



**ANTELOPE VALLEY AIR QUALITY MANAGEMENT  
DISTRICT**

**GOVERNING BOARD  
REGULAR MEETING**

**AGENDA**

TUESDAY, JULY 19, 2016  
10:30 A.M.

**LOCATION**

**AVAQMD District Office**  
43301 Division Street, Suite 206  
Lancaster, CA 93535  
661-723-8070

**BOARD MEMBERS**

Marvin Crist, Chair, City of Lancaster  
Mike Dispenza, Vice Chair, City of Palmdale  
Jim Ledford, City of Palmdale  
Ken Mann, City of Lancaster  
Vern Lawson, Los Angeles County  
Ron Hawkins, Los Angeles County  
Newton Chelette, Public Member

**Call to Order – 10:30 a.m.**

Pledge of Allegiance.

Roll Call.

**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.**

1. 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 member of the public requests an item be held for discussion under DEFERRED ITEMS.**

2. Approve Minutes from Regular Governing Board Meeting of June 21, 2016. Presenter: Crystal Goree.
3. Monthly Activity Report. Receive and File. Presenter: Bret Banks.
4. Monthly Grant Fund Summary. Receive and File. Presenter: Bret Banks.
5. The Financial Report is provided to the Governing Board for information concerning the current fiscal status of the District. Presenter: Jean Bracy.
6. Approve payment to MDAQMD in the amount of \$105,673.21, subject to availability of funds, for services provided during the month of May 2016. Presenter: Jean Bracy.

**ITEMS FOR DISCUSSION**

**DEFERRED ITEMS**

**PRESENTATION**

7. Andy Swanton, BYD, product presentation.

**PUBLIC HEARINGS**

8. Conduct a public hearing to consider the amendment of Regulation III – *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 the Regulation and directing staff actions. Presenter: Bret Banks.

## **NEW BUSINESS**

9. 1) Award an amount not to exceed \$181,114 in Carl Moyer Program funds to South Pac Industries to retire older diesel tractors for newer, cleaner technology that meets the current emission standards; 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.
10. Award an additional \$59,700 in Mobile Emissions Reduction Program funds (AB 2766) to the City of Palmdale on an approved project for Electric Vehicle Charging Stations to include the costs associated with Americans with Disabilities Act (ADA) compliance requirements; 2) Authorize the Executive Director/APCO and staff to execute an amendment to the original agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan.
11. 1) Award an amount not to exceed \$18,927 in Carl Moyer Program funds to Bolthouse Farms to retire one (1) older diesel-powered tractor for one (1) new diesel tractor that meets the current emission standards; and 2) Authorize the Deputy Director and staff to negotiate target time frames, technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan.

## **ADMINISTRATIVE ITEMS**

12. Reports:  
  
Governing Board Counsel  
  
Executive Officer/APCO, Staff
13. Board Member Reports and Suggestions for Future Agenda Items.

Adjourn to Regular Governing Board Meeting of Tuesday, August 16, 2016.

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, time restrictions may be placed on oral testimony regarding the above proposals. You may wish to make your comments in writing to assure that you are able to express yourself adequately.

***In compliance with the Americans with Disabilities act, if special assistance is needed to participate in the Board Meeting, please contact the Deputy Clerk of the Board during regular business hours at 661-723-8070, ext. 1. Notification received 48 hours prior to the meeting will enable the District to make reasonable accommodations.***

I hereby certify, under penalty of perjury, that this agenda has been posted 72 hours prior to the stated meeting in a place accessible to the public. Copies of this agenda and any or all additional materials relating thereto are available at the District Office at 43301 Division Street, Suite 206, Lancaster, CA 93535 or by contacting the Deputy Clerk of the Board at 661-723-8070, ext. 1 or by email at [cgoree@avaqmd.ca.gov](mailto:cgoree@avaqmd.ca.gov)

**Mailed & Posted on: Friday, 7/8/16.**

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Crystal Goree, Deputy Clerk of the Board

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT  
GOVERNING BOARD**

**\*\*\*\*NOTICE OF REGULAR MEETING\*\*\*\***

**NOTICE IS HEREBY GIVEN that the Governing Board of the Antelope Valley Air Quality Management District (District) will conduct a Regular Meeting on Tuesday, July 19, 2016 at 10:30 a.m.**

**SAID MEETING will be conducted in the Antelope Valley Air Quality Management District Offices Conference Room, 43301 Division Street, Suite 206, Lancaster, California, 93535. Interested persons may attend and submit oral and/or written comments/statements at the meeting. It is requested that written comments/statements be submitted prior to the meeting.**

**A copy of the Agenda will be duly posted and may also be reviewed at the office of the Antelope Valley Air Quality Management District, 43301 Division Street, Suite 206, Lancaster, California 93535.**

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT  
GOVERNING BOARD**

**CRYSTAL GOREE  
DEPUTY CLERK OF THE GOVERNING BOARD  
PHONE: (661) 723-8070, Ext. 1.**

Mailed and Posted: **Friday, 7/8/16**  
**DATE**

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT  
GOVERNING BOARD MEETING  
TUESDAY, JUNE 21, 2016  
ANTELOPE VALLEY DISTRICT OFFICE  
LANCASTER, CA**

**MINUTES**

Board Members Present:

Marvin Crist, Chair, City of Lancaster  
Ron Hawkins, Los Angeles County  
Vern Lawson, Los Angeles County  
Ken Mann, City of Lancaster  
Jim Ledford, City of Palmdale

Board Members Absent:

Newton Chelette, Public Member  
Mike Dispenza, Vice Chair, City of Palmdale

**CALL TO ORDER**

Chair Crist called the meeting to order at 10:30 a.m. Board Member Lawson led the Pledge of Allegiance.

Roll call was taken.

**PUBLIC COMMENT**

**Agenda Item #1**

**CONSENT CALENDAR** – Consent items were acted upon by the Board at one time without discussion. Upon Motion by **HAWKINS**, Seconded by **LAWSON**, and carried unanimously, the Board acted as follows:

**Agenda Item #2 - Approve Minutes from Regular Governing Board Meeting of April 19, 2016.** Presenter: Crystal Goree.  
**Approved** Minutes from Regular Governing Board Meeting of May 17, 2016.

**Agenda Item #3 – Monthly Activity Report. Receive and file.** Presenter: Bret Banks.  
**Received and filed** Monthly Activity Report.

**Agenda Item #4 – Monthly Grant Summary. Receive and file.** Presenter: Bret Banks.  
**Received and filed** Monthly Grant Summary.

**Agenda Item #5 - The Financial Report is provided to the Governing Board for information concerning the current fiscal status of the District.**

Presenter: Jean Bracy.

**Received and Filed** Financial Report.

**Agenda Item #6 - Approve payment to MDAQMD in the amount of \$105,716.47, subject to availability of funds, for services provided during the month of April 2016.**

Presenter: Jean Bracy.

**Approved payment** to MDAQMD in the amount of \$105,716.47, subject to availability of funds, for services provided during the month of April 2016.

**ITEMS FOR DISCUSSION**

**DEFERRED**

None.

**PUBLIC HEARINGS**

**Agenda Item #7 - Conduct a Continued Public Hearing to consider the proposed AVAQMD Budget for FY 2016-17: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Adopt a Resolution approving and adopting Budget for Fiscal Year 2016-17.** Presenter: Jean Bracy.

Chair Crist opened public hearing and received staff report from Jean Bracy. Chair Crist solicited public comment. None being, chair Crist closed Public Hearing. Upon Motion by **LED FORD**, Seconded by **MANN** and carried unanimously, the board adopted Resolution #16-01, approving and adopting Budget for Fiscal Year 2016-17.

**NEW BUSINESS**

**Agenda Item #8 - 1) Award an amount not to exceed \$60,985 in Carl Moyer Program funds to Calandri SonRise Farms for the replacement of one (1) older diesel-powered forklift with newer, cleaner technology; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames, technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.**

Presenter: Julie McKeehan.

Julie McKeehan provided background information and staff recommendation.

Upon Motion by **MANN**, Seconded by **LED FORD** and carried unanimously, the board awarded an amount not to exceed \$60,985 in Carl Moyer Program funds to Calandri SonRise Farms for the replacement of one (1) older diesel-powered forklift with newer, cleaner technology and authorized the Executive Director/APCO and staff to negotiate target time frames, technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

**Agenda Item #9** – 1) Award an amount not to exceed \$51,460 in Carl Moyer Program funds to Antelope Valley Fair Association to retire two (2) diesel forklifts with newer, cleaner technology; and 2) Authorize the Deputy Director 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.

Julie McKeehan provided background information and staff recommendation.

Upon Motion by **LEDFORD**, Seconded by **HAWKINS** and carried unanimously, the Board awarded an amount not to exceed \$51,460 in Carl Moyer Program funds to Antelope Valley Fair Association to retire two (2) diesel forklifts with newer, cleaner technology and authorized the Deputy Director 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.

## **ADMINISTRATIVE ITEMS**

### **Agenda Item #10 - Reports**

Governing Board Counsel – None.

Executive Director/APCO, Staff – Bret Banks reported on the following:

- 1) The Mojave Desert AQMD Governing Board appointed Brad Poiriez as their new Executive Director, replacing Eldon Heaston. Mr. Heaston's last day with the District will be 6/30/16.
- 2) Update on SB 272 – Public Records Act Enterprise System Catalog. Mr. Banks thanked Allison Burns for her assistance. The AVAQMD is compliant with the requirement and the requisite information is posted on the District's web site.
- 3) The District is now accepting nominations for the AIRE Awards. The deadline for nominations is 5:00 p.m., August 31, 2016.
- 4) The Palmdale Energy Project submitted a request for a one year extension on their California Energy Commission application. CEC staff's recommendation to their Board was to support the requested extension.
- 5) Lockheed Martin Aeronautics Company unveiled a 1 megawatt Photovoltaic Solar System on 6/14/16 that will support 8-10% of the plant's electricity demand.
- 6) Norway voted to ban the sale of gasoline and diesel fuel by 2025 and to have all vehicles electric powered.
- 7) The State awarded \$9 million to the San Bernardino Associated Governments (SANBAG) for 27 zero-emission trucks. BYD will be the supplier of these trucks. Andy Swanton from BYD will make a presentation on BYD products at our July 2016 Governing Board meeting.

- 8) Board Member Hawkins inquired about a dust problem associated with construction of a solar project located at Avenue G-8 and approximately 96th Street West in Lancaster on Saturday June 11, 2016. AVAQMD issued a NOV to Rosendin Electric, contractor responsible for dust control on the project.

