

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT  
DISTRICT**

**GOVERNING BOARD  
REGULAR MEETING**

**AGENDA**

TUESDAY, JULY 18, 2017  
10:00 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  
Ron Hawkins, Vice Chair, Los Angeles County  
Vern Lawson, Los Angeles County  
Ken Mann, City of Lancaster  
Steven Hofbauer, City of Palmdale  
Austin Bishop, City of Palmdale  
Newton Chelette, Public Member

**Call to Order – 10:00 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 20, 2017.  
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. Receive and file the Financial Report for FY 17, the period May 2017 which provides financial information and budget performance concerning the current fiscal status of the District. Presenter: Jean Bracy.
6. Approve payment to MDAQMD in the total amount of \$105,593.75, subject to availability of funds, for services provided during the month of May 2017.  
Presenter: Jean Bracy.

**ITEMS FOR DISCUSSION**

**DEFERRED ITEMS**

**PUBLIC HEARINGS**

7. 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**

8. 1) Award an amount not to exceed \$134,310 in Carl Moyer Program and Mobile Source Emission Reductions Program (AB 2766) funds to Hemme Hay and Feed for the replacement of three older heavy-duty diesel vehicles with one newer clean diesel engine vehicle; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Bret Banks.
  
9. 1) Award an amount not to exceed \$18,520 in Mobile Source Emission Reductions Program (AB 923) funds to Palmdale Water District toward the purchase and installation of Electric Vehicle Charging Stations; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel. Presenter: Julie McKeehan.

## **ADMINISTRATIVE ITEMS**

10. Reports:

Governing Board Counsel.

Executive Officer/APCO, Staff.

11. Board Member Reports and Suggestions for Future Agenda Items.

Adjourn to Regular Governing Board Meeting of Tuesday, August 15, 2017.

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 Administrative Secretary 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 Administrative Secretary at 661-723-8070, ext. 1 or by email at [cgoree@avaqmd.ca.gov](mailto:cgoree@avaqmd.ca.gov)

**Mailed & Posted on: Monday, 7/10/17.**

---

Crystal Goree, Administrative Secretary

**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 18, 2017 at 10:00 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  
ADMINISTRATIVE SECRETARY  
PHONE: (661) 723-8070, Ext. 1.**

Mailed and Posted: **Monday, 7/10/17**  
**DATE**

**ANTELOPE VALLEY AIR QUALITY MANAGEMENT DISTRICT  
GOVERNING BOARD MEETING  
TUESDAY, JUNE 20, 2017  
ANTELOPE VALLEY DISTRICT OFFICE  
LANCASTER, CA**

**MINUTES**

Board Members Present:

Marvin Crist, Chair, City of Lancaster  
Ron Hawkins, Vice Chair, Los Angeles County  
Steve Hofbauer, City of Palmdale  
Austin Bishop, City of Palmdale  
Vern Lawson, Los Angeles County  
Ken Mann, City of Lancaster

Board Members Absent:

Newton Chelette, Public Member

**CALL TO ORDER**

Chair Crist called the meeting to order at 10:00 a.m. Board Member Hofbauer led the Pledge of Allegiance. Roll call was taken.

**PUBLIC COMMENT**

**Agenda Item #1**

None.

**CONSENT CALENDAR**

**Agenda Item #2 - Approve Minutes from Regular Governing Board Meeting of April 18, 2017.** Presenter: Crystal Goree.

Upon Motion by Mann, Seconded by Hofbauer, and carried unanimously, the Board **Approved** Minutes from Regular Governing Board Meeting of May 16, 2017.

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

Upon Motion by Mann, Seconded by Hofbauer, and carried unanimously, the Board Received and Filed Activity Report.

**Agenda Item #4 – Monthly Grant Fund Summary. Receive and file.**

Presenter: Bret Banks.

Upon Motion by Mann, Seconded by Hofbauer, and carried unanimously, the Board Received and Filed Monthly Grant Fund Summary.

**Agenda Item #5 - Receive and file the Financial Report for FY 17, the period April 2017 which provides financial information and budget performance concerning the current fiscal status of the District.** Presenter: Jean Bracy.

Upon Motion by Mann, Seconded by Hofbauer, and carried unanimously, the Board Received and Filed the Financial Report.

**Agenda Item #6 - Approve payment to MDAQMD in the total amount of \$107,020.53, subject to availability of funds, for services provided during the month of April 2017.** Presenter: Jean Bracy.

Upon Motion by MANN, Seconded by HOFBAUER, and carried unanimously, the Board Approved payment to MDAQMD in the total amount of \$107,020.53, subject to availability of funds, for services provided during the month of April 2017.

**Agenda Item #7 – Adopt a Resolution for the Election of Directors to the Special District Risk Management Authority Board of Directors to re-elect the three incumbents and one new director.** Presenter: Bret Banks.

Upon Motion by MANN, Seconded by HOFBAUER, and carried unanimously, the Board Adopted Resolution #17-02, for the Election of Directors to the Special District Risk Management Authority Board of Directors to re-elect the three incumbents and one new Director.

## **ITEMS FOR DISCUSSION**

### **DEFERRED**

None.

## **PUBLIC HEARINGS**

**Agenda Item #8 - Conduct a Continued Public Hearing to receive comments and staff presentation for the proposed AVAQMD Budget for FY 2017-18: a. Open public hearing; b. Receive staff report; c. Receive public testimony; d. Close public hearing; e. Adopt a resolution approving and adopting the budget for FY 2017-18.**

Presenter: Bret Banks.

Chair Crist opened Public Hearing. Bret Banks shared background information and staff report. Mr. Banks provided information on revenue and expenses, including end of year estimate, FY 2017 and proposed budget, FY 2018. Mr. Banks answered questions from the Board. Chair Crist solicited public comment. There was no public comment. Chair Crist closed public hearing. Upon Motion by HAWKINS, Seconded by HOFBAUER, and carried unanimously, the Board adopted Resolution #17-03, approving and adopting the budget for FY 2017-18.

**Agenda Item #9 - Conduct a public hearing to consider the adoption of Rule 1151.1 – Motor Vehicle Assembly Coating Operations: 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 adopting Rule 1151.1 – Motor Vehicle Assembly Coating Operations and directing staff actions.** Presenter: Barbara Lods.

Chair Crist opened Public Hearing. Bret Banks introduced Barbara Lods, Air Quality Specialist. Ms. Lods provided background information and staff recommendation. Ms. Lods shared PowerPoint presentation on Motor Vehicle Assembly Coating Operations. Information shared included RACT Analysis, which ensures that District rules adequately address the current federal requirements, National Ambient Air Quality Standard (NAAQS), and Control Technique Guidelines (TCG). Chair Crist solicited public comment. There was no public comment. Chair Crist closed public hearing. Upon Motion by MANN, Seconded by HOFBAUER, the Board made a determination that the CEQA Categorical Exemption applies; waived reading of Resolution; adopted Resolution #17-04, making appropriate findings, certifying the Notice of Exemption adopting Rule 1151.1 – *Motor Vehicle Assembly Coating Operations*.

## **NEW BUSINESS**

**Agenda Item #10 – Approve spending authority for the District consistent with the Fiscal Year 2016-17 Budget until the FY 2017-18 Budget is adopted.**

Presenter: Bret Banks.

ITEM PULLED BY STAFF.

**Agenda Item #11 – Authorize the Executive Director/APCO and staff to implement an On-Road Vehicle Work Plan to the AVAQMD’s Carl Moyer Program pursuant to the California Air Resources Board approval of the 2017 Carl Moyer Program Guidelines as of April 27, 2017 and as to approved form by the California Air Resources Board.** Presenter: Julie McKeehan.

Julie McKeehan provided background information and staff recommendation. Ms. McKeehan shared a PowerPoint presentation on the On-Road Vehicle Program Work Plan. Ms. McKeehan discussed the new 2017 Moyer guidelines and shared information on eligible projects. Ms. McKeehan answered questions from the Board. Discussion ensued. Upon Motion by HOFBAUER, Seconded by HAWKINS, and carried unanimously, the Board authorized the Executive Director/APCO and staff to implement an On-Road Vehicle Work Plan to the AVAQMD’s Carl Moyer Program pursuant to the California Air Resources Board approval of the 2017 Carl Moyer Program Guidelines as of April 27, 2017 and as to approved form by the California Air Resources Board.

**Agenda Item #12 - Award an amount not to exceed \$170,159 in Carl Moyer Program funds to High Desert Dairy for the replacement of one (1) older diesel-powered tractor with newer, cleaner technology; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.** Presenter: Julie McKeehan.

Julie McKeehan provided background information, staff recommendation and answered questions from Chair Crist. Upon Motion by **MANN**, Seconded by **LAWSON**, and carried unanimously, the Board awarded an amount not to exceed \$170,159 in Carl Moyer Program funds to High Desert Dairy for the replacement of one (1) older diesel-powered tractor with newer, cleaner technology; and authorized the Executive Director/APCO and staff to negotiate target time frames and technical project details and executed an agreement, approved as to legal form by the Office of District Counsel.

**Agenda Item #13 - 1) Award an amount not to exceed of \$84,000 from Mobile Source Emissions Reduction Program funds for the purchase of three (3) Mean Green CXR-60 industrial electric lawn mowers; and 2) Authorize the Executive Director/ APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.** Presenter: Bret Banks.

