.92)</b>

**Antelope Valley AQMD**  
**Bank Register from 5/01/2019 to 5/31/2019**  
Wells Fargo Operating

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000001	5/03/2019	Credit Card Transation - Agive Solutions	0.00	244.00	304,554.77
0000001	5/06/2019	Wells Fargo ACH - AV Solar Ranch	0.00	440.02	304,994.79
0003826	5/09/2019	[01148] ANTELOPE VALLEY PRESS-Public Notice April 19	563.04	0.00	304,431.75
0003827	5/09/2019	[10007] BOHN'S PRINTING-Window Envelopes	136.88	0.00	304,294.87
0003828	5/09/2019	[10502] DIGITAL DEPLOYMENT INC-Invoices 99326, 99593	400.00	0.00	303,894.87
0003829	5/09/2019	[10071] MAIL FINANCE-Postage Meter Lease	77.75	0.00	303,817.12
0003830	5/09/2019	[10260] QCS BUILDING SERVICES-Invoices 19146, 19215	311.73	0.00	303,505.39
0003831	5/09/2019	[10043] SOCALGAS-Gas service	33.59	0.00	303,471.80
0003832	5/09/2019	[10039] SPARKLETTS-Water delivery service	38.77	0.00	303,433.03
0003833	5/09/2019	[10592] SPECTRUM BUSINESS-Internet service	770.00	0.00	302,663.03
0003834	5/09/2019	[10021] THE GREEN STATION-AB617 Grant	21,110.00	0.00	281,553.03
R19-25	5/10/2019	Op Fund Rep #25	0.00	23,441.76	304,994.79
0000001	5/13/2019	Credit Card Transaction - Hertz	0.00	47.60	305,042.39
	5/13/2019	Service Charge	206.41	0.00	304,835.98
0003835	5/16/2019	[10006] BANK OF THE WEST-CC Charges	904.09	0.00	303,931.89
0003836	5/16/2019	[10012] CAPCOA-2019 CAPCOA Dues	850.00	0.00	303,081.89
0003837	5/16/2019	[10019] FEDERAL EXPRESS CORPORATION-Courier Service	34.92	0.00	303,046.97
0003838	5/16/2019	[10045] VERIZON BUSINESS-VOIP Service	427.75	0.00	302,619.22
0003839	5/16/2019	[10046] VERIZON CALIFORNIA-Long distance charges	32.19	0.00	302,587.03
R19-26	5/16/2019	Op Fund Rep #26	0.00	2,248.95	304,835.98
0000001	5/20/2019	Credit Card Transaction - Lockheed Martin - General Electric	0.00	1,369.04	306,205.02
0000001	5/20/2019	Credit Card Transaction - Level 3	0.00	440.02	306,645.04
0000001	5/23/2019	Credit Card Transactions - ABB Inc	0.00	532.00	307,177.04
R19-27	5/24/2019	Op Fund Rep #27	0.00	136,666.55	443,843.59
0003840	5/30/2019	[10734] CIRCULATING AIR INC-Replace the existing A/C unit in the Air Monitoring Room with a new 3 ton ductless mini split system.	6,407.00	0.00	437,436.59
0003841	5/30/2019	[10016] COUNTY OF LOS ANGELES-Bank Charges	127.36	0.00	437,309.23
0003842	5/30/2019	[10026] MOJAVE DESERT AQMD-MAR FY19	105,723.46	0.00	331,585.77
0003843	5/30/2019	[10036] SECURA COM-Qrtly Alarm Monitoring	116.85	0.00	331,468.92
0003844	5/30/2019	[00069] SOUTHERN CALIFORNIA EDISON-Electric Service	349.35	0.00	331,119.57
0003845	5/30/2019	[10455] STRADLING YOCCA CARLSON & RAUTH-Legal Services	1,250.00	0.00	329,869.57
0003846	5/30/2019	[10021] THE GREEN STATION-AB617 Grant	18,147.00	0.00	311,722.57
0003847	5/30/2019	[10050] WOELFL FAMILY TRUST-Office Lease June 2019	4,545.53	0.00	307,177.04
0000001	5/31/2019	Credit Card Transactions - FAA	0.00	880.04	308,057.08
<b>Total for Report:</b>			<b>162,563.67</b>	<b>166,309.98</b>	

**Antelope Valley AQMD**  
**Bank Register from 5/01/2019 to 5/31/2019**  
LA County General Fund P6A

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	5/01/2019	Interest Earned	0.00	4,748.70	2,077,103.65
0000001	5/06/2019	Daily Deposit	0.00	9,454.38	2,086,558.03
0000342	5/09/2019	Daily Deposit	0.00	17,583.72	2,104,141.75
R19-25	5/10/2019	Op Fund Rep #25	23,441.76	0.00	2,080,699.99
0000343	5/13/2019	Daily Deposit	0.00	6,586.82	2,087,286.81
	5/13/2019	Service Charge	27.00	0.00	2,087,259.81
R19-26	5/16/2019	Op Fund Rep #26	2,248.95	0.00	2,085,010.86
R19-27	5/24/2019	Op Fund Rep #27	136,666.55	0.00	1,948,344.31
0000001	5/28/2019	Daily Deposit	0.00	196,650.36	2,144,994.67
0000001	5/29/2019	Daily Deposit	0.00	761,045.54	2,906,040.21
<b>Total for Report:</b>			<b>162,384.26</b>	<b>996,069.52</b>	

**Antelope Valley AQMD**  
**Bank Register from 5/01/2019 to 5/31/2019**  
LA County AB2766 U5R

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	5/01/2019	Interest Earned	0.00	618.29	117,455.59
M19-147	5/08/2019	[10737] NAZARIAN, JASMEN-AB2766 Grant	500.00	0.00	116,955.59
M19-148	5/08/2019	[10128] REDIFER, MATTHEW-AB2766 Grant	500.00	0.00	116,455.59
M19-149	5/08/2019	[10738] JACOBS, JEFF-AB2766 Grant	500.00	0.00	115,955.59
M19-150	5/08/2019	[10739] ORELLANA, MARCELO-AB2766 Grant	500.00	0.00	115,455.59
M19-151	5/08/2019	[10740] PEPPER, SHANDRA S-AB2766 Grant	500.00	0.00	114,955.59
M19-152	5/08/2019	[10741] WILNER, BARRY-AB2766 Grant	500.00	0.00	114,455.59
M19-153	5/08/2019	[10742] OGAN, TANNER-AB2766 Grant	500.00	0.00	113,955.59
M19-154	5/08/2019	[10743] VILLALOBOS, SARA L-AB2766 Grant	1,000.00	0.00	112,955.59
M19-155	5/08/2019	[10744] WELCH, CHRISTOPHER SCOTT-AB2766 Grant	1,000.00	0.00	111,955.59
M19-156	5/08/2019	[10745] PAUL, BRIAN-AB2766 Grant	1,000.00	0.00	110,955.59
M19-157	5/28/2019	[10460] ANTELOPE VALLEY SHERIFFS BOOSTERS-AB2766 Grant	50,000.00	0.00	60,955.59
M19-158	5/28/2019	[10746] HEESS, BRIAN-AB2766 Grant	500.00	0.00	60,455.59
M19-159	5/28/2019	[10747] ELLIS, NATHANAEL-AB2766 Grant	1,000.00	0.00	59,455.59
M19-160	5/28/2019	[10748] VALLADARES, ALEC-AB2766 Grant	500.00	0.00	58,955.59
M19-161	5/28/2019	[10749] MARTEL, WILLIAM-AB2766 Grant	500.00	0.00	58,455.59
M19-162	5/28/2019	[10750] AGNEW, MIKE-AB2766 Grant	500.00	0.00	57,955.59
M19-163	5/28/2019	[10015] CITY OF PALMDALE-AB2766 Grant	6,125.00	0.00	51,830.59
<b>Total for Report:</b>			<b>65,625.00</b>	<b>618.29</b>	

**Antelope Valley AQMD**  
**Bank Register from 5/01/2019 to 5/31/2019**  
**LA County AB923**

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	5/01/2019	Interest Earned	0.00	2,816.66	1,164,027.77
M19-145	5/08/2019	[10084] ENVIRONMENTAL ENGINEERING STUDIES VAVR-AB923 Grant	6,000.00	0.00	1,158,027.77
M19-146	5/08/2019	[10084] ENVIRONMENTAL ENGINEERING STUDIES VAVR-AB923 Grant	5,000.00	0.00	1,153,027.77
<b>Total for Report:</b>			<b>11,000.00</b>	<b>2,816.66</b>	

**Antelope Valley AQMD**  
**Bank Register from 5/01/2019 to 5/31/2019**  
LA County Carl Moyer U5S

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
	5/01/2019	Interest Earned	0.00	1,770.79	333,960.31
C19-19	5/08/2019	[10084] ENVIRONMENTAL ENGINEERING STUDIES VAVR-Moyer Grant	1,727.00	0.00	332,233.31
C19-20	5/08/2019	[10084] ENVIRONMENTAL ENGINEERING STUDIES VAVR-Moyer Grant	1,527.00	0.00	330,706.31
C19-21	5/08/2019	[02256] MCWHIRTER STEEL-Moyer Grant	185,943.00	0.00	144,763.31
<b>Total for Report:</b>			<b>189,197.00</b>	<b>1,770.79</b>	

**Antelope Valley AQMD**  
**Bank Register from 5/01/2019 to 5/31/2019**  
District Cards

<u>Check/Ref</u>	<u>Date</u>	<u>Name/Description</u>	<u>Check Amount</u>	<u>Deposit Amount</u>	<u>Account Balance</u>
0000338	5/16/2019	[10069] BRET BANKS-Invoices 040719, 956	47.61	0.00	-19.72
0000339	5/16/2019	[10705] BURBANK AIRPORT PARKING-Parking CAPCOA Rural Dist Meeting	50.00	0.00	-69.72
0000340	5/16/2019	[10648] CHEVRON-Fuel District Vehicle	39.37	0.00	-109.09
0000341	5/16/2019	[10580] CUBESMART-Monthly lease payment for storage unit for long term storage of District records and documents.	139.00	0.00	-248.09
0000342	5/16/2019	[10018] ENTERPRISE RENT A CAR-Rental Vehicle CAPCO Rural Dist Meeting	180.40	0.00	-428.49
0000343	5/16/2019	[10764] HAMPTON INN & SUITES-Lodging B Banks, CAPCOA Rural Dist Meeting	152.90	0.00	-581.39
0000344	5/16/2019	[10505] HOME DEPOT-Electric Blower for the Electify Your Future event.	196.01	0.00	-777.40
0000345	5/16/2019	[10735] LOWES-Office Supplies	26.77	0.00	-804.17
0000346	5/16/2019	[10581] SAM'S CLUB-Office Supplies	45.99	0.00	-850.16
0000347	5/16/2019	[10611] SPUDNUT DONUTS-Purchase of refreshment for the April 2019 Governing Board meeting.	15.10	0.00	-865.26
0000348	5/16/2019	[10041] STAPLES INC-Office Supplies	10.94	0.00	-876.20
0000050	5/16/2019	May 2019	0.00	904.09	27.89
<b>Total for Report:</b>			<b>904.09</b>	<b>904.09</b>	

The following page(s) contain the backup material for Agenda Item: [Conduct a public hearing to consider the amendment of Rule 301 – Permit Fees: a. Open public hearing; b. Receive staff report; c. Receive public testimony; Receive public testimony; d. Close public hearing; e. Make a determination that the CEQA Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending Rule 301 and directing staff actions. Presenter: Barbara Lods, Air Quality Planner I.](#)

Please scroll down to view the backup material.



**MINUTES OF THE GOVERNING BOARD  
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT  
LANCASTER, CALIFORNIA**

*AGENDA ITEM #7*

**DATE:** July 16, 2019

**RECOMMENDATION:** Conduct a public hearing to consider the amendment of Rule 301 – *Permit Fees*: a. Open public hearing; b. Receive staff report; c. Receive public testimony; Receive public testimony; d. Close public hearing; e. Make a determination that the CEQA Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending Rule 301 and directing staff actions.

**SUMMARY:** The District’s proposed 9.5% fee increase are expected to meet 80% or \$81k of the \$102k estimated deficit related to the costs of permitting and implementing district rules and regulations; issuing air quality permits; performing facility inspections, and public complaint investigations and rule development activities. Funds from other sources including AB2766 (Motor Vehicle Registration Fee Program), State subvention funds and other sources will be used to recover the difference.

**BACKGROUND:** Rule 301 – *Permit Fees* was last amended 07/17/2018. The 07/17/2018 effective 01/01/2019 version is the current version in the AVAQMD rulebook.

To allow time to implement the proposed fee changes, the amendment of Rule 301 – *Permit Fees* is proposed to be effective on January 1, 2020.

A Notice of Exemption, Categorical Exemption (Class 8; 14 Cal. Code Reg. §15308) will be prepared by the AVAQMD for the amendment of Rule 301 pursuant to the requirements of CEQA.

**REASON FOR RECOMMENDATION:** Health & Safety Code §§40702 and 40703 require the Governing Board to hold a public hearing before adopting rules and regulation.

**REVIEW BY OTHERS:** This item was reviewed by Karen Nowak, District Counsel, Allison E. Burns, Governing Counsel and by Bret Banks, Executive Director/APCO on or about June 25, 2019.

**FINANCIAL DATA:** No increase in appropriation is anticipated.

**PRESENTER:** Barbara Lods, Air Quality Planner I.

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cc: Barbara Lods

*Antelope Valley*  
Air Quality Management District

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Draft  
Staff Report

Proposed Amendments to  
Rule 301 – *Permit Fees*

For amendment on  
July 16, 2019

43301 DIVISION ST., SUITE 206,  
LANCASTER, CALIFORNIA 93535-4649  
PHONE (661) 723-8070

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## STAFF REPORT

### Rule 301 – *Permit Fees*

#### I. PURPOSE OF STAFF REPORT

A staff report serves several discrete purposes. Its primary purpose is to provide a summary and background material to the members of the Governing Board. This allows the members of the Governing Board to be fully informed before making any required decision. It also provides the documentation necessary for the Governing Board to make any findings, which are required by law to be made prior to the approval or adoption of a document. In addition, a staff report ensures that the correct procedures and proper documentation for approval or adoption of a document have been performed. Finally, the staff report provides evidence for defense against legal challenges regarding the propriety of the approval or adoption of the document.

#### II. EXECUTIVE SUMMARY

On July 1, 1997 the Antelope Valley Air Pollution Control District (AVAPCD) was created pursuant to statute (former Health & Safety (H&S) Code §40106, A.B. 266-Knight Ch. 542, statutes of 1996) and assumed all air pollution control responsibilities from the South Coast Air Quality Management District (SCAQMD) for the area of Los Angeles County outside the South Coast Air Basin. The SCAQMD rules in effect within the jurisdiction of the AVAPCD remained in effect until the AVAPCD Governing Board superseded or amended them. On January 1, 2002 the AVAQMD was created pursuant to statute (H&S Code §41300 et seq.) to replace the AVAPCD. Once again the rules in effect at the time of the change remained in effect until the AVAQMD Governing Board superseded or amended them.

The District's proposed 9.5% fee increase are expected to meet 80% or \$81k of the \$102k estimated deficit related to the costs of permitting and implementing district rules and regulations; issuing air quality permits; performing facility inspections, and public complaint investigations and rule development activities. Funds from other sources including AB2766 (Motor Vehicle Registration Fee Program), State subvention funds and other sources will be used to recover the difference.

To allow time to implement the proposed fee changes, the amendment of Rule 301 – *Permit Fees* is proposed to be effective on January 1, 2020.

#### III. STAFF RECOMMENDATION

Staff recommends that the Governing Board of the AVAQMD adopt amendments to Rule 301 – *Permit Fees* and approve the appropriate CEQA documentation.

#### IV. LEGAL REQUIREMENTS CHECKLIST

The findings and analysis as indicated below are required for the procedurally correct amendments to Rule 301-*Permit Fees*. Each item is discussed, if applicable, in Section V below. Copies of documents are included in the appropriate Appendix.

##### **FINDINGS REQUIRED FOR RULES & REGULATIONS**

- X Necessity
- X Authority
- X Clarity
- X Consistency
  
- X Non-duplication
- X Reference
- X Public Notice & Comment
- X Public Hearing

##### **REQUIREMENTS FOR STATE IMPLEMENTATION PLAN SUBMISSION (SIP):**

- N/A Public Notice & Comment
- N/A Availability of Document
- N/A Notice to Specified Entities (State, Air Districts, USEPA, Other States)
- N/A Public Hearing
- N/A Legal Authority to adopt and implement the document.
- N/A Applicable State laws and regulations were followed.

##### **ELEMENTS OF A FEDERAL SUBMISSION**

- N/A Elements as set forth in applicable Federal law or regulations.

##### **CALIFORNIA ENVIRONMENTAL QUALITY ACT REQUIREMENTS (CEQA):**

- N/A Ministerial Action
- X Exemption
- N/A Negative Declaration
- N/A Environmental Impact Report
- X Appropriate findings, if necessary.
- X Public Notice & Comment

##### **SUPPLEMENTAL ENVIRONMENTAL ANALYSIS (RULES & REGULATIONS ONLY):**

- X Environmental impacts of compliance.
- N/A Mitigation of impacts.
- N/A Alternative methods of compliance.

##### **OTHER:**

- N/A Written analysis of existing air pollution control requirements
- X Economic Analysis
- X Public Review

## V. DISCUSSION OF LEGAL REQUIREMENTS

### A. REQUIRED ELEMENTS/FINDINGS

This section discusses the State of California statutory requirements that apply to the proposed amendments to Rule 301 – *Permit Fees*. These are actions, that need to be performed, and/or information, that must be provided in order to amend the Regulation in a procedurally correct manner.

#### 1. State Findings Required for Adoption of Rules & Regulations:

Before adopting, amending, or repealing a rule or regulation, the AVAQMD Governing Board is required to make findings of necessity, authority, clarity, consistency, non-duplication, and reference based upon relevant information presented at the hearing. The information below is provided to assist the Board in making these findings.

##### a. Necessity:

The District's proposed 9.5% fee increase are expected to meet 80% or \$81k of the \$102k estimated deficit related to the costs of permitting and implementing district rules and regulations; issuing air quality permits; performing facility inspections, and public complaint investigations and rule development activities. Funds from other sources including AB2766 (Motor Vehicle Registration Fee Program), State subvention funds and other sources will be used to recover the difference.

##### b. Authority:

The District has the authority pursuant to California Health and Safety Code (H&S Code) §40702 to adopt, amend or repeal rules and regulations. The AVAQMD also has the authority to adopt and amend annual fees for the evaluation, issuance and renewal of permits (H&S Code §§41240, 41330, 41512.7, 40711(a), 42310.5, 42311, and 42311.2), enforcement, inspections and air monitoring (H&S Code §§41240, 41330, 40701, 40715, 41512, 41512.5, 42311, 42311.2, 42707, and 42400 et seq.), planning and rule development (H&S Code §§41240, 41330, 41512.7, 40727.2 and 42311), public records act compliance ( Government Code 6253), toxic "Hot Spots" (H&S Code §§44344.4, 44380, 44381 and 17 CCR 90703) and "Title V Permitting" (40 CFR 70.9, H&S Code §§41330, 41512.7 and 42311).



c. Clarity:

The proposed amendments to Rule 301 – *Permit Fees* are clear in that they are written so that the persons subject to the rule can easily understand the meaning. Any person or organization applying for and/or holding an AVAQMD Authority to Construct (ATC) or Permit to Operate (PTO) is affected by the proposed amendments to Rule 301. This rule amendment has been developed to adjust fees to Rule 301 by 9.5% to recover the rising costs associated with issuing and enforcing both District and Federal permits.

d. Consistency:

The proposed amendment of Rule 301 – *Permit Fees* is in harmony with, and not in conflict with or contradictory to any state law or regulation, federal law or regulation, or court decisions because these laws and regulations allow for the proposed amendments to the fee rules.

e. Non-duplication:

The proposed amendment of Rule 301 – *Permit Fees* does not impose the same requirements as any existing state or federal law or regulation because H&S Code §40702 allows the District to adopt, amend or repeal rules and regulations and H&S §42311 and various other sections merely authorize the imposition of such fees but does not specify the types and amounts of fees to be imposed.

f. Reference:

AVAQMD has the authority pursuant to H&S Code §40702 to adopt, amend or repeal rules and regulations and the authority pursuant to H&S Code §42311 to adopt a schedule of annual fees.

g. Public Notice & Comment, Public Hearing:

Notice for the public hearing for the proposed amendment of Rule 301 – *Permit Fees* will be published on June 14, 2019 for the July 16, 2019 Governing Board meeting. See Appendix “B” for a copy of the public notice. See Appendix “C” for copies of comments, if any, and District responses.

2. Federal Elements (SIP Submittals, Other Federal Submittals).

Submittals to USEPA are required to include various elements depending upon the type of document submitted and the underlying federal law that requires the submittal. Rule 301 – *Permit Fees* is a fee rule and does not ordinarily require submission to USEPA. Various prior versions of Rule 301 were previously

included in the State Implementation Plan (SIP). USEPA removed these rules from the SIP on November 16, 2004 (69 FR 67062; 40 CFR 52.220(c)(137)(vii)(F)). Therefore, these rules are not required to be a federal submittal.

