SAN DIEGO COUNTY
AIR POLLUTION CONTROL DISTRICT

NOTICE OF PUBLIC HEARING – PROPOSED FEE INCREASE FISCAL YEAR 2023-24

NOTICE, pursuant to the State of California Health and Safety Code Section 42311, is hereby given of a public hearing on December 8, 2022, at 2:00 p.m. before the San Diego County Air Pollution Control District Governing Board (Governing Board), for the purpose of receiving public comments on the proposed amendments to increase fees in Rule 40 (Permit and Other Fees) of the San Diego County Air Pollution Control District (District). Those wishing to participate in the public hearing on the proposed amendments to Rule 40 should visit the District's Governing Board website at https://bit.ly/3F8NXsQ.

Federal and state laws require the District to adopt fees to recover the costs to administer mandated air pollution control programs. The District's fees are specified in Rule 40 which includes fees for air quality permit applications, permit renewals, emission measurements ("source tests") and asbestos notifications. Moreover, there are two types of fees – those charged on an hourly basis (time & material) and flat fees, as specified.

On May 21, 2021, the Governing Board adopted a cost recovery plan based on the recommendation of the California State Auditor Report 2019-127 (http://auditor.ca.gov/pdfs/reports/2019-127.pdf). The District has drafted proposed fee amendments to implement the plan for Fiscal Year 2023-24. These proposed fee increases, if adopted, would take effect on July 1, 2023, and result in additional projected revenues up to $950,000 per fiscal year. Specifically, this proposal would increase the District's estimated overall cost recovery percentage for its stationary source permitting, source testing, asbestos, and Hearing Board programs from the current 80% to approximately 88% and would reduce estimated annual revenue deficits from approximately $2.2 million to approximately $1.4 million. Importantly, current fees remain in effect until the District Governing Board considers and approves revisions to District Rule 40 at a subsequent meeting. The District is also proposing to amend requirements for Toxic Hot Spots fee estimate deposits and to convert some fixed (flat) application fees for specific coating operations to time & material. A Governing Board hearing to consider the adoption of amendments to Rule 40 will be held no sooner than 30 days after the December 8, 2022, public hearing. Below is a summary of the proposed fee increases for Fiscal Year 2023-24:

Fee Category	Application Fixed	Permit Renewal	Source Testing	Asbestos	Hearing Board	Time & Material	Processing Fee
Proposed % Fee Increase	15%	15%	15%	15%	0%	15%	15%

The Governing Board may consider modifications to the proposal, which may be deemed appropriate. Written comments are welcome and must be received by December 7, 2022. Comments should be addressed to:

John Jayasinghe, Chief
San Diego County Air Pollution Control District
10124 Old Grove Road, San Diego, CA 92131

Copies of supporting documentation may be examined or obtained at the District's headquarters, 10124 Old Grove Road, San Diego, CA 92131, or by visiting the District's Rule Development website at https://bit.ly/3lkUCYJ. Specific questions or information with respect to this matter may be obtained by contacting John Jayasinghe at APCDFiscal@sdapcd.org.

Marvice Mazyck
Clerk of the Air Pollution Control Governing Board of the
San Diego County Air Pollution Control District

CONDADO DE SAN DIEGO
DISTRITO DE CONTROL DE LA CONTAMINACIÓN DEL AIRE

AVISO DE AUDIENCIA PÚBLICA - PROPUESTA DE AUMENTO DE TARIFAS AÑO FISCAL 2023-24

POR EL PRESENTE SE NOTIFICA, de conformidad con el Estado de California Sección 42311 del Código de Salud y Seguridad, una audiencia pública el 8 de diciembre de 2022, a las 2:00 p.m., ante la Junta de Gobierno del Distrito de Control de la Contaminación del Aire del Condado de San Diego (Junta de Gobierno), con el propósito de recibir comentarios públicos sobre las enmiendas propuestas para aumentar las tarifas de la Regla 40 (Tarifas de Permisos y Otras Tarifas) del Distrito de Control de la Contaminación del Aire del Condado de San Diego (Distrito). Quienes deseen participar en la audiencia pública sobre las enmiendas propuestas a la Regla 40 deben visitar el sitio web de la Junta de Gobierno del Distrito en https://bit.ly/3F8NXsQ.

Las leyes federales y estatales exigen que el Distrito adopte tarifas para recuperar los costos de administración de los programas obligatorios de control de la contaminación del aire. Las tarifas del Distrito se especifican en la Regla 40, que incluye las tarifas para las solicitudes de permisos de calidad del aire, las renovaciones de permisos, las mediciones de emisiones ("pruebas en la fuente"), y las notificaciones de amianto. La Regla 40, también especifica los dos tipos de tarifas: las que se cobran por horas (tiempo & material) y las tarifas fijas.