Bret Banks provided background information and staff recommendation. Mr. Banks shared PowerPoint presentation on the Commercial Electric Lawn Mower Grant. Mr. Banks shared the list of attendees for the recently held product demonstration event. Mr. Banks provided information on the advantages of the commercial grade electric lawn mower equipment as well as the next steps to be taken, and future goals. Mr. Banks answered questions from the Board. Discussion ensued. Board Member **HOFBAUER** moved the item as amended, Seconded by **BISHOP**, to award an amount not to exceed \$140,000 from whatever available program funds are best used for the purchase of 5 mean green CXR-60 industrial electrical lawn mowers; and authorized the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

## **ADMINISTRATIVE ITEMS**

### **Agenda Item #14 - Reports**

Governing Board Counsel – None.

Executive Director/APCO – Bret Banks provided an update on AVAQMD vs. MDAQMD Engine Permit Fee Comparison. Mr. Banks answered questions from the Board. Discussion ensued. Chair Crist directed Bret Banks to prepare a numbers breakdown of the fee comparison and report the information back to the Board.

The meeting was adjourned at 10:43 a.m. to the next regularly scheduled Governing Board Meeting, Tuesday, July 18, 2017, 10:00 a.m.

## Item #3 - Monthly Activity Report – June 2017

	<u>June 2017</u>	<u>June 2016</u>	<u>YTD (7/1/17)</u>
Complaints	1	2	34
Complaint Investigations	1	2	34
Asbestos Notifications	10	8	49
Asbestos Inspections	0	0	0
Facility Inspections	30	33	390
Facility Inspections Completed (%)	99	94	97
Permit Inspections	40	62	712
Permit Inspections in Compliance (%)	99	98	97
Notice of Violation (NOV)	2	2	11

### **Outstanding NOVs**

- AV00000187, Issued 02/2016
- AV00000207, Issued 6/2017

### **Project Comment Letters – June 2017**

**Attached**

		AVAQMD CEQA PROJECTS				
		BOARD MEETING				
		07/18/2017				
Date Rec'd	Location	Project Name	Description	Comment	Date Due	Date Sent
05/15/2017	COL	sPower	CUP 17-10 72 mw Solar pv facility on 430 acres located at 100th St West & Avenue D8	Rule 403,CARB In-Use Off-Road	06/15/2017	06/7/2017
06/12/2017	COL	Calandri Properties	CUP 17-12 Two story self-storage on approx 2 acres located on the southeast corner of Avenue L & 22nd Street West	Rule 403, Rule 201 equip/process requiring a permit,CARB In-Use Off-Road	07/1/2017	06/7/2017
06/5/2017	COL	sPower	CUP 17-15 3 mw Solar pv facility on 20 acres located at 80th Street East & Avenue J	Rule 403,CARB In-Use Off-Road	07/6/2017	06/7/2017
05/31/2017	COL	Chevron Extra Mile Store	CUP 17-11 proposed gas station, mini-mart, car wash and oil/lube at the southeast corner of Avenue L & 20 Street West on approx 2 acres	Rule 403, Rule 201 equip/process requiring a permit, Rule 1403 Asbestos/Demo, CARB In-Use Off-Road	06/30/2017	06/12/2017
06/7/2017	COL	High Desert Cultivation Center	CUP 17-13 Renovation of an existing building for a medical cannabis cultivation facility located at 44211 Yucca Ave	Rule 1403-Asbestos, Proponent must also review process with District before construction can proceed.	06/21/2017	06/19/2017
06/7/2017	COL	Plan for Physical Mobility	General Plan Amendment No. 17-04	No Comment	n/a	06/19/2014
06/16/2017	COL	Lancaster-Fox Field	CUP 17-16 Proposed construction of Medical Cannabis Cultivation facility on 32 acres of nine (9) 30,000 sf buildings, five (5) 60,000 sf buildings and storage and security buildings at Avenue G and 40th West	Rule 403,CARB In-Use Off-Road. Proponent must also review process with District before construction can proceed.	06/30/2017	06/19/2017
06/16/2017	COL	Onion Building	CUP 17-17 Proposed Medical Cannabis Cultivation and manufacturing facility on approx 10 acres with approximately 145,000 sf of development located at H-6 and Trevor	Rule 403,CARB In-Use Off-Road. Proponent must also review process with District before construction can proceed.	06/30/2017	06/19/2017
06/17/2017	COL	Onion Building-Cannabis II	CUP 17-18 Proposed Medical Cannabis Cultivation and manufacturing facility on approx 2.65 acres. Proposed project would consist of existing 53,600 sf building and the construction of an approx 50,000 sf second story addition located at H-6 and Trevor	Rule 403,CARB In-Use Off-Road. Proponent must also review process with District before construction can proceed.	06/30/2017	06/19/2017



## AB 923 PROJECT & ADMIN. FUNDS

<i>Action Date</i>	<i>Project Name</i>	<i>Approved Action</i>
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
Apr-15	2016 Lawn Mower Exchange Program	-11200.00 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 paid
Jan-16	Antelope Valley Farming ERP Project #1 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 paid
Apr-16	2016 Lawn Mower Exchange Program	-11200.00 paid
Aug-16	Calandri SonRise Farms Harvesting Project AV0816#8	-406,065.00 partial paid
Oct-16	Antelope Valley Farming ERP Project #2 AV1016#10	-12,940.38 paid
Dec-16	AVSTA CNG Tank Replacement AV1216#11	-63,377.00 paid
Dec-16	SCE Charge Ready Pilot Project AV1216#10	-48,819.20 pending
Feb-17	City of Pamdale Vanpool/Infrastructure Project AV0117#12	-164,928.00 pending
Feb-17	City of Lancaster Vanpool/Infrastructure Project AV0117#11	-61,925.00 pending
Mar-17	2017 Lawn Mower Exchange Program	-10,730.00 pending

### AB 923 PROJECTS CURRENT BALANCE

<i>Action Date</i>	<i>Project Name</i>	<i>Pending Action</i>
Jul-17	Palmdale Water District EV Charging Project AV0717#?	-18520.00

### AB 923 PROJECTS BALANCE PENDING APPROVAL

**\$138,715.65**  


---

**\$120,195.65**

## CARL MOYER PROGRAM PROJECT FUNDS

<b>Mar-15 Carl Moyer Prog. Funds Year 17 Awarded to AVAQMD</b>	<b>637511.00</b> recv'd
<b>Mar-15 Carl Moyer Interest (FY 13-14) added to Year 16</b>	<b>834.45</b> recv'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 MDAQMD Year 16 Transfer AV0216#7</b>	<b>324480.00</b> recv'd
Mar-16 High Desert Dairy ERP Project #4 AV0316#8	-139,224.00 paid
Mar-16 Calandri SonRise Farms ERP Project #5 AV0316#9	-83,983.00 paid
<b>Mar-15 Carl Moyer Prog. Funds Year 18 Awarded to AVAQMD</b>	<b>659588.00</b> recv'd
Apr-16 Lane Ranch & Co. ERP Project AV0416#8	-99,989.56 paid
Apr-16 Bill's Landscaping ERP Project #2 AV0416#9	-79,916.00 paid
Jun-16 Calandri SonRise Farms Forklift Project #6 AV0616#8	-60,985.00 paid
Jun-16 Antelope Valley Fair Assoc. Forklift Project AV0616#9	-51,460.00 paid
Jul-16 Bolthouse ERP Project AV0716#11	-18,927.00 paid
Jul-16 South Pac Industries ERP Project AV0716#9	-181,114.00 paid
Sep-16 High Desert Dairy ERP Project #4 AV0916#9	-158,663.00 paid
Sep-16 Gall Brothers Engineering ERP Project #2 AV0916#10	-77,896.00 paid
Oct-16 Antelop Valley Farming ERP Project #2 AV1016#10	-34,943.62 paid
Apr-17 Carl Moyer Prog. Funds Year 19 Tentative Allocation	<b>669,301.00</b> pending
May-17 AV Fair Assoc. AV0517#9	-15,130.00 pending
Jun-17 High Desert Dairy ERP Project #6 AV0617#	-170,159.00 pending

### CARL MOYER PROJECTS CURRENT BALANCE

No Pending Projects

### CARL MOYER PROJECTS BALANCE PENDING APPROVAL

**\$485,507.00**  


---

**\$485,507.00**

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

*AGENDA ITEM 5*

**DATE:** July 18, 2017

**RECOMMENDATION:** Receive and file.

**SUMMARY:** Receive and file the Financial Report for FY 17, the period May 2017 which provides financial information and budget performance concerning the current fiscal status of the District.

**BACKGROUND:** The Financial Reports provide financial and budget performance information 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. The Change in Net Position indicates the dynamic status of revenue and expenses for the period; it does not reflect the District’s cash position.

**STATEMENT OF REVENUES & EXPENDITURES** – This report describes the financial activities only for the month for each of the District’s funds and does not reflect the District’s cash position.

**STATEMENTS OF ACTIVITY** (for all District funds) – The target variance for May 2017 is 92% of Fiscal Year 2017.

- ***District Wide*** reports the expenses paid directly from the District’s operating account and grant funds. Negative amounts usually indicate expenses made from accumulated grant funds. “Adjustments to Revenue” usually reflects the cancellation of permits. “Permitting” revenue represents 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.
- ***Contracted Services*** reports the expenses made by the contractor (MDAQMD) and passed through to the District.
- ***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 17. The line item Program Costs includes those payments made from the District’s grant funds (AB 2766, AB 923, and Carl Moyer Fund).

---

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 from the Grand Fund accounts are the activity are shown on the Statement of Activity as “Program Costs.”

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

**REVIEW BY OTHERS:** This item was reviewed by Allison Burns, Special Counsel as to legal form and by Bret Banks, Executive Director/APCO (AVAQMD) on or about July 10, 2017.