## B. WRITTEN ANALYSIS OF EXISTING REQUIREMENTS

H&S Code §40727.2 requires air districts to prepare a written analysis of all existing federal air pollution control requirements that apply to the same equipment or source type as the rule proposed for modification by the district. The proposed amendments to Rule 301 – *Permit Fees* only modify fees and provide minor clarification. These proposed amendments do not in themselves impose air pollution control requirements. Therefore, the preparation of a written analysis of existing pollution control requirements that apply to the same equipment or source type is not required.

## C. ECONOMIC ANALYSIS

### 1. General.

Fees are a primary revenue source that supports the District's efforts to implement and enforce the provisions of the Federal Clean Air Act (FCAA), the California Clean Air Act (CCAA) and District Rules and Regulations. Permit fee schedules reflect the expenditure required to provide analysis of applications, inspections of the regulated community, tracking the inventory of pollutants produced by the regulated industry, and enforcement of federal, state and local mandates regarding air pollution among other mandatory District functions.

### 2. Economic Analysis for Rule 301 – *Permit Fees* - .

Staff is recommending adjustment to Rule 301 – *Permit Fees* to recover the increase in the District's projected overall operating expenditures related to the costs of issuing air quality permits; performing facility inspections, public complaint investigations and rule development activities; as part of implementing district rules and regulation.

The proposed 9.5% permit fee adjustment is projected to result in an overall added cost to industry of approximately \$81,000. This amount is based on applying the proposed cost increase to fee revenue received during the 12 months April 1, 2018 to March 31, 2019, on fees derived from applications, asbestos, and operating permit fee revenues.

### 3. Incremental Cost Effectiveness.

Pursuant to H&S Code §40920.6, incremental cost effectiveness calculations are required for rules and regulations which are adopted or amended to meet the CCAA requirements for Best Available Retrofit Control Technology (BARCT) or "all feasible measures" to control volatile compounds, oxides of nitrogen or

oxides of sulfur. The proposed amendments to *Rule 301 – Permit Fees* only affect fees and rule structure, and therefore do not require this analysis.

#### D. ENVIRONMENTAL ANALYSIS (CEQA)

1. Through the process described below, it was determined that a Notice of Exemption would be the appropriate CEQA process for the proposed amendments to *Rule 301 – Permit Fees*.

a. The proposed amendments to *Rule 301 – Permit Fees* meet the CEQA definition of “project.” They are not “ministerial” actions.

b. The proposed amendments to *Rule 301 – Permit Fees* are exempt from CEQA review because they merely adjust fees and fee methodologies and there is not potential that the amendments might cause the release of additional air contaminants or create any adverse environmental impacts, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies.

#### E. SUPPLEMENTAL ENVIRONMENTAL ANALYSIS

##### 1. Potential Environmental Impacts

The proposed amendments to *Rule 301 – Permit Fees* do not have any potential environmental impacts because the amendments merely adjust fees, make minor format corrections and provide clarification. The amendments do not have any impact upon emissions of air contaminants.

##### 2. Mitigation of Impacts

N/A

##### 3. Alternative Methods of Compliance

N/A

#### F. PUBLIC REVIEW

See Staff Report Section (V)(A)(1)(g) as well as Appendix B.

### VI. TECHNICAL DISCUSSION

#### A. SOURCE DESCRIPTION

The proposed amendments will affect permit holders and applicants subject to *Rule 301 – Permit Fees*.

## B. EMISSIONS

The proposed amendments to Rule 301 – *Permit Fees* only adjust fees, and thus will have no impact on emissions.

## C. CONTROL REQUIREMENTS

The proposed amendments to Rule 301 – *Permit Fees* do not impose any control requirements.

## D. PROPOSED RULE SUMMARY

This section gives a brief overview of the proposed amendments to Rule 301 – *Permit Fees*. Only a brief summary of each section is included. Readers are encouraged to examine the *[bracketed and italicized]* notations contained in the iterated version of the rule contained in Appendix “A” for notations regarding movement and modification of specific sections and subsections.

### 1. AVAQMD Rule 301 – *Permit Fees*:

Rule 301 – *Permit Fees*, includes a 9.5% increase in most fees to recover a portion of the increase in the District’s projected overall operating expenditures related to the costs of issuing air quality permits, performing facility inspections, public complaint investigations and rule development activities, as part of implementing district rules and regulation required pursuant to the provisions of Regulation II – *Permits* and Regulation XIII – *New Source Review*.

(A)(4) is proposed for modification to reflect an effective date of January 1, 2020.

(B)(7) is being removed as term is no longer in this rule.

(D)(1)(a) has a reduced application fee

(D)(1)(a)(i) is being added to allow for a modified fee structure, rounded to the nearest dollar, for any facility subject to the Provisions of Regulation XXX - *Federal Operating Permits (Title V)*.

(D)(2)(c)(i) is proposed for modification to reflect an increase of 9.5%, rounded to the nearest dollar, added to the labor rate.

(D)(6)(b)(i) has a proposed fee adjustment of 9.5%, rounded to the nearest dollar, for the change of ownership fee .

(D)(9)(b) is proposed for a 9.5% increase, rounded to the nearest dollar, for duplicate permits.

(D)(11)(a)(i) is proposed for a 9.5% adjustment, rounded to the nearest dollar, for Emission Reduction Credit fees.

(D)(11)(a)(ii) is proposed for modification to reflect an increase of 9.5%, rounded to the nearest dollar, added to the labor rate.

(D)(11)(b) is proposed for a 9.5% adjustment, rounded to the nearest dollar, for an encumbrance or transfer of Emission Reduction Credits.

(E) is proposed for a 9.5% adjustment to all fees in this section.

## E. RULE HISTORY

Prior to July 1, 1997 the Antelope Valley was contained within the SCAQMD. On July 1, 1997 the AVAPCD replaced the SCAQMD as the agency with jurisdiction over the Los Angeles County portion of the Mojave Desert Air Basin (MDAB). On January 1, 2001 the AVAPCD was replaced by the AVAQMD. Pursuant to both statutory changes, the rule and regulations of the predecessor district were retained until the Governing Board adopted, amended or rescinded them. At the first meeting both the AVAPCD and the AVAQMD, the respective Governing Boards reaffirmed all the rules and regulations in effect at the time the agency changed.

The jurisdiction of the AVAPCD and the AVAQMD were specified in the statutes as the portion of the Los Angeles County contained within the MDAB. The MDAB was formerly known as the Southeast Desert Air Basin (SEDAB). In 1997 the SEDAB was split into the MDAB and the Salton Sea Air Basin. Descriptions of these air basins can be found in 17 Cal. Code Regs. §§60109 and 60144. Since USEPA adopts SIP revisions in California as effective within jurisdictional boundaries of local air districts, when the local air district boundaries change the SIP as approved by USEPA for that area up to the date of the change remains as the SIP in that particular area. Thus, upon creation of the AVAPCD on July 1, 1997 the AVAPCD acquired the SIP applicable to the Antelope Valley portion of the SCAQMD that was affected as of June 30, 1997. Likewise the AVAQMD acquired the SIP that was effective in the jurisdiction of the AVAPCD as of December 31, 2000. Therefore, the SIP history for this region is based upon the rules adopted, effective, and approved for the Antelope Valley by SCAQMD.

Rule 301 was originally adopted by the SCAQMD on 02/04/1977. It has been subsequently amended 05/27/77, 01/06/78, 06/16/78, 04/04/80, 09/05/80, 06/05/81, 09/09/82, 12/03/82, 06/03/83, 05/04/84, 07/06/84, 11/02/84, 12/06/85, 05/01/87, 06/03/88, 12/02/88, 01/06/89, 06/02/89, 06/01/90, 06/07/91, 12/06/91, 06/05/92, 07/10/92, 06/11/93, 10/08/93, 06/10/94, 05/12/95, 10/13/95, 05/10/96, 05/09/97, 03/17/98, 11/15/05 effective 01/01/06, 09/18/07 effective 01/01/08, 06/17/08 effective 01/01/09, 06/15/10 effective 01/01/11, 06/19/12 effective 01/01/13, 06/18/13 effective 01/01/14, 07/15/14 effective 01/01/15, 07/21/15 effective 01/01/16, 07/19/16; effective 01/01/17, 07/18/17; effective 01/01/18 and 07/17/18 effective 01/01/19. The 07/17/18 effective 01/01/19 version is the current version in the AVAQMD rulebook.

Rule 301 is proposed for amendment to adjust fees by 9.5% to ensure that the costs of issuing air quality permits; performing inspections, investigations and audits; and enforcing district rules and regulation are aligned with the reasonable regulatory costs of the permit program.

## F. PROPOSITION 26 ANALYSIS

On November 2, 2010 the California voters added Article XIIC §1(e) to the California Constitution (commonly referred to as Proposition 26). This provision added a new definition of “tax” which resulted in a variety of fees and charges imposed by local governmental entities to be subject to voter approval. The provisions also provided several exceptions to this voter approval requirement including but not limited to:

A charge imposed for a specific benefit conferred or privilege granted directly to the payer that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.

A charge imposed for a specific government service or product provided directly to the payer that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.

A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.

If a fee increase falls within one or more of these exceptions it is considered not a tax and thus not subject to voter approval.

### 1. Justification for Fee Adjustment to Rule 301 – *Permit Fees*

In general, air district permit fees would fall under this exemption so long as they are reasonably related to the costs of issuance and enforcement of the permits. A similar requirement that air district fees be reasonably related to costs of district programs is found in Health & Safety Code §42311(a) and includes language indicating that a CPI adjustment is part of a measure of the reasonable increase in district costs. In addition, the California League of Cities in its April 2011 implementation guide for Prop 26<sup>1</sup> opined that a CPI increase is part of the reasonable regulatory cost of issuing a license or permits and thus does not need voter approval.

The budget includes anticipated revenue derived from a proposed 9.5% fee increase to permit fees, and a 30% decrease to application fees. The proposed increases are expected to meet 80% or \$81k of the \$102k estimated deficit related to the costs of permitting. Funds from other sources including AB2766 (Motor Vehicle Registration Fee Program), State subvention funds and other sources will be used to recover the difference. Therefore, the proposed fee adjustment is well within the provisions of Health & Safety Code §42311(a) and falls within the exemption found in Article XIIC §1(e)(3) of the California Constitution.

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<sup>1</sup> <http://www.cacities.org/Resources-Documents/Policy-Advocacy-Section/Hot-Issues/Proposition-26-Implementation-Guide>

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APPENDIX "A"  
Rule 301 – *Permit Fees*  
Iterated Version

The iterated version is provided so that the changes to an existing rule may be easily found. The manner of differentiating text is as follows:

1. Underlined text identifies new or revised language.
2. ~~—Lined out text~~ identifies language which is being deleted.
3. Normal text identifies the current language of the current rule which will remain unchanged by the adoption of the proposed amendments.
4. *Italicized text* identifies explanatory material that is not part of the proposed language

Rule 301 – *Permit Fees*



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(Adopted: 02/04/77; Amended: 05/27/77; Amended: 01/06/78; Amended: 06/16/78; Amended: 04/04/80; Amended: 09/05/80; Amended: 06/05/81; Amended: 09/09/82; Amended: 12/03/82; Amended: 06/03/83; Amended: 05/04/84; Amended: 07/06/84; Amended: 11/02/84; Amended: 12/06/85; Amended: 05/01/87; Amended: 06/03/88; Amended: 12/02/88; Amended: 01/06/89; Amended: 06/02/89; Amended: 06/01/90; Amended: 06/07/91; Amended: 12/06/91; Amended: 06/05/92; Amended: 07/10/92; Amended: 06/11/93; Amended: 10/08/93; Amended: 06/10/94; Amended: 05/12/95; Amended: 10/13/95; Amended: 05/10/96; Amended: 05/09/97; Amended: 03/17/98; Amended: 11/15/05 effective 01/01/06; Amended: 09/18/07 effective 01/01/08; Amended: 06/17/08 effective 01/01/09; Amended: 06/15/10 effective 01/01/11; Amended: 06/19/12 effective 01/01/13; Amended 06/18/13 effective 01/01/14; Amended: 07/15/14 effective 01/01/15; Amended: 07/21/15 effective 01/01/16; Amended 07/19/16 effective 01/01/17); Amended 07/18/17, effective 01/01/18); Amended 07/17/18, effective 01/01/19; Amended xx/xx/xx, effective 01/01/20)

## RULE 301 PERMIT FEES

### (A) General

#### (1) Purpose

- (a) This rule sets forth the fees required for various permit activities required pursuant to the provisions of Regulation II – *Permits*, and Regulation XIII – *New Source Review*.

#### (2) Applicability

- (a) This rule applies to:

- (i) Any person subject to the provisions of Regulation II – *Permits*, Regulation XIII – *New Source Review*, or Regulation XVII – *Prevention of Significant Deterioration*.
- (ii) Any governmental entity.
- a. Federal, State or local governmental agencies or public districts shall pay the fees to the extent allowed pursuant to the provisions of Chapter 2, Division 7, Title 1 of the Government Code (commencing with Section 6103); Part 4, Division 26 of the Health and Safety Code (commencing with Section 41500) and Part 6, Division 26 of the Health and Safety Code (commencing with Section 44300

- (iii) Any facility subject to the Provisions of Regulation XXX – *Federal Operating Permits (Title V)*.
  - a. Any facility subject to the provisions of Regulation XXX – *Federal Operating Permits (Title V)* shall also be subject to the provisions of District Rule 312.

(3) Limitations

- (a) Revenue derived from permit fees shall be limited as required by Health and Safety Code Sections 42311, 42311.2 and 42311.5.

(4) Effective Date

- (a) The amendments to this rule adopted on ~~07/17/2018~~07/16/19 shall be effective on 01/01/~~2019~~2020.

(B) Definitions

For the purpose of this rule, the following definitions shall apply:

- (1) “Alteration Or Modification” – Any physical change, change in method of operation of, or addition to, an existing equipment requiring an application for Permit to Construct pursuant to Rule 201. Routine maintenance and/or repair shall not be considered a physical change. A change in the method of operation of equipment, unless previously limited by an enforceable permit condition, shall not include:
  - (a) An increase in the production rate, unless such increase will cause the maximum design capacity of the equipment to be exceeded; or
  - (b) An increase in the hours of operation.
- (2) “Cancellation” (or Cancel) – An administrative action taken by the District which nullifies or voids a previously pending application for a permit.
- (3) “Emission Reduction Credit” (ERC) – The amount of emissions reduction which is verified and determined by the APCO to be eligible for credit in an emissions reduction bank pursuant to District Rule 1309.
- (4) “Equipment” – Any article, machine, or other contrivance, or combination thereof, which may cause the issuance or control the issuance of air contaminants, and which:
  - (a) Requires a permit pursuant to Rules 201 and/or 203; or
  - (b) Is in operation pursuant to the provisions of Rule 219.

- (5) “Expiration” – The end of the period of validity for an application, Permit to Operate, or a temporary Permit to Operate.
- (6) “Facility” – Any source, equipment, or grouping of equipment or sources, or other air contaminant-emitting activities which are located on one or more contiguous properties within the District, in actual physical contact or separated solely by a public roadway or other public right-of-way, and are owned or operated by the same person (or persons under common control). Such above-described groupings, if on noncontiguous properties but connected only by land carrying a pipeline, shall not be considered one facility.

~~(7) “Small Business” – A business which is independently owned and operated and meets the following criteria, or if affiliated with another concern, the combined activities of both concerns shall meet these criteria:~~

~~(a) the number of employees is ten (10) or less; and~~

~~(b) the total gross annual receipts are \$500,000 or less; or~~

~~(c) not-for-profit training center.~~

~~For the purpose of qualifying for assistance offered by the District's Small Business Assistance Office only, a small business means a business with total gross annual receipts of \$5,000,000 or less, or a business with a total number of employees of 100 or less. [Definition is stated in AVAQMD Rule 102 - Definition of Terms and no longer used in this rule.]~~

~~(87) “Stationary Source” (or Source) – Any article, machine, equipment, contrivance or combination thereof which emits or has the potential to emit any regulated air pollutant and is required to have a permit pursuant to the provisions of District Rules 201, 202 and 203.~~

~~(98) “Temporary Permit to Operate” – An interim authorization to operate equipment until the Permit to Operate is granted or denied. A temporary Permit to Operate is not issued by the District but may exist pursuant to District Rule 202.~~

## (C) Requirements and Procedures

- (1) Fees, as specified herein, are required for the following activities:
- (a) Filing of a permit application.
  - (b) Evaluation of new or modified equipment and/or Facilities that may cause air pollution or equipment intended to control air pollution.
  - (c) Issuance of authority to construct(s).

- (d) Issuance of permit(s) to operate.
  - (e) Annual permit to operate renewal.
  - (f) Annual authority to construct renewal.
  - (g) Change of location or ownership of a permit.
  - (h) Alteration, modification, addition or revisions to equipment.
  - (i) Permit granted or denied by Hearing Board.
  - (j) Issuance of signed duplicate or corrected permit.
  - (k) Issuance of permit(s) for previously unpermitted or altered equipment.
  - (l) Filing of application for issuance or modification of ERCs pursuant to District Rule 1309.
  - (m) Reinstatement of a delinquent permit.
  - (n) Any fees applicable to equipment located at a facility subject to Regulation XXX – *Federal Operating Permits (Title V)*.
    - (i) Any facility subject to the provisions of Regulation XXX – *Federal Operating Permits (Title V)* shall also be subject to the provisions of District Rule 312.
- (2) Fees shall be paid when due as specified herein.
- (a) Application and Duplicate Permit Fees
    - (i) Application filing fees required pursuant to Section (D)(1) shall be submitted in conjunction with the application.
    - (ii) Fees for signed duplicate or corrected permit fees required pursuant to Section (D)(9) shall be submitted in conjunction with the request for the duplicate or corrected permit.
  - (b) Project Evaluation Fees for Complex Sources.
    - (i) Project evaluation fees for complex sources required pursuant to Section (D)(2) shall be submitted not later than thirty (30) days of written notification to the applicant that the application is subject to this fee.
    - (ii) If the applicant fails to pay the project evaluation fee for complex sources when due the APCO shall, after written notice to the applicant, cancel the application.

- (c) Initial and Annual Permit fees.
  - (i) Permit fees shall be invoiced as follows:
    - a. At least thirty (30) days before the expiration date as shown on the permit; or
    - b. In the case of an initial permit fee thirty (30) days after issuance of the permit or the due date on the invoice produced after issuance of the permit, whichever is later.
  - (ii) The permit owner/operator or applicant will be notified by First Class mail, postage prepaid, of the amount to pay and the due date of the invoice.
  - (iii) If the fee is not paid on or before the due date of the invoice the permit shall become delinquent on the due date of the invoice or expiration date on the permit, whichever occurs first, and shall no longer be valid.
  - (iv) If the applicable fees remain unpaid, within thirty (30) days after the due date of the invoice or expiration date of the permit, whichever occurs first, the owner/operator or applicant shall be notified in writing by first class mail, postage prepaid:
    - a. That the permit has become delinquent for non-payment of fees and is no longer valid; and
    - b. The consequences of continuing to construct or operate with an invalid permit.
  - (v) If, after notification, the permit remains delinquent for more than three (3) months, the permit shall become inactive in the District's records.

(3) Reinstatement of Permits

- (a) A permit which is delinquent but has not become inactive may be reinstated by payment in full of all outstanding fees, fines and penalties, including but not limited to other fees imposed pursuant to District Regulation III and fines or penalties imposed pursuant to the provisions of Article 3, Chapter 4, Part 4 of Division 26 of the Health and Safety Code (commencing with section 42400).

(4) Inactive Permits

- (a) A permit which has become inactive is null and void. The equipment which was the subject of the inactive permit may be permitted again by the District so long as the owner/operator submits a new permit application. Such new permit application will be processed as if the equipment was an entirely new unit requiring a permit.

(5) Refunds

- (a) No claim for refund for any fee required by this rule shall be honored unless:
    - (i) For initial permit fees, such claim is submitted within ninety (90) days after the permit was issued.
    - (ii) For renewal permit fees, such claim is submitted within ninety (90) days after the prior permit expiration date.
  - (b) Refunds shall be pro-rated for the period between the date the request is received or prior permit expiration date, whichever is applicable, and the current permit expiration date.
  - (c) Fees established as surcharges are not refundable and are assessed in addition to the schedules established for permit fees. Surcharges are assessed and applicable as specified herein.
  - (d) The application filing fee set forth in section (D)(1) is non-refundable.
- (6) Pro-rated fees
- (a) The APCO may pro-rate any of the following fees excluding any applicable filing fee:
    - (i) Initial Permit Fee;
    - (ii) Annual Permit to Operate Renewal Fee;
    - (iii) Permit to Construct Renewal Fee;
    - (iv) Alteration, Modification, Addition or Revision Fees.
  - (b) Pro-rated fees shall be calculated based upon the fees and fee schedule in effect on the date of issuance of the permit to which the fees apply.
  - (c) Fees shall be pro-rated for the period between the date of the issuance of the affected permit and the expiration of the permit.
- (7) Service Charge for Returned Checks
- (a) Any person who submits a check to the District on insufficient funds or on instructions to stop payment on the check, absent an overcharge or other legal entitlement to withhold payment, shall be subject to a \$25.00 service charge.
- (8) Credit Card Payments
- (a) If any person wishes to pay using a credit card the person shall also pay any costs imposed by the company processing the credit card transaction.