El 21 de mayo de 2021, la Junta de Gobierno adoptó un plan de recuperación de costos basado en la recomendación del Informe 2019-127 del Auditor del Estado de California (http://auditor.ca.gov/pdfs/reports/2019-127.pdf). El Distrito ha redactado las enmiendas propuestas a las tarifas para aplicar el plan del año fiscal 2023-24. Estos aumentos de tarifas propuestos, si se adoptan, entrarían en vigor el 1 de julio de 2023 y resultarían en ingresos adicionales previstos de hasta $950,000 por año fiscal. En concreto, esta propuesta aumentaría el porcentaje estimado de recuperación de costos del Distrito para sus programas de permisos de fuentes fijas, pruebas en la fuente, amianto y Junta de Audiencia del actual 80% a aproximadamente 88% y reduciría los déficits de ingresos anuales estimados de aproximadamente $2.2 millones a aproximadamente $1.4 millones. Es importante destacar que las tarifas actuales seguirán en vigor hasta que la Junta de Gobierno del Distrito considere y apruebe las revisiones de la Regla del Distrito 40 en una reunión posterior. Adicionalmente, el Distrito propone enmendar los requisitos para el depósito de la tarifa de “Toxic Hot Spots” y convertir las tarifas fijas de ciertas aplicaciones para operaciones de recubrimiento a tarifas que se cobran por hora (tiempo & material). Una audiencia de la Junta de Gobierno para considerar la adopción de las enmiendas a las Regla 40 se celebrará no antes de 30 días después de la audiencia pública del 8 de diciembre de 2022. A continuación, se presenta un resumen de los aumentos de tarifas propuestos para el año fiscal 2023-24:

Categoría de tarifas	Aplicación fija	Renovación del permiso	Pruebas en la fuente	Amianto	Junta de Audiencia	Tiempo y material	Tarifa de tramitación
Porcentaje propuesto de aumento de la tarifa	15%	15%	15%	15%	0%	15%	15%

El Consejo de Administración podrá considerar modificaciones a la propuesta, si se consideran oportunas. Los comentarios por escrito son bienvenidos y deben ser recibidos antes del 7 de diciembre de 2022. Los comentarios deben ser dirigidos a:

John Jayasinghe, Jefe
Distrito de Control de la Contaminación del Aire del Condado de San Diego
10124 Old Grove Road, San Diego, CA 92131

Las copias de documentación de apoyo pueden ser examinadas u obtenerse en la sede del Distrito, 10124 Old Grove Road, San Diego, CA 92131, o visitando el sitio web de desarrollo de Reglas del Distrito en https://bit.ly/3lkUCYJ. Preguntas específicas o para recibir información con respecto a este asunto, por favor contacte a John Jayasinghe en APCDFiscal@sdapcd.org.

Marvice Mazyck
Secretaria de la Junta Directiva de Control de la Contaminación del Aire del Distrito de Control de la Contaminación del Aire del Condado de San Diego

Air Pollution Control District Governing Board

San Diego County Air Pollution Control District

AGENDA ITEM #E.1

DATE: **December 8, 2022**

TO: San Diego County Air Pollution Control District Governing Board

SUBJECT:

PUBLIC HEARING: RECEIVE PRESENTATION FOR PROPOSED AMENDMENTS TO RULE 40 - PERMIT AND OTHER FEES (FISCAL YEAR 2023-24)

REQUESTED ACTION:

1. Open a public hearing on the proposed amendments to Rule 40 – Permit & Other Fees; receive a presentation from staff and receive and consider public comments.
2. Direct the Air Pollution Control Officer to return to the Governing Board on January 12, 2023, to consider adoption of proposed amendments to Rule 40 - Permit & Other Fees to become effective on July 1, 2023.

OVERVIEW:

The mission of the San Diego County Air Pollution Control District (District) is to improve air quality to protect public health and the environment. Accordingly, the District operates a county-wide permitting program for stationary (fixed) sources of air pollution pursuant to federal and State law. Stationary sources encompass large industrial facilities including power plants and landfills and smaller commercial establishments such as gas stations and dry cleaners. A facility's permit outlines the required actions to comply with air pollution control requirements and protect air quality, the environment, and public health. District Rule 40 sets the fees for District permitting and other services, such as inspections and source testing, related to the implementation of the stationary source permitting, source testing, and asbestos programs.

District staff worked with Matrix Consulting Group (Consultant) to update the Cost Recovery Study analysis from last year based upon new inputs associated with staffing, costs, and workload, as well as any changes in fee structures. The Consultant recommended, and District staff proposes implementation of a Fiscal Year 2023-24 cost recovery scenario detailed in the FY 2023-24 Cost Recovery Analysis Results Report – Nov. 2022 (Attachment A), which is consistent with the Governing Board's March 10, 2022, direction on fee increases that was adopted on April 14, 2022, and became effective on July 1, 2022. Proposed Fiscal Year 2023-24 amendments to Rule 40 include amending

requirements for Toxic Hot Spots fee estimate deposits, converting some fixed (flat) application fees for specific coating operations to time & material, and updating various fees consistent with the recommendation from the Consultant, as detailed in Attachment B and summarized in the following table:

Fee Category	Permit Application Fixed	Permit Renewal	Source Testing	Asbestos Notifications	Hearing Board	Time & Material	Processing Fee
Proposed % Fee Increase	15%	15%	15%	15%	0%	15%	15%

There are no revisions proposed to Rule 42 - Hearing Board Fees at this time. Increasing these fees at the previously adopted rate may result in the Hearing Board fees becoming cost prohibitive, without having a significant revenue impact upon the District since these fees comprise a very small amount of the revenue and costs for the District.

Today's hearing is to receive a presentation and consider public comments on the proposed amendments to Rule 40. At the conclusion of the comment process, the Board may instruct staff concerning any amendments to the proposed rules that the Board concludes would be appropriate. A second public hearing is scheduled for January 12, 2023, to consider adoption of the proposed rule amendments. If adopted, the proposed amendments will become effective on July 1, 2023.