**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 30, 2017**

## 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	1,058,953.35	532,929.25	897,369.21	152,119.16	2,641,370.97
Cash Held For Other Fund	56,800.74	7,412.38	(21,690.62)	(42,522.50)	0.00
Receivables	42,880.06	0.00	0.00	0.00	42,880.06
Pre-Paid	2,908.54	0.00	0.00	0.00	2,908.54
<b>Total Current Assets</b>	<b>1,161,542.69</b>	<b>540,341.63</b>	<b>875,678.59</b>	<b>109,596.66</b>	<b>2,687,159.57</b>
<b>Total Assets</b>	<b>1,161,542.69</b>	<b>540,341.63</b>	<b>875,678.59</b>	<b>109,596.66</b>	<b>2,687,159.57</b>
<b>Liabilities and Net Position</b>					
Current Liabilities					
Payables	332,308.17	0.00	5,248.41	16,015.32	353,571.90
Due to Others	1,668.00	0.00	0.00	0.00	1,668.00
Unearned Revenue	0.00	0.00	0.00	544,628.31	544,628.31
<b>Total Current Liabilities</b>	<b>333,976.17</b>	<b>0.00</b>	<b>5,248.41</b>	<b>560,643.63</b>	<b>899,868.21</b>
Restricted Fund Balance	0.00	566,746.99	853,660.32	(257,788.23)	1,162,619.08
Cash Reserves	370,000.00	0.00	0.00	0.00	370,000.00
Unassigned Fund Balance	265,185.53	0.00	0.00	0.00	265,185.53
Pre-Paid	2,908.54	0.00	0.00	0.00	2,908.54
Change in Net Position	189,472.45	(26,405.36)	16,769.86	(193,258.74)	(13,421.79)
<b>Total Liabilities &amp; Net Position</b>	<b>1,161,542.69</b>	<b>540,341.63</b>	<b>875,678.59</b>	<b>109,596.66</b>	<b>2,687,159.57</b>

**Antelope Valley AQMD**  
**Statement of Revenues & Expenditures**  
**For the Period Ending May 30, 2017**

## 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	53,139.54	0.00	0.00	0.00	53,139.54
AB 2766 and Other Program Revenues	77,827.49	41,865.75	59,785.16	3,083.00	182,561.40
Fines	3,000.00	0.00	0.00	0.00	3,000.00
Investment Earnings	1,148.76	638.57	1,041.89	442.06	3,271.28
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>135,115.79</b>	<b>42,504.32</b>	<b>60,827.05</b>	<b>3,525.06</b>	<b>241,972.22</b>
<b>Expenditures</b>					
Program Staff	86,321.92	0.00	1,949.47	4,342.36	92,613.75
Services and Supplies	21,402.69	16,380.99	2,000.00	3,083.00	42,866.68
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>107,724.61</b>	<b>16,380.99</b>	<b>3,949.47</b>	<b>7,425.36</b>	<b>135,480.43</b>
<b>Excess Revenue Over (Under) Expenditures</b>	<b>27,391.18</b>	<b>26,123.33</b>	<b>56,877.58</b>	<b>(3,900.30)</b>	<b>106,491.79</b>

**Antelope Valley AQMD**  
**Statement of Activity - MTD, MTM and YTD**  
**For 5/30/2017**

00 District Wide

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
<b>Revenues</b>				
Permitting	41,520.89	670,174.31	637,480.00	(1.05)
Programs	182,561.40	2,110,292.23	2,396,065.00	(0.88)
Revenue - Other	0.00	1,416.82	0.00	0.00
Application Fees	15,323.00	55,832.00	47,500.00	(1.18)
State Revenue	0.00	130,008.15	126,000.00	(1.03)
Fines & Penalties	0.00	20,750.00	12,000.00	(1.73)
Interest Earned	3,271.28	21,665.59	13,300.00	(1.63)
Adjustments to Revenue	(704.35)	(13,982.72)	0.00	0.00
<b>Total Revenues</b>	<b>241,972.22</b>	<b>2,996,156.38</b>	<b>3,232,345.00</b>	<b>(0.93)</b>
<b>Expenses</b>				
Office Expenses	6,039.29	74,851.81	90,180.00	0.83
Communications	1,403.66	17,568.24	23,500.00	0.75
Vehicles	810.68	8,396.71	9,500.00	0.88
Program Costs	21,463.99	1,682,537.72	1,637,438.00	1.03
Travel	(1,149.12)	4,214.55	6,500.00	0.65
Professional Services				
Financial Audit & Actuarial Svcs	0.00	12,500.00	12,000.00	1.04
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	0.00	2,114.60	3,000.00	0.70
Stipends	300.00	4,700.00	8,400.00	0.56
Maintenance & Repairs	225.00	4,210.00	7,000.00	0.60
Non-Depreciable Inventory	0.00	5,365.74	6,300.00	0.85
Dues & Subscriptions	0.00	7,665.90	10,500.00	0.73
Legal	406.64	17,538.81	17,000.00	1.03
Miscellaneous Expense	386.54	1,038.55	800.00	1.30
Capital Expenditures	0.00	0.00	10,000.00	0.00
<b>Total Expenses</b>	<b>29,886.68</b>	<b>1,842,702.63</b>	<b>1,848,118.00</b>	<b>1.00</b>
<b>Program Staff</b>				
Program Staff	0.00	0.00	94,227.00	0.00
<b>Total Program Staff</b>	<b>0.00</b>	<b>0.00</b>	<b>94,227.00</b>	<b>0.00</b>
<b>Excess Revenue Over (Under) Expenditures</b>	<b>212,085.54</b>	<b>1,153,453.75</b>	<b>1,290,000.00</b>	<b>(0.89)</b>

**Antelope Valley AQMD**  
**Statement of Activity - MTD, MTM and YTD**  
**For 5/30/2017**

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	1,993.87	6,200.00	0.32
Vehicles	0.00	0.00	500.00	0.00
Travel	0.00	400.76	3,000.00	0.13
Professional Services				
Payroll Contract	12.22	202.95	300.00	0.68
Financial Audit & Actuarial Svcs	12,967.78	143,761.72	155,635.00	0.92
Maintenance & Repairs	0.00	333.33	0.00	0.00
Non-Depreciable Inventory	0.00	48.38	0.00	0.00
Capital Expenditures	0.00	1,597.09	13,000.00	0.12
<b>Total Expenses</b>	<b>12,980.00</b>	<b>148,338.10</b>	<b>178,635.00</b>	<b>0.83</b>
<b><u>Program Staff</u></b>				
Program Staff	92,613.75	1,018,537.44	1,111,365.00	0.92
<b>Total Program Staff</b>	<b>92,613.75</b>	<b>1,018,537.44</b>	<b>1,111,365.00</b>	<b>0.92</b>
<b>Excess Revenue Over (Under) Expenditures</b>	<b>(105,593.75)</b>	<b>(1,166,875.54)</b>	<b>(1,290,000.00)</b>	<b>(0.90)</b>

**Antelope Valley AQMD**  
**Statement of Activity - MTD, MTM and YTD**  
**For 5/30/2017**

Report Recap

	M-T-D Actual	Y-T-D Actual	Y-T-D Budget	% Budget to Actual
<b>Revenues</b>				
Permitting	41,520.89	670,174.31	637,480.00	(1.05)
Programs	182,561.40	2,110,292.23	2,396,065.00	(0.88)
Revenue - Other	0.00	1,416.82	0.00	0.00
Application Fees	15,323.00	55,832.00	47,500.00	(1.18)
State Revenue	0.00	130,008.15	126,000.00	(1.03)
Fines & Penalties	0.00	20,750.00	12,000.00	(1.73)
Interest Earned	3,271.28	21,665.59	13,300.00	(1.63)
Adjustments to Revenue	(704.35)	(13,982.72)	0.00	0.00
<b>Total Revenues</b>	<b>241,972.22</b>	<b>2,996,156.38</b>	<b>3,232,345.00</b>	<b>(0.93)</b>
<b>Expenses</b>				
Office Expenses	6,039.29	76,845.68	96,380.00	0.80
Communications	1,403.66	17,568.24	23,500.00	0.75
Vehicles	810.68	8,396.71	10,000.00	0.84
Program Costs	21,463.99	1,682,537.72	1,637,438.00	1.03
Travel	(1,149.12)	4,615.31	9,500.00	0.49
Professional Services				
Payroll Contract	12.22	202.95	300.00	0.68
Financial Audit & Actuarial Svcs	12,967.78	156,261.72	167,635.00	0.93
Research Studies	0.00	0.00	6,000.00	0.00
Consulting Fees	0.00	2,114.60	3,000.00	0.70
Stipends	300.00	4,700.00	8,400.00	0.56
Maintenance & Repairs	225.00	4,543.33	7,000.00	0.65
Non-Depreciable Inventory	0.00	5,414.12	6,300.00	0.86
Dues & Subscriptions	0.00	7,665.90	10,500.00	0.73
Legal	406.64	17,538.81	17,000.00	1.03
Miscellaneous Expense	386.54	1,038.55	800.00	1.30
Capital Expenditures	0.00	1,597.09	23,000.00	0.07
<b>Total Expenses</b>	<b>42,866.68</b>	<b>1,991,040.73</b>	<b>2,026,753.00</b>	<b>0.98</b>
<b>Program Staff</b>				
Program Staff	92,613.75	1,018,537.44	1,205,592.00	0.84
<b>Total Program Staff</b>	<b>92,613.75</b>	<b>1,018,537.44</b>	<b>1,205,592.00</b>	<b>0.84</b>
<b>Excess Revenue Over (Under) Expenditures</b>	<b>106,491.79</b>	<b>(13,421.79)</b>	<b>0.00</b>	<b>0.00</b>