**(D) Fees**

301-6

**AVAQMD Rule 301**  
 Permit Fees  
 D1a, 06/18/19

(1) Application Filing Fee

- (a) ~~Except as otherwise provided, a~~Any person who applies for the issuance of a new or modified permit shall be assessed a fee of \$500.00, except for:as follows:

- ~~(i) \$690.00 for any Small Business application, or;~~  
(ii) Any facility subject to the Provisions of Regulation XXX – Federal Operating Permits (Title V) shall be assessed a fee of \$759.00\$31.00. [rounded to the nearest dollar]

~~for all other applications.~~  
[This fee is being adjusted to align fees with surrounding Districts. ]

This application filing fee shall be submitted with the application.

- (b) The application filing fee is non-refundable and shall not be applied to any subsequent application.
- (c) Applications shall not be accepted unless they are accompanied by the application filing fee.

(2) Project Evaluation Fee for Complex Sources

- (a) Any person who submits an application which is related to projects to construct or modify any of the following, shall be assessed a project evaluation fee for complex sources.
- (i) Equipment associated with landfills;
  - (ii) Equipment associated with resource recovery projects;
  - (iii) Equipment associated with energy cogeneration projects;
  - (iv) Equipment associated with electrical power plants;
  - (v) Other permit units subject to the provisions of District Rule 1303(B);
  - (vi) Emissions of hazardous and toxic material requiring a Health Risk Assessment pursuant to District Rule 1401(E)(3) or a Case-By-Case MACT determination pursuant to District Rule 1401(F)(2) and/or waste disposal or treatment facilities;
  - (vii) Any facility requiring a permit under Regulation XVII – *Prevention of Significant Deterioration*; and
  - (viii) Any other permit units where the APCO or his or her designee has determined that an analysis required pursuant to these Rules or Regulations would require over twenty-four (24) hours of staff time to complete.



- (b) A deposit of \$6,500.00 to be applied toward the project evaluation fee for complex sources shall be paid within 30 days of written notification by the District that the application is subject to this fee.
  - (c) The project evaluation fee for complex sources shall be based on the District's total actual and reasonable labor time and other reasonable expenses for the evaluation required to develop a permit to construct and/or permit to operate.
    - (i) This fee shall be calculated at a labor rate of ~~\$158~~173.00 per hour plus actual expenses.
    - (ii) The fee shall accrue and be applied against the deposit.
    - (iii) Should the District's costs as calculated pursuant to subsection (i) above not exceed the deposit; the remainder of the deposit will be returned to the applicant.
    - (iv) Should the District's costs as calculated pursuant to subsection (i) above exceed the deposit the excess will be billed to the applicant.
      - a. The applicant shall be notified, in writing, of the amount of any such excess fee and the due date for payment of the fee.
      - b. An accounting of costs and written notice to the applicant shall be issued to the applicant at least quarterly.
  - (d) Actual expenses of the District include consultant services which are engaged by the District for the purpose of project evaluations. When project evaluations are performed for the District under such a contract, the applicant will be assessed fees for the actual total and reasonable costs incurred by the District staff to oversee, review and approve the evaluation as well as the actual cost to the District of the contractor evaluation.
  - (e) Actual expenses of the District include project notice fees which are incurred on behalf of project public notices.
  - (f) The provisions of Section (C)(2) do not apply to this fee. If the applicant fails to pay the project evaluation fee for complex sources when due the APCO shall, after written notice to the applicant, cancel the application.
- (3) Initial Permit Fee
- (a) Except as otherwise provided in this Rule, any person who applies for a new or modified permit shall, upon notification that the application has been approved, be assessed the initial permit fee for the issuance of a permit to construct or permit to operate in the amount prescribed in schedules set forth in section (E)(1).

- (i) For applications containing mutually exclusive alternative construction scenarios the APCO may, upon written request of the applicant, assess an alternate initial permit fee. Such alternate initial permit fee shall not be less than the highest initial permit fee for any single alternative scenario set forth in the application and shall not be more than the sum of the initial permit fees for all alternative scenarios set forth in the application.
  - (b) After the provisions for granting permits as set forth in Division 26 of the Health and Safety Code and these Rules and Regulations have been complied with, the applicant shall be notified, in writing, of the amount of the fee to be paid as the initial permit fee.
    - (i) Notice may be given by personal service or by mail, postage prepaid.
- (4) Annual Permit to Operate Renewal Fee
  - (a) Permits to operate shall be annually renewable, upon payment of fees.
  - (b) The annual permit to operate renewal fee shall be calculated pursuant to the schedules set forth in section (E)(1).
  - (c) The annual permit to operate renewal fee shall be invoiced as specified in Section (C)(2)(c) above.
- (5) Permit to Construct Renewal Fee
  - (a) Authorities to construct may be renewed, upon payment of fees, pursuant to the provisions of District Rule 201.
  - (b) The authority to construct renewal fee shall be calculated pursuant to the schedules set forth in section (E)(1).
    - (i) For applications containing mutually exclusive alternative construction scenarios the APCO may, upon written request of the applicant, assess an alternate authority to construct renewal fee. Such alternate authority to construct renewal fee shall not be less than the highest authority to construct renewal fee for any single alternative scenario set forth in the application and shall not be more than the sum of the authority to construct renewal fees for all alternative scenarios set forth in the application.
  - (c) Authorities to construct may only be renewed for two (2) years after the initial date of issuance, unless the application is canceled or an extension of time pursuant to the provisions of District Rule 205 has been granted by the APCO.

- (d) The authority to construct renewal fee shall be invoiced as specified in Section (C)(2)(c) above.
  - (e) When construction is completed prior to the expiration of the authority to construct, the authority to construct may thereupon act as a temporary permit to operate pursuant to the provisions of District Rule 202. The residual fee for the authority to construct, calculated as a pro-rated fee for the period between the completion of construction and the expiration date of the permit, shall be applied to a pro-rated initial permit fee for the same period. Any positive difference between the residual fee and the pro-rated initial permit fee shall be invoiced as set forth in Section (C)(2).
- (6) Change of Location or Ownership Fees
- (a) Permits, pursuant to the provisions of District Rule 209, are only valid for the location specified in the permit.
    - (i) Any person who applies for a permit requesting a change in the location of equipment included on a currently valid permit shall request in writing a change of location for the equipment and may be assessed an initial permit fee if the change in location also creates additional alteration(s), modification(s), addition(s) or revision(s) in either the subject permit or other permits at the same facility.
    - (ii) The person will be notified by mail, postage prepaid, of the amount of the initial permit fee due as a result of the change of location and the due date for payment of the fee.
    - (iii) The APCO or his or her designee may, upon the applicant's written request, waive the initial permit fee.
  - (b) Permits, pursuant to the provisions of District Rule 209, are only valid as to the person named on the permit.
    - (i) Any person who applies for a permit requesting a change of ownership of equipment included on a currently valid permit shall be assessed a transfer fee of \$~~266~~291.00 for each permit being transferred from one person to another.
    - (ii) The filing fee set forth in Section (D)(1) are waived for applications solely requesting a change of ownership
    - (iii) The transfer fee for applications solely requesting a change of ownership is due at the time the application is filed.
  - (c) Any person submitting an application for a permit requesting a change of location and/or change of ownership which also requests alterations, additions or revisions to the permit shall be assessed either the fees set forth in this Section or in Section (D)(7) whichever is greater.

- (7) Alteration, Modification, Addition or Revision Fees
- (a) Any person who applies for a permit requesting alterations, modifications, additions, or revisions of the permit resulting from a change to equipment included on a currently valid permit shall be assessed an application filing fee pursuant to Section (D)(1) and a permit revision fee.
  - (b) The permit revision fee shall be calculated as follows:
    - (i) The initial permit fee for a permit which includes the alteration, addition or revision minus the previous years annual permit to operate renewal fee pro-rated for the period between the date of issuance for the permit containing the alteration addition or revisions and the original permit(s) expiration date.
  - (c) The permit revision fee shall be invoiced as set forth in Section (C)(2)(c)(i).
  - (d) Any person submitting an application for a permit requesting a change of location and/or change of ownership which also requests alterations, additions or revisions to the permit shall be assessed either the fees set forth in this Section or in Section (D)(6) whichever is greater.
- (8) Fees Applicable when Permit Granted or Denied by Hearing Board
- (a) If a permit is granted by the Hearing Board after denial of an application by the APCO or after the application has been deemed denied pursuant to District Rule 215, the applicant shall be assessed the appropriate fees set forth in this Rule.
  - (b) The applicant shall be notified, in writing, of the amount of the fee and the due date for payment of the fee.
  - (c) Previously paid fees are not refundable if the Hearing Board denies the issuance of a permit which was granted by the APCO.
- (9) Signed Duplicate or Corrected Permit Fees
- (a) A request for a signed duplicate permit or for administrative corrections to a permit shall be made in writing by the permit holder.
  - (b) The permit holder may be assessed a fee of ~~\$132~~145.00 for issuing each signed duplicate or corrected permit.
  - (c) The fee for a signed duplicate or corrected permit is due at the time the permit is requested.

- (10) Previously Unpermitted or Altered Equipment Fee.
- (a) When equipment is built, erected, installed, altered, or replaced (except for identical replacement) without the owner or operator obtaining a permit to construct in accordance with Rule 201, the owner or operator shall be assessed a previously unpermitted equipment fee.
  - (b) The previously unpermitted equipment fee shall be calculated as fifty percent (50%) of all applicable permit fees which would have been required for each year of unpermitted activity, plus the full amount of all applicable permit fees for the year immediately preceding the year when the permit to operate is granted.
  - (c) The unpermitted equipment fee is due when the permit to operate is granted.
  - (d) The assessment of an unpermitted equipment fee shall not limit the District's right to pursue any other remedy provided for by law.
  - (e) The provisions of this subsection shall not apply if a permit is required solely due to a change in Rule 219.
  - (f) The APCO may waive the unpermitted equipment fee for good cause upon the written application of the person assessed the fee.
- (11) Fees for Issuance of Emission Reduction Credits
- (a) Any person submitting an application for Emission Reduction Credits pursuant to District Rule 1309 shall pay the following fees:
    - (i) An initial application fee of ~~\$790865~~.00 for each application submitted.
    - (ii) An analysis fee based upon the actual and reasonable labor time in excess of ten (10) hours labor billed at the rate of ~~\$158173~~.00 per hour.
    - (iii) The actual cost of publication of notice if such is required pursuant to District Rule 1309.
  - (b) Any person submitting a document effecting an encumbrance or transfer of Emission Reduction Credits pursuant to District Rule 1309 shall pay a fee of ~~\$158173~~.00 for each document submitted.
- (12) Reinstatement Fee for a Delinquent Permit
- (a) Any person who applies for delinquent permit reinstatement pursuant to the provisions of subsection (C)(3)(a) shall be assessed a fee equal to the amount of all outstanding fees, fines and penalties for the particular unit

that is the subject of the permit and an initial permit fee for that unit for the current year.

(E) Schedules for Fees

- (1) Initial Permit and Annual Permit to Operate Renewal and Authority to Construct Renewal Fees.
  - (a) Any Equipment or Process subject to the provisions of this rule shall be assigned a fee classification based upon the equipment and/or process type as set forth in Table 1 of this rule.
  - (b) Any Equipment or Process subject to the provisions of this rule which is not otherwise listed in Table 1 of this rule shall be assigned fee classification B.
  - (c) All applicable fees shall be assessed pursuant to the fee classifications listed in Table 1 according to the following schedule:

<b>Equipment/Process Classification</b>	<b>Fee Amount</b>
Classification A	<del>\$440.02</del> <u>481.82</u>
Classification B	<del>\$1,575.92</del> <u>1,725.63</u>
Classification C	<del>\$3,780.41</del> <u>4,139.55</u>
Electrical Generating Equipment (non-emergency) rated 100,000,000 Btu/hr and less	<del>\$5,239.30</del> <u>5,737.03</u> plus <del>\$124.97</del> <u>136.84</u> per each 1,000,000 Btu/hr
Electrical Generating Equipment (non-emergency) rated greater than 100,000,000 Btu/hr	<del>\$14,545.09</del> <u>15,926.87</u> plus <del>\$31.87</del> <u>34.90</u> per each 1,000,000 Btu/hr
Nozzles (Rule 461)	<del>\$47.60</del> <u>52.12</u> per product/per nozzle

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**Table 1  
Equipment/Process Classifications**

<b>Equipment</b>	<b>Classification A</b>	<b>Classification B</b>	<b>Classification C</b>
<b>Basic Process Systems including ancillary equipment</b>	Any Abrasive Blasting; Anodizing; Blending; Chemical (no toxics, hazardous) Milling; Cooling Tower; Any Degreaser; Deposition Ceramics; Dry Cleaning; Etching; Film Cleaner; Grinder; Ink Mfg; Laundry; Liquid Container Filling; Packaging; Polystyrene Extrusion; Polyurethane Mfg; Refrigerant Handling and/or Processing; Smoke Generator; Soldering; Stripping; Vacuum Metallurgy	Adhesives; Air Stripper; Ammonia Process; Asphalt Process; Auto Body Shredding; Battery Charging/Mfg; Chemical (toxics, hazardous) Milling; Degreaser; Plastic/Resins Handling; Soil Vapor Extraction; Vacuum Generator; Any process not otherwise listed under any category	Landfill Gas Treatment; Liquid Hazardous Waste Processing; LPG Distiller
<b><u>Other Processes</u></b>			
<b>Bulk and Crustal Material Handling</b>	Aggregate Conveying, Loading and/or Unloading; Bulk Chemical Terminal; Green Waste Screening; Paper Conveying; Weigh Station	Aggregate Production; Concrete Batch Plant; Concrete/Asphalt Crushing; Other Conveying; Loading/unloading; Other Screening; Soil Treatment	All others including Asphalt Batch Plant
<b>Coating including Printing and Coating Within Spray Booths</b>	Asphalt/Tar Pot; Asphaltic; Can/Coil; Any Dip Tank; Fabric; Film; Flow; Paper; Printing Press, IR/UV Over, Air Dry or Screen; Roller; Spray; Stereolithography; Striping; Tablet	Asphalt Saturator; Printing Press Other; Spraying Resin/Gel Coat; Wood	
<b>Feed/Food Preparation and Handling</b>	Charbroiler with integral control; Feed Handling; Restaurant Charbroiler	Bakery Oven; Charbroiler no integral control; Feed Processing	All others
<b>Fuel Handling and Storage</b>	Bulk Loading/Unloading <50,000 gpd; Fuel Oil; LPG; Spill Sump Tank; Waste Oil; Railcar unloading to Truck; Tank with no controls	Aircraft Fueling; Bulk Loading/Unloading Rack 50,000 to <200,000 gpd; Fuel Gas Mixer; Hydrant Fueling; Natural Gas Odorizer; Toxics or Hazardous Storage Tank; Fixed Roof Tank; Tank with control system; LPG Tank with Vaporizing System; LPG Tank Truck Loading; LPG Treatment	Bulk Loading/Unloading Rack 200,000+ gpd; Gasoline Blending Plant; All others



**Table 1  
Equipment/Process Classifications**

<b><u>Equipment</u></b>	<b><u>Classification A</u></b>	<b><u>Classification B</u></b>	<b><u>Classification C</u></b>
<b>Incinerators</b>		Crematory	All others
<b>Sewage, Stormwater, Wastewater and Water Treatment</b>	<10,000 gpd; Fluid Elimination; Landfill Condensate/Leachate Collection/Storage	10,000 to <50,000 gpd; Up to 5 million gpd sewage treatment; Aeration; Groundwater treatment; Landfill Gas Collection; Sewage sludge composting; Sludge Handling	All others
<b>Storage, Non-Fuel</b>	Asphalt <50,000 gal; Baker-Type; Dry Material; Sump Tank; Tank with control; Tank with sparging	Aqueous Ammonia; Asphalt 50,000+ gal; Catalyst	
<b><u>Air Pollution Control Devices</u></b>			
<b>Afterburner</b>	Non-catalytic; no more than one MMBtu per hour (supplemental fuel); single source	All others (including boilers and incinerators)	
<b>Biofilter</b>	No more than 100 cfm	All others	
<b>Carbon Absorber/Adsorber</b>	single source no toxics	All others (non-regenerating)	All others
<b>Catalytic Reduction</b>	Non-selective	Selective	
<b>Dust Control including Baghouses and Cyclones</b>	No more than 500 ft <sup>2</sup> of filter area; all cyclones and settling chambers; All negative air machines	More than 500 ft <sup>2</sup> of filter area; Any size hot baghouse (special filter material)	
<b>Electrostatic Precipitators (ESP)</b>	Less than 3000 cfm or any extruder or any restaurant	All others	
<b>Flares</b>	Portable	All others	Enclosed landfill/digester gas
<b>Scrubbers and/or Mist Control including Sparging</b>	No toxics, NO <sub>x</sub> or SO <sub>x</sub> control and single source and single stage; or for acid or any restaurant or any sparger	All others, including Ultraviolet Oxidation	

**Table 1  
Equipment/Process Classifications**

<b><u>Equipment</u></b>	<b><u>Classification A</u></b>	<b><u>Classification B</u></b>	<b><u>Classification C</u></b>
<b>Sterilizers</b>	Hospital ethylene oxide	All others	
<b>Vapor Control</b>		All	
<b><i>Fuel Burning Equipment (Not Cogeneration or Generating Electricity Equipment Other Than Emergency Equipment)</i></b>			
<b>Autoclaves; Chillers; Distiller; Dryers, Furnaces, Heaters, Kilns, Ovens, Roasters, Stills</b>	<5 MMBtu/hr; Glass Furnace less than one tpd pull; Laundry; Metal Recovery; Non-Organics Dryer; Non-Toxics Evaporator; Pavement Heater	5 to <50 MMBtu/hr; Arc; Burn-Off; Catalyzed Metal Recovery; Chip Dryer; Cupola; Curing Oven with toxics/hazardous; Electric; Evaporator (Toxics); Frit; Galvanizing; Glass Furnace one to <50 tpd pull; Organics Dryer; Pot/Crucible; Natural Gas Kiln; Reveratory	All others
<b>Boilers</b>	<5 MMBtu/hr	5 to <50 MMBtu/hr; Up to 10 MMBtu landfill or digester gas	All others
<b>Reciprocating Internal Combustion Engines</b>	<500 hp; 500+ hp Emergency	All others	
<b>Turbines</b>	<0.3 MW(e) Emergency	0.3+ MW(e) Emergency; <50 MW(e) not on Landfill or Digester Gas	All others
<b>Cogeneration and Electrical Generating Equipment (including Duct Burners)</b> Equipment under this category shall be assessed a permit renewal fee calculated based on design maximum fuel consumption of the equipment expressed in British thermal units per hour, using gross heating value (See (E)(1)(c))			
<b>Nozzles (Rule 461)</b> Permits subject to District Rule 461 shall be assessed a single permit renewal fee calculated as follows: the number of fuel dispensing nozzles multiplied by the number of products dispensed through each nozzle at the facility.			

**Table 1**  
**Equipment/Process Classifications**

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APPENDIX "B"  
PUBLIC NOTICE DOCUMENTS

1. Draft Notice of Public Hearing – Antelope Valley Press 06/14/2019

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**NOTICE OF HEARING  
NOTICE OF AVAILABILITY OF DRAFT RULE AND PUBLIC HEARING REGARDING  
PROPOSED AMENDMENTS TO  
RULE 301 – PERMIT FEES**

**NOTICE IS HEARBY GIVEN** that the Governing Board of the Antelope Valley Air Quality Management District (AVAQMD) will conduct a public hearing on July 16, 2019 at 10:00 A.M. regarding proposed amendments to Rule 301 – *Permit Fees* to comply with the requirements of Health & Safety Code §42311(e).

The District's proposed 9.5% fee increase are expected to meet 80% or \$81k of the \$102k estimated deficit related to the costs of permitting and implementing district rules and regulations; issuing air quality permits; performing facility inspections, and public complaint investigations and rule development activities. Funds from other sources including AB2766 (Motor Vehicle Registration Fee Program), State subvention funds and other sources will be used to recover the difference.

To allow time to implement the proposed fee changes in the computerized billing system, this amendment is proposed to be effective on January 1, 2020.

**SAID HEARING** will be conducted in the Governing Board Chambers located at the AVAQMD offices, 43301 Division Street, Suite 206, Lancaster, CA 93535-4649 where all interested persons may be present and be heard. Copies of the proposed amendment on Rule 301 – *Permit Fees* and the Staff Report are posted on the AVAQMD website at [www.avaqmd.ca.gov](http://www.avaqmd.ca.gov) and are also available at the AVAQMD Office at 43301 Division Street Avenue, Suite 206, Lancaster, CA 93535. Written comments may be submitted to Bret Banks, APCO at the above office address, and should be received no later than July 15, 2019 to be considered.