**Agenda Item #11 – Board Member Reports and Suggestions For Future Agenda Items.**

None.

The meeting was adjourned at 10:52 a.m. to the next regularly scheduled Governing Board Meeting, Tuesday, July 19, 2016, 10:30 a.m.

## Item #3 - Monthly Activity Report – June 2016

	<u>June2016</u>	<u>June2015</u>	<u>YTD (7/1/16)</u>
Complaints	2	3	51
Complaint Investigations	2	3	51
Asbestos Notifications	8	10	130
Asbestos Inspections	0	0	1
Facility Inspections	33	55	540
Facility Inspections Completed (%)	94	100	97
Permit Inspections	62	85	1042
Permit Inspections in Compliance (%)	98	99	98
Notice of Violation (NOV)	2	1	27

### Outstanding NOVs

- AV00000174, Issued 07/2015
- AV00000187, Issued 02/2016
- AV00000188, Issued 03/2016
- AV00000189, Issued 04/2016
- AV00000191, Issued 05/2016
- AV00000192, Issued 06/2016
- AV00000193, Issued 06/2016

### Project Comment Letters – June 2016

**Attached**

		AVAQMD CEQA PROJECTS				
		BOARD MEETING				
		7/19/2016				
Date Rec'd	Location	Project Name	Description	Comment	Date Due	Date Sent
5/16/2016	Littlerock	Roping Arena-90th Street East	30,000 sq ft arena on 6.25 acres	Concur with Dust Control analysis and mitigation	6/13/2016	6/6/2016
05/23/2016	COL	sPower-CUP15-22	10 MW solar facility on approx 89 acrea generally bounded by Ave I-4, Avenue J, 102nd St West and 105th St West	Dust Control Plan	6/17/2016	6/6/2016
5/16/2016	COL	Chevron-CUP 16-04	Chevron Extra Mile proposed at 42015 10th Street West	Dust Control Plan, ARB registered equip and permit apps	6/27/2016	6/7/2016

# ITEM #4 - MONTHLY FUND GRANT SUMMARY

**AB 2766 (\$4 DMV Fee) Annual Allocation for Mobile Projects** **\$407,605.00**

**AB 923 (\$2 DMV Fee) Annual Allocation for Mobile Projects** **\$545,000.00**

## AB 2766 & AB 923 CURRENT BALANCES

### AB 2766 PROJECT & ADMIN. FUNDS

<i>Action Date</i>	<i>Project Name</i>	<i>Approved Action</i>
Jan-14	AFV Program Add'l Funds	-100000.00 paid
Feb-14	City of Palmdale Yearly Allocation AV0214#10	-100000.00 paid
Feb-14	City of Lancaster Yearly Allocation AV0214#10	-100000.00 paid
Feb-14	Jaqua & Sons (2) Retrofit Project AV0214#9	-15530.00 paid
Mar-14	AFV Program Add'l Funds AV0314#12	-100000.00 paid
Mar-14	Sommer Haven Ranch International AV0314#15	-25000.00 paid
Mar-14	Hemme Hay & Feed (2) Retrofit Project AV0314#10	-16337.00 paid
Mar-14	AVC Equipment Replacement AV0314#14	-26160.00 paid
Mar-14	AFV Program Add'l Funds AV0414#11	-61200.92 paid
Apr-14	Antelope Valley Fair Assoc. CNG Bus Engine Repair AV0414#11	-11193.96 paid
Apr-14	AFV Program Add'l Funds AV0414#11	-101524.52 paid
Jun-14	AFV Program Add'l Funds AV0414#11	-24742.69 paid
May-14	Antelope Valley Mall Electric Infrastructure AV0514#13	-45817.00 paid
Jul-14	Antelope Valley HSD AV0714#9	-13500.00 paid
Jul-14	City of Palmdale Electric Infrastructure AV0714#10	-49729.00 paid
Aug-14	AFV Program Add'l Fnds AV0414#11	-14425.00 paid
Aug-14	AVEK Water Agency AV0814#9	-12000.00 paid
Aug-14	Yates Trucking Inc. AV0814#10	-15761.00 paid
Oct-15	AFV Program Add'l Funds AV0414#11	-14000.00 paid
Dec-14	City of Lancaster Traction Seal Project AV1214#9	-200000.00 paid
Jan-15	R & R Pipeline, Inc. Grant Funds Returned	20700.00 rec'd
Jan-15	AFV Program Add'l Funds AV0414#11	-17000.00 paid
Mar-15	Projected AFV applications for 2015	-60000.00 paid
Apr-15	Return of Truck Retrofit Funds	6718.00 rec'd
Jun-15	AVTA - Support of Electric Bus Operations AV0615#11	-200000.00 half paid
Feb-16	LA County Sheriff's Alt. Patrol Project AV0216#9	-50000.00 paid
	AVC Equipment Replacement AV0314#14	-1886.00 paid
Mar-16	AVLAW, LLC EV Charging Repair AV0316#11	-2117.00 pending
Apr-16	AV Produce TRU Replacement Project AV0416#?	-16203.00 pending
Apr-16	LA County Sheriff's Bio Diesel Truck Project AV0416#?	-50000.00 pending

### AB 2766 PROJECTS CURRENT BALANCE

**\$328,102.33**

### AB 2766 PROJECTS BALANCE PENDING APPROVAL

<i>Action Date</i>	<i>Project Name</i>	<i>Pending Action</i>
Jul-16	City of Palmdale Electric Infrastructure Requirements	-59700.00

**\$268,402.33**

## AB 923 PROJECT & ADMIN. FUNDS

<i>Action Date</i>	<i>Project Name</i>	<i>Approved Action</i>
Mar-13	AVAQMD School District Projects	-985000.00 paid
Jun-13	Eastside School District Bus Replacement AV0613#14	-128780.00 paid
Sep-13	VAVR Program - Projects & Admin. to EES AV0913#13	-94000.00 paid
Oct-13	WM Bolthouse Farms ERP AV1013#12	-32150.25 paid
Oct-13	Craig Van Dam Farms ERP AV1013#10	-225253.00 paid
Jan-14	WM Bolthouse Farms ERP AV1013#12 Add'l Funds	-5370.00 paid
Mar-14	AVTA Wave Project - Electric Infrastructure AV0314#16	-250000.00 pending
Mar-14	High Desert Dairy ERP Project #1 AV0314#09	-14985.16 paid
May-14	RPH CNG Upgrade Project AV0514#11	-230862.00 paid
May-14	Eastside School District Bus Replacement AV0514#12	-70009.67 paid
Jun-14	VAVR Program - Admin. to EES AV0614#11	-25000.00 paid
Nov-14	AVSTA CNG Tank Replacement AV1114#8	-31459.00 paid
Dec-14	VAVR Program - Admin to EES AV1214#8	-25000.00 paid
Jan-15	AVSTA CNG School Bus Purchase AV0115#7	-100000.00 paid
Apr-15	Calandri SonRise Farms ERP Project #3 AV0415#8	-78372.75 paid
May-15	Gene Wheeler Farms ERP Project #2 AV0515#10	-142010.00 paid
Aug-15	VAVR Program - Projects & Admin. to EES AV0815#6	-60000.00 paid
Nov-15	Calandri SonRise Farms Repower Project #4 AV1115#9	-116471.00 pending
Jan-16	Antelope Valley Farming ERP Project AV0116#8	-181530.00 paid
Mar-16	Ebee Streetlight EV Charging Project AV0316#10	-25000.00 pending
Apr-16	VAVR Program - Admin to EES AV0416#10	-60000.00

### AB 923 PROJECTS CURRENT BALANCE

**\$321,464.70**

<i>Action Date</i>	<i>Project Name</i>
	No Actions for July

**Pending Action**

### AB 923 PROJECTS BALANCE PENDING APPROVAL

**\$321,464.70**

## CARL MOYER PROGRAM PROJECT FUNDS

<i>Action Date</i>	<i>Project Name</i>	<i>Approved Action</i>
Mar-14	High Desert Dairy ERP Project #1 AV0314#09	-161182.84 paid
Jun-14	VAVR Program - Project funds to EES AV0614#11 CMP Rd. 16	-25000.00 paid
Jul-14	High Desert Dairy ERP Project #2 AV0714#11	-156386.00 paid
Jul-14	Valyermo Ranch ERP Project #2 AV0714#8	-154186.00 paid
Aug-14	Gene Wheeler Farms ERP Project #1 AV0814#8	-247459.00 paid
Dec-14	VAVR Program - Projects to EES AV1214#8	-50000.00 paid
<b>Mar-15</b>	<b>Carl Moyer Prog. Funds Year 17 Awarded to AVAQMD</b>	<b>637511.00</b> rec'd
<b>Mar-15</b>	<b>Carl Moyer Interest (FY 13-14) added to Year 16</b>	<b>834.45</b> rec'd
Apr-15	Calandri SonRise Farms ERP Project #3 AV0415#8	-284211.25 paid
Apr-15	High Desert Dairy ERP Project #3 AV0415#7	-134239.00 paid
Nov-15	Bill's Landscaping ERP Project #1 AV1115#7	-78873.00 paid
Nov-15	Gall Brothers Engineering ERP Project #1 AV1115#8	-138715.00 paid
<b>Feb-16</b>	<b>MDAQMD Year 16 Transfer AV0216#7</b>	<b>324480.00</b> rec'd
Mar-16	High Desert Dairy ERP Project #4 AV0316#	-163,501.00 pending
Mar-16	Calandri SonRise Farms ERP Project #5 AV0315#	-83,983.00 pending
<b>Mar-15</b>	<b>Carl Moyer Prog. Funds Year 18 Awarded to AVAQMD</b>	<b>659588.00</b> pending
Apr-16	Lane Ranch & Co. ERP Project AV0416#8	-111,875.00 pending
Apr-16	Bill's Landscaping ERP Project #2 AV0416#9	-82,871.00 paid
Jun-16	Calandri SonRise Farms Forklift Project #6 AV0616#8	-60,985.00 pending
Jun-16	Antelope Valley Fair Assoc. Forklift Project AV0616#9	-51,460.00 pending

### CARL MOYER PROJECTS CURRENT BALANCE

**\$432,348.00**

<i>Action Date</i>	<i>Project Name</i>
Jul-16	Bolthouse ERP Project AV0716#
Jul-16	South Pac Industries ERP Project AV0716#

**Pending Action**

### CARL MOYER PROJECTS BALANCE PENDING APPROVAL

**\$228,421.00**

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

*AGENDA ITEM 5*

**DATE:** July 19, 2016

**RECOMMENDATION:** Receive and file.

**SUMMARY:** The Financial Report is provided to the Governing Board for information concerning the current fiscal status of the District.