FISCAL IMPACT:
There is no fiscal impact associated with today's requested action to receive a presentation and consider public comments on the proposed amendments to Rule 40. If adopted on January 12, 2023, these proposed amendments will result in projected additional estimated revenues of up to $950,000 per fiscal year, which would increase the District's estimated aggregate cost recovery percentage for its stationary source permitting, source testing, asbestos, and Hearing Board programs from the current 80% to 88% and would reduce annual program related estimated revenue deficits from $2.4 million to $1.4 million. Projected costs and estimated revenues are based on current year adopted budget and most recent workload information and will fluctuate year to year due to shifts in staffing levels, program costs, level of effort and other factors.

ENVIRONMENTAL STATEMENT:
There is no environmental impact associated with today's requested action to receive a presentation and consider public comments on the proposed amendments to Rule 40. If adopted on January 12, 2023, the proposed amendments to Rule 40 – Permit and Other Fees will be exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines section 15273, which exempts projects that involve the establishment or modification of charges by public agencies for the purpose of meeting operating expenses, purchasing supplies and equipment, or meeting financial reserve needs, as described in the FY 2023-24 Cost Recovery Analysis and Recommendations Report – November 2022 (Attachment A).

PREVIOUS RELEVANT BOARD ACTIONS:
April 14, 2022 (Item #E.1.), Adoption of Proposed Amendments to Rule 40 – Permit and Other Fees and Rule 42 – Hearing Board Fees (Fiscal Year 2022-23); March 10, 2022 (Item #E.1.), Public Hearing: Receive Presentation for Proposed Amendments to Rule 40 – Permit and Other Fees and Rule 42 – Hearing Board Fees (Fiscal Year 2022-23); December 9, 2021 (Item #D.3), Adoption of Proposed Amendments to Rule 40 - Permit and Other Fees and Rule 42 - Hearing Board Fees; October 14, 2021 (Item #3), Public Hearing: Receive Presentation for Proposed Amendments to Rule 40 – Permit and Other Fees and Rule 42 – Hearing Board Fees; May 21, 2021 (Item #1), Direct the Interim Air Pollution Control Officer to Implement Cost Recovery Scenario 6 and Schedule a Regulatory Process Consistent with Timeline B.

PUBLIC ENGAGEMENT AND OUTREACH:
On November 18, 2022, a public notice regarding today's hearing and opportunity to submit written comments was posted on the District's website and sent to approximately 3,500 recipients including each air quality permit holder and chamber of commerce in the region, subscribers to the District's email notification service and the California Air Resources Board.

EQUITY IMPACT STATEMENT
Today's hearing and recommended actions, promote public engagement and transparency; and will help to fund the District's commitments to advancing policies, programs, and services that achieve environmental justice and equity. Fees for the District recover costs for permitting, and other programs and services, and support the District's vision of *"Clean Air for All"*.

RECOMMENDED BY:
Paula Forbis, Air Pollution Control Officer

CONTACT PERSON(S):
Name: Mike Watt, Deputy Director
Phone: (858) 899-0136
Email: Michael.Watt@sdapcd.org

ATTACHMENTS:
Attachment A - FY 2023-24 Cost Recovery Analysis Results Report - November 2022
Attachment B - Change Copy of Rule 40
Attachment C - Comparison of Current and Proposed Fee Schedules
Attachment D - Cost Recovery and Fee Analysis Consolidated Report - April 2021

matrix consulting group
1650 S. Amphlett Blvd. Ste 213
San Mateo, CA 94402
650.858.0507

November 15, 2022

SUBJECT: FY23-24 COST RECOVERY ANALYSIS RESULTS

The San Diego Air Pollution Control District (SDAPCD or District) retained the Matrix Consulting Group to conduct an update to its Cost Recovery Study. The following memo provides a background of the project scope, the legal framework within which the cost recovery study was conducted, modifications to the current cost recovery model, the overall results, and the recommended cost recovery scenario.

1 Project Background and History

The California Health and Safety Code Sections 41512 and 42311 allow the District to recover the full costs associated with renewal, evaluation, and issuance of permits. These sections also provide limits on fee increases for permit to operate and authority to construct permits, restricting aggregate revenue increases to 15% annually. Based upon this legal authority, the District has a goal to review its fees every year to ensure that all fee-related costs are captured, and maximum cost recovery achieved.

In 2020, the State Auditor issued a report regarding SDAPCD, which identified that fee-related expenses were not being fully recovered. As a result of these findings, the SDAPCD conducted its first external fee evaluation in 2021, with study results presented and adopted by the SDAPCD Governing Board in May 2021. Prior to the implementation of fee increases in 2021 the District had not raised fees in three years.

At the end of 2021, the Matrix Consulting Group worked with the District to conduct an update to the study conducted earlier in 2021. This update incorporated staffing and budgetary adjustments as well as several fee program modifications. The results of this analysis were presented and adopted by the Board for implementation July 1, 2022. In September 2022, the Matrix Consulting Group began working with the District to conduct the next update to the Cost Recovery Analysis for implementation on July 1, 2023.

The goal of this study was to update the analysis from last year based upon new inputs associated with staffing, costs, workload, and any changes in fee structures.