**Antelope Valley AQMD**  
**Bank Register from 5/01/2017 to 5/31/2017**  
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>
0000264	5/08/2017	Credit Card Transaction - Midwest Env	0.00	212.00	123,154.96
0000265	5/08/2017	Credit Card Transactions - AV Solar & AB Construction	0.00	584.11	123,739.07
	5/11/2017	Service Charge	103.03	0.00	123,636.04
0000266	5/15/2017	Credit Card Transaction - FAA	0.00	2,232.66	125,868.70
0003193	5/18/2017	[01148] ANTELOPE VALLEY PRESS-Public Notice budget hearing	253.46	0.00	125,615.24
0003194	5/18/2017	[10006] BANK OF THE WEST-April 2017 CC Charges	724.87	0.00	124,890.37
0003195	5/18/2017	[10012] CAPCOA-2017 Spring Membership Conference Reg B. Banks	330.00	0.00	124,560.37
0003196	5/18/2017	[10059] ENTERPRISE FLEET MANAGEMENT-Fleet Maintenance Charges April 2017	48.79	0.00	124,511.58
0003197	5/18/2017	[10019] FEDERAL EXPRESS CORPORATION-Courier Service April 2017	22.95	0.00	124,488.63
0003198	5/18/2017	[10071] MAIL FINANCE-Postage Meter lease June 2017	94.46	0.00	124,394.17
0003199	5/18/2017	[10260] QCS BUILDING SERVICES-Custodial services May 2017	225.00	0.00	124,169.17
0003200	5/18/2017	[10043] SOCALGAS-Gas service April 2017	8.21	0.00	124,160.96
0003201	5/18/2017	[10039] SPARKLETTS-Water Delivery Service April 2017	53.32	0.00	124,107.64
0003202	5/18/2017	[10045] VERIZON BUSINESS-VOIP & Internet Service May 2017	1,376.07	0.00	122,731.57
0003203	5/18/2017	[10046] VERIZON CALIFORNIA-Long Doistance Charges April 2017	27.33	0.00	122,704.24
0003204	5/18/2017	[10063] VOYAGER FLEET SYSTEMS-Fuel Card Charges April 2017	399.66	0.00	122,304.58
R17-08	5/18/2017	Op Fund Rep #8	0.00	144,556.85	266,861.43
0000266	5/30/2017	Credit Card Transactions - FAA	0.00	744.22	267,605.65
<b>Total for Report:</b>			<b>3,667.15</b>	<b>148,329.84</b>	

**Antelope Valley AQMD**  
**Bank Register from 5/01/2017 to 5/31/2017**  
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>
	5/01/2017	Interest Earned	0.00	1,148.76	993,075.40
0000087	5/02/2017	Daily Deposit	0.00	30,472.71	1,023,548.11
	5/04/2017	Service Charge	283.51	0.00	1,023,264.60
0000264	5/10/2017	Daily Deposit	0.00	14,029.34	1,037,293.94
0000265	5/16/2017	Daily Deposit	0.00	190,014.81	1,227,308.75
R17-08	5/18/2017	Op Fund Rep #8	144,556.85	0.00	1,082,751.90
R17-09	5/18/2017	[10026] MOJAVE DESERT AQMD-	212,471.29	0.00	870,280.61
	5/22/2017	Transfer AB2766 - March 2017	41,865.75	0.00	828,414.86
0082812	5/22/2017	Transfer AB923 - March 2017	59,785.16	0.00	768,629.70
0000266	5/23/2017	Daily Deposit	0.00	2,486.28	771,115.98
0000267	5/30/2017	Daily Deposit	0.00	19,115.39	790,231.37
<b>Total for Report:</b>			<b>458,962.56</b>	<b>257,267.29</b>	

**Antelope Valley AQMD**  
**Bank Register from 5/01/2017 to 5/31/2017**  
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>
	5/01/2017	Interest Earned	0.00	638.57	507,444.49
	5/22/2017	Transfer AB2766 - March 2017	0.00	41,865.75	549,310.24
M17-64	5/22/2017	[10015] CITY OF PALMDALE-AB2766 Grant	7,625.00	0.00	541,685.24
M17-65	5/22/2017	[10530] A-Z BUS SALES-AB2766 Grant	3,755.99	0.00	537,929.25
M17-66	5/22/2017	[10536] ROWE, KARINA-AB2766 Grant	1,000.00	0.00	536,929.25
M17-67	5/22/2017	[10537] HOGAN, DANIEL-AB2766 Grant	1,000.00	0.00	535,929.25
M17-68	5/22/2017	[10538] LUKE, ANTHONY-AB2766 Grant	1,000.00	0.00	534,929.25
M17-69	5/22/2017	[10539] OLANDER, STEPHANY-AB2766 Grant	1,000.00	0.00	533,929.25
M17-70	5/22/2017	[10540] RESPETO, ANTHONY-AB2766 Grant	1,000.00	0.00	532,929.25
<b>Total for Report:</b>			<b>16,380.99</b>	<b>42,504.32</b>	

**Antelope Valley AQMD**  
**Bank Register from 5/01/2017 to 5/31/2017**  
**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>
	5/01/2017	Interest Earned	0.00	1,041.89	839,584.05
0082812	5/22/2017	Transfer AB923 - March 2017	0.00	59,785.16	899,369.21
M17-71	5/22/2017	[10084] ENVIRONMENTAL ENGINEERING STUDIES VAVR-AB923 Grant	<u>2,000.00</u>	<u>0.00</u>	897,369.21
<b>Total for Report:</b>			<b>2,000.00</b>	<b>60,827.05</b>	

**Antelope Valley AQMD**  
**Bank Register from 5/01/2017 to 5/31/2017**  
**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>
	5/01/2017	Interest Earned	0.00	442.06	153,497.16
C17-21	5/22/2017	[10084] ENVIRONMENTAL ENGINEERING STUDIES VAVR-Moyer Grant	<u>1,378.00</u>	<u>0.00</u>	152,119.16
<b>Total for Report:</b>			<b>1,378.00</b>	<b>442.06</b>	

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

*AGENDA ITEM 6*

**DATE:** July 18, 2017

**RECOMMENDATION:** Approve payment to MDAQMD in the total amount of \$105,593.75, subject to availability of funds, for services provided during the month of May 2017.

**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 2017 in the amount of \$105,593.75, 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 10, 2017.

**FINANCIAL DATA:** The contract and direct expenditure amounts are part of the approved District budget for FY 17. No change in appropriations is anticipated as a result of the approval of this item.

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

---

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 **5/31/2017**  
 Invoice Number **41632**

# 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>

FY17	Amount
Professional Services	12.22
Antelope Valley AB2766	6,629.37
AV AB923	1,949.47
Antelope Valley Moyer	4,342.36
Antelope Valley PERP	196.28
Antelope Valley Title V	329.92
Antelope Valley PM2.5	506.84
Program Staff	78,659.51
Overhead	12,967.78
<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>	
	<b>Invoice Total 105,593.75</b> <b>Amount Paid 0.00</b>
<b>MAKE CHECKS PAYABLE TO MOJAVE DESERT AQMD</b> <b>PLEASE INCLUDE THE INVOICE NUMBER ON THE CHECK</b>	<b>Balance Due 105,593.75</b>

**ANTELOPE VALLEY AQMD  
Program Staff  
FY 2016-17**

<b>Program</b>	<b>FY 15-16 Contracted Hours</b>	<b>Calendar Yr 2015 Actual Hours*</b>	<b>FY 16-17 Contracted Hours</b>	<b>Average Contract Cost/hr</b>	<b>Annual Contract Cost</b>	<b>FTE</b>
Lancaster Office	12,480	12,480	12,480	\$65.51	\$817,595	6.00
Planning, Grants, and Rulemaking	250	255	265	95	25,206	0.13
Air Monitoring and Surveillance	525	431	440	82	36,184	0.21
Compliance	250	303	310	94	29,089	0.15
Stationary Sources	150	259	270	77	20,781	0.13
Executive Management and Legal	750	627	630	124	78,015	0.30
Community Relations & Education	100	75	80	95	7,635	0.04
Administration	1,100	1,087	1,115	87	96,860	0.54
<b>TOTAL</b>	<b>15,605</b>	<b>15,517</b>	<b>15,590</b>		<b>\$ 1,111,365</b>	<b>7.50</b>
<b>Full Time Equivalents (FTE)</b>	<b>7.50</b>	<b>7.46</b>	<b>7.50</b>			
<b>Administrative Costs</b>			<b>14.00%</b>			

<b>Fiscal Year Comparison:</b>	<b>Contract Cost</b>	<b>FTE</b>
Fiscal Year 2015-16	\$ 1,237,940	7.50
Fiscal Year 2016-17	\$ 1,111,365	7.50
Percent Change:	-11.4%	-5%

\*Hours for calendar year 2015 are provided as a point of reference compared to last fiscal year and next fiscal year.

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

***AGENDA ITEM 7***

**DATE:** July 18, 2017

**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 7.5% increase on Rule 301 – *Permit Fees* to better align the fees with the costs of issuing and enforcing both District and Federal Operating permits and a 15% fee increase to Rule 302 – *Other Fees* so that costs are aligned with the reasonable cost of the programs they support. Adjustments are necessary to ensure that the costs of issuing air quality permits; performing inspections, investigations and audits; enforcing district rules and regulations and reviewing and enforcing the requirements of various plans and protocols are aligned with the reasonable regulatory costs of the each program.