**BACKGROUND:** The Financial Reports provide financial and budget performance information and reflects the business activities of the District for the period referenced. Staff is available to answer questions as needed.

**BALANCE SHEET** – The Balance Sheet is a “snapshot” of the District’s resources, shown per fund.

**STATEMENT OF REVENUES & EXPENDITURES** – This report describes the financial activities for the month for each of the District’s funds. Negative numbers shown at the bottom of the columns in the grant funds indicates funds were spent from the accumulation of funds to date.

**STATEMENTS OF ACTIVITY** (for all District funds) – *Report Recap* is the consolidated report which reflects the revenues received and expenses made during the period and year to date against the adopted budget for FY 16. The line item Program Costs includes those payments made from the District’s grant funds (AB 2766, AB 923, and Carl Moyer Fund). This Report Recap is supported by two additional reports: *District Wide* reports the expenses paid directly from the District’s operating account and grant funds. *Contracted Services* reports the expenses made by the contractor (MDAQMD) and passed through to the District. The target variance for May is 92% of Fiscal Year 2016. “Adjustments to Revenue” usually reflects the cancellation of permits. “Permitting” revenue reflects invoices issued for annual permit renewals and always assumes the expectation of revenue for those facilities with valid operating permits. Cancelling permits impacts the expected revenue. During this fiscal year the permits issued to the Palmdale Power Project were officially cancelled. In prior years this unpaid but expected revenue was reflected in the accounts receivable. When the permits are cancelled and the revenue is no longer expected, accounts receivable on financial statements are appropriately adjusted.

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cc: Jean Bracy  
Laquita Cole  
Michelle Powell

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

*AGENDA ITEM 5*

**BANK REGISTER WELLS FARGO OPERATING** – This report lists the deposits to and payments made from the District’s primary operating account which is deposited at Wells Fargo Bank. Periodically the account is reimbursed from the funds on deposit with the Los Angeles County Auditor/Controller.

**BANK REGISTERS LA COUNTY: GENERAL FUND, AB 2766 U5R, LA COUNTY AB 923, and LA COUNTY CARL MOYER U5S** – These reports list deposits to and payments made from the District’s Grant Fund Accounts, held in trust at the Los Angeles County Auditor/Controller. The items on these lists are shown on the Statement of Activity as “Program Costs.”

**DISTRICT CARDS** – This report shows the purchases made using the District’s Mastercard for the referenced period.

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

**REVIEW BY OTHERS:** This item was reviewed by Allison Burns, Special Counsel; and by Bret Banks, Deputy Director – Antelope Valley Operations, on or before July 7, 2016.

**FINANCIAL DATA:** No change in appropriation is required at this time.

**PRESENTER:** Jean Bracy, Deputy Director/Administration

**Antelope Valley AQMD**  
**Balance Sheet - Governmental Funds**  
**As of May 31, 2016**

## 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	753,926.60	470,659.59	910,911.46	443,677.77	2,579,175.42
Cash Held For Other Fund	18,215.69	7,412.38	(7,436.99)	(18,191.08)	0.00
Receivables	38,576.80	0.00	0.00	97,291.52	135,868.32
Pre-Paid	6,494.78	0.00	0.00	0.00	6,494.78
<b>Total Current Assets</b>	<b>817,213.87</b>	<b>478,071.97</b>	<b>903,474.47</b>	<b>522,778.21</b>	<b>2,721,538.52</b>
<b>Total Assets</b>	<b>817,213.87</b>	<b>478,071.97</b>	<b>903,474.47</b>	<b>522,778.21</b>	<b>2,721,538.52</b>
<b>Liabilities and Net Position</b>					
Current Liabilities					
Payables	201,410.59	0.00	485.82	18,183.29	220,079.70
Due to Others	104,174.57	0.00	0.00	0.00	104,174.57
Unearned Revenue	0.00	0.00	0.00	865,864.80	865,864.80
<b>Total Current Liabilities</b>	<b>305,585.16</b>	<b>0.00</b>	<b>485.82</b>	<b>884,048.09</b>	<b>1,190,119.07</b>
Restricted Fund Balance	0.00	630,536.66	1,004,379.76	(261,576.92)	1,373,339.50
Cash Reserves	370,000.00	0.00	0.00	0.00	370,000.00
Unassigned Fund Balance	202,728.40	0.00	0.00	0.00	202,728.40
Pre-Paid	6,494.78	0.00	0.00	0.00	6,494.78
Change in Net Position	(67,594.47)	(152,464.69)	(101,391.11)	(99,692.96)	(421,143.23)
<b>Total Liabilities &amp; Net Position</b>	<b>817,213.87</b>	<b>478,071.97</b>	<b>903,474.47</b>	<b>522,778.21</b>	<b>2,721,538.52</b>

**Antelope Valley AQMD**  
**Statement of Revenues & Expenditures**  
**For the Period Ending May 31, 2016**

## Financial Report

	<u>General Fund</u>	<u>AB2766 Mobile Emissions Program</u>	<u>AB923 Mobile Emissions Program</u>	<u>Carl Moyer Program</u>	<u>Total Governmental Funds</u>
<b>Revenues</b>					
Application and Permit Fees	46,302.77	0.00	0.00	0.00	46,302.77
AB 2766 and Other Program Revenues	69,768.86	38,063.57	54,355.55	0.00	162,187.98
Fines	1,548.00	0.00	0.00	0.00	1,548.00
Investment Earnings	634.22	409.16	588.78	350.91	1,983.07
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>118,253.85</b>	<b>38,472.73</b>	<b>54,944.33</b>	<b>350.91</b>	<b>212,021.82</b>
<b>Expenditures</b>					
Program Staff	97,511.54	0.00	485.82	5,164.31	103,161.67
Services and Supplies	13,140.71	3,000.00	5,530.80	0.00	21,671.51
Contributions to Other Participants	0.00	0.00	0.00	0.00	0.00
Capital Outlay Improvements and Equipment	0.00	0.00	0.00	0.00	0.00
<b>Total Expenditures</b>	<b>110,652.25</b>	<b>3,000.00</b>	<b>6,016.62</b>	<b>5,164.31</b>	<b>124,833.18</b>
<b>Excess Revenue Over (Under) Expenditures</b>	<b>7,601.60</b>	<b>35,472.73</b>	<b>48,927.71</b>	<b>(4,813.40)</b>	<b>87,188.64</b>

**Antelope Valley AQMD**  
**Statement of Activity - MTD and YTD**  
**For 5/31/2016**

00 District Wide

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
<b>Revenues</b>				
Permitting	39,027.13	719,248.44	635,000.00	(1.13)
Programs	163,187.98	1,770,649.40	2,346,346.00	(0.75)
Revenue - Other	0.00	3,883.15	0.00	0.00
Application Fees	10,320.00	55,676.60	37,000.00	(1.50)
State Revenue	0.00	126,422.81	135,000.00	(0.94)
Fines & Penalties	1,548.00	64,280.14	29,700.00	(2.16)
Interest Earned	1,983.07	16,686.64	13,250.00	(1.26)
Adjustments to Revenue	(4,044.36)	(290,506.78)	0.00	0.00
<b>Total Revenues</b>	<b>212,021.82</b>	<b>2,466,340.40</b>	<b>3,196,296.00</b>	<b>(0.77)</b>
<b>Expenses</b>				
Office Expenses	6,340.56	72,140.93	82,275.00	0.88
Communications	1,361.86	17,920.27	19,500.00	0.92
Vehicles	696.76	9,245.02	10,500.00	0.88
Program Costs	8,530.80	1,555,266.88	1,704,235.00	0.91
Travel	0.00	2,400.68	5,000.00	0.48
Professional Services				
Financial Audit & Actuarial Svcs	0.00	12,000.00	12,000.00	1.00
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	0.00	5,615.00	15,000.00	0.37
Stipends	400.00	5,100.00	8,400.00	0.61
Maintenance & Repairs	225.00	2,451.00	7,000.00	0.35
Non-Depreciable Inventory	0.00	797.51	6,300.00	0.13
Dues & Subscriptions	0.00	8,622.91	9,800.00	0.88
Legal	1,565.45	7,231.40	14,000.00	0.52
Miscellaneous Expense	39.54	820.87	1,071.00	0.77
Suspense	0.00	12.51	0.00	0.00
Capital Expenditures	0.00	15,950.00	0.00	0.00
<b>Total Expenses</b>	<b>19,159.97</b>	<b>1,715,574.98</b>	<b>1,901,081.00</b>	<b>0.90</b>
<b>Program Staff</b>				
<b>Excess Revenue Over (Under) Expenditures</b>	<b>192,861.85</b>	<b>750,765.42</b>	<b>1,295,215.00</b>	<b>(0.58)</b>

**Antelope Valley AQMD**  
**Statement of Activity - MTD and YTD**  
**For 5/31/2016**

10 Contracted Services

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
<b><u>Revenues</u></b>				
<b><u>Expenses</u></b>				
Office Expenses	0.00	8,634.98	5,800.00	1.49
Communications	0.00	0.00	250.00	0.00
Vehicles	0.00	0.00	500.00	0.00
Travel	0.00	774.78	3,000.00	0.26
Professional Services				
Financial Audit & Actuarial Svcs	11.54	184.36	12,000.00	0.02
Consulting Fees	2,500.00	27,500.00	32,500.00	0.85
Non-Depreciable Inventory	0.00	37.31	0.00	0.00
Dues & Subscriptions	0.00	0.00	225.00	0.00
Capital Expenditures	0.00	0.00	15,000.00	0.00
<b>Total Expenses</b>	<b>2,511.54</b>	<b>37,131.43</b>	<b>69,275.00</b>	<b>0.54</b>
<b><u>Program Staff</u></b>				
Program Staff	103,161.67	1,134,777.22	1,237,940.00	0.92
<b>Total Program Staff</b>	<b>103,161.67</b>	<b>1,134,777.22</b>	<b>1,237,940.00</b>	<b>0.92</b>
<b>Excess Revenue Over (Under) Expenditures</b>	<b>(105,673.21)</b>	<b>(1,171,908.65)</b>	<b>(1,307,215.00)</b>	<b>(0.90)</b>