If you have any questions you may contact Barbara Lods at (661) 723-8070 x23 or via E-mail at [blods@avaqmd.ca.gov](mailto:blods@avaqmd.ca.gov) for further information. Traducción esta disponible por solicitud.

Pursuant to the California Environmental Quality Act (CEQA) the AVAQMD has determined that a Categorical Exemption (Class 8 – 14 Cal. Code Reg §15308) applies and has prepared a Notice of Exemption for this action.

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**NOTICE OF AVAILABILITY OF DRAFT RULE AND PUBLIC HEARING REGARDING  
PROPOSED AMENDMENTS TO  
RULE 302 – OTHER FEES**

**NOTICE IS HEARBY GIVEN** that the Governing Board of the Antelope Valley Air Quality Management District (AVAQMD) will conduct a public hearing on July 16, 2019 at 10:00 A.M. regarding proposed amendments to Rule 302 – *Other Fees* to comply with the requirements of Health & Safety Code §42311(e).

The proposed amendments to Rule 302 are necessary to require facilities subject to California Business and Professional Code Division 10 – Commercial to submit a Compliance Plan and impose a fee per square foot (less the square footage designated for common use area and processing area containing permitted equipment) to mitigate expenditures related to implementing and enforcing the provisions of Health & Safety Code Division 26 and applicable District Rules and Regulations; reviewing and issuing B&P Division 10 Compliance Plan(s); performing facility inspections, and investigating public concerns and complaints

The proposed fee change is proposed to be effective immediately.

**SAID HEARING** will be conducted in the Governing Board Chambers located at the AVAQMD offices, 43301 Division Street, Suite 206, Lancaster, CA 93535-4649 where all interested persons may be present and be heard. Copies of the proposed amendment on Rule 302 – *Other Fees* and the Staff Report are posted on the AVAQMD website at [www.avaqmd.ca.gov](http://www.avaqmd.ca.gov) and are also available at the AVAQMD Office at 43301 Division Street Avenue, Suite 206, Lancaster, CA 93535. Written comments may be submitted to Bret Banks, APCO at the above office address, and should be received no later than July 15, 2019 to be considered.

If you have any questions you may contact Barbara Lods at (661) 723-8070 x23 or via E-mail at [blods@avaqmd.ca.gov](mailto:blods@avaqmd.ca.gov) for further information. Traducción esta disponible por solicitud.

Pursuant to the California Environmental Quality Act (CEQA) the AVAQMD has determined that a Categorical Exemption (Class 8 – 14 Cal. Code Reg §15308) applies and has prepared a Notice of Exemption for this action.

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APPENDIX "C"  
PUBLIC COMMENTS AND RESPONSES

None received to date.



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APPENDIX "D"  
CALIFORNIA ENVIRONMENTAL QUALITY ACT  
DOCUMENTATION

1. Notice of Exemption (Draft) – Los Angeles County

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**NOTICE OF EXEMPTION**

**TO:** Los Angeles County Clerk  
12400 E. Imperial Hwy, #1001  
Norwalk, CA 90650

**FROM:** Antelope Valley  
Air Quality Management District  
43301 Division Street, Suite 206  
Lancaster, CA 93535-4649

X AVAQMD Clerk of the Governing Board

**PROJECT TITLE:** Amendment of Rule 301 – *Permit Fees*

**PROJECT LOCATION – SPECIFIC:** Los Angeles County portion of the Mojave Desert Air Basin.

**PROJECT LOCATION – COUNTY:** Los Angeles County

**DESCRIPTION OF PROJECT:** The District’s proposed 9.5% fee increase is expected to meet 80% or \$81k of the \$102k estimated deficit related to the costs of permitting and implementing district rules and regulations; issuing air quality permits; performing facility inspections, and public complaint investigations and rule development activities. Funds from other sources including AB2766 (Motor Vehicle Registration Fee Program), State subvention funds and other sources will be used to recover the difference.

To allow time to implement the proposed fee changes in the computerized billing system, this amendment is proposed to be effective on January 1, 2020.

**NAME OF PUBLIC AGENCY APPROVING PROJECT:** Antelope Valley AQMD

**NAME OF PERSON OR AGENCY CARRYING OUT PROJECT:** Antelope Valley AQMD

**EXEMPT STATUS (CHECK ONE)**

Ministerial (Pub. Res. Code §21080(b)(1); 14 Cal Code Reg. §15268)

Emergency Project (Pub. Res. Code §21080(b)(4); 14 Cal Code Reg. §15269(b))

X Categorical Exemption – Class 8 (14 Cal Code Reg. §15308)

**REASONS WHY PROJECT IS EXEMPT:** The proposed amendments to Rule 301 – Permit Fees are exempt from CEQA review because they merely adjust fees and fee methodologies and there is not potential that the amendments might cause the release of additional air contaminants or create any adverse environmental impacts, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies.

**LEAD AGENCY CONTACT PERSON:** Bret Banks **PHONE:** (661) 723-8070

**SIGNATURE:** \_\_\_\_\_

**TITLE:** Executive Director/APCO **DATE:** July 16, 2019

**DATE RECEIVED FOR FILING:**

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## APPENDIX "E" BIBLIOGRAPHY

The following documents were consulted in the preparation of this staff report and the proposed amendments to Rule 301 – *Permit Fees*:

1. AVAQMD Proposed Budget for Fiscal Year 2019-20

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(Adopted: 02/04/77; Amended: 05/27/77; Amended: 01/06/78; Amended: 06/16/78; Amended: 04/04/80; Amended: 09/05/80; Amended: 06/05/81; Amended: 09/09/82; Amended: 12/03/82; Amended: 06/03/83; Amended: 05/04/84; Amended: 07/06/84; Amended: 11/02/84; Amended: 12/06/85; Amended: 05/01/87; Amended: 06/03/88; Amended: 12/02/88; Amended: 01/06/89; Amended: 06/02/89; Amended: 06/01/90; Amended: 06/07/91; Amended: 12/06/91; Amended: 06/05/92; Amended: 07/10/92; Amended: 06/11/93; Amended: 10/08/93; Amended: 06/10/94; Amended: 05/12/95; Amended: 10/13/95; Amended: 05/10/96; Amended: 05/09/97; Amended: 03/17/98; Amended: 11/15/05 effective 01/01/06; Amended: 09/18/07 effective 01/01/08; Amended: 06/17/08 effective 01/01/09; Amended: 06/15/10 effective 01/01/11; Amended: 06/19/12 effective 01/01/13; Amended 06/18/13 effective 01/01/14; Amended: 07/15/14 effective 01/01/15; Amended: 07/21/15 effective 01/01/16; Amended 07/19/16 effective 01/01/17); Amended 07/18/17, effective 01/01/18); Amended 07/17/18, effective 01/01/19; Amended 07/16/19, effective 01/01/20)

## RULE 301 PERMIT FEES

### (A) General

#### (1) Purpose

- (a) This rule sets forth the fees required for various permit activities required pursuant to the provisions of Regulation II – *Permits*, and Regulation XIII – *New Source Review*.

#### (2) Applicability

- (a) This rule applies to:
  - (i) Any person subject to the provisions of Regulation II – *Permits*, Regulation XIII – *New Source Review*, or Regulation XVII – *Prevention of Significant Deterioration*.
  - (ii) Any governmental entity.
    - a. Federal, State or local governmental agencies or public districts shall pay the fees to the extent allowed pursuant to the provisions of Chapter 2, Division 7, Title 1 of the Government Code (commencing with Section 6103); Part 4, Division 26 of the Health and Safety Code (commencing with Section 41500) and Part 6, Division 26 of the Health and Safety Code (commencing with Section 44300)
  - (iii) Any facility subject to the Provisions of Regulation XXX – *Federal Operating Permits (Title V)*.



- a. Any facility subject to the provisions of Regulation XXX – *Federal Operating Permits (Title V)* shall also be subject to the provisions of District Rule 312.

(3) Limitations

- (a) Revenue derived from permit fees shall be limited as required by Health and Safety Code Sections 42311, 42311.2 and 42311.5.

(4) Effective Date

- (a) The amendments to this rule adopted on 07/16/19 shall be effective on 01/01/2020.

(B) Definitions

For the purpose of this rule, the following definitions shall apply:

- (1) “Alteration Or Modification” – Any physical change, change in method of operation of, or addition to, an existing equipment requiring an application for Permit to Construct pursuant to Rule 201. Routine maintenance and/or repair shall not be considered a physical change. A change in the method of operation of equipment, unless previously limited by an enforceable permit condition, shall not include:
  - (a) An increase in the production rate, unless such increase will cause the maximum design capacity of the equipment to be exceeded; or
  - (b) An increase in the hours of operation.
- (2) “Cancellation” (or Cancel) – An administrative action taken by the District which nullifies or voids a previously pending application for a permit.
- (3) “Emission Reduction Credit” (ERC) – The amount of emissions reduction which is verified and determined by the APCO to be eligible for credit in an emissions reduction bank pursuant to District Rule 1309.
- (4) “Equipment” – Any article, machine, or other contrivance, or combination thereof, which may cause the issuance or control the issuance of air contaminants, and which:
  - (a) Requires a permit pursuant to Rules 201 and/or 203; or
  - (b) Is in operation pursuant to the provisions of Rule 219.
- (5) “Expiration” – The end of the period of validity for an application, Permit to Operate, or a temporary Permit to Operate.

- (6) “Facility” – Any source, equipment, or grouping of equipment or sources, or other air contaminant-emitting activities which are located on one or more contiguous properties within the District, in actual physical contact or separated solely by a public roadway or other public right-of-way, and are owned or operated by the same person (or persons under common control). Such above-described groupings, if on noncontiguous properties but connected only by land carrying a pipeline, shall not be considered one facility.
- (7) “Stationary Source” (or Source) – Any article, machine, equipment, contrivance or combination thereof which emits or has the potential to emit any regulated air pollutant and is required to have a permit pursuant to the provisions of District Rules 201, 202 and 203.
- (8) “Temporary Permit to Operate” – An interim authorization to operate equipment until the Permit to Operate is granted or denied. A temporary Permit to Operate is not issued by the District but may exist pursuant to District Rule 202.

### (C) Requirements and Procedures

- (1) Fees, as specified herein, are required for the following activities:
  - (a) Filing of a permit application.
  - (b) Evaluation of new or modified equipment and/or Facilities that may cause air pollution or equipment intended to control air pollution.
  - (c) Issuance of authority to construct(s).
  - (d) Issuance of permit(s) to operate.
  - (e) Annual permit to operate renewal.
  - (f) Annual authority to construct renewal.
  - (g) Change of location or ownership of a permit.
  - (h) Alteration, modification, addition or revisions to equipment.
  - (i) Permit granted or denied by Hearing Board.
  - (j) Issuance of signed duplicate or corrected permit.
  - (k) Issuance of permit(s) for previously unpermitted or altered equipment.
  - (l) Filing of application for issuance or modification of ERCs pursuant to District Rule 1309.
  - (m) Reinstatement of a delinquent permit.

- (n) Any fees applicable to equipment located at a facility subject to Regulation XXX – *Federal Operating Permits (Title V)*.
  - (i) Any facility subject to the provisions of Regulation XXX – *Federal Operating Permits (Title V)* shall also be subject to the provisions of District Rule 312.
- (2) Fees shall be paid when due as specified herein.
  - (a) Application and Duplicate Permit Fees
    - (i) Application filing fees required pursuant to Section (D)(1) shall be submitted in conjunction with the application.
    - (ii) Fees for signed duplicate or corrected permit fees required pursuant to Section (D)(9) shall be submitted in conjunction with the request for the duplicate or corrected permit.
  - (b) Project Evaluation Fees for Complex Sources.
    - (i) Project evaluation fees for complex sources required pursuant to Section (D)(2) shall be submitted not later than thirty (30) days of written notification to the applicant that the application is subject to this fee.
    - (ii) If the applicant fails to pay the project evaluation fee for complex sources when due the APCO shall, after written notice to the applicant, cancel the application.
  - (c) Initial and Annual Permit fees.
    - (i) Permit fees shall be invoiced as follows:
      - a. At least thirty (30) days before the expiration date as shown on the permit; or
      - b. In the case of an initial permit fee thirty (30) days after issuance of the permit or the due date on the invoice produced after issuance of the permit, whichever is later.
    - (ii) The permit owner/operator or applicant will be notified by First Class mail, postage prepaid, of the amount to pay and the due date of the invoice.
    - (iii) If the fee is not paid on or before the due date of the invoice the permit shall become delinquent on the due date of the invoice or expiration date on the permit, whichever occurs first, and shall no longer be valid.
    - (iv) If the applicable fees remain unpaid, within thirty (30) days after the due date of the invoice or expiration date of the permit, whichever occurs first, the owner/operator or applicant shall be notified in writing by first class mail, postage prepaid:
      - a. That the permit has become delinquent for non-payment of fees and is no longer valid; and

- b. The consequences of continuing to construct or operate with an invalid permit.
- (v) If, after notification, the permit remains delinquent for more than three (3) months, the permit shall become inactive in the District's records.

(3) Reinstatement of Permits

- (a) A permit which is delinquent but has not become inactive may be reinstated by payment in full of all outstanding fees, fines and penalties, including but not limited to other fees imposed pursuant to District Regulation III and fines or penalties imposed pursuant to the provisions of Article 3, Chapter 4, Part 4 of Division 26 of the Health and Safety Code (commencing with section 42400).

(4) Inactive Permits

- (a) A permit which has become inactive is null and void. The equipment which was the subject of the inactive permit may be permitted again by the District so long as the owner/operator submits a new permit application. Such new permit application will be processed as if the equipment was an entirely new unit requiring a permit.

(5) Refunds

- (a) No claim for refund for any fee required by this rule shall be honored unless:
  - (i) For initial permit fees, such claim is submitted within ninety (90) days after the permit was issued.
  - (ii) For renewal permit fees, such claim is submitted within ninety (90) days after the prior permit expiration date.
- (b) Refunds shall be pro-rated for the period between the date the request is received or prior permit expiration date, whichever is applicable, and the current permit expiration date.
- (c) Fees established as surcharges are not refundable and are assessed in addition to the schedules established for permit fees. Surcharges are assessed and applicable as specified herein.
- (d) The application filing fee set forth in section (D)(1) is non-refundable.

(6) Pro-rated fees

- (a) The APCO may pro-rate any of the following fees excluding any applicable filing fee:
  - (i) Initial Permit Fee;
  - (ii) Annual Permit to Operate Renewal Fee;

- (iii) Permit to Construct Renewal Fee;
    - (iv) Alteration, Modification, Addition or Revision Fees.
  - (b) Pro-rated fees shall be calculated based upon the fees and fee schedule in effect on the date of issuance of the permit to which the fees apply.
  - (c) Fees shall be pro-rated for the period between the date of the issuance of the affected permit and the expiration of the permit.
- (7) Service Charge for Returned Checks
- (a) Any person who submits a check to the District on insufficient funds or on instructions to stop payment on the check, absent an overcharge or other legal entitlement to withhold payment, shall be subject to a \$25.00 service charge.
- (8) Credit Card Payments
- (a) If any person wishes to pay using a credit card the person shall also pay any costs imposed by the company processing the credit card transaction.

**(D) Fees**

- (1) Application Filing Fee
- (a) Any person who applies for the issuance of a new or modified permit shall be assessed a fee of \$500.00, except for:
    - (i) Any facility subject to the Provisions of Regulation XXX – *Federal Operating Permits (Title V)* shall be assessed a fee of \$831.00.

This application filing fee shall be submitted with the application.
  - (b) The application filing fee is non-refundable and shall not be applied to any subsequent application.
  - (c) Applications shall not be accepted unless they are accompanied by the application filing fee.
- (2) Project Evaluation Fee for Complex Sources
- (a) Any person who submits an application which is related to projects to construct or modify any of the following, shall be assessed a project evaluation fee for complex sources.
    - (i) Equipment associated with landfills;
    - (ii) Equipment associated with resource recovery projects;
    - (iii) Equipment associated with energy cogeneration projects;
    - (iv) Equipment associated with electrical power plants;

- (v) Other permit units subject to the provisions of District Rule 1303(B);
  - (vi) Emissions of hazardous and toxic material requiring a Health Risk Assessment pursuant to District Rule 1401(E)(3) or a Case-By-Case MACT determination pursuant to District Rule 1401(F)(2) and/or waste disposal or treatment facilities;
  - (vii) Any facility requiring a permit under Regulation XVII – *Prevention of Significant Deterioration*; and
  - (viii) Any other permit units where the APCO or his or her designee has determined that an analysis required pursuant to these Rules or Regulations would require over twenty-four (24) hours of staff time to complete.
- (b) A deposit of \$6,500.00 to be applied toward the project evaluation fee for complex sources shall be paid within 30 days of written notification by the District that the application is subject to this fee.
- (c) The project evaluation fee for complex sources shall be based on the District's total actual and reasonable labor time and other reasonable expenses for the evaluation required to develop a permit to construct and/or permit to operate.
- (i) This fee shall be calculated at a labor rate of \$173.00 per hour plus actual expenses.
  - (ii) The fee shall accrue and be applied against the deposit.
  - (iii) Should the District's costs as calculated pursuant to subsection (i) above not exceed the deposit; the remainder of the deposit will be returned to the applicant.
  - (iv) Should the District's costs as calculated pursuant to subsection (i) above exceed the deposit the excess will be billed to the applicant.
    - a. The applicant shall be notified, in writing, of the amount of any such excess fee and the due date for payment of the fee.
    - b. An accounting of costs and written notice to the applicant shall be issued to the applicant at least quarterly.
- (d) Actual expenses of the District include consultant services which are engaged by the District for the purpose of project evaluations. When project evaluations are performed for the District under such a contract, the applicant will be assessed fees for the actual total and reasonable costs incurred by the District staff to oversee, review and approve the evaluation as well as the actual cost to the District of the contractor evaluation.
- (e) Actual expenses of the District include project notice fees which are incurred on behalf of project public notices.
- (f) The provisions of Section (C)(2) do not apply to this fee. If the applicant fails to pay the project evaluation fee for complex sources when due the APCO shall, after written notice to the applicant, cancel the application.

(3) Initial Permit Fee

- (a) Except as otherwise provided in this Rule, any person who applies for a new or modified permit shall, upon notification that the application has been approved, be assessed the initial permit fee for the issuance of a permit to construct or permit to operate in the amount prescribed in schedules set forth in section (E)(1).
  - (i) For applications containing mutually exclusive alternative construction scenarios the APCO may, upon written request of the applicant, assess an alternate initial permit fee. Such alternate initial permit fee shall not be less than the highest initial permit fee for any single alternative scenario set forth in the application and shall not be more than the sum of the initial permit fees for all alternative scenarios set forth in the application.
- (b) After the provisions for granting permits as set forth in Division 26 of the Health and Safety Code and these Rules and Regulations have been complied with, the applicant shall be notified, in writing, of the amount of the fee to be paid as the initial permit fee.
  - (i) Notice may be given by personal service or by mail, postage prepaid.

(4) Annual Permit to Operate Renewal Fee

- (a) Permits to operate shall be annually renewable, upon payment of fees.
- (b) The annual permit to operate renewal fee shall be calculated pursuant to the schedules set forth in section (E)(1).
- (c) The annual permit to operate renewal fee shall be invoiced as specified in Section (C)(2)(c) above.

(5) Permit to Construct Renewal Fee

- (a) Authorities to construct may be renewed, upon payment of fees, pursuant to the provisions of District Rule 201.
- (b) The authority to construct renewal fee shall be calculated pursuant to the schedules set forth in section (E)(1).
  - (i) For applications containing mutually exclusive alternative construction scenarios the APCO may, upon written request of the applicant, assess an alternate authority to construct renewal fee. Such alternate authority to construct renewal fee shall not be less than the highest authority to construct renewal fee for any single alternative scenario set forth in the application and shall not be more than the sum of the authority to construct renewal fees for all alternative scenarios set forth in the application.

- (c) Authorities to construct may only be renewed for two (2) years after the initial date of issuance, unless the application is canceled or an extension of time pursuant to the provisions of District Rule 205 has been granted by the APCO.
  - (d) The authority to construct renewal fee shall be invoiced as specified in Section (C)(2)(c) above.
  - (e) When construction is completed prior to the expiration of the authority to construct, the authority to construct may thereupon act as a temporary permit to operate pursuant to the provisions of District Rule 202. The residual fee for the authority to construct, calculated as a pro-rated fee for the period between the completion of construction and the expiration date of the permit, shall be applied to a pro-rated initial permit fee for the same period. Any positive difference between the residual fee and the pro-rated initial permit fee shall be invoiced as set forth in Section (C)(2).
- (6) Change of Location or Ownership Fees
- (a) Permits, pursuant to the provisions of District Rule 209, are only valid for the location specified in the permit.
    - (i) Any person who applies for a permit requesting a change in the location of equipment included on a currently valid permit shall request in writing a change of location for the equipment and may be assessed an initial permit fee if the change in location also creates additional alteration(s), modification(s), addition(s) or revision(s) in either the subject permit or other permits at the same facility.
    - (ii) The person will be notified by mail, postage prepaid, of the amount of the initial permit fee due as a result of the change of location and the due date for payment of the fee.
    - (iii) The APCO or his or her designee may, upon the applicant's written request, waive the initial permit fee.
  - (b) Permits, pursuant to the provisions of District Rule 209, are only valid as to the person named on the permit.
    - (i) Any person who applies for a permit requesting a change of ownership of equipment included on a currently valid permit shall be assessed a transfer fee of \$291.00 for each permit being transferred from one person to another.
    - (ii) The filing fee set forth in Section (D)(1) are waived for applications solely requesting a change of ownership
    - (iii) The transfer fee for applications solely requesting a change of ownership is due at the time the application is filed.