**CONFLICT OF INTEREST:** None.

**BACKGROUND:** Rule 301 – *Permit Fees* was last amended 07/19/2016. The 07/19/16 effective 01/01/17 version is the current version in the AVAQMD rulebook. Rule 302 – *Other Fees* was originally adopted on 01/06/78. Rule 302 was reorganized and various other Regulation III rules, (Rules 304, 306 and 307) were consolidated into a single rule, Rule 302 – *Other Fees* on 07/21/15 effective 01/01/16. The 07/21/15 effective 01/01/16 version is the current version in the rulebook.

To allow time to implement the proposed fee changes, the amendment of Regulation III - *Fees* is proposed to be effective on January 1, 2018.

---

cc: Barbara Lods

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

*AGENDA ITEM 7*

**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 3, 2017.

**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 18, 2017, 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 7/19/16, is proposed to adjust fees 7.5%; and

**WHEREAS**, Rule 302 – *Other Fees* as last amended 7/21/2015 is proposed to adjust fees 15 %; and

**WHEREAS**, the AVAQMD is proposing a 7.5% increase to rule 301 to better align the fees with the cost of issuing and enforcing both District and Federal Operating permits and a 15% fee increase to Rule 302 – *Other Fees* so that costs are aligned with the reasonable cost of the programs they support; and

**WHEREAS**, adjustments are necessary to ensure that the costs of issuing air quality permits;

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

1 performing inspections, investigations and audits; enforcing district rules and regulations and reviewing  
2 and enforcing the requirements of various plans and protocols are aligned with the reasonable regulatory  
3 costs of the each program.; and

4       **WHEREAS**, to allow time to implement the proposed fee changes, the amended versions of Rule  
5 301, and Rule 302 are proposed to be effective on January 1, 2018; and

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

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

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

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

17       **WHEREAS**, the proposed amendments are needed to adjust permit fees to ensure that the costs of  
18 issuing air quality permits; performing inspections, investigations and audits; and enforcing district rules  
19 and regulations are aligned with the reasonable regulatory costs of the permit program.; and

20       **WHEREAS**, a public hearing has been properly noticed and conducted, pursuant to H & S Code  
21 §40725, concerning the proposed amendments to Regulation III; and

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

28       **WHEREAS**, the Board of the AVAQMD has considered the evidence presented at the public

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

1 hearing; and

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

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

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

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

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

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

20  
21 STATE OF CALIFORNIA        )  
22 COUNTY OF LOS ANGELES    )       SS:  
23                                    )

24       I, Crystal Goree, Deputy Clerk of the Governing Board of the Antelope Valley Air Quality Management  
25 District, hereby certify the foregoing to be a full, true and correct copy of the record of the action as the same  
26 appears in the Official Minutes of said Governing Board at its meeting of July 18, 2017.

27 \_\_\_\_\_  
28 Deputy Clerk of the Governing Board,  
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); Amended 07/18/17, effective 01/01/18)

## 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 07/18/2017 shall be effective on 01/01/2018.

(B) Definitions

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

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

properties within the District, in actual physical contact or separated solely by a public roadway or other public right-of-way, and are owned or operated by the same person (or persons under common control). Such above-described groupings, if on noncontiguous properties but connected only by land carrying a pipeline, shall not be considered one facility.

- (7) “Stationary Source” (or Source) – Any article, machine, equipment, contrivance or combination thereof which emits or has the potential to emit any regulated air pollutant and is required to have a permit pursuant to the provisions of District Rules 201, 202 and 203.
- (8) “Temporary Permit to Operate” – An interim authorization to operate equipment until the Permit to Operate is granted or denied. A temporary Permit to Operate is not issued by the District but may exist pursuant to District Rule 202.

### (C) Requirements and Procedures

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

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

- (v) If, after notification, the permit remains delinquent for more than three (3) months, the permit shall become inactive in the District's records.
- (3) Reinstatement of Permits
  - (a) A permit which is delinquent but has not become inactive may be reinstated by payment in full of all outstanding fees, fines and penalties, including but not limited to other fees imposed pursuant to District Regulation III and fines or penalties imposed pursuant to the provisions of Article 3, Chapter 4, Part 4 of Division 26 of the Health and Safety Code (commencing with section 42400).
- (4) Inactive Permits
  - (a) A permit which has become inactive is null and void. The equipment which was the subject of the inactive permit may be permitted again by the District so long as the owner/operator submits a new permit application. Such new permit application will be processed as if the equipment was an entirely new unit requiring a permit.
- (5) Refunds
  - (a) No claim for refund for any fee required by this rule shall be honored unless:
    - (i) For initial permit fees, such claim is submitted within ninety (90) days after the permit was issued.
    - (ii) For renewal permit fees, such claim is submitted within ninety (90) days after the prior permit expiration date.
  - (b) Refunds shall be pro-rated for the period between the date the request is received or prior permit expiration date, whichever is applicable, and the current permit expiration date.
  - (c) Fees established as surcharges are not refundable and are assessed in addition to the schedules established for permit fees. Surcharges are assessed and applicable as specified herein.
  - (d) The application filing fee set forth in section (D)(1) is non-refundable.
- (6) Pro-rated fees
  - (a) The APCO may pro-rate any of the following fees excluding any applicable filing fee:
    - (i) Initial Permit Fee;
    - (ii) Annual Permit to Operate Renewal Fee;
    - (iii) Permit to Construct Renewal Fee;

- (iv) Alteration, Modification, Addition or Revision Fees.
    - (b) Pro-rated fees shall be calculated based upon the fees and fee schedule in effect on the date of issuance of the permit to which the fees apply.
    - (c) Fees shall be pro-rated for the period between the date of the issuance of the affected permit and the expiration of the permit.
  - (7) Service Charge for Returned Checks
    - (a) Any person who submits a check to the District on insufficient funds or on instructions to stop payment on the check, absent an overcharge or other legal entitlement to withhold payment, shall be subject to a \$25.00 service charge.
  - (8) Credit Card Payments
    - (a) If any person wishes to pay using a credit card the person shall also pay any costs imposed by the company processing the credit card transaction.
- (D) Fees
- (1) Application Filing Fee
    - (a) Except as otherwise provided, any person who applies for the issuance of a new or modified permit shall be assessed a fee of \$690.00. 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 \$144.00 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 \$242.00 for each permit being transferred from one person to another.
    - (ii) The filing fee set forth in Section (D)(1) are waived for applications solely requesting a change of ownership

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

- (b) The permit holder may be assessed a fee of \$120.00 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 \$718.00 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 \$144.00 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 \$144.00 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	\$400.02
Classification B	\$1432.68
Classification C	\$3436.74
Electrical Generating Equipment (non-emergency) rated 100,000,000 Btu/hr and less	\$4763.00 plus \$113.61 per each 1,000,000 Btu/hr
Electrical Generating Equipment (non-emergency) rated greater than 100,000,000 Btu/hr	\$1322.81 plus \$28.97 per each 1,000,000 Btu/hr
Nozzles (Rule 461)	\$43.27 per product/per nozzle

[SIP: Not SIP. ]

**Table 1  
Equipment/Process Classifications**

<b>Equipment</b>	<b>Classification A</b>	<b>Classification B</b>	<b>Classification C</b>
<b>Basic Process Systems including ancillary equipment</b>	Any Abrasive Blasting; Anodizing; Blending; Chemical (no toxics, hazardous) Milling; Cooling Tower; Any Degreaser; Deposition Ceramics; Dry Cleaning; Etching; Film Cleaner; Grinder; Ink Mfg; Laundry; Liquid Container Filling; Packaging; Polystyrene Extrusion; Polyurethane Mfg; Refrigerant Handling and/or Processing; Smoke Generator; Soldering; Stripping; Vacuum Metalling	Adhesives; Air Stripper; Ammonia Process; Asphalt Process; Auto Body Shredding; Battery Charging/Mfg; Chemical (toxics, hazardous) Milling; Degreaser; Plastic/Resins Handling; Soil Vapor Extraction; Vacuum Generator; Any process not otherwise listed under any category	Landfill Gas Treatment; Liquid Hazardous Waste Processing; LPG Distiller
<i>Other Processes</i>			
<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

<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><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; 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.			

This page intentionally left blank.

## Rule 302 Other Fees

### (A) General

#### (1) Purpose:

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

#### (2) Applicability

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

#### (3) Effective Date

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

### (B) Definitions

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

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

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

(C) Payments, Adjustments and Refunds

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

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

(D) Analysis Fees

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

(E) Asbestos Fees

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

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

(3) Expedited Handling Fee

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

(4) Fee Calculation

- (a) Fees are assessed on a per notification basis and multiple fees may apply.
  - (b) The total fee for any project shall be the sum of the applicable fees under subsection (1) and (2) above.
- (5) No notification shall be considered received pursuant to Rule 1403, unless it is accompanied by the required payment.

(F) Plan Fees

(1) Dust Control Plans

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

(2) Air Toxics Plans

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

(3) Other Plan Fees

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

(G) Publication Fees

- (1) Any person receiving a publication for which a fee is charged shall be assessed the designated fee.
  - (a) The Air Pollution Control Officer (APCO) shall designate those publications, including information circulars, reports of technical work, or other reports, prepared by the District for which a fee shall be charged.

- (b) Such fee shall be established by the APCO in a sum not to exceed the cost of preparation and distribution of such documents. Such fees shall be deposited in the general funds of the District.
  - (c) Cities and counties shall be entitled to receive one copy of any District publication without charge.
- (2) Nothing in this Rule shall be construed to limit the rights of any person, or of the District, pursuant to the California Public Records Act, Chapter 3.5, Division 7 of Title 1 (commencing with Section 6250) of the Government Code.