**Antelope Valley AQMD**  
**Statement of Activity - MTD and YTD**  
**For 5/31/2016**

Report Recap

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
<b>Revenues</b>				
Permitting	39,027.13	719,248.44	635,000.00	(1.13)
Programs	163,187.98	1,770,649.40	2,346,346.00	(0.75)
Revenue - Other	0.00	3,883.15	0.00	0.00
Application Fees	10,320.00	55,676.60	37,000.00	(1.50)
State Revenue	0.00	126,422.81	135,000.00	(0.94)
Fines & Penalties	1,548.00	64,280.14	29,700.00	(2.16)
Interest Earned	1,983.07	16,686.64	13,250.00	(1.26)
Adjustments to Revenue	(4,044.36)	(290,506.78)	0.00	0.00
<b>Total Revenues</b>	<b>212,021.82</b>	<b>2,466,340.40</b>	<b>3,196,296.00</b>	<b>(0.77)</b>
<b>Expenses</b>				
Office Expenses	6,340.56	80,775.91	88,075.00	0.92
Communications	1,361.86	17,920.27	19,750.00	0.91
Vehicles	696.76	9,245.02	11,000.00	0.84
Program Costs	8,530.80	1,555,266.88	1,704,235.00	0.91
Travel	0.00	3,175.46	8,000.00	0.40
Professional Services				
Financial Audit & Actuarial Svcs	11.54	12,184.36	24,000.00	0.51
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	2,500.00	33,115.00	47,500.00	0.70
Stipends	400.00	5,100.00	8,400.00	0.61
Maintenance & Repairs	225.00	2,451.00	7,000.00	0.35
Non-Depreciable Inventory	0.00	834.82	6,300.00	0.13
Dues & Subscriptions	0.00	8,622.91	10,025.00	0.86
Legal	1,565.45	7,231.40	14,000.00	0.52
Miscellaneous Expense	39.54	820.87	1,071.00	0.77
Suspense	0.00	12.51	0.00	0.00
Capital Expenditures	0.00	15,950.00	15,000.00	1.06
<b>Total Expenses</b>	<b>21,671.51</b>	<b>1,752,706.41</b>	<b>1,970,356.00</b>	<b>0.89</b>
<b>Program Staff</b>				
Program Staff	103,161.67	1,134,777.22	1,237,940.00	0.92
<b>Total Program Staff</b>	<b>103,161.67</b>	<b>1,134,777.22</b>	<b>1,237,940.00</b>	<b>0.92</b>
<b>Excess Revenue Over (Under) Expenditures</b>	<b>87,188.64</b>	<b>(421,143.23)</b>	<b>(12,000.00)</b>	<b>(35.10)</b>

**Antelope Valley AQMD**  
**Bank Register from 5/01/2016 to 5/31/2016**  
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>
0000200	5/09/2016	Credit Card Transaction - R & R Demo	0.00	212.00	48,879.55
	5/11/2016	Service Charge	39.54	0.00	48,840.01
0000200	5/12/2016	Credit Card Transaction - TDC	0.00	212.00	49,052.01
0000200	5/16/2016	Credit Card Transaction - CA Water Svc	0.00	332.24	49,384.25
0002904	5/19/2016	[01148] ANTELOPE VALLEY PRESS-Public Hearing Notice	247.95	0.00	49,136.30
0002905	5/19/2016	[10006] BANK OF THE WEST-Credit Card Charges April 2016	774.87	0.00	48,361.43
0002906	5/19/2016	[10405] CANON FINANCIAL SERVICES-Copier Lease May 2015	298.12	0.00	48,063.31
0002907	5/19/2016	[10057] MARVIN CRIST-GB Mtg 5/17/16	100.00	0.00	47,963.31
0002908	5/19/2016	[10053] MIKE DISPENZA-GB Mtg 5/17/16	100.00	0.00	47,863.31
0002909	5/19/2016	[10059] ENTERPRISE FLEET MANAGEMENT-Fleet Maintenance April 2016	32.00	0.00	47,831.31
0002910	5/19/2016	[10018] ENTERPRISE RENT A CAR-B Banks Rental CAPCOA Enf Mgrs Mtg	83.72	0.00	47,747.59
0002911	5/19/2016	[10058] RONALD HAWKINS-GB Mtg 5/17/16	100.00	0.00	47,647.59
0002912	5/19/2016	[10071] MAIL FINANCE-Postage Meter Lease June 2016	94.63	0.00	47,552.96
0002913	5/19/2016	[10260] QCS BUILDING SERVICES-Cusodial Service May 2016	225.00	0.00	47,327.96
0002914	5/19/2016	[10039] SPARKLETTS-Water Delivery Service April 2016	41.02	0.00	47,286.94
0002915	5/19/2016	[10455] STRADLING YOCCA CARLSON & ROTH-Invoices 308261-0001, 308267	1,912.50	0.00	45,374.44
0002916	5/19/2016	[10389] ANGELA UNDERWOOD - JACOBS-GB Mtg 5/17/16	100.00	0.00	45,274.44
0002917	5/19/2016	[10045] VERIZON BUSINESS-VOIP and Internet Service May 2016	1,338.06	0.00	43,936.38
0002918	5/19/2016	[10046] VERIZON CALIFORNIA-Long distance charges April 2016	23.26	0.00	43,913.12
0002919	5/19/2016	[10063] VOYAGER FLEET SYSTEMS-Fuel card Charges April 2016	412.14	0.00	43,500.98
0000200	5/19/2016	Credit Card Transaction - Kraus Const	0.00	212.00	43,712.98
0000200	5/20/2016	Credit Card Transaction - CSI	0.00	573.00	44,285.98
0002920	5/27/2016	[02274] S.E.A.CORPORATION-Refund: Over Payment of Application Fee	91.48	0.00	44,194.50
0002921	5/27/2016	[00069] SOUTHERN CALIFORNIA EDISON-Elecgtric Service May 2016	439.57	0.00	43,754.93
0002922	5/27/2016	[10050] WOELFL FAMILY TRUST-Office Lease June 16	4,229.26	0.00	39,525.67
0000200	5/31/2016	Credit Card Transaction - Joshua Crematory	0.00	1,189.94	40,715.61
<b>Total for Report:</b>			<b>10,683.12</b>	<b>2,731.18</b>	

**Antelope Valley AQMD**  
**Bank Register from 5/01/2016 to 5/31/2016**  
**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>
	5/01/2016	Interest Earned	0.00	634.22	567,296.24
0000201	5/09/2016	Dail Deposit	0.00	22,355.10	589,651.34
0082790	5/09/2016	Transfer Moyer Round 16 from MDAQMD	324,480.00	0.00	265,171.34
0000202	5/11/2016	Daily Deposit	0.00	331,493.56	596,664.90
0000203	5/16/2016	Daily Deposit	0.00	1,148.00	597,812.90
0082785	5/18/2016	Transfer AB2766 - March 2016	38,063.57	0.00	559,749.33
0082786	5/18/2016	Transfer AB923 - March 2016	54,355.55	0.00	505,393.78
0000204	5/18/2016	Daily Deposit	0.00	173,054.90	678,448.68
0000205	5/31/2016	Daily Deposit	0.00	27,664.96	706,113.64
<b>Total for Report:</b>			<b>416,899.12</b>	<b>556,350.74</b>	

**Antelope Valley AQMD**  
**Bank Register from 5/01/2016 to 5/31/2016**  
**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>
	5/01/2016	Interest Earned	0.00	409.16	435,596.02
M16-54	5/04/2016	[10462] JACKSON, STEVEN-AB2766 Grant	1,000.00	0.00	434,596.02
M16-55	5/04/2016	[10463] LOTHERT, RAY-AB2766 Grant	1,000.00	0.00	433,596.02
M16-57	5/16/2016	[10464] REGINALDO, STEPHEN-AB2766 Grant	1,000.00	0.00	432,596.02
0082785	5/18/2016	Transfer AB2766 - March 2016	0.00	38,063.57	470,659.59
<b>Total for Report:</b>			<b>3,000.00</b>	<b>38,472.73</b>	

**Antelope Valley AQMD**  
**Bank Register from 5/01/2016 to 5/31/2016**  
**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>
	5/01/2016	Interest Earned	0.00	588.78	862,086.71
M16-56	5/16/2016	[10084] ENVIRONMENTAL ENGINEERING STUDIES VAVR-AB923 Grant	5,530.80	0.00	856,555.91
0082786	5/18/2016	Transfer AB923 - March 2016	0.00	54,355.55	910,911.46
		<b>Total for Report:</b>	<b>5,530.80</b>	<b>54,944.33</b>	

**Antelope Valley AQMD**  
**Bank Register from 5/01/2016 to 5/31/2016**  
**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>
	5/01/2016	Interest Earned	0.00	350.91	119,120.27
0082790	5/09/2016	Transfer Moyer Round 16 from MDAQMD	0.00	324,480.00	443,600.27
<b>Total for Report:</b>			<b>0.00</b>	<b>324,830.91</b>	

**Antelope Valley AQMD**  
**Bank Register from 5/01/2016 to 5/31/2016**  
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>
0000012	5/01/2016	May 2016 Payment	0.00	774.87	787.38
0000061	5/01/2016	[10070] BARBARA LODS-Office Supplies	56.52	0.00	730.86
0000062	5/01/2016	[10070] BARBARA LODS-Office/Kitchen Supplies	39.89	0.00	690.97
0000063	5/01/2016	[10069] BRET BANKS-Airfare - ARB meeting to review Zero Emission Program Deployment	451.96	0.00	239.01
0000064	5/01/2016	[10069] BRET BANKS-Offsite Storage Rental May 2016	139.00	0.00	100.01
0000065	5/01/2016	[10069] BRET BANKS-Copies AVAQMD Lawn Mower Exchange Flyer	77.50	0.00	22.51
0000066	5/01/2016	[10069] BRET BANKS-Parking - ARB Zero Emissions Program Meeting	10.00	0.00	12.51
<b>Total for Report:</b>			<b>774.87</b>	<b>774.87</b>	

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

*AGENDA ITEM 6*

**DATE:** July 19, 2016

**RECOMMENDATION:** Approve payment to MDAQMD in the amount of \$105,673.21, subject to availability of funds, for services provided during the month of May 2016.

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

**CONFLICT OF INTEREST:** None

**BACKGROUND:**

Key expenses are staff; six positions are assigned to the local office. In this billing format staff time conducted in the performance of administering the Carl Moyer and AB 2766 programs is listed separately for program accountability. The Carl Moyer Program is a source of revenue used to reimburse some program administrative expenses. Operating expenses are paid directly and accounted in the Financial Report. Staff will be available to answer questions as needed.