- (c) Any person submitting an application for a permit requesting a change of location and/or change of ownership which also requests alterations, additions or revisions to the permit shall be assessed either the fees set forth in this Section or in Section (D)(7) whichever is greater.
- (7) Alteration, Modification, Addition or Revision Fees
- (a) Any person who applies for a permit requesting alterations, modifications, additions, or revisions of the permit resulting from a change to equipment included on a currently valid permit shall be assessed an application filing fee pursuant to Section (D)(1) and a permit revision fee.
  - (b) The permit revision fee shall be calculated as follows:
    - (i) The initial permit fee for a permit which includes the alteration, addition or revision minus the previous years annual permit to operate renewal fee pro-rated for the period between the date of issuance for the permit containing the alteration addition or revisions and the original permit(s) expiration date.
  - (c) The permit revision fee shall be invoiced as set forth in Section (C)(2)(c)(i).
  - (d) Any person submitting an application for a permit requesting a change of location and/or change of ownership which also requests alterations, additions or revisions to the permit shall be assessed either the fees set forth in this Section or in Section (D)(6) whichever is greater.
- (8) Fees Applicable when Permit Granted or Denied by Hearing Board
- (a) If a permit is granted by the Hearing Board after denial of an application by the APCO or after the application has been deemed denied pursuant to District Rule 215, the applicant shall be assessed the appropriate fees set forth in this Rule.
  - (b) The applicant shall be notified, in writing, of the amount of the fee and the due date for payment of the fee.
  - (c) Previously paid fees are not refundable if the Hearing Board denies the issuance of a permit which was granted by the APCO.
- (9) Signed Duplicate or Corrected Permit Fees
- (a) A request for a signed duplicate permit or for administrative corrections to a permit shall be made in writing by the permit holder.
  - (b) The permit holder may be assessed a fee of \$145.00 for issuing each signed duplicate or corrected permit.
  - (c) The fee for a signed duplicate or corrected permit is due at the time the permit is requested.

- (10) Previously Unpermitted or Altered Equipment Fee.
- (a) When equipment is built, erected, installed, altered, or replaced (except for identical replacement) without the owner or operator obtaining a permit to construct in accordance with Rule 201, the owner or operator shall be assessed a previously unpermitted equipment fee.
  - (b) The previously unpermitted equipment fee shall be calculated as fifty percent (50%) of all applicable permit fees which would have been required for each year of unpermitted activity, plus the full amount of all applicable permit fees for the year immediately preceding the year when the permit to operate is granted.
  - (c) The unpermitted equipment fee is due when the permit to operate is granted.
  - (d) The assessment of an unpermitted equipment fee shall not limit the District's right to pursue any other remedy provided for by law.
  - (e) The provisions of this subsection shall not apply if a permit is required solely due to a change in Rule 219.
  - (f) The APCO may waive the unpermitted equipment fee for good cause upon the written application of the person assessed the fee.
- (11) Fees for Issuance of Emission Reduction Credits
- (a) Any person submitting an application for Emission Reduction Credits pursuant to District Rule 1309 shall pay the following fees:
    - (i) An initial application fee of \$865.00 for each application submitted.
    - (ii) An analysis fee based upon the actual and reasonable labor time in excess of ten (10) hours labor billed at the rate of \$173.00 per hour.
    - (iii) The actual cost of publication of notice if such is required pursuant to District Rule 1309.
  - (b) Any person submitting a document effecting an encumbrance or transfer of Emission Reduction Credits pursuant to District Rule 1309 shall pay a fee of \$173.00 for each document submitted.
- (12) Reinstatement Fee for a Delinquent Permit
- (a) Any person who applies for delinquent permit reinstatement pursuant to the provisions of subsection (C)(3)(a) shall be assessed a fee equal to the amount of all outstanding fees, fines and penalties for the particular unit that is the subject of the permit and an initial permit fee for that unit for the current year.

(E) Schedules for Fees

- (1) Initial Permit and Annual Permit to Operate Renewal and Authority to Construct Renewal Fees.
  - (a) Any Equipment or Process subject to the provisions of this rule shall be assigned a fee classification based upon the equipment and/or process type as set forth in Table 1 of this rule.
  - (b) Any Equipment or Process subject to the provisions of this rule which is not otherwise listed in Table 1 of this rule shall be assigned fee classification B.
  - (c) All applicable fees shall be assessed pursuant to the fee classifications listed in Table 1 according to the following schedule:

<b>Equipment/Process Classification</b>	<b>Fee Amount</b>
Classification A	\$481.82
Classification B	\$1,725.63
Classification C	\$4,139.55
Electrical Generating Equipment (non-emergency) rated 100,000,000 Btu/hr and less	\$5,737.03 plus \$136.84 per each 1,000,000 Btu/hr
Electrical Generating Equipment (non-emergency) rated greater than 100,000,000 Btu/hr	\$15,926.87 plus \$34.90 per each 1,000,000 Btu/hr
Nozzles (Rule 461)	\$52.12 per product/per nozzle

[SIP: Not SIP. ]

**Table 1  
Equipment/Process Classifications**

<b>Equipment</b>	<b>Classification A</b>	<b>Classification B</b>	<b>Classification C</b>
<b>Basic Process Systems including ancillary equipment</b>	Any Abrasive Blasting; Anodizing; Blending; Chemical (no toxics, hazardous) Milling; Cooling Tower; Any Degreaser; Deposition Ceramics; Dry Cleaning; Etching; Film Cleaner; Grinder; Ink Mfg; Laundry; Liquid Container Filling; Packaging; Polystyrene Extrusion; Polyurethane Mfg; Refrigerant Handling and/or Processing; Smoke Generator; Soldering; Stripping; Vacuum Metalling	Adhesives; Air Stripper; Ammonia Process; Asphalt Process; Auto Body Shredding; Battery Charging/Mfg; Chemical (toxics, hazardous) Milling; Degreaser; Plastic/Resins Handling; Soil Vapor Extraction; Vacuum Generator; Any process not otherwise listed under any category	Landfill Gas Treatment; Liquid Hazardous Waste Processing; LPG Distiller
<b><i>Other Processes</i></b>			
<b>Bulk and Crustal Material Handling</b>	Aggregate Conveying, Loading and/or Unloading; Bulk Chemical Terminal; Green Waste Screening; Paper Conveying; Weigh Station	Aggregate Production; Concrete Batch Plant; Concrete/Asphalt Crushing; Other Conveying; Loading/unloading; Other Screening; Soil Treatment	All others including Asphalt Batch Plant
<b>Coating including Printing and Coating Within Spray Booths</b>	Asphalt/Tar Pot; Asphaltic; Can/Coil; Any Dip Tank; Fabric; Film; Flow; Paper; Printing Press, IR/UV Over, Air Dry or Screen; Roller; Spray; Stereolithography; Striping; Tablet	Asphalt Saturator; Printing Press Other; Spraying Resin/Gel Coat; Wood	
<b>Feed/Food Preparation and Handling</b>	Charbroiler with integral control; Feed Handling; Restaurant Charbroiler	Bakery Oven; Charbroiler no integral control; Feed Processing	All others
<b>Fuel Handling and Storage</b>	Bulk Loading/Unloading <50,000 gpd; Fuel Oil; LPG; Spill Sump Tank; Waste Oil; Railcar unloading to Truck; Tank with no controls	Aircraft Fueling; Bulk Loading/Unloading Rack 50,000 to <200,000 gpd; Fuel Gas Mixer; Hydrant Fueling; Natural Gas Odorizer; Toxics or Hazardous Storage Tank; Fixed Roof Tank; Tank with control system; LPG Tank with Vaporizing System; LPG Tank Truck Loading; LPG Treatment	Bulk Loading/Unloading Rack 200,000+ gpd; Gasoline Blending Plant; All others

**Table 1  
Equipment/Process Classifications**

<b>Equipment</b>	<b>Classification A</b>	<b>Classification B</b>	<b>Classification C</b>
<b>Incinerators</b>		Crematory	All others
<b>Sewage, Stormwater, Wastewater and Water Treatment</b>	<10,000 gpd; Fluid Elimination; Landfill Condensate/Leachate Collection/Storage	10,000 to <50,000 gpd; Up to 5 million gpd sewage treatment; Aeration; Groundwater treatment; Landfill Gas Collection; Sewage sludge composting; Sludge Handling	All others
<b>Storage, Non-Fuel</b>	Asphalt <50,000 gal; Baker-Type; Dry Material; Sump Tank; Tank with control; Tank with sparging	Aqueous Ammonia; Asphalt 50,000+ gal; Catalyst	
<b><u>Air Pollution Control Devices</u></b>			
<b>Afterburner</b>	Non-catalytic; no more than one MMBtu per hour (supplemental fuel); single source	All others (including boilers and incinerators)	
<b>Biofilter</b>	No more than 100 cfm	All others	
<b>Carbon Absorber/Adsorber</b>	single source no toxics	All others (non-regenerating)	All others
<b>Catalytic Reduction</b>	Non-selective	Selective	
<b>Dust Control including Baghouses and Cyclones</b>	No more than 500 ft <sup>2</sup> of filter area; all cyclones and settling chambers; All negative air machines	More than 500 ft <sup>2</sup> of filter area; Any size hot baghouse (special filter material)	
<b>Electrostatic Precipitators (ESP)</b>	Less than 3000 cfm or any extruder or any restaurant	All others	
<b>Flares</b>	Portable	All others	Enclosed landfill/digester gas
<b>Scrubbers and/or Mist Control including Sparging</b>	No toxics, NOx or SOx control and single source and single stage; or for acid or any restaurant or any sparger	All others, including Ultraviolet Oxidation	

**Table 1  
Equipment/Process Classifications**

<b>Equipment</b>	<b>Classification A</b>	<b>Classification B</b>	<b>Classification C</b>
<b>Sterilizers</b>	Hospital ethylene oxide	All others	
<b>Vapor Control</b>		All	
<b><i>Fuel Burning Equipment (Not Cogeneration or Generating Electricity Equipment Other Than Emergency Equipment)</i></b>			
<b>Autoclaves; Chillers; Distiller; Dryers, Furnaces, Heaters, Kilns, Ovens, Roasters, Stills</b>	<5 MMBtu/hr; Glass Furnace less than one tpd pull; Laundry; Metal Recovery; Non-Organics Dryer; Non- Toxics Evaporator; Pavement Heater	5 to <50 MMBtu/hr; Arc; Burn-Off; Catalyzed Metal Recovery; Chip Dryer; Cupola; Curing Oven with toxics/hazardous; Electric; Evaporator (Toxics); Frit; Galvanizing; Glass Furnace one to <50 tpd pull; Organics Dryer; Pot/Crucible; Natural Gas Kiln; Reverbatory	All others
<b>Boilers</b>	<5 MMBtu/hr	5 to <50 MMBtu/hr; Up to 10 MMBtu landfill or digester gas	All others
<b>Reciprocating Internal Combustion Engines</b>	<500 hp; 500+ hp Emergency	All others	
<b>Turbines</b>	<0.3 MW(e) Emergency	0.3+ MW(e) Emergency; <50 MW(e) not on Landfill or Digester Gas	All others
<b>Cogeneration and Electrical Generating Equipment (including Duct Burners)</b> Equipment under this category shall be assessed a permit renewal fee calculated based on design maximum fuel consumption of the equipment expressed in British thermal units per hour, using gross heating value (See (E)(1)(c))			
<b>Nozzles (Rule 461)</b> Permits subject to District Rule 461 shall be assessed a single permit renewal fee calculated as follows: the number of fuel dispensing nozzles multiplied by the number of products dispensed through each nozzle at the facility.			

**RESOLUTION \_\_\_\_\_**

**A RESOLUTION OF THE GOVERNING BOARD OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT MAKING FINDINGS, CERTIFYING THE NOTICE OF EXEMPTION, AMENDING RULE 301 – PERMIT FEES AND DIRECTING STAFF ACTIONS.**

On July 16, 2019, on motion by Member \_\_\_\_\_, seconded by Member \_\_\_\_\_, and carried, the following resolution is adopted:

**WHEREAS**, the Antelope Valley Air Quality Management District (AVAQMD) has authority pursuant to California Health and Safety Code (H & S Code) §§40702, 40725-40728 to adopt, amend or repeal rules and regulations; and

**WHEREAS**, on July 1, 1997 the Antelope Valley Air Pollution Control District (AVAPCD) was created pursuant to statute (former Health & Safety (H&S) Code §40106, A.B. 266-Knight Ch. 542, statutes of 1996) and assumed all air pollution control responsibilities from the South Coast Air Quality Management District (SCAQMD) for the area of Los Angeles County outside the South Coast Air Basin; and

**WHEREAS**, the SCAQMD rules in effect within the jurisdiction of the AVAPCD remained in effect until the AVAPCD Governing Board superseded or amended them; and

**WHEREAS**, on January 1, 2002 the AVAQMD was created pursuant to statute (H&S Code §41300 et seq.) to replace the AVAPCD; and

**WHEREAS**, once again the rules in effect at the time of the change remained in effect until the AVAQMD Governing Board superseded or amended them; and

**WHEREAS**, the District’s proposed 9.5% fee increase are expected to meet 80% or \$81k of the \$102k estimated deficit related to the costs of permitting and implementing district rules and regulations; issuing air quality permits; performing facility inspections, and public complaint investigations and rule development activities; and

**WHEREAS**, Funds from other sources including AB2766 (Motor Vehicle Registration Fee Program), State subvention funds and other sources will be used to recover the difference; and

**WHEREAS**, a Public hearing on the proposed fee adjustment was held on July 16, 2019, and

//

//

**RESOLUTION \_\_\_\_\_**

1           **WHEREAS**, proposed amended Rule 301 has been made available for public comments, and  
2 appropriate notice was published on June 14, 2019 in compliance with the 30-day notice and comment  
3 period requirement; and

4           **WHEREAS**, to allow time to implement the proposed fee changes, the amendment of Rule 301 –  
5 *Permit Fees* is proposed to be effective on January 1, 2020

6           **WHEREAS**, the proposed amendments to Rule 301 are clear in that the meaning can be easily  
7 understood by the persons impacted by the rule; and

8           **WHEREAS**, the proposed amendments to Rule 301 are in harmony with, and not in conflict with,  
9 or contradictory to existing statutes, court decisions, or state or federal regulations because these laws and  
10 regulations allow for the proposed amendments to the fee rules; and

11           **WHEREAS**, the proposed amendment of Rule 301 does not impose the same requirements as any  
12 existing state or federal regulation because H&S Code §40702 allows the District to adopt, amend or  
13 repeal rules and regulations, and H&S Code §42311 and various other sections merely authorize the  
14 imposition of such fees but do not specify the types and amounts of fees to be imposed; and

15           **WHEREAS**, the proposed fee increase will recover the increase projected for expenditures related  
16 to the costs of the permitting program and implementing district rules and regulations; issuing air quality  
17 permits; performing facility inspections, and public complaint investigations and rule development  
18 activities.; and

19           **WHEREAS**, a public hearing has been properly noticed and conducted, pursuant to H & S Code  
20 §40725, concerning the proposed amendments to Rule 301; and

21           **WHEREAS**, a Notice of Exemption, a Categorical Exemption (Class 8, 14 CCR §15308) for the  
22 proposed amendments to Rule 301, completed in compliance with the California Environmental Quality  
23 Act (CEQA), has been presented to the AVAQMD Board; each member having reviewed, considered and  
24 approved the information contained therein prior to acting on the proposed amendments to Rule 301, and  
25 the AVAQMD Board having determined that the proposed amendments will not have any potential for  
26 resulting in any adverse impact upon the environment; and

27           **WHEREAS**, the Board of the AVAQMD has considered the evidence presented at the public  
28 hearing; and



**RESOLUTION \_\_\_\_\_**

1           **NOW, THEREFORE, BE IT RESOLVED**, that the Governing Board of the AVAQMD finds  
2 that the proposed amendments to Rule 301 – *Permit Fees* are necessary, authorized, clear, consistent, non-  
3 duplicative and properly referenced; and

4           **BE IT FURTHER RESOLVED**, that the Governing Board of the AVAQMD hereby makes a  
5 finding that the Class 8 Categorical Exemption (14 CCR §15308) applies and certifies the Notice of  
6 Exemption for the proposed amendments to Rule 301 – *Permit Fees*; and

7           **BE IT FURTHER RESOLVED**, that the Board of the AVAQMD does hereby adopt, pursuant to  
8 the authority granted by law, the proposed amendments to Rule 301 – *Permit Fees* as set forth in the  
9 attachments to this resolution and incorporated herein by this reference; and

10           **BE IT FURTHER RESOLVED**, that this resolution shall take effect immediately upon adoption,  
11 that the Clerk of the Board is directed to file the Notice of Exemption in compliance with the provisions  
12 of CEQA.

13 **PASSED, APPROVED AND ADOPTED** by the Governing Board of the Antelope Valley Air Quality  
14 Management District by the following vote:

15 AYES:                   MEMBER:  
16 NOES:                   MEMBER:  
17 ABSENT:               MEMBER:  
18 ABSTAIN:              MEMBER:

19  
20 STATE OF CALIFORNIA            )  
21 COUNTY OF LOS ANGELES        )           SS:  
22    )

23           I, Deanna Hernandez, Senior Executive Analyst of the Governing Board of the Antelope Valley Air Quality  
24 Management District, hereby certify the foregoing to be a full, true and correct copy of the record of the action as  
the same appears in the Official Minutes of said Governing Board at its meeting of July 16, 2019.

25 \_\_\_\_\_  
26 Senior Executive Analyst  
27 Antelope Valley Air Quality Management District.  
28

The following page(s) contain the backup material for Agenda Item: [Conduct a public hearing to consider the amendment of Rule 302 – Other Fees: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the CEQA Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending Rule 302 and directing staff actions. Presenter: Barbara Lods, Air Quality Planner I.](#)

Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD  
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT  
LANCASTER, CALIFORNIA**

*AGENDA ITEM #8*

**PAGE 1**

**DATE:** July 16, 2019

**RECOMMENDATION:** Conduct a public hearing to consider the amendment of Rule 302 – *Other Fees*: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Make a determination that the CEQA Categorical Exemption applies; f. Waive reading of Resolution; g. Adopt Resolution making appropriate findings, certifying the Notice of Exemption, amending Rule 302 and directing staff actions.

**SUMMARY:** The proposed amendments to Rule 302 *Other Fees* are necessary to require facilities subject to California Business and Professional Code Division 10 – Commercial to submit a Compliance Plan and impose a fee per square foot (less the square footage designated for common use area and processing area containing permitted equipment) to mitigate expenditures related to implementing and enforcing the provisions of Health & Safety Code Division 26 and applicable District Rules and Regulations; reviewing and issuing B&P Division 10 Compliance Plan(s); performing facility inspections, and investigating public concerns and complaints.

**BACKGROUND:** Rule 302 – *Other Fees* was last amended July 18, 2017. The July 18, 2017 effective January 1, 2018 version is the current version in the AVAQMD rulebook.

The proposed fee changes to Rule 302 – *Other Fees* is proposed to be effective upon amendment.

A Notice of Exemption, Categorical Exemption (Class 8; 14 Cal. Code Reg. §15308) will be prepared by the AVAQMD for the amendment of Rule 302 pursuant to the requirements of CEQA.

**REASON FOR RECOMMENDATION:** Health & Safety Code §§40702 and 40703 require the Governing Board to hold a public hearing before adopting rules and regulation.

**REVIEW BY OTHERS:** This item was reviewed by Karen Nowak, District Counsel, Allison E. Burns, Special Counsel and by Bret Banks, Executive Director/APCO on or about June 25, 2019.

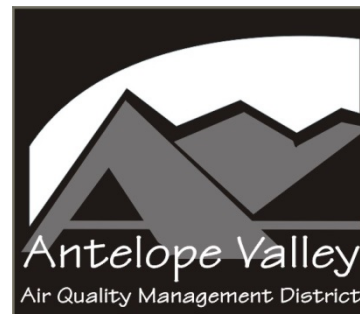
**FINANCIAL DATA:** No increase in appropriation is anticipated.