**(H) State Mandated Fees**

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

*Antelope Valley*  
Air Quality Management District

---



Draft  
Staff Report  
Regulation III-Fees

Proposed Amendments to  
Rule 301 – *Permit Fees*  
Rule 302 – *Other Fees*

For adoption on  
July 18, 2017

43301 DIVISION ST., SUITE 206,  
LANCASTER, CALIFORNIA 93535-4649  
PHONE (661) 723-8070  
FAX (661) 723-3450

This page intentionally left blank.

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

I. PURPOSE OF STAFF REPORT ..... 1

II. EXECUTIVE SUMMARY ..... 1

III. STAFF RECOMMENDATION ..... 2

IV. LEGAL REQUIREMENTS CHECKLIST ..... 3

V. DISCUSSION OF LEGAL REQUIREMENTS ..... 4

    A. REQUIRED ELEMENTS/FINDINGS ..... 4

        1. State Findings Required for Adoption of Rules & Regulations ..... 4

            a. Necessity ..... 4

            b. Authority ..... 4

            c. Clarity ..... 4

            d. Consistency ..... 5

            e. Non-duplication ..... 5

            f. Reference ..... 5

            g. Public Notice & Comment, Public Hearing ..... 5

        2. Federal Elements (SIP Submittals, Other Federal Submittals) ..... 5

    B. WRITTEN ANALYSIS OF EXISTING REQUIREMENTS ..... 6

    C. ECONOMIC ANALYSIS ..... 6

        1. General ..... 6

        2. Economic Analysis for Rule 301 – *Permit Fees* ..... 6

        3. Economic Analysis for Rule 302 – *Other Fees* ..... 7

        4. Incremental Cost Effectiveness ..... 7

    D. ENVIRONMENTAL ANALYSIS (CEQA) ..... 7

    E. SUPPLEMENTAL ENVIRONMENTAL ANALYSIS ..... 7

        1. Potential Environmental Impacts ..... 7

        2. Mitigation of Impacts ..... 7

        3. Alternative Methods of Compliance ..... 7

    F. PUBLIC REVIEW ..... 8

VI. TECHNICAL DISCUSSION ..... 8

A.	SOURCE DESCRIPTION .....	8
B.	EMISSIONS .....	8
C.	CONTROL REQUIREMENTS.....	8
D.	PROPOSED RULE SUMMARY .....	8
	1. AV Rule 301 – <i>Permit Fees</i> .....	8
	2. AV Rule 302 – <i>Other Fees</i> .....	9
E.	Rule HISTORY .....	9
F.	PROPOSITION 26 ANALYSIS .....	10
	1. Justification for Fee Adjustment to Rule 301 – <i>Permit Fees</i> and Rule 302 – <i>Other Fees</i> .....	11
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 07/19/2016; amend to adjust fees 7.5%.
- Rule 302 – *Other Fees* as last amended 07/21/2015; amend to adjust 15 %

The AVAQMD is proposing a 7.5% increase on Rule 301 – *Permit Fees* to better align the fees with the costs of issuing and enforcing both District and Federal Operating permits and a 15% fee increase to Rule 302 – *Other Fees* so that costs are aligned with the reasonable cost of the programs they support. Adjustments are necessary to ensure that the costs of issuing air quality permits; performing inspections, investigations and audits; enforcing district rules and regulations and reviewing and enforcing the requirements of various plans and protocols are aligned with the reasonable regulatory costs of the each program.

To allow time to implement the proposed fee changes, the amendment of Regulation III - *Fees* is proposed to be effective on January 1, 2018.

### III. STAFF RECOMMENDATION

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

#### IV. LEGAL REQUIREMENTS CHECKLIST

The findings and analysis as indicated below are required for the procedurally correct amendments to *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 7.5% fee increase to Rule 301 – *Permit Fees* and a 15% increase to Rule 302 – *Other Fees* to better align the fees with the costs of compliance, permit issuance and permit administration of both District and Federal Operating permits. Adjustments in fees are necessary to ensure that the costs of issuing air quality permits; performing inspections, investigations and audits; enforcing district rules and regulations and reviewing and enforcing the requirements of various plans and protocols are aligned with the reasonable regulatory costs of such programs.

##### 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. Any person or organization subject to other fees may be affected by the proposed amendments to Rule 302. These rule amendments have been developed to adjust fees to Rule 301 by 7.5% and Rule 302 by 15% to recover the rising costs associated with issuing and enforcing both District and Federal permits and to increase clarity for each of the affected groups.

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

f. Reference:

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

g. Public Notice & Comment, Public Hearing:

Notice for the public hearing for the proposed amendment of Regulation III was published on 06/16/2017 for the 07/18/2017 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. Regulation 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.

## 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 Regulation III only modify fees and provide minor clarification. These proposed amendments do not in themselves impose air pollution control requirements. Therefore, the preparation of a written analysis of existing pollution control requirements that apply to the same equipment or source type is not required.

## C. ECONOMIC ANALYSIS

### 1. General.

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

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

Staff is recommending adjustment to Rule 301 to recover the rising costs associated with the issuance of permits, the inspection and enforcement of such permits and the administration of the permit issuance. 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 7.5% permit fee adjustment is projected to result in an overall added cost to industry of \$50,176. This amount is based on applying the proposed cost increase to fee revenue received during the 12 months April 1, 2016 to March 31, 2017, 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 \$642.00. The proposed amendment will result in an average increase of \$48.00 per permit.

---

<sup>[1]</sup> Revenue estimates have been calculated based on the revenue received by during the 12 month period April 1, 2016 to March 31, 2017: Operating Permit Applications: \$52,154; Asbestos related fees: \$82,271; Permits to Operate and Authorities to Construct: \$612,853 (this considers cancelled permits); Rule Revenue \$35,969 and Title V fees: \$4,000 for an estimated total of \$787,247.

3. Economic Analysis for Rule 302 – *Other Fees* - .

The proposed amendment to Rule 302 includes a 15% increase in other fees so the costs are aligned with the reasonable cost of the programs they support. Adjustments are necessary to ensure that the costs of reviewing and enforcing the requirements of various plans and protocols are aligned with the reasonable regulatory cost of each program.

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 CCAA requirements for Best Available Retrofit Control Technology (BARCT) or “all feasible measures” to control volatile compounds, oxides of nitrogen or oxides of sulfur. The proposed amendments to 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 Regulation III.

a. The proposed amendments to Regulation III meet the CEQA definition of “project.” They are not “ministerial” actions.

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

E. SUPPLEMENTAL ENVIRONMENTAL ANALYSIS

1. Potential Environmental Impacts

The proposed amendments to Regulation III do not have any potential environmental impacts because the amendments merely adjust fees, make minor format corrections and provide clarification. The amendments do not have any impact upon emissions of air contaminants.

2. Mitigation of Impacts

N/A

3. Alternative Methods of Compliance

N/A

F. PUBLIC REVIEW

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

VI. TECHNICAL DISCUSSION

A. SOURCE DESCRIPTION

The proposed amendments to Regulation III - *Fees* will affect permit holders and applicants subject to Rule 301 – *Permit Fees* and Rule 302 – *Other Fees*.

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 Regulation III. Only a brief summary of each section is included. Readers are encouraged to examine the *[bracketed and italicized]* notations contained in the iterated version of the rule contained in Appendix “A” for notations regarding movement and modification of specific sections and subsections.

1. AVAQMD Rule 301 – *Permit Fees* :

Rule 301 – *Permit Fees*, includes a 7.5% increase in most fees to recover the rising costs associated with various permit activities required pursuant to the provisions of Regulation II – *Permits* and Regulation XIII – *New Source Review*.

Section (A)(4) is proposed for modification to reflect an effective date of January 1, 2018.

Section (D)(1)(a) has a proposed adjustment of 7.5%, rounded to the nearest dollar, for the application filing fee.

Section (D)(2)(c)(i) is proposed for modification to reflect an increase of 7.5%, rounded to the nearest dollar, added to the labor rate.

Section (D)(6)(b)(i) has a proposed fee adjustment of 7.5%, rounded to the nearest dollar, for the change of ownership fee .

Section (D)(9)(b) is proposed for a 7.5% increase, rounded to the nearest dollar, for duplicate permits.

Section (D)(11)(a)(i) is proposed for a 7.5% adjustment, rounded to the nearest dollar, for Emission Reduction Credit fees.

Section (D)(11)(a)(ii) is proposed for modification to reflect an increase of 7.5%, rounded to the nearest dollar, added to the labor rate.

Section (D)(11)(b) is proposed for a 7.5% adjustment, rounded to the nearest dollar, for an encumbrance or transfer of Emission Reduction Credits.

Section (E) is proposed a 7.5% adjustment to all fees in this section.

## 2. AVAQMD Rule 302 –*Other Fees*

Rule 302 – *Other Fees*, includes a 15% increase in most fees to recover the rising costs associated with various activities, documents and services, including but not limited to, provision of publications, performing analysis, filing, evaluation and enforcement of plans and state mandated fees.

Section (A)(3) is proposed for modification to reflect an effective date of January 1, 2018.

Section (E)(1) is proposed for a 15% adjustment, rounded to the nearest dollar, for any person required to submit an intention to demolish per District Rule 1403.

Section (E)(2) is proposed for a 15% adjustment, rounded to the nearest dollar, for any person required to submit an intention to renovate or abate per District Rule 1403.