This payment request represents services rendered for May 2016, in the total amount of \$105,673.21 including amounts accrued for services rendered or supplies purchased but not yet billed or paid this fiscal year.

**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 July 7, 2016.

**FINANCIAL DATA:** The contract and direct expenditure amounts are part of the approved District budget for FY 16. No change in appropriations is anticipated as a result of the approval of this item.

**PRESENTER:** Jean Bracy, Deputy Director/Administration

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cc: Jean Bracy  
Laquita Cole  
Michelle Powell



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

Due Date **DUE UPON RECEIPT**  
 Invoice Date **5/31/2016**  
 Invoice Number **41311**

# 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>

<b>FY16</b>	<b>Amount</b>	
AV AB923	485.82	
Antelope Valley AB2766	5,435.98	
AV Lawn Mower	1,349.50	
Antelope Valley Moyer	5,164.31	
Antelope Valley	662.46	
Antelope Valley NSR	149.70	
Antelope Valley NSR	0.00	
Antelope Valley PERP	253.10	
Program Staff	89,660.80	
Overhead	2,500.00	
Professional Services	11.54	
<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</b>	<b>105,673.21</b>
	<b>Amount Paid</b>	<b>0.00</b>
	<b>Balance Due</b>	<b>105,673.21</b>

**ANTELOPE VALLEY AQMD  
Program Staff  
FY 2015-16**

<b>Program</b>	<b>FY 14-15 Contracted Hours</b>	<b>FY 15-16 Contracted Hours</b>	<b>Average Contract Cost/hr</b>	<b>Annual Contract Cost</b>	<b>FTE</b>
Lancaster Office	12,480	12,480	\$ 74.03	923,901	6.00
Planning, Grants, and Rulemaking	260	250	71.48	17,869	0.12
Air Monitoring and Surveillance	208	525	73.29	38,477	0.25
Compliance	156	250	145.12	36,280	0.12
Stationary Sources	858	150	70.37	10,556	0.07
Executive Management and Legal	468	750	142.77	107,078	0.36
Community Relations & Education	273	100	91.23	9,123	0.05
Administration	1,937	1,100	86.05	94,655	0.53
<b>TOTAL</b>	<b>16,640</b>	<b>15,605</b>		<b>\$ 1,237,940</b>	<b>7.50</b>

**Full Time Equivalents (FTE)                      8.00                      7.50**

<b>Fiscal Year Comparison:</b>	<u><b>Contract Cost</b></u>	<u><b>FTE</b></u>
Fiscal Year 2014-15	\$ 1,168,959	8.00
Fiscal Year 2015-16	\$ 1,237,940	7.50
Percent Change:	5.6%	-6.22%

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

***AGENDA ITEM 8***

**DATE:** July 19, 2016

**RECOMMENDATION:** Conduct a public hearing to consider the amendment of Regulation III – *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 the Regulation and directing staff actions.

**SUMMARY:** The AVAQMD is proposing a 12% fee increase to Rule 301 and Rule 312 to better align the fees with the costs of issuing and enforcing both District and Federal Operating permits. Adjustments in permit fees are required from time to time 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.

**CONFLICT OF INTEREST:** None.

**BACKGROUND:** Rule 301 – *Permit Fees* and Rule 312 - *Supplemental Annual Fees for Federal Operating Permits* were most recently amended July 19, 2015 to include appropriate fee increases to support the operational cost of the District's regulatory program. The July 19, 2015 amended versions of both Rules are currently in the AVAQMD rulebook.

The proposed effective date for the fee change amendments to Rule 301 and Rule 312 will be January 1, 2017 to allow sufficient time for permit holders and District staff to implement the proposed fee changes.

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cc: Barbara Lods

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

*AGENDA ITEM 8*

**PAGE 2**

A Notice of Exemption, Categorical Exemption (Class 8; 14 Cal. Code Reg. §15308) will be prepared by the AVAQMD for the amendment of Regulation III 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. Also, 42 U.S.C. §7410(l) (FCAA §110(l)) requires that all State Implementation Plan (SIP) revisions be adopted after public notice and hearing.

**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 July 5, 2016.

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

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

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

**A RESOLUTION OF THE GOVERNING BOARD OF THE ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT MAKING FINDINGS, CERTIFYING THE NOTICE OF EXEMPTION, AMENDING REGULATION III - FEES AND DIRECTING STAFF ACTIONS.**

On July 19, 2016, 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 following rules of Regulation III – *Fees*, are proposed for amendment; and

**WHEREAS**, Rule 301 – *Permit Fees* as last amended 7/21/15, is proposed to adjust fees 12%; and

**WHEREAS**, Rule 312 – *Supplemental Annual Fees for Federal Operating Permits* as last amended 7/21/2015 is proposed to adjust fees 12 %; and

**WHEREAS**, the AVAQMD is proposing a 12% increase to rules 301 and 312 to better align the fees with the cost of issuing and enforcing both District and Federal Operating permits; and

**WHEREAS**, adjustments in permit fees are required from time to time to ensure that the costs of issuing air quality permits; performing inspections, investigations and audits; and enforcing district rules

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

1 and regulations are aligned with the reasonable regulatory costs of the permit program; and

2       **WHEREAS**, to allow time to implement the proposed fee changes, the amended versions of Rule  
3 301, and Rule 312 are proposed to be effective on January 1, 2017; and

4       **WHEREAS**, the AVAQMD has the authority pursuant to H & S Code §40702 to amend rules and  
5 regulations; and

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

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

11       **WHEREAS**, the proposed amendment of Regulation III does not impose the same requirements  
12 as any existing state or federal regulation because H&S Code §40702 allows the District to adopt, amend  
13 or 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 amendments are needed to adjust permit fees to ensure that the costs of  
16 issuing air quality permits; performing inspections, investigations and audits; and enforcing district rules  
17 and regulations are aligned with the reasonable regulatory costs of the permit program.; and

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

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

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

28

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

1           **NOW, THEREFORE, BE IT RESOLVED**, that the Governing Board of the AVAQMD finds  
2 that the proposed amendments to Regulation III - *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 Regulation III - *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 Regulation III – *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, Crystal Goree, Deputy Clerk of the Governing Board of the Antelope Valley Air Quality Management  
24 District, hereby certify the foregoing to be a full, true and correct copy of the record of the action as the same  
25 appears in the Official Minutes of said Governing Board at its meeting of July 19, 2016.

26 \_\_\_\_\_  
27 Deputy Clerk of the Governing Board,  
28 Antelope Valley Air Quality Management District.

(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)

## 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 07/19/2016 shall be effective on 01/01/2017.

(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) Upon prior arrangement with the District, fees may be paid by credit card.
  - (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.

**(D) Fees**

- (1) Application Filing Fee
- (a) Except as otherwise provided, any person who applies for the issuance of a new or modified permit shall be assessed a fee of \$642.00. 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 \$134.00 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 \$225.00 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 shall be assessed a fee of \$112.00 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 \$668.00 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 \$134.00 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 \$134.00 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	\$372.11
Classification B	\$1332.73
Classification C	\$3196.97
Electrical Generating Equipment (non-emergency) rated 100,000,000 Btu/hr and less	\$4430.70 plus \$105.68 per each 1,000,000 Btu/hr
Electrical Generating Equipment (non-emergency) rated greater than 100,000,000 Btu/hr	\$12300.29 plus \$26.95 per each 1,000,000 Btu/hr
Nozzles (Rule 461)	\$40.25 per product/per nozzle

[SIP: Not SIP. ]

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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 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
<b>Incinerators</b>		Crematory	All others

**Table 1  
Equipment/Process Classifications**

<b>Equipment</b>	<b>Classification A</b>	<b>Classification B</b>	<b>Classification C</b>
<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><i>Air Pollution Control Devices</i></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.			

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

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## Rule 312

### Supplemental Annual Fees for Federal Operating Permits

#### (A) General

##### (1) Purpose.

- (a) This rule sets forth the fees required for Federal Operating Permits (FOP) pursuant to Regulation XXX.

##### (2) Applicability.

- (a) Each owner/operator of a Facility, as defined in District Rule 3001(M), which is subject to the provisions of Regulation XXX or will be subject to the provisions of Regulation XXX on the effective date of that regulation, as defined in District Rule 3000(D), shall pay the fees as indicated in this rule.
- (b) Federal, State or Local governmental agencies or public districts shall pay these fees to the extent allowed under Chapter 2, Division 7, Title 1 of the Government Code (commencing with Section 6130) and under Part 4 and Part 6, Division 26 of the Health & Safety Code (commencing with Sections 41500 and 44300 respectively).

##### (3) Effective Date

- (a) The amendments to this rule adopted on 07/21/2015 shall be effective on 01/01/2017.

#### (B) Requirements and Procedures.

- (1) Fees shall be paid when due as specified in this Rule. Failure to pay such fees shall be grounds for denial or revocation of any FOP, or for the termination of any application for a FOP. If such fees are not paid when due:
  - (a) The person subject to the fee shall be notified, by first class mail (postage prepaid) that the fee is currently delinquent and must be paid within thirty (30) days of the notice.

- (b) If the fee is not paid after the period specified in subsection (a), the person subject to the fee shall be notified by first class mail (postage prepaid) that:
    - (i) The FOP, if any, has been suspended for non-payment of fees and is no longer valid; and
    - (ii) That continuing to operate with a suspended FOP is a violation of District Rules & Regulations.
  - (c) If the FOP is suspended for more than thirty (30) days, the APCO shall terminate the permit for non-payment of fees and notify the permit holder, in writing, of such termination.
- (2) Reinstatement of Suspended or Terminated Permits.
- (a) A suspended FOP may be reinstated by payment in full of all fees and penalties.
  - (b) A terminated FOP may only be reinstated by the submittal of a new application, accompanied by payment of all previously accrued fees, penalties and any new fees which would apply to such new application.
- (3) No claim for a refund of any fee shall be honored unless such claim is submitted within ninety (90) days after the fee was paid.

**(C) Supplemental Annual Fee.**

- (1) The supplemental annual fee shall be assessed annually in conjunction with any annual fees required pursuant to District Rule 301. The supplemental annual fee shall be assessed in addition to any other fees required by Regulation III.
  - (a) The supplemental annual fee shall not apply to the filing fee, a fee assessed solely due to an application for change of ownership, or a fee assessed solely as a result of a failure to obtain a permit to construct pursuant to District Rule 301 when a person is submitting an application solely for the purposes of obtaining a FOP pursuant to Regulation XXX and such person presently holds valid permits under District Regulation II.
- (2) The supplemental annual fee shall be \$1288.00 per FOP applied for or issued pursuant to the provisions of Regulation XXX.
- (3) The supplemental annual fee shall be due and owing within thirty (30) days of the District sending an invoice first class mail, postage prepaid, to the applicant or holder of the FOP.