2 Legal Framework

The California Health and Safety Code and Proposition 26 are the two primarly legal frameworks governing the fees and revenue requirements for the Air Pollution Control Districts. Proposition 26 considers all charges imposed by a local government as a tax, except for the following seven exceptions:

1. **Fees and Charges for Specific Benefit Conferred or Privilege Granted:** This is in relation to a payor receiving a service that is only provided to that payor specifically, and the costs for this must not exceed the reasonable costs of providing that service.

2. **Fees and Charges for Specific Government Service or Product Provided:** This is similar to the first exception and is directly in relation to a service or tangible product received, and it must not exceed the reasonable cost of that service or product. This is the exception that is used for “user fees”.

3. **Regulatory Fees and Charges:** This is in relation to issuing licenses and permits, performing investigations, inspections, audits, and administrative enforcement of regulated activities. These charges must be based on reasonable regulatory costs.

4. **Use of Government Property:** This is in relation to using park or government facilities, so purchase, rental or lease of any government owned property.

5. **Fines and Penalties:** This is in relation to any charges that are imposed as a result of violation of local or state regulations.

6. **Fees and Charges Imposed as Condition of Development:** This is in relation to impact fees and requires a nexus of how the development has a specific correlation to the impact.

7. **Property Related Fees and Charges and Assessments:** This is in relation to utility / service fees that are imposed in relation to the property such as water, sewer, trash, etc.

The Air District’s fees fall under the exception #3 primarily with a handful of fees that are under exception #2. The language of Proposition 26, states that the local government must ensure that the fees imposed for any of these exceptions should be based upon the reasonable costs necessary to cover those activities or provide those services. Additionally, there should be a reasonable relationship that exists between the cost and the benefit borne by the payors of these fees.

The Cost Recovery Model (provided under separate cover to the District) calculates the full cost of conducting regulatory activity and providing any fees for service. These costs

include the direct (hands on staff conducting inspections for compliance and reviewing applications), as well as indirect support associated with those activities (i.e., permit processing, rule development, human resources, finance, IT, etc.). The District also ensures that it follows all state and federal guidelines in relation to conducting any compliance inspections or application reviews to ensure that the fee payor is only paying for their fair share of services received. Unnecessary application reviews and inspections are not imposed upon the facility. Any fines and violations for lack of compliance would be imposed separately outside of the fee process.

This study calculates the full cost (direct and indirect) associated with each fee line item assessed by the District. Therefore, for each individual fixed fee, renewal fee, asbestos, or hearing board item, it is ensured that the total fee proposed or recommended does not exceed the full cost of providing the service.

For example, in Rule 40, for Schedule 2A there is a current fixed application fee of $4,797. Through the FY23-24 Cost recovery study, the full cost calculated for this fee is $6,032. The District is proposing to increase all fees by 15%, resulting in the recommended fee being $5,516. The proposed fee of $5,516 does not exceed the full cost of $6,032. Conversely, Schedule 13W shows a fixed application current fee of $802 and full cost of $840. As a 15% fee increase would result in the recommended fee being $922 the District is recommending this fee to be set at full cost ($840) or a 5% increase.

Therefore, as the examples demonstrate, even though the District applies a recommended fee percentage increase across the board to a fee schedule, each individual fee is evaluated to ensure that it does not exceed the maximum justifiable full cost fee calculated through the cost recovery model.

3 Modifications to Current Cost Recovery Model

All cost recovery studies are a snapshot in time. The FY22-23 study focused on FY21-22 adopted budget and staffing, as well as FY20-21 completed workload information. Due to the nature of fee studies, the cost assumptions utilized to develop the fees are typically backward looking and based upon the current adopted budget for future fee increases. The concept being that future costs should generally be reflective of current costs. For the FY23-24 Cost Recovery Model, the project team incorporated the following data and assumptions:

- FY22-23 Adopted Budget For District Programs
- FY22-23 Adopted Staffing Levels with updates to staffing costs.
- FY21-22 Completed Workload Information

- July 2022 Adopted Fee Amounts
- Conversion of fees from Fixed Fees to Time and Material (T&M) to represent the variation in level of effort more accurately.

These model inputs ensured that the FY23-24 model was updated consistent with the current cost recovery model methodology. It also ensures that future fee increases are based upon the most recent cost and organizational structure of the District.

4 Cost Recovery Results

When comparing FY 22-23 fee-related expenditures with fee-related revenue based upon FY21-22 workload, the District is providing a subsidy of approximately $2.4 million, recovering approximately 80% of annual fee-related costs. The following table outlines these results based upon major fee category assessed by the District:

Table 1: Annual Cost Recovery Analysis

Fee Category	Revenue at Current Fee	Total Annual Cost	Annual Surplus / (Deficit)	Cost Recovery %
Initial Application	$776,715	$976,674	($199,959)	80%
Renewal Fees	$5,314,017	$6,230,153	($916,136)	85%
Source Testing	$772,823	$1,540,551	($767,728)	50%
Asbestos Fees	$1,139,334	$1,159,175	($19,841)	98%
Hearing Board Fees	$9,139	$44,507	($35,368)	21%
Time & Material	$1,395,040	$1,795,498	($400,458)	78%
Processing Fee	$518,086	$589,398	($71,312)	88%
TOTAL	**$9,925,156**	**$12,335,956**	**($2,410,800)**	**80%**

The largest source of the District's current deficit relates to Renewal fees. Renewal Fees represent 38% of the District's current deficit, with the next largest impact associated with Source Testing Fees. Currently, this deficit is primarily being recovered through Vehicle Registration fee surcharges, rather than through permit holders.