## E. RULE HISTORY

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

The jurisdiction of the AVAPCD and the AVAQMD were specified in the statutes as the portion of the Los Angeles County contained within the MDAB. The MDAB was formerly known as the Southeast Desert Air Basin (SEDAB). In 1997 the SEDAB was split into the MDAB and the Salton Sea Air Basin. Descriptions of these air basins can be found in 17 Cal. Code Regs. §§60109 and 60144. Since USEPA adopts SIP revisions in California as effective within jurisdictional boundaries of local air districts, when the local air district boundaries change the SIP as approved by USEPA for that area up to the date of the change remains as the SIP in that particular area. Thus, upon creation of

the AVAPCD on July 1, 1997 the AVAPCD acquired the SIP applicable to the Antelope Valley portion of the SCAQMD that was affected as of June 30, 1997. Likewise the AVAQMD acquired the SIP that was effective in the jurisdiction of the AVAPCD as of December 31, 2000. Therefore, the SIP history for this region is based upon the rules adopted, effective, and approved for the Antelope Valley by SCAQMD.

Rule 301 was originally adopted by the SCAQMD on 02/04/1977. It has been subsequently amended 05/27/77, 01/06/78, 06/16/78, 04/04/80, 09/05/80, 06/05/81, 09/09/82, 12/03/82, 06/03/83, 05/04/84, 07/06/84, 11/02/84, 12/06/85, 05/01/87, 06/03/88, 12/02/88, 01/06/89, 06/02/89, 06/01/90, 06/07/91, 12/06/91, 06/05/92, 07/10/92, 06/11/93, 10/08/93, 06/10/94, 05/12/95, 10/13/95, 05/10/96, 05/09/97, 03/17/98, 11/15/05 effective 01/01/06, 09/18/07 effective 01/01/08, 06/17/08 effective 01/01/09, 06/15/10 effective 01/01/11, 06/19/12 effective 01/01/13, 06/18/13 effective 01/01/14, 07/15/14 effective 01/01/15, 07/21/15 effective 01/01/16 and 07/19/16; effective 01/01/17. The 07/19/16 effective 01/01/17 version is the current version in the AVAQMD rulebook. Rule 301 is proposed for amendment to adjust fees by 7.5% to ensure that the costs of issuing air quality permits; performing inspections, investigations and audits; and enforcing district rules and regulation are aligned with the reasonable regulatory costs of the permit program.

Rule 302 – *Other Fees* was originally adopted on 01/06/78. Rule 302 was reorganized and various other Regulation III rules, (Rules 304, 306 and 307) were consolidated into a single rule, Rule 302 – *Other Fees* on 07/21/15 effective 01/01/16. The 07/21/15 effective 01/01/16 version is the current version in the rulebook. Rule 302 is proposed for amendment to adjust fees by 15% to recover the costs of administering plans, protocols and annual review and compliance of such plans.

## 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 – 302 *Other Fees*

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

The proposed fee increases constitute only a portion of the total projected cost increases for fiscal year 2017/2018. Personnel costs for the AVAQMD are projected to increase 4.5 percent<sup>2</sup>. 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. The proposed increases are expected to meet 2.15% of the \$316,343 estimated deficit related to the costs of permitting. Funds from other sources, including use of additional AB2766 grant support revenue, revenue from Rule 302, State fees 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 XIII C §1(e)(3) of the California Constitution.

---

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

<sup>2</sup> Included both salary and benefit increases.

This page intentionally left blank.

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

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

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

Rule 301 – *Permit Fees*

Rule 302 – *Other Fees*

This page intentionally left blank

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

## 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~~xx/xx/xxxx shall be effective on 01/01/~~2017~~2018.

(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. [prior arrangement is no longer necessary. Credit card processing is available at all times]~~
  - ~~(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~~\$690.00. 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~~144.00 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~~242.00 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~~may be assessed a fee of \$~~112.00~~120.00 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~~718.00 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~~144.00 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~~144.00 for each document submitted.

(12) Reinstatement Fee for a Delinquent Permit

- (a) Any person who applies for delinquent permit reinstatement pursuant to the provisions of subsection (C)(3)(a) shall be assessed a fee equal to the amount of all outstanding fees, fines and penalties for the particular unit that is the subject of the permit and an initial permit fee for that unit for the current year.

(E) Schedules for Fees

(1) Initial Permit and Annual Permit to Operate Renewal and Authority to Construct Renewal Fees.

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

<b>Equipment/Process Classification</b>	<b>Fee Amount</b>
Classification A	\$ <del>372.11</del> <u>400.02</u>
Classification B	\$ <del>1332.73</del> <u>1432.68</u>
Classification C	\$ <del>3196.97</del> <u>3436.74</u>
Electrical Generating Equipment (non-emergency) rated 100,000,000 Btu/hr and less	\$ <del>4430.70</del> <u>4763.00</u> plus \$ <del>105.68</del> <u>113.61</u> per each 1,000,000 Btu/hr
Electrical Generating Equipment (non-emergency) rated greater than 100,000,000 Btu/hr	\$ <del>12300.29</del> <u>1322.81</u> plus \$ <del>26.95</del> <u>28.97</u> per each 1,000,000 Btu/hr
Nozzles (Rule 461)	\$ <del>40.25</del> <u>43.27</u> per product/per nozzle

[SIP: Not SIP. ]

|

|

This page intentionally left blank

**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

<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><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; 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.			

This page intentionally left blank.

## Rule 302 Other Fees

### (A) General

#### (1) Purpose:

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

#### (2) Applicability

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

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

#### (3) Effective Date

- (a) The amendments to this rule adopted on ~~07/21/2015~~xx/xx/2017 shall be effective on 01/01/~~2016~~2018.

### (B) Definitions

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

- (1) “Active Operations” – Any activity capable of generating Fugitive Dust, including, but not limited to, Earth-Moving Activities, Construction/Demolition Activities, or heavy- and light-duty vehicular movement.
- (2) “Dust Control Plan” – A document setting forth information and methods to control or measure the emissions of dust required pursuant to District Rule 403.
- (3) “Plan” – A document to be submitted to the District by District Rule or Regulation; or State or Federal law or regulation, providing a description or procedures necessary to accomplish the particular objective and containing those items set forth in the underlying requirement.
- (4) “Source Test Protocol” – a test work Plan or protocol includes a process description, field sampling methods, analytical test methods, test schedules, equipment calibration and a results presentation format used to determine the type and quantity of pollutants emitted from sources by sampling the effluent stream.
- (5) “Source Test Report” – a document that provides the analytical results from an emission source test used to determine the type and quantity of pollutants emitted from sources by sampling the effluent stream. The report should contain an executive summary, field sampling methods, analytical test methods, equipment calibration and a results presentation to determine the type and quantity of pollutants emitted from sources by sampling the effluent stream.

(C) Payments, Adjustments and Refunds

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

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

(D) Analysis Fees

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

(E) Asbestos Fees

- (1) Any person who is required by District Rule 1403 – *Asbestos Emissions from Demolition/Renovation Activities* to submit a written notice of intention to demolish shall pay, at the time of delivery of notification, a non-refundable fee of ~~\$212244~~.00.
- (2) Any person who is required by District Rule 1403 – *Asbestos Emissions from Demolition/Renovation Activities* to submit a written notice of intention to renovate or abate shall pay a non-refundable fee based upon the area to be renovated or abated:

<u>Linear Feet</u>	<u>Square Feet</u>	<u>Cubic Feet</u>	<u>Fee</u>
260 – 999	100 – 999	35 – 218	<del>\$509585</del> .00
1,000 – 4,999	1,000 – 4,999	219- 1094	<del>\$10151167</del> .00
5,000 – 9,999	5,000 – 9,999	1,095 – 2,188	<del>\$15261755</del> .00
10,000 or more	10,000 or more	2,189 or more	<del>\$20362341</del> .00

- (3) Expedited Handling Fee
  - (a) Any person subject to a fee pursuant to subsections (E)(1) or (2) above who submits the written notice of intention to demolish, renovate or abate and such notice is delivered or postmarked less than fourteen (14) calendar days before the project start date listed on the notification shall pay, in addition to the above fees, an expedited handling fee of \$75.00
- (4) Fee Calculation
  - (a) Fees are assessed on a per notification basis and multiple fees may apply.
  - (b) The total fee for any project shall be the sum of the applicable fees under subsection (1) and (2) above.
- (5) No notification shall be considered received pursuant to Rule 1403, unless it is accompanied by the required payment.

(F) Plan Fees

(1) Dust Control Plans

- (a) Any person who is required to submit a Dust Control Plan (DCP) pursuant to the provisions of District Rule 403 shall be assessed a Plan filing and evaluation fee of ~~\$575661~~.00.
  - (i) Upon termination of construction activities, if a site stability evaluation is performed pursuant to District Rule 403, the person holding the DCP ~~shall~~may be assessed an inspection fee of ~~\$250287~~.00.
- (b) Any Active Operation requiring a DCP shall resubmit the DCP annually pursuant to the provisions of District Rule 403(D)(1)(j) as dust generating activities do not cease upon termination of construction activities. Such resubmission shall be assessed a Plan filing and evaluation fee of ~~\$575661~~.00.
  - (i) If a site inspection for compliance with the provisions of Rule 403 or the applicable DCP is performed, the person holding the DCP may be assessed an inspection fee of ~~\$250287~~.00.

(2) Air Toxics Plans

- (a) Any person filing a Health Risk Assessment or a Risk Reduction Audit Plan pursuant to the Air Toxic “Hot Spots” Information and Assessment Act as amended (California Health & Safety Code §§ 44300 et seq) shall be assessed a fee of ~~\$425489~~.00 for the District’s evaluation of the Health Risk Assessment and Risk Reduction Audit Plans.