(D) Limitations.

- (1) Payment of fees set forth under this rule shall not result in the renewal of a FOP unless the procedures for renewal of the FOP as set forth in Regulation XXX have been completed.

[SIP: Not SIP. Submitted as part of Title V Program. Title V Program approved on 01/16/2004, 69 FR 2511.]

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*Antelope Valley*  
Air Quality Management District

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Draft  
Staff Report  
Regulation III-Fees

Proposed Amendments to  
Rule 301– *Permit Fees*  
Rule 312 – *Supplemental Annual Fees for Federal Operating Permits*

For adoption on  
July 19, 2016

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**STAFF REPORT  
TABLE OF CONTENTS  
Regulation III-Fees**

I. PURPOSE OF STAFF REPORT .....3

II. EXECUTIVE SUMMARY .....3

III. STAFF RECOMMENDATION .....4

IV. LEGAL REQUIREMENTS CHECKLIST .....5

V. DISCUSSION OF LEGAL REQUIREMENTS .....6

A. REQUIRED ELEMENTS/FINDINGS .....6

1. State Findings Required for Adoption of Rules & Regulations .....6

a. Necessity .....6

b. Authority .....6

c. Clarity .....6

d. Consistency .....7

e. Non-duplication .....7

f. Reference .....7

g. Public Notice & Comment, Public Hearing .....7

2. Federal Elements (SIP Submittals, Other Federal Submittals) .....7

a. Satisfaction of Federal Requirements .....8

b. Public Notice and Comment .....8

c. Availability of Document(s) .....8

d. Notice to Specified Entities .....8

e. Public Hearing .....8

f. Legal Authority to Adopt and Implement .....8

g. Applicable State Laws and Regulations Were Followed .....9

B. WRITTEN ANALYSIS OF EXISTING REQUIREMENTS .....9

C. ECONOMIC ANALYSIS .....9

1. General .....9

2. Economic Analysis for Rule 301 – *Permit Fees* and Rule 312 -  
*Supplemental Annual Fees for Federal Operating Permits* .....9

4. Incremental Cost Effectiveness .....10

D. ENVIRONMENTAL ANALYSIS (CEQA) .....10

E. SUPPLEMENTAL ENVIRONMENTAL ANALYSIS .....10

1. Potential Environmental Impacts .....10

2.	Mitigation of Impacts .....	10
3.	Alternative Methods of Compliance.....	11
F.	PUBLIC REVIEW .....	11
VI.	TECHNICAL DISCUSSION.....	11
A.	SOURCE DESCRIPTION .....	11
B.	EMISSIONS .....	11
C.	CONTROL REQUIREMENTS .....	11
D.	PROPOSED RULE SUMMARY .....	11
1.	AV Rule 301 – <i>Permit Fees</i> .....	11
10.	AV Rule 312 – <i>Supplemental Annual Fees for Federal Operating Permits</i> .	12
E.	Rule HISTORY.....	12
F.	PROPOSITION 26 ANALYSIS.....	13
1.	Justification for Fee Adjustment to Rule 301 – <i>Permit Fees</i> and Rule 312 – <i>Supplemental Annual Fees for Federal Operating Permits</i> .....	14
Appendix A – Rule Iterated Version .....		A-1
Appendix B - Public Notice Documents .....		B-1
Appendix C - Public Comments and Responses .....		C-1
Appendix D - California Environmental Quality Act Documentation.....		D-1
Appendix E - Bibliography.....		E-1
Appendix F - Cost Analysis.....		F-1

## STAFF REPORT Regulation III-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 following rules of Regulation III are proposed for amendment as listed below:

- Rule 301 – *Permit Fees* as last amended 7/21/15; amend to adjust fees 12%.
- Rule 312 – *Supplemental Annual Fees for Federal Operating Permits* as last amended 7/21/15; amend to adjust 12 %

The AVAQMD is proposing a 12% fee increase to Rules 301 and 312 to better align the fees with the costs of issuing and enforcing both District and Federal Operating permits. Adjustments in permit fees are required from time to time to ensure that the costs of issuing air quality permits; performing inspections, investigations and audits; and enforcing district rules and regulations are aligned with the reasonable regulatory costs of the permit program. .

To allow time to implement the proposed fee changes, the amendment of Rule 301 and Rule 312 are proposed to be effective on January 1, 2017.

### III. STAFF RECOMMENDATION

Staff recommends that the Governing Board of the AVAQMD adopt amendments to Rule 301 – *Permit Fees* and Rule 312 - *Supplemental Annual Fees for Federal Operating* 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 *Regulation III-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 Regulation III. 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 AVAQMD is proposing a 12% fee increase to Rules 301 and 312 to better align the fees with the costs of issuing and enforcing both District and Federal Operating permits. Adjustments in permit fees are required from time to time 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.

##### 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 Regulation III are clear in that they are written so that the persons subject to the rules 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 and 312. These rule amendments have been developed to provide clarity in both applicability and implementation.

d. Consistency:

The proposed amendment of Regulation III 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 amendments and rescissions of Regulation III do 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 do 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 Regulation III was published on 06/17/16 for 07/19/16 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. Reg. III is a fee regulation 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.

Rule 312 is part of the Federal Operating Permit Program (Title V Program) for the AVAQMD and will be submitted to the EPA as an update to that program. Title V Program submittals are required to be federally enforceable. To ensure this enforceability the USEPA has indicated that SIP submittal procedure and requirements are appropriate for use to ensure such enforceability. Therefore, the following indicates how the AVAQMD has complied with such procedural requirements for Rule 312.

a. Satisfaction of Federal Requirements

The proposed amendments to Rule 312 help satisfy the requirements of Title V of the Federal Clean Air Act (namely 42 U.S.C. 7661a(b)(3) and 40 CFR 70.9) which require the adoption of fees sufficient to fund the District's Federal Operating Permit Program.

b. Public Notice and Comment

At least thirty (30) days is required and the AVAQMD must respond to any comments received (See 42 U.S.C. §7410(a)(2), (1); FCAA §110(a)(2), (1); 40 CFR §51.102, 51 Appendix V §2.1). Notice for the public hearing for the proposed amendment of Regulation III was published on 06/19/15 for 07/21/15 Governing Board meeting

c. Availability of Document(s)

Appropriate documents must be readily available to the public (See 42 U.S.C. §7410(a)(2), (1); FCAA §110(a)(2), (1); 40 CFR §51.102, 51 Appendix V §2.1). The proposed amendments to Regulation III were made publically available on 06/17/16 via newspaper publication, facility mailing, and posting on the District's website.

d. Notice to Specified Entities

Notice of the proposed action is required to be given to USEPA and other interested entities (See 40 CFR 51.102(d)(3-5)). Copies of the proposed amendments to Regulation III were made available to the affected entities on 06/17/16 and were mailed to CARB and USEPA on that same date.

e. Public Hearing

A public hearing must be held prior to adoption or amendment (See 42 U.S.C. §7410(a)(2), (1); FCAA §110(a)(2), (1); 40 CFR §51.102, 51 Appendix V §2.1). The public hearing on the proposed amendments to Regulation III will occur on July 19, 2016.

f. Legal Authority to Adopt and Implement

The adopting entity, in this case the AVAQMD, is required to show that it has the legal authority to adopt and implement the item submitted. H&S Code §§40702 et seq. provides the legal authority for the AVAQMD to adopt, amend, and/or repeal rules and regulations. H&S Code §§42300 et seq. authorizes the AVAQMD to establish a permit program which includes a federal operating permit program. In addition, Title V Program fees are authorized by 40 CFR 70.9, H&S Code §§41330, 41512.7 and 42311)

g. Applicable State Laws and Regulations Were Followed

The AVAQMD is also required to show that applicable state public notice and hearing requirements have been followed (See Section (V)(A)(1)). The applicable procedures pursuant to CEQA have been followed (See Sections (V)(C), (V)(D) and Appendix D). Other applicable procedures have been followed as indicated elsewhere in this staff report.

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 Reg. III only modify fees and 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 sources that support 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* and Rule 312 - *Supplemental Annual Fees for Federal Operating Permits*.

Staff is recommending adjustment to Rule 301 and Rule 312 to recover costs resulting from the net amount of the increased relevant labor costs associated with issuing air quality permits, performing inspections and investigations, audits and enforcement of all regulations. Regular adjustments to fees in response to rising costs, serves to minimize potentially dramatic future fee increases because incremental and periodic changes were not regularly implemented.

The proposed 12% permit fee adjustment is projected to result in an overall added cost to industry of \$78,000. This amount is based on applying the proposed cost increase to fee revenue received during the 12 months April 1, 2015 to March 31, 2016, on fees derived from applications, asbestos, and operating permit fee revenues<sup>[1]</sup>. The typical District single permit facility pays an application fee of \$573.00. The proposed amendment will result in an average increase of \$69.00 per permit or 12%.

#### 4. 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 California Clean Air Act 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 Regulation III - *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 Rules 301 and 312.

a. The proposed amendments to Rules 301 and 312 meet the CEQA definition of “project.” They are not “ministerial” actions.

b. The proposed amendments to Rules 301 and 312 are exempt from CEQA review because they merely adjust fees and fee methodologies and there is not potential that the amendments or rescissions 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 Reg. III do not have any potential environmental impacts because they merely adjust fees and fee methodologies and do not have any impact upon emissions of air contaminants.

#### 2. Mitigation of Impacts

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<sup>[1]</sup> Revenue estimates have been calculated based on the revenue received by during the 12 month period April 1, 2015 to March 31, 2016: Operating Permit Applications: \$43,428; Asbestos related fees: \$73,000; Permits to Operate and Authorities to Construct: \$527,251 (this considers cancelled permits); and Title V fees: \$4,000 for an estimated total of \$647,679.

N/A

3. Alternative Methods of Compliance

N/A

F. PUBLIC REVIEW

See Staff Report Section (V)(A)(1)(g) and (2)(b), as well as Appendix B.

VI. TECHNICAL DISCUSSION

A. SOURCE DESCRIPTION

The proposed amendments to Regulation III will affect all current and future holders of AVAQMD Permits, and those operations that are required to submit specific plans or certain other documents.

B. EMISSIONS

The proposed amendments to Regulation III only adjust fees and thus will have no impact on emissions.