5 Cost Recovery Recommendation

Last year the Board adopted a fee increase scenario that was targeted on increasing all fees that are subject to the 15% aggregate fee rule. The California Health and Safety Code Section 41512.7(d)(2) states that the District has the ability to increase individual fees for service for permit to operate and authority to construct permits as long as the total revenue for those fee categories does not exceed more than 15% in a single fiscal year.

The District has traditionally followed this Health and Safety Code guideline by applying it to Application Fees, Renewal Fees, Time and Material, and Processing Fee categories

as those fees fall under the "permit to operate" and "authority to construct" permit category. For all other fee categories – Source Testing, Asbestos, and Hearing Board the District is not bound to any limits on fee or revenue increases other than the requirement that the fee cannot exceed the cost of providing the service. Therefore, under this recommended fee increase, the District is able to apply different cost increases to the fee categories to allow for greater cost recovery for the District.

The Board adopted proposed percentage increases from last year are recommended to also be applied to this year, with two key exceptions:

1. **Asbestos:** For the last two years the Board has adopted a 25% increase in Asbestos Fees. Due to that strategy, this year, the Board only needs to increase Asbestos fees by 15% in order to achieve full cost recovery. Therefore, for this category it is recommended that fees are only increased by 15%.

2. **Hearing Board:** Hearing Board fees comprise 0.09% of the revenue for the District and as such only 0.36% of its costs. Increasing these fees consistently at the 25% rate may result in the Hearing Board fees becoming cost prohibitive, without having a significant revenue impact upon the District. Therefore, it is being recommended that these fees see a 0% increase.

The following table summarizes by major fee category, the current cost recovery percentage, whether it is subject to the Aggregate Fee increase of 15%, the projected fee increase percentage for FY23-24, and the resulting FY23-24 Cost Recovery percentage:

Table 2: Proposed Cost Recovery Impacts of Recommended Fee Increases

Fee Category	Current Cost Recovery %	Subject to Aggregate Cap of 15%?	FY23-24 Fee Inc. %	FY23-24 Cost Recovery %
Application Fixed	80%	Yes	15%	91%
Renewal	85%	Yes	15%	94%
Source Testing	50%	No	15%	58%
Asbestos	98%	No	15%	100%
Hearing Board	21%	No	0%	21%
T&M	78%	Yes	15%	87%
Processing Fee	88%	Yes	15%	89%

The District's current cost recovery for its fees ranges from a low of 21% for Hearing Board to a high of 98% for Asbestos fees. The highlighted rows in the table above represent those categories that are subject to the 15% revenue limit, meaning the total revenue for those fees combined cannot exceed 15%. As the table indicates, fee categories that are subject to the cap of 15% revenue increase, the fee increases are all set at 15%. For all other fee categories, the fee increase is the same as the last fiscal year and Board adopted increase. The following table shows for each of the major fee

categories, the current revenue, the projected revenue at the targeted increase, and the resulting revenue increase:

Table 3: Proposed Revenue Increase Impacts

Fee Category	Revenue at Current Fee	Total Projected Revenue	$ Difference
Initial Application	$776,715	$893,140	$116,425
Renewal Fees	$5,314,017	$5,838,855	$524,837
Source Testing	$772,823	$888,747	$115,923
Asbestos Fees	$1,139,334	$1,158,714	$19,379
Hearing Board Fees	$9,139	$9,139	$0
Time & Material	$1,395,040	$1,561,515	$166,475
Processing Fee	$518,086	$524,644	$6,558
TOTAL	**$9,925,156**	**$10,874,754**	**$949,599**

The District's total revenue would increase by an estimated $950,000 from $9.93 million to $10.87 million. The largest increase in revenue would be renewal fees estimated at $525,000, followed by Time & Material fees estimated at $166,000. The estimated $950,000 would represent a 10% increase in revenue for the District and ***would result in the District's cost recovery increasing from 80% to 88%.***

As the District gets closer to cost recovery there will be less of a need for significant annual fee increases, as once cost recovery is achieved, annual fee increases will only need to match typical annual cost increases (i.e., 3-5%).

The following table summarizes the advantages and disadvantages of the proposed fee increases from the perspective of internal (District) and external (permit and fee holders) stakeholders:

Table 4: Cost Recovery Recommendation – Advantages and Disadvantages

Advantages	Disadvantages
• **Internal:** Increased revenue for the District. • **External:** Lower fee increases for Asbestos and no fee increases for Hearing Board.	• **External:** Continued fee increase for rate payors.

The proposed fee increases are consistent with previously adopted Board practices, enables the District to continue its movement towards increasing cost recovery, and applies fee increases based upon estimated level of cost recovery.

REGULATION III: FEES

RULE 40. PERMIT AND OTHER FEES

(Adopted ~~April 14, 2022~~ *(date of adoption)* & Effective ~~July 1, 2022~~ July 1, 2023)

Table of Contents

RULE 40. PERMIT AND OTHER FEES

(a) APPLICABILITY

(1) Notwithstanding any other provision of these rules, this rule shall be used to determine all fees charged by the San Diego County Air Pollution Control District (District), as authorized by the Air Pollution Control District Governing Board, except for those specified in Rule 42 – Hearing Board Fees. These include, but are not limited to, fees for: applications, permits, portable equipment registrations, renewals, source testing, asbestos demolition or renovation notifications, emergency episode plans, grid searches, technical consultations, new or modified power plants, Toxic Hot Spots, Title V Operating Permits, and Synthetic Minor Source Permits, and reviews, analyses, documents and procedures required or requested pursuant to the California Environmental Quality Act (CEQA).