(3) Other Plan Fees

- (a) Source Test Protocol and Report Evaluation Fees
  - (i) Any person filing a Source Test Protocol ~~or a Source Test Report~~ with the District shall be assessed a ~~total~~ fee of ~~\$425489~~.00 for the evaluation ~~of the Protocol. of such source test. There will be no additional fee charged for the evaluation of testing results, protocols and/or reports. [Minor language changes have been incorporated for clarification]~~

(G) Publication Fees

- (1) Any person receiving a publication for which a fee is charged shall be assessed the designated fee.
  - (a) The Air Pollution Control Officer (APCO) shall designate those publications, including information circulars, reports of technical work, or other reports, prepared by the District for which a fee shall be charged.

- (b) Such fee shall be established by the APCO in a sum not to exceed the cost of preparation and distribution of such documents. Such fees shall be deposited in the general funds of the District.
  - (c) Cities and counties shall be entitled to receive one copy of any District publication without charge.
- (2) Nothing in this Rule shall be construed to limit the rights of any person, or of the District, pursuant to the California Public Records Act, Chapter 3.5, Division 7 of Title 1 (commencing with Section 6250) of the Government Code.

(H) State Mandated Fees

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

This page intentionally left blank.

APPENDIX "B"  
PUBLIC NOTICE DOCUMENTS

1. Draft Notice of Public Hearing – Antelope Valley Press 06/16/2017

This page intentionally left blank.

## 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 07/18/2017 at 10:00 A.M. to consider the proposed amendment of Regulation III– *Fees*, specifically Rule 301 – *Permit Fees* and Rule 302 – *Other Fees*.

**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 17, 2017 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:

The AVAQMD is proposing a 7.5% fee increase to Rule 301 – *Permit Fees* and a 15% increase to Rule 302 – *Other Fees* to better align the fees with the costs of compliance, permit issuance and permit administration of both District and Federal Operating permits. Adjustments in fees are necessary to ensure that the costs of issuing air quality permits; performing inspections, investigations and audits; enforcing district rules and regulations and reviewing and enforcing the requirements of various plans and protocols are aligned with the reasonable regulatory costs of such programs.

To allow time to implement the proposed fee changes in the computerized billing system, this amendment is proposed to be effective on January 1, 2018

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

This page intentionally left blank.

APPENDIX "C"  
PUBLIC COMMENTS AND RESPONSES

None received to date.

This page intentionally left blank.

APPENDIX "D"  
CALIFORNIA ENVIRONMENTAL QUALITY ACT  
DOCUMENTATION

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

This page intentionally left blank.

## 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

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 7.5% fee increase to Rule 301 – *Permit Fees* and a 15% increase to Rule 302 – *Other Fees* to better align the fees with the costs of compliance, permit issuance and permit administration of both District and Federal Operating permits. Adjustments in fees are necessary to ensure that the costs of issuing air quality permits; performing inspections, investigations and audits; enforcing district rules and regulations and reviewing and enforcing the requirements of various plans and protocols are aligned with the reasonable regulatory costs of such programs.

To allow time to implement the proposed fee changes in the computerized billing system, this amendment is proposed to be effective on January 1, 2018.

**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))

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 18, 2017

**DATE RECEIVED FOR FILING:**

This page intentionally left blank.

## APPENDIX "E" BIBLIOGRAPHY

The following documents were consulted in the preparation of this staff report and the proposed amendments to Rule 301 – *Permit Fees* and Rule 302 – *Other Fees*:

1. AVAQMD Proposed Budget for Fiscal Year 2017-18

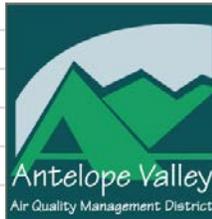
This page intentionally left blank.

## **Appendix “F”**

### Cost Analysis

#### 1. AV Fee Increase justification

This page intentionally left blank.



### Statement of Change in Expenditures

	<u>EOY Est</u>	<u>Fee Increase</u>	<u>Fee Increase</u>	<u>Total Est Fee</u>	
	<u>FY17</u>	<u>7.5%</u>	<u>15%</u>	<u>Increase</u>	
<b>Revenues General Fund</b>					
Permit Fees	\$612,853	\$45,964			
Title V	\$4,000	\$300			
Application Fees	\$52,154	\$3,912			
Asbestos Demo/Reno	\$82,271		\$12,341		
Rule 302 Revenue	\$35,969		\$5,395		
<b>Total</b>	<b>\$787,247</b>	<b>\$50,176</b>	<b>\$17,736</b>	<b>\$67,912</b>	<b>\$855,159</b>
		<u>Proposed</u>		<u>76% Proposed</u>	
		<u>Budget FY18</u>		<u>Budget</u>	
<b>Personnel Expenditures(Permit Related)</b>		\$1,100,000		\$836,000	
<b>Operating Expenses (Permit Related)</b>		\$441,450		\$335,502	
<b>Total Expenditures</b>					<b>\$1,171,502</b>
Expected Deficit					<b>\$316,343</b>
AB2766				150,391	
State Revenue				98,040	\$248,431
Fee Increase					\$67,912
					<b>\$316,343</b>

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. The proposed 15% and 7.5% increases are expected to meet 2.15% of the \$316,343 expected deficit related to the costs of permitting for the coming fiscal year. Funds from other sources, including use of additional AB2766 grant support revenue, State fees 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 XIII C §1(e)(3) of the California Constitution.

This page intentionally left blank.

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

*AGENDA ITEM **8***

**DATE:** July 18, 2017

**RECOMMENDATION:** 1) Award an amount not to exceed \$134,310 in Carl Moyer Program and Mobile Source Emission Reductions Program (AB 2766) funds to Hemme Hay and Feed for the replacement of three older heavy-duty diesel vehicles with one newer clean diesel engine vehicle; 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 \$134,310 in grant funding to Hemme Hay and Feed to replace three older heavy-duty diesel vehicles with one newer clean diesel engine vehicle that meets the current emission standards. Grant award to consist of Mobile Source Emission Reductions Program (AB 2766) funds with the possibility of leveraging with Carl Moyer Program funds pending a CARB case-by-case approval.

**BACKGROUND:** AVAQMD received an application from Hemme Hay and Feed requesting grant funding towards the retirement of two off-road older heavy-duty diesel hay squeeze vehicles, including the elimination of transport vehicle miles, for one on-road clean diesel engine hay squeeze. Staff has evaluated the project based on combined Carl Moyer calculations for off-road and on-road and estimates 3 tons of annual emission reductions over the life of the project. The District proposes to fund 55 percent of the replacement vehicle cost totaling \$244,200. However, the proposed project does not fall within the scope of eligibility for Carl Moyer and therefore requires the project to be reviewed and issued a case-by-case approval by CARB in order to use Carl Moyer funds. The operations of the existing off-road vehicles meets the definition of "Agricultural operations" as defined in the Regulation For In-Use Off-Road Diesel-Fueled Fleet as Agricultural crop preparation services and is not subject to regulation. Therefore the proposed project offers early emission reductions that help the Valley towards attainment of the national ambient air quality standards.

The ability to fund the proposed project using Carl Moyer funds with Mobile Source Emission Reductions Program (AB 2766) funds is currently pending CARB's case-by-case approval. Otherwise this project will be funded solely by Mobile Source Emission Reductions Program (AB 2766) funds.

---

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 8*

**PAGE 2**

**REASON FOR RECOMMENDATION:** Governing Board approval is needed to fund District grant projects. Additionally, Governing Board authorization is needed for the Executive Director/APCO and staff to negotiate and execute an agreement with the grant recipient.

**REVIEW BY OTHERS:** This item was reviewed by Allison E. Burns, Special Counsel to the Governing Board, as to legal form and by Bret Banks, Executive Director/APCO – Antelope Valley Operations on or before July 6, 2017.

**FINANCIAL DATA:** Funding is granted from the District's annual allocation of Carl Moyer and Mobile Source Emission Reductions Program (AB 2766) funds.

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

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

*AGENDA ITEM 9*

**DATE:** July 18, 2017

**RECOMMENDATION:** 1) Award an amount not to exceed \$18,520 in Mobile Source Emission Reductions Program (AB 923) funds to Palmdale Water District toward the purchase and installation of Electric Vehicle Charging Stations; and 2) Authorize the Executive Director/APCO and staff to negotiate target time frames and technical project details and execute an agreement, approved as to legal form by the Office of District Counsel.

**SUMMARY:** This item awards funding to Palmdale Water District to purchase and install Electric Vehicle Charging Stations.

**BACKGROUND:** Palmdale Water District submitted a request to the District requesting grant funds for the purchase and installation of Electric Vehicle (EV) Charging Stations. Palmdale Water District proposes 24/7 public access charging stations (1) Single Output DC Fast Charger and (1) Dual Output Level II chargers to be located at Palmdale Water District office. Palmdale Water District supports the District goals of reducing sources of regional air pollution by the installation of electric vehicle charging stations accessible to the public. Additionally, Palmdale Water District plans to incorporate electric vehicles into their fleet as units are replaced in future years.

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

**REVIEW BY OTHERS:** This item was reviewed by Allison E. Burns Special Counsel to the Governing Board as to legal form and by Bret Banks, Executive Director/APCO – Antelope Valley Operations on or about July 3, 2017.

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

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

---

cc: Jean Bracy  
Laquita Cole  
Michelle Powell  
Julie McKeehan