C. CONTROL REQUIREMENTS

The proposed amendments to Regulation III do not impose any control requirements.

D. PROPOSED RULE SUMMARY

This section gives a brief overview of the proposed amendments to Rule 301 and Rule 312. 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. If a section from a rescinded rule has not specifically been incorporated into Rule 302, that provision is duplicative in existing or proposed language or is not necessary for enforcement or implementation of the rule.

1. AVAQMD Rule 301 – *Permit Fees* :

Section (A)(4) is proposed for modification to reflect an effective date of January 1, 2017.

Section (D)(1)(a) has a proposed adjustment of 12% rounded to the nearest dollar amount. The proposed rate is \$642.00.

Section (D)(2)(c)(i) is proposed for modification to reflect a labor rate of \$134.00 per hour. This rate more clearly reflects the actual costs including benefits and overhead of providing engineering services.

Section (D)(6)(b)(i) regarding the change of ownership fee is proposed to be adjusted 12% rounded to the nearest dollar. The proposed rate is \$225.00.

Section (D)(9)(b) regarding duplicate permits is proposed for a 12% increase rounded to the nearest dollar. The proposed rate is \$112.00.

Section (D)(11)(a)(i) regarding Emission Reduction Credit fees is proposed for a 12% adjustment rounded to the nearest dollar. Initial application fee proposed rate is \$668.00.

Section (D)(11)(a)(ii) is proposed for modification to reflect a labor rate of \$134.00 per hour. This rate more clearly reflects the actual costs including benefits and overhead of providing engineering services and is consistent with the fee charged in section (D)(2)(c).

Section (D)(11)(b) regarding an encumbrance or transfer of Emission Reduction Credits fee is proposed to be adjusted to a 12% increase. The proposed rate is \$134.00.

Section (E)(1)(c) renewal fees contained in the table are proposed for a 12% adjustment.

#### 10. AVAQMD Rule 312 – *Supplemental Annual Fees for Federal Operating Permits*

Section (C)(2) has a proposed adjustment of 12% rounded to the nearest dollar amount to align with proposed increase in Rule 301.

### 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 and 07/21/15 effective 01/01/16. The 07/21/15 effective 01/01/16 version is the current version in the AVAQMD rulebook. Rule 301 is proposed for amendment to adjust fees by 12% 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.

Rule 312 - *Supplemental Annual Fees for Federal Operating Permits* was adopted on 03/17/98 and amended on 05/19/98 and 07/21/15 effective 01/01/16. The 07/21/15 effective 01/01/16 version is the current version in the AVAQMD rulebook. Rule 312 is proposed for amendment to adjust fees by 12% 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* and Rule – 312 *Supplemental Annual Fees for Federal Operating permits*

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 proposed 12 % fee increase constitutes only a portion of the total projected cost increases for fiscal year 2016/2017. The largest portion of this increase is related to the adjustments to revenue associated with the loss of the permit revenue from the Palmdale Power Plant and rising personnel costs. Personnel costs for the AVAQMD are projected to increase 4.5%.

In addition, seventy six (76%) of the District's 7.5 contracted staff positions are involved in the full time issuance of permits, the inspection and enforcement of such permits or the administration of the permit issuance, management and/or renewal process; other District employees are partially involved in these activities. The district's mandated functions such as compliance, permit issuance, and permit administration are labor intensive, therefore the related revenue should be structured to support the relevant regulatory and administrative activities<sup>[1]</sup>. The proposed 12% increase is expected to meet 37% of the projected \$155,000 budget gap for the coming fiscal year. Funds from other sources, including use of additional AB2766 grant support revenue, revenue from Rule 302, and cost reductions are expected to fully close the gap. 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>

<sup>[1]</sup> See also Section C – Economic Analysis



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APPENDIX "A"  
Regulation III – *Fees*  
Iterated Version

Rule 301 – *Permit Fees*

Rule 312 – *Supplemental Annual Fees for Federal Operating Permits*

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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(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 mm/dd/yy; effective mm/dd/yy)

## 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 ~~07/21/2015~~07/19/2016 shall be effective on 01/01/~~2016~~2017.

(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) Upon prior arrangement with the District, fees may be paid by credit card.
  - (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.

(D) Fees

- (1) Application Filing Fee
- (a) Except as otherwise provided, any person who applies for the issuance of a new or modified permit shall be assessed a fee of \$~~573642~~.00. This application filing fee shall be submitted with the application. *[% increase rounded to nearest whole dollar]*
  - (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 ~~\$120~~134.00 hour plus actual expenses. *[% increase rounded to nearest whole dollar]*
  - (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 \$~~204~~225.00 for each permit being transferred from one person to another. [% increase rounded to nearest whole dollar]
  - (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 shall be assessed a fee of \$~~100~~112.00 for issuing each signed duplicate or corrected permit. *[% increase rounded to nearest whole dollar]*
  - (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 \$~~596~~668.00 for each application submitted. *[% increase rounded to nearest whole dollar]*

- (ii) An analysis fee based upon the actual and reasonable labor time in excess of ten (10) hours labor billed at the rate of ~~\$120~~134.00 per hour. [% increase rounded to nearest whole dollar]
- (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 ~~\$120~~134.00 for each document submitted. [% increase rounded to nearest whole dollar]

(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>\$332.24</del> <u>372.11</u>
Classification B	<del>\$1189.94</del> <u>1332.73</u>
Classification C	<del>\$2854.44</del> <u>3196.97</u>

<b>Equipment/Process Classification</b>	<b>Fee Amount</b>
Electrical Generating Equipment (non-emergency) rated 100,000,000 Btu/hr and less	\$ <del>3955.98</del> <u>4430.70</u> plus \$ <del>94.36</del> <u>105.68</u> per each 1,000,000 Btu/hr
Electrical Generating Equipment (non-emergency) rated greater than 100,000,000 Btu/hr	\$ <del>10982.40</del> <u>12300.29</u> plus \$ <del>24.06</del> <u>26.95</u> per each 1,000,000 Btu/hr
Nozzles (Rule 461)	\$ <del>35.94</del> <u>40.25</u> per product/per nozzle

[SIP: Not SIP. ]

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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 Metallurg	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, 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>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; 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.			

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## Rule 312

### Supplemental Annual Fees for Federal Operating Permits

(A) General

(1) Purpose.

- (a) This rule sets forth the fees required for Federal Operating Permits (FOP) pursuant to Regulation XXX.

(2) Applicability.

- (a) Each owner/operator of a Facility, as defined in District Rule 3001(M), which is subject to the provisions of Regulation XXX or will be subject to the provisions of Regulation XXX on the effective date of that regulation, as defined in District Rule 3000(D), shall pay the fees as indicated in this rule.
- (b) Federal, State or Local governmental agencies or public districts shall pay these fees to the extent allowed under Chapter 2, Division 7, Title 1 of the Government Code (commencing with Section 6130) and under Part 4 and Part 6, Division 26 of the Health & Safety Code (commencing with Sections 41500 and 44300 respectively).

(3) Effective Date

- (a) The amendments to this rule adopted on 07/21/2015 shall be effective on 01/01/~~2016~~[2017](#).

(B) Requirements and Procedures.

- (1) Fees shall be paid when due as specified in this Rule. Failure to pay such fees shall be grounds for denial or revocation of any FOP, or for the termination of any application for a FOP. If such fees are not paid when due:

- (a) The person subject to the fee shall be notified, by first class mail (postage prepaid) that the fee is currently delinquent and must be paid within thirty (30) days of the notice.

- (b) If the fee is not paid after the period specified in subsection (a), the person subject to the fee shall be notified by first class mail (postage prepaid) that:
    - (i) The FOP, if any, has been suspended for non-payment of fees and is no longer valid; and
    - (ii) That continuing to operate with a suspended FOP is a violation of District Rules & Regulations.
  - (c) If the FOP is suspended for more than thirty (30) days, the APCO shall terminate the permit for non-payment of fees and notify the permit holder, in writing, of such termination.
- (2) Reinstatement of Suspended or Terminated Permits.
- (a) A suspended FOP may be reinstated by payment in full of all fees and penalties.
  - (b) A terminated FOP may only be reinstated by the submittal of a new application, accompanied by payment of all previously accrued fees, penalties and any new fees which would apply to such new application.
- (3) No claim for a refund of any fee shall be honored unless such claim is submitted within ninety (90) days after the fee was paid.

**(C) Supplemental Annual Fee.**

- (1) The supplemental annual fee shall be assessed annually in conjunction with any annual fees required pursuant to District Rule 301. The supplemental annual fee shall be assessed in addition to any other fees required by Regulation III.
  - (a) The supplemental annual fee shall not apply to the filing fee, a fee assessed solely due to an application for change of ownership, or a fee assessed solely as a result of a failure to obtain a permit to construct pursuant to District Rule 301 when a person is submitting an application solely for the purposes of obtaining a FOP pursuant to Regulation XXX and such person presently holds valid permits under District Regulation II.
- (2) The supplemental annual fee shall be ~~\$1,150~~1288.00 per FOP applied for or issued pursuant to the provisions of Regulation XXX. *[12% increase consistent with January 1, 2017 fee increase]*

- (3) The supplemental annual fee shall be due and owing within thirty (30) days of the District sending an invoice first class mail, postage prepaid, to the applicant or holder of the FOP.

(D) Limitations.

- (1) Payment of fees set forth under this rule shall not result in the renewal of a FOP unless the procedures for renewal of the FOP as set forth in Regulation XXX have been completed.

[SIP: Not SIP. Submitted as part of Title V Program. Title V Program approved on 01/16/2004, 69 FR 2511.]

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APPENDIX "B"  
PUBLIC NOTICE DOCUMENTS

1. Proof of Publication for Notice of Public Hearing – Antelope Valley Press 06/17/2016

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AVAQMD  
JUN 20 2016  
RECEIVED

**AFFIDAVIT OF PUBLICATION**

(2015.5 C.C.P.)

**STATE OF CALIFORNIA**

County of Los Angeles

} s s

The space above for filing stamp only

**NOTICE OF HEARING  
AV REG III**

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer of the **Antelope Valley Press**, a newspaper of general circulation, printed and published daily in the City of Palmdale, County of Los Angeles, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Los Angeles, State of California, under date of October 24, 1931, Case Number 328601; Modified Case Number 657770 April 11, 1956; also operating as the Ledger-Gazette, adjudicated a legal newspaper June 15, 1927, by Superior Court decree No. 224545; also operating as the Desert Mailer News, formerly known as the South Antelope Valley Foothill News, adjudicated a newspaper of general circulation by the Superior Court of the County of Los Angeles, State of California on May 29, 1967, Case Number NOC564 and adjudicated a newspaper of general circulation for the City of Lancaster, State of California on January 26, 1990, Case Number NOC10714, Modified October 22, 1990; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

**June 17, 2016**

I certify (or declare) under penalty of perjury that the fore-going is true and correct.