(2) This rule shall be used to determine refunds, forfeitures and insufficient payment of fees, if applicable.

(b) DEFINITIONS

The following definitions shall apply for terms used in this rule:

(1) **"Annual Operating Fee"** means all fees related to a permit that are paid on an annual basis. These include, but are not limited to, the following: Site Identification (ID) Processing and Handling Fee, Permit Processing Fee, Emission Unit Renewal Fee, Air Contaminant Emissions Fee, District and State Air Toxic Hot Spots Fee, and Annual Source Test Fee.

(2) **"Applicant"** means the owner of the emission unit or operation, or an agent specified by the owner.

(3) **"Initial Application Fees"** means all fees related to an application. These include, but are not limited to, a Non-refundable Processing Fee, Initial Evaluation Fee, Emission Unit Renewal Fee, Air Contaminant Emissions Fee, and if applicable, an Additional Engineering Evaluation Fee and/or Source Test Fee.

(4) **"Location"** means the same as "Stationary Source" as defined in Rule 2 – Definitions.

(5) **"Permit to Operate"** or **"permit"** means any District authority to operate, such as a Permit to Operate, Certificate of Registration, Title V or Synthetic Minor Source permit, unless otherwise specified.

(6) **"T+M"** means time and material costs.

(7) **"Valid Permit or Valid Authority to Construct"** means a Permit or Authority to Construct for which all fees are current.

All other terms mean the same as defined in Rule 2 – Definitions unless otherwise defined by an applicable rule or regulation.

(c) GENERAL PROVISIONS

(1) No application shall be considered received unless accompanied by the completed application and associated supplemental forms (if applicable) and the appropriate Initial Evaluation Fees.

(2) All time and material (T+M) costs shall be determined using the labor rates specified in Fee Schedule 94 – Time and Material (T+M) Labor Rates.

(3) If the Air Pollution Control Officer determines that the activities of any one company would cause an increase of at least 10% in any one Emission Unit Fee Schedule, the Air Pollution Control Officer may delete the costs attributed to that company from the cost data used to determine that type of Emission Unit Fee Schedule. The costs from such a company shall be recovered by development of a source-specific Emission Unit Fee Schedule. The specific Initial Evaluation or Emission Unit Renewal Fee Schedules shall be submitted to the Air Pollution Control District Governing Board for consideration and adoption.

(4) If the Air Pollution Control Officer determines that a person has under-reported material usage, emissions or other information necessary for calculating an emissions inventory, and such under-reporting has led to an Air Contaminant Emissions Fee less than what would have been due if correct usage, emissions or other information had been reported, then the person shall pay the difference between the original and corrected Air Contaminant Emissions Fee plus a charge equal to 30% of the difference. Such charge shall not apply if the permittee demonstrates to the Air Pollution Control Officer's satisfaction that the under-reporting was the result of inadvertent error or omission which the permittee took all reasonable steps to avoid. Required fees not paid within 30 days of the due date shall be assessed a late fee in the amount prescribed in Section (g) – Late Fees.

(5) Credit card payments for fees will be assessed a processing fee of 2.19% of the amount paid by credit card. This processing fee covers only costs assessed to the District by credit card providers. Payments made using the online application submittal system will not be assessed a processing fee but will be subject to fees charged by the online submittal system vendor for the service. These convenience fees are not remitted to the District.

(d) AUTHORITY TO CONSTRUCT AND PERMIT TO OPERATE FEES

(1) General Provisions

(i) Every applicant for an Authority to Construct/Permit to Operate for any article, machine, equipment or other contrivance shall pay the applicable fees as specified in this Section (d) Authority to Construct and Permit to Operate Fees for each emission unit.

(ii) A ~~$98~~ 113 Non-refundable Processing Fee shall be submitted with each application for an Authority to Construct/Permit to Operate, Change of Location, Change to an Existing Authority to Construct/Permit to Operate, Like-Kind Replacement or Banking Emission Reduction Credits. This fee does not apply to applications for a Change of Ownership, Identical Replacement, or Fee Schedules 49(a) or 49(b).

(iii) When additional evaluation fees are required, the applicant shall deposit the amount estimated to cover the evaluation costs upon receipt of such an invoice. The District may stop work on the application until the invoiced amount is fully paid.

(iv) Initial Evaluation Fees and Emission Unit Renewal Fees shall be determined using the amounts listed in Columns (1) and (2), respectively, of the Fee Schedules provided within this rule.

(2) Initial Application Fees for an Authority to Construct/Permit to Operate

The Initial Application Fees for an Authority to Construct/Permit to Operate application shall include a Non-refundable Processing Fee, Initial Evaluation Fee, Emission Unit Renewal Fee, Air Contaminant Emissions Fee, and if applicable, an Additional Engineering Evaluation Fee and/or Source Test Fee.

Calculation Worksheet for Initial Application Fees

Non-refundable Processing Fee	~~$98~~ 113
Initial Evaluation Fee [1]	
Emission Unit Renewal Fee [1]	
Air Contaminant Emissions Fee [2]	
Additional Engineering Evaluation Fees [3]	
Source Test Fee [4]	
Total:	$_____

Notes:
1. See Fee Schedule. If T+M fee is indicated, call the District for a fee estimate.
2. See Subsection (d)(4) to determine applicable fee, based on total facility emissions.
3. See Subsection (d)(5) to determine if additional fees are required, or call the District for a fee estimate.
4. Call the District for a Source Test Fee estimate.