**PRESENTER:** Barbara Lods, Air Quality Planner I.

cc: Barbara Lods

*Antelope Valley*  
Air Quality Management District

---



Draft  
Staff Report

Proposed Amendments to  
Rule 302 – *Other Fees*

For amendment on  
July 16, 2019

43301 DIVISION ST., SUITE 206,  
LANCASTER, CALIFORNIA 93535-4649  
PHONE (661) 723-8070

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## STAFF REPORT

### Rule 302 – *Other Fees*

#### I. PURPOSE OF STAFF REPORT

A staff report serves several discrete purposes. Its primary purpose is to provide a summary and background material to the members of the Governing Board. This allows the members of the Governing Board to be fully informed before making any required decision. It also provides the documentation necessary for the Governing Board to make any findings, which are required by law to be made prior to the approval or adoption of a document. In addition, a staff report ensures that the correct procedures and proper documentation for approval or adoption of a document have been performed. Finally, the staff report provides evidence for defense against legal challenges regarding the propriety of the approval or adoption of the document.

#### II. EXECUTIVE SUMMARY

On July 1, 1997 the Antelope Valley Air Pollution Control District (AVAPCD) was created pursuant to statute (former Health & Safety (H&S) Code §40106, A.B. 266-Knight Ch. 542, statutes of 1996) and assumed all air pollution control responsibilities from the South Coast Air Quality Management District (SCAQMD) for the area of Los Angeles County outside the South Coast Air Basin. The SCAQMD rules in effect within the jurisdiction of the AVAPCD remained in effect until the AVAPCD Governing Board superseded or amended them. On January 1, 2002 the AVAQMD was created pursuant to statute (H&S Code §41300 et seq.) to replace the AVAPCD. Once again the rules in effect at the time of the change remained in effect until the AVAQMD Governing Board superseded or amended them. AVAQMD Rule 302 was retitled *Other Fees* and consolidated provisions of Rules 304, 304.1, 305, 306, 307, 307.1 and 309 into one rule on 7/21/15. Rule 302 was last amended on 07/18/17 effective 01/01/18.

The District is proposing to add a California Business & Professions Code Division 10 Compliance Plan (B&P Div. 10 Compliance Plan) and impose a fee per square foot (less the square footage designated for common use area and processing area containing permitted equipment). The requirements will apply to any facility that is regulated under California Business and Professions Code- Division 10 and will be in addition to the requirement to obtain a permit for any otherwise permissible equipment. This fee will mitigate expenditures related to the costs of implementing and enforcing the provisions of Health & Safety Code Division 26 and applicable District Rules and Regulations; reviewing and issuing B&P Division 10 Compliance Plan(s); performing facility inspections, and investigating public concerns and complaints.

As of January 1, 2018, the state of California allowed licensing of cannabis operations. The amendment to Rule 302 is needed to address the impact of this newly regulated industry in this within District. The City of Lancaster currently has eight (8) state licensed indoor cannabis facilities that hold 33 state licenses. At this time, the District is unaware of any licensed facilities within the City of Palmdale and unincorporated Los Angeles County within the District boundaries. If at any time the City of Palmdale or the unincorporated area of Los Angeles County allow business regulated under California Business and Professions Code- Division 10, they will be subject to all rules and regulations



within the AVAQMD area. It has been repeatedly shown in other areas that the production and processing done by facilities regulated under Division 10 of the California Business & Professions Code face challenges in controlling the impacts of their operation on air quality. Problems have been observed, including but not limited to, odorous emissions and nuisance impacts arising from the operations as well as unknown amounts of Volatile Organic Compound emissions and the potential use of materials which may cause emissions of Toxic Air Contaminants (TAC). The amendment to Rule 302 will require the submittal of a B&P Div. 10 Compliance Plan to help mitigate those impacts. The Plan will require, among other information, a 24 hour contact with the ability to facilitate corrective action to immediately mitigate any compliance concerns that may arise. The fee associated with the required Plan, as calculated, are based on estimated time for staff to review the submitted Plan, perform facility inspections, investigate public concerns and complaints and annually update and verify compliance with the Plan information. Staff will reevaluate the cost analysis each year to ensure the fee is reasonable and accurate in relation to the amount of time spent on each facility.

A Public hearing on the proposed fee will be held on 07/16/19 to receive comment from members of industry and the general public. Proposed amended Rule 302 has been made available for public comments, and appropriate notice was published on 06/14/19 in compliance with the 30-day notice and comment period requirement.

This amendment of Rule 302 – *Other Fees* will be implemented immediately upon adoption.

### III. STAFF RECOMMENDATION

Staff recommends that the Governing Board of the AVAQMD adopt amendments to Rule 302 – *Other Fees* and approve the appropriate CEQA documentation.

#### IV. LEGAL REQUIREMENTS CHECKLIST

The findings and analysis as indicated below are required for the procedurally correct amendments to Rule 302-*Other Fees*. Each item is discussed, if applicable, in Section V below. Copies of documents are included in the appropriate Appendix.

##### **FINDINGS REQUIRED FOR RULES & REGULATIONS**

- X Necessity
- X Authority
- X Clarity
- X Consistency
  
- X Non-duplication
- X Reference
- X Public Notice & Comment
- X Public Hearing

##### **REQUIREMENTS FOR STATE IMPLEMENTATION PLAN SUBMISSION (SIP):**

- N/A Public Notice & Comment
- N/A Availability of Document
- N/A Notice to Specified Entities (State, Air Districts, USEPA, Other States)
- N/A Public Hearing
- N/A Legal Authority to adopt and implement the document.
  
- N/A Applicable State laws and regulations were followed.

##### **ELEMENTS OF A FEDERAL SUBMISSION**

- N/A Elements as set forth in applicable Federal law or regulations.

##### **CALIFORNIA ENVIRONMENTAL QUALITY ACT REQUIREMENTS (CEQA):**

- N/A Ministerial Action
- X Exemption
- N/A Negative Declaration
- N/A Environmental Impact Report
- X Appropriate findings, if necessary.
- X Public Notice & Comment

##### **SUPPLEMENTAL ENVIRONMENTAL ANALYSIS (RULES & REGULATIONS ONLY):**

- X Environmental impacts of compliance.
- N/A Mitigation of impacts.
- N/A Alternative methods of compliance.

##### **OTHER:**

- N/A Written analysis of existing air pollution control requirements
- X Economic Analysis
- X Public Review

## V. DISCUSSION OF LEGAL REQUIREMENTS

### A. REQUIRED ELEMENTS/FINDINGS

This section discusses the State of California statutory requirements that apply to the proposed amendments to Rule 302 – *Other Fees*. These are actions, that need to be performed, and/or information, that must be provided in order to amend the Regulation in a procedurally correct manner.

#### 1. State Findings Required for Adoption of Rules & Regulations:

Before adopting, amending, or repealing a rule or regulation, the AVAQMD Governing Board is required to make findings of necessity, authority, clarity, consistency, non-duplication, and reference based upon relevant information presented at the hearing. The information below is provided to assist the Board in making these findings.

##### a. Necessity:

The proposed amendments to Rule 302 are necessary to require facilities subject to California Business and Professional Code Division 10 – Commercial to submit a Compliance Plan and impose a fee per square foot (less the square footage designated for common use area and processing area containing permitted equipment) to mitigate expenditures related to implementing and enforcing the provisions of Health & Safety Code Division 26 and applicable District Rules and Regulations; reviewing and issuing B&P Division 10 Compliance Plan(s); performing facility inspections, and investigating public concerns and complaints.

##### b. Authority:

The District has the authority pursuant to California Health and Safety Code (H&S Code) §40702 to adopt, amend or repeal rules and regulations. The AVAQMD also has the authority to adopt and amend fees for enforcement, inspections and air monitoring (H&S Code §§41240, 41330, 40701, 40715, 41512, 41512.5, 42311, 42311.2, 42707, and 42400 et seq.

##### c. Clarity:

The proposed amendments to Rule 302 – *Other Fees* are clear in that they are written so that the persons subject to the rule can easily understand the meaning. Rule 302 applies to any person or organization subject to other fees.

##### d. Consistency:

The proposed amendment of Rule 302 – *Other Fees* is in harmony with, and not in conflict with or contradictory to law or regulation in that it merely provides a mechanism to enable and fund the enforcement of existing applicable laws, rules and regulations on a particular type of facility otherwise regulated by the State of California.

e. Non-duplication:

The proposed amendment of Rule 302 – *Other Fees* does not impose the same requirements as law or regulation because H&S Code Division 26 allows actions that are “necessary and proper” to enforce applicable state and District rules and regulations. In addition, H&S §42311 and various other sections merely authorize the imposition of such fees but does not specify the types and amounts of fees to be imposed.

f. Reference:

AVAQMD has the authority pursuant to H&S Code §40702 to adopt, amend or repeal rules and regulations and the authority pursuant to H&S Code §42311, among others, to adopt a schedule of fees.

g. Public Notice & Comment, Public Hearing:

Notice for the public hearing for the proposed amendment of Rule 302 – *Other Fees* was published on 06/14/19. See Appendix “B” for a copy of the public notice. See Appendix “C” for copies of comments, if any, and District responses.

2. Federal Elements (SIP Submittals, Other Federal Submittals).

Submittals to USEPA are required to include various elements depending upon the type of document submitted and the underlying federal law that requires the submittal. Rule 302 – *Other Fees* is a fee rule and does not ordinarily require submission to USEPA. Various prior versions of Rule 302 were previously included in the State Implementation Plan (SIP). USEPA removed this rule from the SIP on November 16, 2004 (69 FR 67062; 40 CFR 52.220(c)(137)(vii)(F)). Therefore, this rule is not required to be a federal submittal.

B. WRITTEN ANALYSIS OF EXISTING REQUIREMENTS

H&S Code §40727.2 requires air districts to prepare a written analysis of all existing federal air pollution control requirements that apply to the same equipment or source type as the rule proposed for modification by the district. The proposed amendments to Rule 302 – *Other Fees* mitigate expenditures related to the costs of implementing state and district rules and regulations; reviewing and issuing Division 10 Plan approval;

performing facility inspections, and investigating public concerns and complaints and provide minor clarification. These proposed amendments do not in themselves impose air pollution control requirements. Therefore, the preparation of a written analysis of existing pollution control requirements that apply to the same equipment or source type is not required.

## C. ECONOMIC ANALYSIS

### 1. General.

Fees are a primary revenue source that supports the District's efforts to implement and enforce the provisions of the Federal Clean Air Act (FCAA), the California Clean Air Act (CCAA) and District Rules and Regulations. The proposed new fee reflects the expenditure required to implement and enforce the provisions of Health & Safety Code Division 26 and District Rules and Regulations applicable to the subject facilities; reviewing and issuing B&P Division 10 Compliance Plan(s); performing facility inspections, and investigating public concerns and complaints.

### 2. Economic Analysis for Rule 302 – *Other Fees* - .

Staff is recommending amending Rule 302 – *Other Fees* to recover the increase in the District's projected overall operating expenditures related to implementing and enforcing the provisions of Health & Safety Code Division 26 and District Rules and Regulations applicable to the subject facility(s); reviewing and issuing B&P Div. 10 Compliance Plan(s); performing facility inspections, and investigating public concerns and complaints. Specific justification regarding the calculation of the fee is found in Appendix E.

### 3. Incremental Cost Effectiveness.

Pursuant to H&S Code §40920.6, incremental cost effectiveness calculations are required for rules and regulations which are adopted or amended to meet the CCAA requirements for Best Available Retrofit Control Technology (BARCT) or "all feasible measures" to control volatile compounds (VOC), oxides of nitrogen (NOx) or oxides of sulfur (SOx). The proposed amendments to Rule 302 – *Other Fees* require a plan submission and impose fees to support the analysis and enforcement of the plan and are not imposition of BARCT or "all feasible measures" for control of VOC, NOx or SOx. The proposed amendments therefore do not require this analysis.

## D. ENVIRONMENTAL ANALYSIS (CEQA)

1. Through the process described below, it was determined that a Notice of Exemption would be the appropriate CEQA process for the proposed amendments to Rule 302 – *Other Fees*.

a. The proposed amendments to Rule 302 – *Other Fees* meet the CEQA definition of “project.” They are not “ministerial” actions.

b. The proposed amendments to Rule 302 – *Other Fees* are exempt from CEQA review because they merely require the submission of a compliance plan to allow implementation and enforcement of other existing laws rules and regulations; adjust fees and fee methodologies; and there is no potential that these amendments might cause the release of additional air contaminants or create any adverse environmental impacts, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies.

## E. SUPPLEMENTAL ENVIRONMENTAL ANALYSIS

### 1. Potential Environmental Impacts

The proposed amendments to Rule 302 – *Other Fees* do not have any potential environmental impacts because the amendments merely require the submission of a compliance plan to allow the implementation and enforcement of other existing laws rules and regulations; adjust fees; make minor format corrections and provide clarification. The amendments do not have any impact upon emissions of air contaminants.

### 2. Mitigation of Impacts

N/A

### 3. Alternative Methods of Compliance

N/A

## F. PUBLIC REVIEW

See Staff Report Section (V)(A)(1)(g) as well as Appendix B.

## VI. TECHNICAL DISCUSSION

### A. SOURCE DESCRIPTION

The proposed amendments to Rule 302 – *Other Fees* will affect facilities currently licensed in the City of Lancaster. Lancaster currently has eight (8) state licensed indoor cannabis facilities and those eight (8) indoor facilities hold a total of 33 state licenses; which include small indoor, medium indoor, nursery and processor operations. The license categories size limits are as follows: Small-5,000-10,000 sf, Medium-10,001-22,000 sf, Nursery-no size limitation and Processor-conducts only trimming, drying, curing, grading or packaging of products. At this time, the District is unaware of any licensed facilities within the City of Palmdale and unincorporated Los Angeles County within the District boundaries. If at any time the City of Palmdale or the unincorporated area of Los Angeles County allow business regulated under California Business and

Professions Code- Division 10, they will be subject to all rules and regulations within the AVAQMD area.

## B. EMISSIONS

The proposed amendments to Rule 302 – *Other Fees* mitigate expenditures related to the costs of implementing state and district rules and regulations; reviewing and issuing Division 10 Plan approval; performing facility inspections, and investigating public concerns and complaints, and thus will have no impact on emissions.

## C. CONTROL REQUIREMENTS

The proposed amendments to Rule 302 – *Other Fees* mitigate expenditures related to the costs of implementing state and district rules and regulations; reviewing and issuing Division 10 Plan approval; performing facility inspections, and investigating public concerns and complaints. do not impose any control requirements.

## D. PROPOSED RULE SUMMARY

This section gives a brief overview of the proposed amendments to Rule 302 – *Other Fees*. Only a brief summary of each section is included. Readers are encouraged to examine the *[bracketed and italicized]* notations contained in the iterated version of the rule contained in Appendix “A” for notations regarding movement and modification of specific sections and subsections.

### 1. AVAQMD Rule 302 – *Other Fees*:

Rule 302 – *Other Fees*, is being amended to include the requirement to submit a Compliance Plan and a fee per square foot (less the square footage designated for common use area and processing area containing permitted equipment) for any facility that is included in Division 10 California Business and Professions Code to mitigate expenditures related to the costs of enforcing applicable state and district rules and regulations; reviewing and issuing the B&P Div. 10 Compliance Plan; performing facility inspections, and investigating public concerns and complaints.

(F)(3)(b) This subsection has been added to require a B&P Div. 10 Compliance Plan and to assess fees on facilities holding licenses pursuant to California Business & Professions Code Division 10. This modification will be effective immediately.

## E. RULE HISTORY

Prior to July 1, 1997 the Antelope Valley was contained within the SCAQMD. On July 1, 1997 the AVAPCD replaced the SCAQMD as the agency with jurisdiction over the Los Angeles County portion of the Mojave Desert Air Basin (MDAB). On January 1, 2001 the AVAPCD was replaced by the AVAQMD. Pursuant to both statutory changes, the rule and regulations of the predecessor district were retained until the Governing Board adopted, amended or rescinded them. At the first meeting both the AVAPCD and

the AVAQMD, the respective Governing Boards reaffirmed all the rules and regulations in effect at the time the agency changed.

The jurisdiction of the AVAPCD and the AVAQMD were specified in the statutes as the portion of the Los Angeles County contained within the MDAB. The MDAB was formerly known as the Southeast Desert Air Basin (SEDAB). In 1997 the SEDAB was split into the MDAB and the Salton Sea Air Basin. Descriptions of these air basins can be found in 17 Cal. Code Regs. §§60109 and 60144. Since USEPA adopts SIP revisions in California as effective within jurisdictional boundaries of local air districts, when the local air district boundaries change the SIP as approved by USEPA for that area up to the date of the change remains as the SIP in that particular area. Thus, upon creation of the AVAPCD on July 1, 1997 the AVAPCD acquired the SIP applicable to the Antelope Valley portion of the SCAQMD that was affected as of June 30, 1997. Likewise the AVAQMD acquired the SIP that was effective in the jurisdiction of the AVAPCD as of December 31, 2000. Therefore, the SIP history for this region is based upon the rules adopted, effective, and approved for the Antelope Valley by SCAQMD.

Rule 302 – *Other Fees* was originally adopted on 01/06/78. Rule 302 was reorganized and various other Regulation III rules, (Rules 304, 306 and 307) were consolidated into a single rule, Rule 302 – *Other Fees* on 07/21/15 effective 01/01/16. Rule 302 was amended on 07/18/17. The 07/18/17 effective 01/01/18 version is the current version in the rulebook. Rule 302 is proposed for amendment to add a requirement for a compliance plan and fee per square foot (less the square footage designated for common use area and processing area containing permitted equipment) for any facility that is included in Division 10 California Business and Professions Code.

## F. PROPOSITION 26 ANALYSIS

On November 2, 2010 the California voters added Article XIIC §1(e) to the California Constitution (commonly referred to as Proposition 26). This provision added a new definition of “tax” which resulted in a variety of fees and charges imposed by local governmental entities to be subject to voter approval. The provisions also provided several exceptions to this voter approval requirement including but not limited to:

A charge imposed for a specific benefit conferred or privilege granted directly to the payer that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege.

A charge imposed for a specific government service or product provided directly to the payer that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product.

A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof.



If a fee increase falls within one or more of these exceptions it is considered not a tax and thus not subject to voter approval.

1. Justification for Fee Adjustment to Rule 302 – *Other Fees*

In general, most air district fees would fall under one or more of these exemptions so long as they are reasonably related to the costs of issuance and enforcement of the benefit, service, product or permit(s) provided. As such the fees charged for such activities should not exceed the reasonable cost of providing the benefit or service. Once again Health & Safety Code §§40727.2, 41240, 41512, 41512.5 41715, 42311 and 44380, among others, also limits various District fees to the costs of the underlying program.

The proposed fee will recover expenditures related to the costs of applicable state and district rules and regulations; reviewing and issuing the B&P Div. 10 Compliance Plan; performing facility inspections, and investigating public concerns and complaints. The fee has been calculated to represent the reasonable cost associated with the implementation of the B&P Div 10 Compliance Plan. The fee was calculated based on estimated staff hours, hourly cost and average size facility. Descriptions of estimated hours spent, and staff hourly rates are documented in Appendix E. Staff will reevaluate the cost analysis each year to ensure the fee is reasonable and accurate in relation to the amount of time spent on each facility.

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APPENDIX "A"  
Rule 302 – *Other Fees*  
Iterated Version

The iterated version is provided so that the changes to an existing rule may be easily found. The manner of differentiating text is as follows:

1. Underlined text identifies new or revised language.
2. ~~—Lined out text~~ identifies language which is being deleted.
3. Normal text identifies the current language of the current rule which will remain unchanged by the adoption of the proposed amendments.
4. *Italicized text* identifies explanatory material that is not part of the proposed language

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## Rule 302 Other Fees

### (A) General

#### (1) Purpose:

- (a) This rule sets forth fees which may be charged for various activities, documents and services, including but not limited to: provision of publications, performing analysis, filing, evaluation and enforcement of Plans, State Mandated fees, and activities regulated pursuant to District Rule 1403 – *Asbestos Emissions from Demolition/Renovation Activities*.

#### (2) Applicability

##### (a) This rule applies to

- (i) Any person subject to a fee listed below.
- (ii) Any governmental entity subject to a fee listed below.
  - a. Federal, state and local government agencies or public districts shall pay the fees to the extent allowed pursuant to the provisions of Chapter 2, Division 7, Title 1 of the Government Code (commencing with Section 6103); Part 4, Division 26 of the Health and Safety Code (commencing with Section 41500) and Part 6, Division 26 of the Health and Safety Code (commencing with Section 44300).

#### (3) Effective Date

- (a) The amendments to this rule as adopted on ~~07/18/17~~xx/xx/xx shall be effective ~~immediately~~on 01/01/2018.

### (B) Definitions

The definitions contained in District Rule 102 shall apply unless the term is otherwise defined herein:

- (1) “Active Operations” – Any activity capable of generating Fugitive Dust, including, but not limited to, Earth-Moving Activities, Construction/Demolition Activities, or heavy- and light-duty vehicular movement.
- (2) “Dust Control Plan” – A document setting forth information and methods to control or measure the emissions of dust required pursuant to District Rule 403.