Signature

Dated: June 17, 2016  
Executed at Palmdale, California



37404 SIERRA HWY., PALMDALE CA 93550  
Telephone (661)267-4112/Fax (661)947-4870

**NOTICE OF HEARING**

**NOTICE IS HEARBY GIVEN** that the Governing Board of the Antelope Valley Air Quality Management District (AVAQMD) will conduct a public hearing on 07/19/16 at 10:30 A.M. to consider the proposed amendment of Regulation III- Fees, specifically Rule 301 - Permit Fees and Rule 312 - Supplemental Annual Fees for Federal Operating Permits.

**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 Regulation III -Fees and the Staff Report are on file and may be obtained from the Clerk of the Governing Board at the AVAQMD Offices. Written comments may be submitted to Bret Banks, APCO at the above office address, and should be received no later than July 19, 2016 to be considered. If you have any questions you may contact Barbara Lods at (661) 723-8070 x3 or via E-mail at [blods@avaqmd.ca.gov](mailto:blods@avaqmd.ca.gov) for further information. Traducción esta disponible por solicitud

The following rules of Regulation III are proposed for amendment or consolidation as listed below:

Adjustments in permit fees are required from time to time 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. The AVAQMD is proposing a 12% fee increase to Rules 301 and 312 to better align the fees with the costs of issuing and enforcing both District and Federal Operating permits.

To allow time to implement the proposed fee changes in the computerized billing system, this amendment is proposed to be effective on January 1, 2017.

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.

CRYSTAL GOREE  
Deputy Clerk of the Board  
Antelope Valley Air Quality Management District  
Published June 17, 2016

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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 Regulation III – Fees

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

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

**DESCRIPTION OF PROJECT** The following rules of Regulation III are proposed for amendment or consolidation as listed below:

The AVAQMD is proposing a 12% fee increase to Rules 301 and 312 to better align the fees with the costs of issuing and enforcing both District and Federal Operating permits. Adjustments in permit fees are required from time to time 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.

To allow time to implement the proposed fee changes in the computerized billing system, this amendment is proposed to be effective on January 1, 2017.

**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 Regulation III are exempt from CEQA review because they merely adjust fees 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 19, 2016

**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:

1. AVAQMD Proposed Budget for Fiscal Year 2016-17

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## **Appendix “F”**

### Cost Analysis

#### 1. AV Fee Increase justification

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**Fee Increase**

**Statement of Change in Expenditures**

<u>Revenues General Fund</u>	<u>Adopted Budget</u>	<u>Fee Increase</u>
Permit Fees	\$527,251	\$63,270
Title V	\$4,000	\$480
Application Fees	\$43,428	\$5,211
Asbestos	\$73,000	\$8,760
<b>Total</b>	<b>\$647,679</b>	<b>\$77,721</b>

	<u>EOY FY16 Estimates</u>	<u>Proposed Budget</u>
<u>Personnel Expenditures</u>		
Contracted Expenses related to Personnell	\$1,237,184	\$1,111,365
<b>Total</b>	<b>\$1,237,184</b>	<b>\$1,111,365</b>

Roughly 73% of General Fund expenditures for FY17 is related to personnel. General Fund expenditures are expected to increase by 2.24% next year. A fee increase is required to mitigate some of the costs.

The change in the costs of personnel responsible for all Rule 301 and its related activities (unfunded by other programs) will be the basis for the fee increase.

In addition, seventy six (76%) of the District's 7.5 contracted staff positions are involved in the full time issuance of permits, the inspection and enforcement of such permits or the administration of the permit issuance, management and/or renewal process; other District employees are partially involved in these activities. The district's mandated functions such as compliance, permit issuance, and permit administration are labor intensive, therefore the related revenue should be structured to support the relevant regulatory and administrative activities[1]. The proposed 12% increase is expected to meet 37% of the projected \$155,000 budget gap for the coming fiscal year. Funds from other sources, including use of additional AB2766 grant support revenue, revenue from Rule 302, and cost reductions are expected to fully close the gap. Therefore, the proposed fee adjustment is well within the provisions of Health & Safety Code

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

*AGENDA ITEM 9*

**DATE:** July 19, 2016

**RECOMMENDATION:** 1) Award an amount not to exceed \$181,114 in Carl Moyer Program funds to South Pac Industries to retire older diesel tractors for newer, cleaner technology that meets the current emission standards; 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 an amount not to exceed \$181,114 of Carl Moyer Program funding to South Pac Industries for the retirement of older diesel tractors to be replaced with equipment certified to the current Tier 4 standards.

**BACKGROUND:** AVAQMD has received an application from South Pac Industries requesting grant funding under the Carl Moyer Program towards retirement and replacement of older diesel-fueled construction equipment. South Pac Industries proposes voluntary participation in the Carl Moyer Program to reduce emissions by early retirement of higher polluting diesel-fueled equipment and replacing it with newer, cleaner technology that is certified to the current emission standards. The proposed project will permanently retire three (3) diesel-fueled tractors replaced with two (2) clean diesel tractors certified to the Tier 4 standards. Staff has evaluated the project and finds the project meets the Carl Moyer eligibility requirements for off-road equipment projects and is eligible to receive the maximum grant funding of 80 percent of the costs to off-set the purchase of newer, cleaner equipment. The removal and destruction of the older diesel tractors will provide early emission reductions that help the Valley towards attainment of the national ambient air quality standards.

---

cc: Jean Bracy  
Laquita Cole  
Michelle Powell  
Julie McKeehan

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

*AGENDA ITEM 9*

**PAGE 2**

**REASON FOR RECOMMENDATION:** Governing Board approval is needed to fund Carl Moyer projects. 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, Governing Counsel and by Bret Banks, Executive Director/APCO on or before July 6, 2016.

**FINANCIAL DATA:** Disbursements are contingent upon available funding.

**PRESENTER:** Julie McKeehan, Air Quality Specialist

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

*AGENDA ITEM 10*

**DATE:** July 19, 2016

**RECOMMENDATION:** Award an additional \$59,700 in Mobile Emissions Reduction Program funds (AB 2766) to the City of Palmdale on an approved project for Electric Vehicle Charging Stations to include additional infrastructure modifications and costs associated with Americans with Disabilities Act (ADA) compliance requirements; 2) Authorize the Executive Director/APCO and staff to execute an amendment to the original agreement, approved as to legal form by the Office of District Counsel.

**SUMMARY:** This item authorizes funding to the City of Palmdale for \$59,700 towards additional infrastructure modifications and costs associated with Americans with Disabilities Act (ADA) compliance requirements.

**BACKGROUND:** The City of Palmdale previously submitted an application to the District requesting grant funding towards the purchase and installation of Electric Vehicle Charging Stations located at City Hall and DryTown Waterpark/Oasis Park Recreation Center located in Palmdale. During the process, the City incurred additional costs associated with infrastructure modifications due to Americans with Disabilities Act (ADA) compliance requirements. Staff has reviewed the project and found it to meet eligibility requirements for electric infrastructure projects. AB 2766 funds may be used to support programs that reduce air pollution from motor vehicles and for related planning.

**REASON FOR RECOMMENDATION:** Governing Board approval is required to approve the grant and allocation from the District's Mobile Source Emissions Reduction (AB2766) funds. Additionally, Governing Board authorization is required for the Executive Director to negotiate and execute an agreement with the grant recipient.

**REVIEW BY OTHERS:** This item was reviewed by Allison Burns, Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO on or about July 5, 2016.

**FINANCIAL DATA:** This project will be funded when sufficient funds are available from the District's Mobile Source Emissions Reductions (AB2766) funds.

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

---

**cc:** Jean Bracy  
Laquita Cole  
Michelle Powell  
Julie McKeehan

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

*AGENDA ITEM 11*

**DATE:** July 19, 2016

**RECOMMENDATION:** 1) Award an amount not to exceed \$18,927 in Carl Moyer Program funds to Bolthouse Farms to retire one (1) older diesel-powered tractor for one (1) new diesel tractor that meets the current emission standards; and 2) Authorize the Deputy Director and staff to negotiate target time frames, technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

**SUMMARY:** This item awards an amount not to exceed \$18,927 of Carl Moyer Program funding to Bolthouse Farms for the retirement of one (1) uncontrolled diesel tractor toward the purchase of one (1) new lower-emission diesel tractor certified to the Tier 4 standard.

**BACKGROUND:** In September 2013 the AVAQMD received an application from Bolthouse Farms requesting grant funding under the Carl Moyer Program towards retirement and replacement of older diesel tractors and equipment. Bolthouse Farms voluntarily participates in the Carl Moyer Equipment Replacement Program in effort to provide early emission reductions from older heavy-duty diesel equipment used in farming operations. Since 2002 Bolthouse has participated in the Carl Moyer program repowering older diesel pumps to cleaner diesel on their water wells. Since 2010 Bolthouse has electrified their water wells and replaced one (1) older diesel tractor with newer cleaner technology that meets the Final Tier 4 standards. The proposed tractor replacement project is one of the last remaining older heavy-duty diesel farming equipment to be replaced. Staff has evaluated the project and found the proposed replacement to satisfy the Carl Moyer eligibility requirements for cost-effectiveness which is significantly below the maximum limit making the project eligible for the maximum award of 80 percent toward the replacement costs. The removal and destruction of the older diesel tractors will provide early emission reductions that help the Valley towards attainment of the national ambient air quality standards.

---

cc: Jean Bracy  
Laquita Cole  
Michelle Powell  
Julie McKeehan

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

*AGENDA ITEM 11*

**PAGE 2**

**REASON FOR RECOMMENDATION:** Governing Board approval is needed to fund Carl Moyer projects. Additionally, Governing Board authorization is needed for the Deputy Director to negotiate and execute an agreement with the grant recipient.

**REVIEW BY OTHERS:** This item was reviewed by Allison E. Burns, Governing Counsel and by Bret Banks, Deputy Director – Antelope Valley Operations on or before July 5, 2016

**FINANCIAL DATA:** This project will be funded with available Carl Moyer Program funds. Carl Moyer Program funds are supplementary to the AVAQMD budget.

**PRESENTER:** Julie McKeehan, Air Quality Specialist