(3) Initial Evaluation Fee

The Initial Evaluation Fee shall be determined based on the specific type of equipment, process or operation for which an application is submitted, as listed in Column (1) of the Fee Schedules provided within this rule.

(i) Where the fee specified in Column (1) is T+M, the fee shall be the actual evaluation cost incurred by the District. The applicant shall deposit the amount estimated to cover the actual evaluation cost at the time of application submittal.

(ii) If the equipment, process or operation for which an application is submitted is not listed in the Fee Schedules, the Initial Evaluation Fee shall be on a T+M basis, including the Emission Unit Renewal Fee, as specified in Fee Schedule 91 – Miscellaneous – Hourly Rates.

(iii) If the equipment, process, or operation for which an application is required solely due to a change in Rule 11 – Exemptions from Rule 10 Permit Requirements, the evaluation fee shall be based on the actual evaluation cost incurred by the District, not to exceed the Initial Evaluation Fee, except as provided under Subsection (d)(5).

(4) Air Contaminant Emissions Fees

The Air Contaminant Emissions Fee is an annual fee based on total air contaminant emissions from the stationary source. This fee shall also apply to portable equipment permitted or registered under these Rules and Regulations. For purposes of this subsection, the term "facility" means either the stationary source, or collection of portable equipment permitted or registered under a single site ID.

(i) For existing facilities, an Air Contaminant Emissions Fee shall not be collected as part of an Initial Application Fee, if the Air Contaminant Emissions Fee was paid as part of the most recent Annual Operating Fees.

(ii) For new facilities, the Air Contaminant Emissions Fee shall be paid with the first permit application filed for the new facility and based upon actual expected air contaminant emissions from the facility, as estimated by the District, for the calendar year in which the Permit to Operate is issued, as specified below. This fee shall remain unchanged until revised to reflect the most recent District approved emissions inventory report.

(A) If the actual expected annual emissions of carbon monoxide (CO), oxides of nitrogen (NO_x), oxides of sulfur, particulate matter (PM_{10}) or volatile organic compounds (VOC) equal or exceed five tons, then the Air Contaminant Emissions Fee shall be based on the total expected emissions of all these contaminants for that calendar year, multiplied by an air contaminant emissions fee rate of $116 per ton.

(B) For all other new facilities, a single Air Contaminant Emissions Fee shall be paid based on the following table using the Fee Schedule that is most representative of the nature of the activities at the stationary source:

Fee Schedule	Source Category Description	Annual Emissions Fee
26(a)	VOC dispensing facility - Phase I and Phase II controls required	$9 per nozzle
28(k and l)	Contract service solvent cleaning units (for contract companies with 100 or more units)	$7 per cleaning unit
28(f)	Facilities with only remote reservoir units and no other permits at the facility	$7 per cleaning unit

27(e)	Industrial surface coating applications	$580
27(k)	Metal parts and aerospace coating applications	$580
27(v)	Adhesive application operations	$580
Various	All other stationary sources	$116

If the most representative nature of the activities cannot be determined for facilities with more than one source category description or fee schedule, the highest applicable annual emissions fee shall apply.

(5) Additional Evaluation and Processing Fees for New or Revised Applications

If an application requires the District to evaluate the emission unit for compliance with Rule 51 – Nuisance, Rule 1200 – Toxic Air Contaminants-New Source Review, Rules 20.1 through 20.8 (New Source Review), Rules 26.0 through 26.10 (Emission Reduction Credits), pre-backfill inspections for gasoline dispensing facilities, Regulation X – New Source Performance Standards, Regulation XI – National Emission Standards for Hazardous Air Pollutants, Regulation XII – Toxic Air Contaminants, federal Prevention of Significant Deterioration (PSD) requirements, a federal National Emission Standard for Hazardous Air Pollutants (NESHAP), State Airborne Toxic Control Measure (ATCM), CEQA, to conduct additional application processing procedures in accordance with California Health and Safety Code Section 42301 or 42301.6, or to witness testing or conduct inspections to verify compliance with any State Vapor Recovery Executive Order as part of a Like Kind Replacement application processed according to Rule 11 (d)(5)(ii), the applicant shall pay the actual cost incurred by the District for such evaluation and processing procedures, and any additional fees specified by this rule. The applicant shall deposit the amount estimated to cover the actual evaluation cost at the time of application submittal or upon request by the District.

(6) Fees for Revisions to Valid Permits

The owner of a valid permit, or his agent, may submit an application to propose the types of changes listed below. The evaluation fee for a revision shall be based on the actual evaluation cost incurred by the District, not to exceed the Initial Evaluation Fee, except as provided under Subsections (d)(5), (d)(6)(v), and (d)(6)(vi). The applicant shall deposit the amount estimated to cover the actual cost of evaluating the proposed change at the time of application submittal.

Calculation Worksheet for Modified Equipment Fees

Non-refundable Processing Fee	~~$98~~ 113
Initial Evaluation Fee [1]	
Additional Engineering Evaluation Fees [2]	

Total: $_____

Notes:

1. See Fee Schedules, use Column (1). If T+M fee is indicated, call the District for a fee estimate.
2. See Subsection (d)(5) to determine if additional fees are required, or call the District for a fee estimate.