- (3) “Plan” – A document to be submitted to the District by District Rule or Regulation; or State or Federal law or regulation, providing a description or procedures necessary to accomplish the particular objective and containing those items set forth in the underlying requirement.
- (4) “Source Test Protocol” – a test work Plan or protocol includes a process description, field sampling methods, analytical test methods, test schedules, equipment calibration and a results presentation format used to determine the type and quantity of pollutants emitted from sources by sampling the effluent stream.
- (5) “Source Test Report” – a document that provides the analytical results from an emission source test used to determine the type and quantity of pollutants emitted from sources by sampling the effluent stream. The report should contain an executive summary, field sampling methods, analytical test methods, equipment calibration and a results presentation to determine the type and quantity of pollutants emitted from sources by sampling the effluent stream.

### (C) Payments, Adjustments and Refunds

- (1) Fees shall be paid when due as specified herein.
  - (a) Analysis Fees
    - (i) Analysis fees shall be invoiced as follows:
      - a. Directly by the entity retained by the District to perform the test and or analysis; or
      - b. By the District within thirty (30) days of receipt of an invoice by the District for testing and/or analysis services.
    - (ii) If invoiced by the District, the person ordered to provide the analysis or test by the Air Pollution Control Officer (APCO) will be notified by First Class mail, postage prepaid, of the amount to pay and the due date of the invoice.
    - (iii) A fee not paid within thirty (30) days of the due date of the invoice shall constitute grounds for the denial, revocation or suspension of all permits to operate at sources subject to permit requirements and shall constitute a violation of this Rule for any source, whether or not subject to permit requirements.
  - (b) Asbestos Fees
    - (i) Asbestos fees shall be paid with the written notice of intent to demolish, renovate or abate.

- (c) Plan Fees
  - (i) Plan filing and evaluation fees shall be paid at the time of submission of the Plan.
  - (ii) If a Plan requires an annual renewal the District shall invoice the Plan renewal fee at least thirty (30) days prior to the expiration date of the Plan.
    - a. The invoice shall be sent via First Class mail, posted prepaid to the contact person indicated in the Plan.
    - b. Payment of annual review fee shall be due in thirty (30) days from the date of mailing.
  - (iii) A fee not paid within thirty (30) days of the due date of the invoice shall constitute grounds for the denial, revocation or suspension of the Plan and shall constitute a violation of this Rule for any source, whether or not subject to permit requirements.
- (d) Publication Fees
  - (i) Publication fees shall be paid prior to the delivery of the publication requested.
- (e) State Mandated Fees
  - (i) State mandated fees shall be due as specified in the regulation which imposes the mandate and allows the District to collect the state imposed fees for such mandate.
- (2) Credit Card Payments
  - (a) Fees may be paid by credit card directly from the District website.
  - (b) If any person wishes to pay using a credit card the person shall also pay any costs imposed by the company processing the credit card transaction.
- (3) Refunds
  - (a) Asbestos fees are non-refundable.
  - (b) The Plan filing and evaluation fee set forth in section (B)(1) is non-refundable.
- (4) Service Charge for Returned Checks
  - (a) Any person who submits a check to the District on insufficient funds or on instructions to stop payment on the check, absent an overcharge or other legal entitlement to withhold payment, shall be subject to a \$25.00 service charge.

(D) Analysis Fees

- (1) Any person ordered by the APCO to provide an analysis of materials used by or the determination of emissions from any source of air contaminants shall pay all direct costs associated with such tests as invoiced by the entity which is retained by the District or the owner/operator, to perform the tests.
- (2) Data and sample collection methods, analysis methods and the qualifications of testing personnel or firms shall be determined by the APCO.

(E) Asbestos Fees

- (1) Any person who is required by District Rule 1403 – *Asbestos Emissions from Demolition/Renovation Activities* to submit a written notice of intention to demolish shall pay, at the time of delivery of notification, a non-refundable fee of \$244.00.
- (2) Any person who is required by District Rule 1403 – *Asbestos Emissions from Demolition/Renovation Activities* to submit a written notice of intention to renovate or abate shall pay a non-refundable fee based upon the area to be renovated or abated:

<b>Linear Feet</b>	<b>Square Feet</b>	<b>Cubic Feet</b>	<b>Fee</b>
260 – 999	100 – 999	35 – 218	\$585.00
1,000 – 4,999	1,000 – 4,999	219- 1094	\$1167.00
5,000 – 9,999	5,000 – 9,999	1,095 – 2,188	\$1755.00
10,000 or more	10,000 or more	2,189 or more	\$2341.00

(3) Expedited Handling Fee

- (a) Any person subject to a fee pursuant to subsections (E)(1) or (2) above who submits the written notice of intention to demolish, renovate or abate and such notice is delivered or postmarked less than fourteen (14) calendar days before the project start date listed on the notification shall pay, in addition to the above fees, an expedited handling fee of \$75.00

(4) Fee Calculation

- (a) Fees are assessed on a per notification basis and multiple fees may apply.
- (b) The total fee for any project shall be the sum of the applicable fees under subsection (1) and (2) above.

(5) No notification shall be considered received pursuant to Rule 1403, unless it is accompanied by the required payment.



(F) Plan Fees

(1) Dust Control Plans

- (a) Any person who is required to submit a Dust Control Plan (DCP) pursuant to the provisions of District Rule 403 shall be assessed a Plan filing and evaluation fee of \$661.00.
  - (i) Upon termination of construction activities, if a site stability evaluation is performed pursuant to District Rule 403, the person holding the DCP may be assessed an inspection fee of \$287.00.
- (b) Any Active Operation requiring a DCP shall resubmit the DCP annually pursuant to the provisions of District Rule 403(D)(1)(j) as dust generating activities do not cease upon termination of construction activities. Such resubmission shall be assessed a Plan filing and evaluation fee of \$661.00.
  - (i) If a site inspection for compliance with the provisions of Rule 403 or the applicable DCP is performed, the person holding the DCP may be assessed an inspection fee of \$287.00.

(2) Air Toxics Plans

- (a) Any person filing a Health Risk Assessment or a Risk Reduction Audit Plan pursuant to the Air Toxic “Hot Spots” Information and Assessment Act as amended (California Health & Safety Code §§ 44300 et seq) shall be assessed a fee of \$489.00 for the District’s evaluation of the Health Risk Assessment and Risk Reduction Audit Plans.

(3) Other Plan Fees

(a) Source Test Protocol and Report Evaluation Fees

- (i) Any person filing a Source Test Protocol with the District shall be assessed a fee of \$489.00 for the evaluation of the Protocol. There will be no additional fee charged for the evaluation of testing results.

(b) California Business & Professions Code Division 10 Compliance Plan (B&P Div. 10 Compliance Plan)

- (i) Any operation regulated under Division 10 of the California Business & Professions Code shall file a B&P Div. 10 Compliance Plan no later than 10 days prior to the commencement of operations, within 10 days of any substantive change in the information provided in the B&P Div. 10 Compliance Plan and annually prior to the expiration date of the B&P Div. 10 Compliance Plan.

a. Such B&P Div. 10 Compliance Plan shall include information that is reasonably designed to ensure the ability to enforce provisions of Division 26 of the California Health & Safety Code and applicable District Rules and Regulations as specified on the most recent official B&P Div. 10 Compliance Plan form issued by the APCO.

(ii) Any person filing a B&P Div. 10 Compliance Plan shall be assessed an annual Plan fee based on facility square footage, (less the square footage designated for common use area and processing area containing permitted equipment). The fee shall be \$0.16 cents per square foot.

a. If any of the square footage submitted on the Plan is constructed in a vertical configuration, the fee shall be determined based on the square footage multiplied by the number of layers/tiers in the configuration.

1. Fees shall be submitted in conjunction with the submission of the Plan.

2. Annual renewal fee shall be invoiced at least 30 days before the expiration date.

## (G) Publication Fees

(1) Any person receiving a publication for which a fee is charged shall be assessed the designated fee.

(a) The Air Pollution Control Officer (APCO) shall designate those publications, including information circulars, reports of technical work, or other reports, prepared by the District for which a fee shall be charged.

(b) Such fee shall be established by the APCO in a sum not to exceed the cost of preparation and distribution of such documents. Such fees shall be deposited in the general funds of the District.

(c) Cities and counties shall be entitled to receive one copy of any District publication without charge.

(2) Nothing in this Rule shall be construed to limit the rights of any person, or of the District, pursuant to the California Public Records Act, Chapter 3.5, Division 7 of Title 1 (commencing with Section 6250) of the Government Code.

## (H) State Mandated Fees

- (1) Air Toxics “Hot Spots” Information and Assessment Fees.
  - (a) Any person subject to the provisions of the Air Toxics "Hot Spots" Information and Assessment Act as amended (California Health and Safety Code (H&SC) §§44300 et seq. and the regulations promulgated thereunder shall be assessed an annual fee for the various state level components required by the Act. The fee schedule is set by the California Air Resources Board (CARB) and authorizes collection of the fee by the District pursuant to the provisions of the adopting regulation.
- (2) Other State Mandated Fees
  - (a) Any person subject to the provisions of a State adopted regulation or rule that assesses a fee to cover District costs for implementing such regulation and authorizes the collection of the fee by the District shall be assessed such fee pursuant to the provisions of the adopting regulation.

APPENDIX "B"  
PUBLIC NOTICE DOCUMENTS

1. Notice of Public Hearing – Antelope Valley Press 06/14/19

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**NOTICE OF HEARING  
NOTICE OF AVAILABILITY OF DRAFT RULE AND PUBLIC HEARING REGARDING  
PROPOSED AMENDMENTS TO  
RULE 301 – PERMIT FEES**

**NOTICE IS HEARBY GIVEN** that the Governing Board of the Antelope Valley Air Quality Management District (AVAQMD) will conduct a public hearing on July 16, 2019 at 10:00 A.M. regarding proposed amendments to Rule 301 – *Permit Fees* to comply with the requirements of Health & Safety Code §42311(e).

The District's proposed 9.5% fee increase are expected to meet 80% or \$81k of the \$102k estimated deficit related to the costs of permitting and implementing district rules and regulations; issuing air quality permits; performing facility inspections, and public complaint investigations and rule development activities. Funds from other sources including AB2766 (Motor Vehicle Registration Fee Program), State subvention funds and other sources will be used to recover the difference.

To allow time to implement the proposed fee changes in the computerized billing system, this amendment is proposed to be effective on January 1, 2020.

SAID HEARING will be conducted in the Governing Board Chambers located at the AVAQMD offices, 43301 Division Street, Suite 206, Lancaster, CA 93535-4649 where all interested persons may be present and be heard. Copies of the proposed amendment on Rule 301 – *Permit Fees* and the Staff Report are posted on the AVAQMD website at [www.avaqmd.ca.gov](http://www.avaqmd.ca.gov) and are also available at the AVAQMD Office at 43301 Division Street Avenue, Suite 206, Lancaster, CA 93535. Written comments may be submitted to Bret Banks, APCO at the above office address, and should be received no later than July 15, 2019 to be considered.

If you have any questions you may contact Barbara Lods at (661) 723-8070 x23 or via E-mail at [blods@avaqmd.ca.gov](mailto:blods@avaqmd.ca.gov) for further information. Traducción esta disponible por solicitud.

Pursuant to the California Environmental Quality Act (CEQA) the AVAQMD has determined that a Categorical Exemption (Class 8 – 14 Cal. Code Reg §15308) applies and has prepared a Notice of Exemption for this action.

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**NOTICE OF AVAILABILITY OF DRAFT RULE AND PUBLIC HEARING REGARDING  
PROPOSED AMENDMENTS TO  
RULE 302 – OTHER FEES**

**NOTICE IS HEARBY GIVEN** that the Governing Board of the Antelope Valley Air Quality Management District (AVAQMD) will conduct a public hearing on July 16, 2019 at 10:00 A.M. regarding proposed amendments to Rule 302 – *Other Fees* to comply with the requirements of Health & Safety Code §42311(e).

The proposed amendments to Rule 302 are necessary to require facilities subject to California Business and Professional Code Division 10 – Commercial to submit a Compliance Plan and impose a fee per square foot (less the square footage designated for common use area and processing area containing permitted equipment) to mitigate expenditures related to implementing and enforcing the provisions of Health & Safety Code Division 26 and applicable District Rules and Regulations; reviewing and issuing B&P Division 10 Compliance Plan(s); performing facility inspections, and investigating public concerns and complaints

The proposed fee change is proposed to be effective immediately.

SAID HEARING will be conducted in the Governing Board Chambers located at the AVAQMD offices, 43301 Division Street, Suite 206, Lancaster, CA 93535-4649 where all interested persons may be present and be heard. Copies of the proposed amendment on Rule 302 – *Other Fees* and the Staff Report are posted on the AVAQMD website at [www.avaqmd.ca.gov](http://www.avaqmd.ca.gov) and are also available at the AVAQMD Office at 43301 Division Street Avenue, Suite 206, Lancaster, CA 93535. Written comments may be submitted to Bret Banks, APCO at the above office address, and should be received no later than July 15, 2019 to be considered.

If you have any questions you may contact Barbara Lods at (661) 723-8070 x23 or via E-mail at [blods@avaqmd.ca.gov](mailto:blods@avaqmd.ca.gov) for further information. Traducción esta disponible por solicitud.

Pursuant to the California Environmental Quality Act (CEQA) the AVAQMD has determined that a Categorical Exemption (Class 8 – 14 Cal. Code Reg §15308) applies and has prepared a Notice of Exemption for this action.

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APPENDIX "C"  
PUBLIC COMMENTS AND RESPONSES

None received to date.



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APPENDIX "D"  
CALIFORNIA ENVIRONMENTAL QUALITY ACT  
DOCUMENTATION

1. Notice of Exemption (Draft) – Los Angeles County

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**NOTICE OF EXEMPTION**

**TO:** Los Angeles County Clerk  
12400 E. Imperial Hwy, #1001  
Norwalk, CA 90650

**FROM:** Antelope Valley  
Air Quality Management District  
43301 Division Street, Suite 206  
Lancaster, CA 93535-4649

X AVAQMD Clerk of the Governing Board

**PROJECT TITLE:** Amendment of Rule 302 – *Other Fees*

**PROJECT LOCATION – SPECIFIC:** Los Angeles County portion of the Mojave Desert Air Basin.

**PROJECT LOCATION – COUNTY:** Los Angeles County

**DESCRIPTION OF PROJECT:** The District is proposing to add a California Business & Professions Code Division 10 Compliance Plan (B&P Div. 10 Compliance Plan) and impose a fee per square foot (less the square footage designated for common use area and processing area containing permitted equipment). The requirements will apply to any facility that is regulated under California Business and Professions Code- Division 10 and will be in addition to the requirement to obtain a permit for any otherwise permissible equipment. This fee will mitigate expenditures related to the costs of implementing and enforcing the provisions of Health & Safety Code Division 26 and applicable District Rules and Regulations; reviewing and issuing B&P Division 10 Compliance Plan(s); performing facility inspections, and investigating public concerns and complaints.

This amendment of Rule 302 – *Other Fees* will be implemented immediately upon adoption.

**NAME OF PUBLIC AGENCY APPROVING PROJECT:** Antelope Valley AQMD

**NAME OF PERSON OR AGENCY CARRYING OUT PROJECT:** Antelope Valley AQMD

**EXEMPT STATUS (CHECK ONE)**

Ministerial (Pub. Res. Code §21080(b)(1); 14 Cal Code Reg. §15268)

Emergency Project (Pub. Res. Code §21080(b)(4); 14 Cal Code Reg. §15269(b))

X Categorical Exemption – Class 8 (14 Cal Code Reg. §15308)

**REASONS WHY PROJECT IS EXEMPT:** The proposed amendments to Rule 302 – *Other Fees* are exempt from CEQA review because they merely adjust fees and fee methodologies and there is not potential that the amendments might cause the release of additional air contaminants or create any adverse environmental impacts, a Class 8 categorical exemption (14 Cal. Code Reg. §15308) applies.

**LEAD AGENCY CONTACT PERSON:** Bret Banks **PHONE:** (661) 723-8070

**SIGNATURE:** \_\_\_\_\_

**TITLE:** Executive Director/APCO **DATE:** July 16, 2019

**DATE RECEIVED FOR FILING:**

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APPENDIX "E"  
Business & Professionals Division 10 Compliance Plan Cost Analysis

The following documents were consulted in the preparation of this staff report and the proposed amendments to Rule 302 – *Other Fees*:

1. B & P Div 10 Compliance Plan-Estimated Cost 2019

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## Rule 302 Other Fees

### (A) General

#### (1) Purpose:

- (a) This rule sets forth fees which may be charged for various activities, documents and services, including but not limited to: provision of publications, performing analysis, filing, evaluation and enforcement of Plans, State Mandated fees, and activities regulated pursuant to District Rule 1403 – *Asbestos Emissions from Demolition/Renovation Activities*.

#### (2) Applicability

##### (a) This rule applies to

- (i) Any person subject to a fee listed below.
- (ii) Any governmental entity subject to a fee listed below.
  - a. Federal, state and local government agencies or public districts shall pay the fees to the extent allowed pursuant to the provisions of Chapter 2, Division 7, Title 1 of the Government Code (commencing with Section 6103); Part 4, Division 26 of the Health and Safety Code (commencing with Section 41500) and Part 6, Division 26 of the Health and Safety Code (commencing with Section 44300).

#### (3) Effective Date

- (a) The amendments to this rule as adopted on 07/16/19 shall be effective immediately.

### (B) Definitions

The definitions contained in District Rule 102 shall apply unless the term is otherwise defined herein:

- (1) “Active Operations” – Any activity capable of generating Fugitive Dust, including, but not limited to, Earth-Moving Activities, Construction/Demolition Activities, or heavy- and light-duty vehicular movement.
- (2) “Dust Control Plan” – A document setting forth information and methods to control or measure the emissions of dust required pursuant to District Rule 403.

- (3) “Plan” – A document to be submitted to the District by District Rule or Regulation; or State or Federal law or regulation, providing a description or procedures necessary to accomplish the particular objective and containing those items set forth in the underlying requirement.
- (4) “Source Test Protocol” – a test work Plan or protocol includes a process description, field sampling methods, analytical test methods, test schedules, equipment calibration and a results presentation format used to determine the type and quantity of pollutants emitted from sources by sampling the effluent stream.
- (5) “Source Test Report” – a document that provides the analytical results from an emission source test used to determine the type and quantity of pollutants emitted from sources by sampling the effluent stream. The report should contain an executive summary, field sampling methods, analytical test methods, equipment calibration and a results presentation to determine the type and quantity of pollutants emitted from sources by sampling the effluent stream.

(C) **Payments, Adjustments and Refunds**

- (1) Fees shall be paid when due as specified herein.
  - (a) Analysis Fees
    - (i) Analysis fees shall be invoiced as follows:
      - a. Directly by the entity retained by the District to perform the test and or analysis; or
      - b. By the District within thirty (30) days of receipt of an invoice by the District for testing and/or analysis services.
    - (ii) If invoiced by the District, the person ordered to provide the analysis or test by the Air Pollution Control Officer (APCO) will be notified by First Class mail, postage prepaid, of the amount to pay and the due date of the invoice.
    - (iii) A fee not paid within thirty (30) days of the due date of the invoice shall constitute grounds for the denial, revocation or suspension of all permits to operate at sources subject to permit requirements and shall constitute a violation of this Rule for any source, whether or not subject to permit requirements.
  - (b) Asbestos Fees
    - (i) Asbestos fees shall be paid with the written notice of intent to demolish, renovate or abate.

- (c) Plan Fees
  - (i) Plan filing and evaluation fees shall be paid at the time of submission of the Plan.
  - (ii) If a Plan requires an annual renewal the District shall invoice the Plan renewal fee at least thirty (30) days prior to the expiration date of the Plan.
    - a. The invoice shall be sent via First Class mail, posted prepaid to the contact person indicated in the Plan.
    - b. Payment of annual review fee shall be due in thirty (30) days from the date of mailing.
  - (iii) A fee not paid within thirty (30) days of the due date of the invoice shall constitute grounds for the denial, revocation or suspension of the Plan and shall constitute a violation of this Rule for any source, whether or not subject to permit requirements.
- (d) Publication Fees
  - (i) Publication fees shall be paid prior to the delivery of the publication requested.
- (e) State Mandated Fees
  - (i) State mandated fees shall be due as specified in the regulation which imposes the mandate and allows the District to collect the state imposed fees for such mandate.
- (2) Credit Card Payments
  - (a) Fees may be paid by credit card directly from the District website.
  - (b) If any person wishes to pay using a credit card the person shall also pay any costs imposed by the company processing the credit card transaction.
- (3) Refunds
  - (a) Asbestos fees are non-refundable.
  - (b) The Plan filing and evaluation fee set forth in section (B)(1) is non-refundable.
- (4) Service Charge for Returned Checks
  - (a) Any person who submits a check to the District on insufficient funds or on instructions to stop payment on the check, absent an overcharge or other legal entitlement to withhold payment, shall be subject to a \$25.00 service charge.

(D) Analysis Fees

- (1) Any person ordered by the APCO to provide an analysis of materials used by or the determination of emissions from any source of air contaminants shall pay all direct costs associated with such tests as invoiced by the entity which is retained by the District or the owner/operator, to perform the tests.
- (2) Data and sample collection methods, analysis methods and the qualifications of testing personnel or firms shall be determined by the APCO.

(E) Asbestos Fees

- (1) Any person who is required by District Rule 1403 – *Asbestos Emissions from Demolition/Renovation Activities* to submit a written notice of intention to demolish shall pay, at the time of delivery of notification, a non-refundable fee of \$244.00.
- (2) Any person who is required by District Rule 1403 – *Asbestos Emissions from Demolition/Renovation Activities* to submit a written notice of intention to renovate or abate shall pay a non-refundable fee based upon the area to be renovated or abated:

<u>Linear Feet</u>	<u>Square Feet</u>	<u>Cubic Feet</u>	<u>Fee</u>
260 – 999	100 – 999	35 – 218	\$585.00
1,000 – 4,999	1,000 – 4,999	219- 1094	\$1167.00
5,000 – 9,999	5,000 – 9,999	1,095 – 2,188	\$1755.00
10,000 or more	10,000 or more	2,189 or more	\$2341.00

(3) Expedited Handling Fee

- (a) Any person subject to a fee pursuant to subsections (E)(1) or (2) above who submits the written notice of intention to demolish, renovate or abate and such notice is delivered or postmarked less than fourteen (14) calendar days before the project start date listed on the notification shall pay, in addition to the above fees, an expedited handling fee of \$75.00

(4) Fee Calculation

- (a) Fees are assessed on a per notification basis and multiple fees may apply.
- (b) The total fee for any project shall be the sum of the applicable fees under subsection (1) and (2) above.

- (5) No notification shall be considered received pursuant to Rule 1403, unless it is accompanied by the required payment.

(F) Plan Fees

(1) Dust Control Plans

- (a) Any person who is required to submit a Dust Control Plan (DCP) pursuant to the provisions of District Rule 403 shall be assessed a Plan filing and evaluation fee of \$661.00.
  - (i) Upon termination of construction activities, if a site stability evaluation is performed pursuant to District Rule 403, the person holding the DCP may be assessed an inspection fee of \$287.00.
- (b) Any Active Operation requiring a DCP shall resubmit the DCP annually pursuant to the provisions of District Rule 403(D)(1)(j) as dust generating activities do not cease upon termination of construction activities. Such resubmission shall be assessed a Plan filing and evaluation fee of \$661.00.
  - (i) If a site inspection for compliance with the provisions of Rule 403 or the applicable DCP is performed, the person holding the DCP may be assessed an inspection fee of \$287.00.

(2) Air Toxics Plans

- (a) Any person filing a Health Risk Assessment or a Risk Reduction Audit Plan pursuant to the Air Toxic “Hot Spots” Information and Assessment Act as amended (California Health & Safety Code §§ 44300 et seq) shall be assessed a fee of \$489.00 for the District’s evaluation of the Health Risk Assessment and Risk Reduction Audit Plans.

(3) Other Plan Fees

- (a) Source Test Protocol and Report Evaluation Fees
  - (i) Any person filing a Source Test Protocol with the District shall be assessed a fee of \$489.00 for the evaluation of the Protocol. There will be no additional fee charged for the evaluation of testing results.
- (b) California Business & Professions Code Division 10 Compliance Plan (B&P Div. 10 Compliance Plan)
  - (i) Any operation regulated under Division 10 of the California Business & Professions Code shall file a B&P Div. 10 Compliance Plan no later than 10 days prior to the commencement of operations, within 10 days of any substantive change in the information provided in the B&P Div. 10 Compliance Plan and annually prior to the expiration date of the B&P Div. 10 Compliance Plan.

- a. Such B&P Div. 10 Compliance Plan shall include information that is reasonably designed to ensure the ability to enforce provisions of Division 26 of the California Health & Safety Code and applicable District Rules and Regulations as specified on the most recent official B&P Div. 10 Compliance Plan form issued by the APCO.
- (ii) Any person filing a B&P Div. 10 Compliance Plan shall be assessed an annual Plan fee based on facility square footage, (less the square footage designated for common use area and processing area containing permitted equipment). The fee shall be \$0.16 cents per square foot.
  - a. If any of the square footage submitted on the Plan is constructed in a vertical configuration, the fee shall be determined based on the square footage multiplied by the number of layers/tiers in the configuration.
    - 1. Fees shall be submitted in conjunction with the submission of the Plan.
    - 2. Annual renewal fee shall be invoiced at least 30 days before the expiration date.

**(G) Publication Fees**

- (1) Any person receiving a publication for which a fee is charged shall be assessed the designated fee.
  - (a) The Air Pollution Control Officer (APCO) shall designate those publications, including information circulars, reports of technical work, or other reports, prepared by the District for which a fee shall be charged.
  - (b) Such fee shall be established by the APCO in a sum not to exceed the cost of preparation and distribution of such documents. Such fees shall be deposited in the general funds of the District.
  - (c) Cities and counties shall be entitled to receive one copy of any District publication without charge.
- (2) Nothing in this Rule shall be construed to limit the rights of any person, or of the District, pursuant to the California Public Records Act, Chapter 3.5, Division 7 of Title 1 (commencing with Section 6250) of the Government Code.

(H) State Mandated Fees

(1) Air Toxics “Hot Spots” Information and Assessment Fees.

- (a) Any person subject to the provisions of the Air Toxics "Hot Spots" Information and Assessment Act as amended (California Health and Safety Code (H&SC) §§44300 et seq. and the regulations promulgated thereunder shall be assessed an annual fee for the various state level components required by the Act. The fee schedule is set by the California Air Resources Board (CARB) and authorizes collection of the fee by the District pursuant to the provisions of the adopting regulation.

(2) Other State Mandated Fees

- (a) Any person subject to the provisions of a State adopted regulation or rule that assesses a fee to cover District costs for implementing such regulation and authorizes the collection of the fee by the District shall be assessed such fee pursuant to the provisions of the adopting regulation.

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**RESOLUTION \_\_\_\_\_**

**A RESOLUTION OF THE GOVERNING BOARD OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT MAKING FINDINGS, CERTIFYING THE NOTICE OF EXEMPTION, AMENDING RULE 302 – *OTHER FEES* AND DIRECTING STAFF ACTIONS.**

On July 16, 2019, on motion by Member \_\_\_\_\_, seconded by Member \_\_\_\_\_, and carried, the following resolution is adopted:

**WHEREAS**, the Antelope Valley Air Quality Management District (AVAQMD) has authority pursuant to California Health and Safety Code (H & S Code) §§40702, 40725-40728 to adopt, amend or repeal rules and regulations; and

**WHEREAS**, on July 1, 1997 the Antelope Valley Air Pollution Control District (AVAPCD) was created pursuant to statute (former Health & Safety (H&S) Code §40106, A.B. 266-Knight Ch. 542, statutes of 1996) and assumed all air pollution control responsibilities from the South Coast Air Quality Management District (SCAQMD) for the area of Los Angeles County outside the South Coast Air Basin; and

**WHEREAS**, the SCAQMD rules in effect within the jurisdiction of the AVAPCD remained in effect until the AVAPCD Governing Board superseded or amended them; and

**WHEREAS**, on January 1, 2002 the AVAQMD was created pursuant to statute (H&S Code §41300 et seq.) to replace the AVAPCD; and

**WHEREAS**, once again the rules in effect at the time of the change remained in effect until the AVAQMD Governing Board superseded or amended them; and

**WHEREAS**, AVAQMD Rule 302 was retitled *Other Fees* and consolidated provisions of Rules 304, 304.1, 305, 306, 307, 307.1 and 309 into one rule on 7/21/15; and

**WHEREAS**, the District is proposing to add a California Business & Professions Code Division 10 Compliance Plan (B&P Div. 10 Compliance Plan) and impose a fee per square foot (less the square footage designated for common use area and processing area containing permitted equipment); and

**WHEREAS**, the requirements will apply to any facility that is regulated under California Business and Professions Code- Division 10 and will be in addition to the requirement to obtain a permit for any otherwise permissible equipment; and

//

**RESOLUTION \_\_\_\_\_**

1       **WHEREAS**, this fee will mitigate expenditures related to the costs of implementing and  
2 enforcing the provisions of Health & Safety Code Division 26 and applicable District Rules and  
3 Regulations; reviewing and issuing B&P Division 10 Compliance Plan(s); performing facility inspections,  
4 and investigating public concerns and complaints; and

5       **WHEREAS**, as of January 1, 2018, the state of California allowed licensing of cannabis  
6 operations; and

7       **WHEREAS**, the amendment to Rule 302 is needed to address the impact of this newly regulated  
8 industry in this within District; and

9       **WHEREAS**, the City of Lancaster currently has eight (8) state licensed indoor cannabis facilities  
10 that hold 33 state licenses; and

11       **WHEREAS**, at this time, the District is unaware of any licensed facilities within the City of  
12 Palmdale and unincorporated Los Angeles County within the District boundaries; and

13       **WHEREAS**, if at any time the City of Palmdale or the unincorporated area of Los Angeles  
14 County allow business regulated under California Business and Professions Code- Division 10, they will  
15 be subject to all rules and regulations within the AVAQMD area; and

16       **WHEREAS**, it has been repeatedly shown in other areas that the production and processing done  
17 by facilities regulated under Division 10 of the California Business & Professions Code face challenges in  
18 controlling the impacts of their operation on air quality; and

19       **WHEREAS**, problems have been observed, including but not limited to, odorous emissions and  
20 nuisance impacts arising from the operations as well as unknown amounts of Volatile Organic Compound  
21 emissions and the potential use of materials which may cause emissions of Toxic Air Contaminants  
22 (TAC); and

23       **WHEREAS**, the amendment to Rule 302 will require the submittal of a B&P Div. 10 Compliance  
24 Plan to help mitigate those impacts; and

25       **WHEREAS**, the Plan will require, among other information, a 24 hour contact with the ability to  
26 facilitate corrective action to immediately mitigate any compliance concerns that may arise; and

27       **WHEREAS**, the fee associated with the required Plan, as calculated, are based on estimated time  
28 for staff to review the submitted Plan, perform facility inspections, investigate public concerns and

**RESOLUTION \_\_\_\_\_**

1 complaints and annually update and verify compliance with the Plan information; and

2       **WHEREAS**, staff will reevaluate the cost analysis each year to ensure the fee is reasonable and  
3 accurate in relation to the amount of time spent on each facility; and

4       **WHEREAS**, a Public hearing on the proposed fee will be held on 07/16/19 to receive comment  
5 from members of industry and the general public; and

6       **WHEREAS**, proposed amended Rule 302 has been made available for public comments, and  
7 appropriate notice was published on 06/14/19 in compliance with the 30-day notice and comment period  
8 requirement; and

9       **WHEREAS**, the proposed amendments to Rule 302 are clear in that the meaning can be easily  
10 understood by the persons impacted by the rule; and

11       **WHEREAS**, the proposed amendments to Rule 302 are in harmony with, and not in conflict with,  
12 or contradictory to existing statutes, court decisions, or state or federal regulations because these laws and  
13 regulations allow for the proposed amendments to the fee rules; and

14       **WHEREAS**, the proposed amendment of Rule 302 does not impose the same requirements as any  
15 existing state or federal regulation because H&S Code §40702 allows the District to adopt, amend or  
16 repeal rules and regulations, and H&S Code §42311 and various other sections merely authorize the  
17 imposition of such fees but do not specify the types and amounts of fees to be imposed; and

18       **WHEREAS**, the proposed fee increase will recover the increase projected for expenditures related  
19 to the costs of the permitting program and implementing district rules and regulations; issuing air quality  
20 permits; performing facility inspections, and public complaint investigations and rule development  
21 activities.; and

22       **WHEREAS**, a public hearing has been properly noticed and conducted, pursuant to H & S Code  
23 §40725, concerning the proposed amendments to Rule 302; and

24       **WHEREAS**, a Notice of Exemption, a Categorical Exemption (Class 8, 14 CCR §15308) for the  
25 proposed amendments to Rule 302, completed in compliance with the California Environmental Quality  
26 Act (CEQA), has been presented to the AVAQMD Board; each member having reviewed, considered and  
27 approved the information contained therein prior to acting on the proposed amendments to Rule 302, and  
28 the AVAQMD Board having determined that the proposed amendments will not have any potential for

**RESOLUTION \_\_\_\_\_**

1 resulting in any adverse impact upon the environment; and

2       **WHEREAS**, the Board of the AVAQMD has considered the evidence presented at the public  
3 hearing; and

4       **NOW, THEREFORE, BE IT RESOLVED**, that the Governing Board of the AVAQMD finds  
5 that the proposed amendments to Rule 302 – *Other Fees* are necessary, authorized, clear, consistent, non-  
6 duplicative and properly referenced; and

7       **BE IT FURTHER RESOLVED**, that the Governing Board of the AVAQMD hereby makes a  
8 finding that the Class 8 Categorical Exemption (14 CCR §15308) applies and certifies the Notice of  
9 Exemption for the proposed amendments to Rule 302 – *Other Fees*; and

10       **BE IT FURTHER RESOLVED**, that the Board of the AVAQMD does hereby adopt, pursuant to  
11 the authority granted by law, the proposed amendments to Rule 302 – *Other Fees* as set forth in the  
12 attachments to this resolution and incorporated herein by this reference; and

13       **BE IT FURTHER RESOLVED**, that this resolution shall take effect immediately upon adoption,  
14 that the Clerk of the Board is directed to file the Notice of Exemption in compliance with the provisions  
15 of CEQA.

16 **PASSED, APPROVED AND ADOPTED** by the Governing Board of the Antelope Valley Air Quality  
17 Management District by the following vote:

18 AYES:               MEMBER:  
19 NOES:               MEMBER:  
20 ABSENT:            MEMBER:  
21 ABSTAIN:           MEMBER:

22  
23 STATE OF CALIFORNIA        )  
24 COUNTY OF LOS ANGELES    )       SS:  
25                                    )

26       I, Deanna Hernandez, Senior Executive Analyst of the Governing Board of the Antelope Valley Air Quality  
27 Management District, hereby certify the foregoing to be a full, true and correct copy of the record of the action as  
28 the same appears in the Official Minutes of said Governing Board at its meeting of July 16, 2019.

\_\_\_\_\_  
Senior Executive Analyst  
Antelope Valley Air Quality Management District.

The following page(s) contain the backup material for Agenda Item: 1) Award \$70,000.00 in Mobile Source Emission Reductions Program (AB 923) funds to Waste Management dba Antelope Valley Hauling (WM) toward the development of a compressed natural gas (CNG) vehicle refueling station; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Bret Banks, Executive Director/APCO.

Please scroll down to view the backup material.

**MINUTES OF THE GOVERNING BOARD  
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT  
LANCASTER, CALIFORNIA**

*AGENDA ITEM #9*

**DATE:** July 16, 2019

**RECOMMENDATION:** 1) Award \$70,000 in Mobile Source Emission Reductions Program (AB 923) funds to Waste Management dba Antelope Valley Hauling (WM) toward the development of a compressed natural gas (CNG) vehicle refueling station; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

**SUMMARY:** This item awards funding to WM towards infrastructure and installation of a compressed natural gas vehicle refueling station (CNG Station) with 85 dispensers to serve Waste Management's fleet of CNG refuse trucks and one public access retail dispenser (with two fueling hoses) to support local/ regional fleets and passenger vehicles.

**BACKGROUND:** WM submitted an application to the District requesting grant support toward a CNG vehicle refueling station. In June 2019 the AVAQMD Governing Board approved WM \$279,515 in grant funding to develop a public and privately accessible CNG Station at the Waste Management-AV Palmdale location. The Governing Board also requested staff return to the July 2019 with an item to increase the funding for this project an additional \$70,000 in District funding to WM to provide sufficient funding to complete the project. Total District funding toward the Proposed project is \$349,515. District staff has evaluated the project to meet funding guidelines with grantee maintaining a 15 percent minimum cost share of the total project costs.

**REASON FOR RECOMMENDATION:** Governing Board approval is needed to approve the grant and allocation from the District's Mobile Source Emission Reductions (AB 923) funds. Additionally, Governing Board authorization is needed for the Executive Director/APCO to negotiate and execute an agreement with the grant recipient.

**REVIEW BY OTHERS:** This item was reviewed by Allison E. Burns Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO – Antelope Valley Operations on or about July 2, 2019.

**MINUTES OF THE GOVERNING BOARD  
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT  
LANCASTER, CALIFORNIA**

*AGENDA ITEM #9*

**PAGE 2**

**FINANCIAL DATA:** Funds are granted from the District's Mobile Source Emission Reductions (AB 923) funds.

**PRESENTER:** Bret Banks, Executive Director/APCO.

cc: Jean Bracy  
Laquita Cole  
Michelle Powell  
Julie McKeehan

The following page(s) contain the backup material for Agenda Item: 1) Award an amount not to exceed \$47,591 in Mobile Source Emission Reductions Program (AB 923) funds to Learn 4 Life toward the purchase and installation of Electric Vehicle Charging Stations; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan, Grants Analyst.  
Please scroll down to view the backup material.



**MINUTES OF THE GOVERNING BOARD  
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT  
LANCASTER, CALIFORNIA**

*AGENDA ITEM #10*

**DATE:** July 16, 2019

**RECOMMENDATION:** 1) Award an amount not to exceed \$47,591 in Mobile Source Emission Reductions Program (AB 923) funds to Learn 4 Life toward the purchase and installation of Electric Vehicle Charging Stations; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

**SUMMARY:** This item awards funding to Learn 4 Life towards infrastructure and installation of (5) Electric Vehicle Charging Stations to support both staff and public EV drivers.

**BACKGROUND:** Learn 4 Life located at 177 Holston Drive, Lancaster, submitted an application to the District's Electric Vehicle Charging Station Program. Learn 4 Life proposes 24/7 public access charging stations to serve both staff and public EV drivers. The Project consist of (1) Single Output DC Fast Charger and (2) Dual Output Level II chargers for a total of (5) charging stations to be located at the 177 Holston Drive, Lancaster. Additionally, the Proposed charging station project will be one of three EV charging stations available East of Sierra Hwy. Learn 4 Life supports the District's efforts to expand EV charging stations and promote electric vehicle transportation. Staff has evaluated the project and finds it eligible for 80 percent of the costs with applicant having a 20 percent cost share.

**REASON FOR RECOMMENDATION:** Governing Board approval is needed to approve the grant and allocation from the District's Mobile Source Emission Reductions (AB 923) funds. Additionally, Governing Board authorization is needed for the Executive Director/APCO to negotiate and execute an agreement with the grant recipient.

**REVIEW BY OTHERS:** This item was reviewed by Allison E. Burns Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO – Antelope Valley Operations on or about July 2, 2019.

**FINANCIAL DATA:** Funds are granted from the District's Mobile Source Emission Reductions (AB 923) funds.

**PRESENTER:** Julie McKeehan, Grants Analyst.

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cc: Jean Bracy  
Laquita Cole  
Michelle Powell  
Julie McKeehan

The following page(s) contain the backup material for Agenda Item: [1\) Authorize \\$20,000 in Mobile Emission Reductions Program \(AB 2766\) funds to the Alternative Fuel Vehicle Program; and 2\) Authorize the Executive Director/APCO and staff to execute the Alternative Fuel Vehicle Program as outlined in the Work Plan. Presenter: Julie McKeehan, Grants Analyst.](#)

Please scroll down to view the backup material.

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**MINUTES OF THE GOVERNING BOARD  
OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT  
LANCASTER, CALIFORNIA**

*AGENDA ITEM #11*

**DATE:** July 16, 2019

**RECOMMENDATION:** 1) Authorize \$20,000 in Mobile Emission Reductions Program (AB 2766) funds to the Alternative Fuel Vehicle Program; and 2) Authorize the Executive Director/APCO and staff to execute the Alternative Fuel Vehicle Program as outlined in the Work Plan.

**SUMMARY:** This item authorizes \$20,000 in Mobile Emission Reductions Program (AB 2766) funds to the District's ongoing grant program used to incentivize the purchase of light-duty alternative fuel vehicles.

**BACKGROUND:** In June 2006, the AVAQMD Board (the Board) established an incentive program to off-set the incremental cost associated with the purchase of natural gas-fueled vehicles and refueling units. In April 2011, the Board expanded the Alternative Fuel Vehicle (AFV) program to include all alternative fuel vehicles including electric and electric/hybrid vehicles. In March 2013, the Board approved new eligibility criteria limiting the District incentives to new AFV purchase or lease agreements made with local Dealerships, and one incentive per household. In September 2013, the Board approved to offer up to 50 percent of the current incentive to local residents who purchase or lease with Dealerships outside the District due to availability. In June 2014, the Board approved to continue the AFV program decreasing the incentive to \$1,000 and discontinuing the home refueling and charging incentives. Since inception, the AFV incentive program has provided incentives towards 625 vehicles and 139 home refueling/charging units totaling approx. \$1.6 million to local residents.

**REASON FOR RECOMMENDATION:** Governing Board authorization is needed to allocate Mobile Source Emission Reductions Program funds and/or changes to the guidelines.

**REVIEW BY OTHERS:** This item was reviewed by Allison E. Burns Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO on or before July 2, 2019.

**FINANCIAL DATA:** Sufficient funds are available from the District's Mobile Source Emission Reductions (AB 2766) funds.

**PRESENTER:** Julie McKeehan, Grants Analyst.

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cc: Jean Bracy  
Laquita Cole  
Michelle Powell  
Julie McKeehan