(i) Operational Change: An application which proposes an operational change of a valid permit.

(ii) Condition Change: An application which proposes a condition change of a valid permit.

(iii) Additions, Alterations and Replacement of Equipment: An application which proposes an addition, alteration or replacement of an emission unit described in a valid permit.

(iv) Review for a Change of Location: An application which proposes a change of location for an emission unit with a valid permit. An application is not required for any change of location within a stationary source or for a portable emission unit.

(v) Ownership Change: An application which proposes an ownership change for a valid permit shall pay an administrative fee of $~~98~~ 113. The applicant shall demonstrate to the District's satisfaction proof of entitlement to the Permit to Operate at the time of application submittal. Prior to an ownership change application being processed, payment of all outstanding charges that are normally due and associated with that permit must be paid.

(vi) Like-Kind Replacement Units per Rule 11 – Exemptions from Rule 10 Permit Requirements, Subsection (d)(5): An application for a permit change to reflect an eligible like-kind replacement emission unit pursuant to Rule 11 (d)(5)(ii), shall pay a fee of $~~374~~ 430, in addition to the Non-refundable Processing Fee and any additional fees provided under Subsection (d)(5) of this rule.

(7) Fees for Revisions to Valid Authorities to Construct

The owner of a valid Authority to Construct, or his agent, may submit an application to propose the types of changes listed in Subsections (d)(6)(i thru v). The evaluation fee for a revision shall be based on the actual evaluation cost incurred by the District, not to exceed the Initial Evaluation Fee, except as provided under Subsection (d)(5). The applicant shall deposit the amount estimated to cover the actual cost of evaluating the proposed change at the time of application submittal.

(8) Special Application Processing Provisions

(i) Reduced Fees for Similar Emission Units at a Single Stationary Source

If more than one application for an Authority to Construct/Permit to Operate is submitted at the same time for similar emission units at the same stationary source

location, then the first emission unit shall be charged the Initial Application Fee as specified in Subsection (d)(2). Each additional emission unit shall be charged the Emission Unit Renewal Fee and the actual T+M costs incurred by the District to evaluate the emission unit and act upon the applications. The total cost for each additional emission unit shall not exceed the Initial Evaluation Fee (Column (1)), except as provided under Subsection (d)(5).

This provision only applies to the extent that each emission unit will be operated independently, and the evaluation for an Authority to Construct for the first emission unit can be applied to the additional units because of similarity in design and operation, and each emission unit can be evaluated and inspected for a Permit to Operate at the same time. The provisions of this subsection shall not apply to Fee Schedules 3 and 26.

(ii) Reinspection Fees

If during an inspection for a Permit to Operate, an emission unit cannot be evaluated due to circumstances beyond the control of the District, the applicant shall pay the actual time and material costs of performing a reinspection. An estimated reinspection fee, as determined by the District, may be required to be deposited with the District prior to reinspection of the emission unit.

(iii) Split Fee Payments for Applications

An applicant may request, due to financial hardship, to split the payment of Initial Application Fees into two equal payments. This request must be made in writing. The first payment, equal to 50% of the Initial Application Fees, plus an administrative fee of $75, must be deposited with the application. The second payment, equal to the remaining balance, is due no later than 60 days after filing the application. Failure to pay the Initial Application Fees in full within 60 days after filing the application, may result in cancellation of the application, as specified in Subsection (i)(7) – Insufficient Payment of Fees.

(iv) Fees for Expedited Application Processing

If an applicant requests expedited processing of an application and the District determines that such expedited processing is available through voluntary overtime work, the applicant shall pay fees equal to one and one-quarter times the labor rates specified in Fee Schedule 94 – Time and Material (T+M) Labor Rates for the overtime work. At the time of submittal of the application, the applicant shall deposit a fee equal to that otherwise specified by this rule. If the application receives expedited processing, no final action shall be taken on the application until the applicant has paid the remainder of the fees required by this paragraph.

(v) Requirement for Defense and Indemnification Agreement

On a case-by-case basis, where significant risk to the District is identified in connection with the processing of an application, the Air Pollution Control Officer

may require a defense and indemnification agreement from the applicant. The agreement shall be in a form approved by the Air Pollution Control Officer.

On a case-by-case basis, the Air Pollution Control Officer may determine to require security from the applicant. A determination to require security shall only be made by the Air Pollution Control Officer, and shall not be delegable. The Air Pollution Control Officer shall establish the form and amount of the security, as well as the time the security is to be provided to the District.

(vi) Indemnification

Each applicant, to the extent the applicant is at fault in causing liability to the District, shall indemnify the District, its agents, officers and employees (collectively "District Parties") from any claim, action, liability, or proceeding against the District Parties to attack, set aside, void or annul the applicant's project or any of the proceedings, acts or determinations taken, done or made as a result of District's processing and/or approval of the project, as specified below. Each applicant's obligation to indemnify shall apply to any lawsuit or challenge against the District Parties alleging failure to comply with the requirements of any federal, state, or local laws, including, but not limited to, requirements of these Rules and Regulations. This indemnification requirement shall be included in the application form provided to all applicants.

Each applicant's obligation to indemnify the District Parties shall include, but not be limited to, payment of all court costs and attorneys' fees, costs of any judgments or awards against the District, damages, and/or settlement costs, which arise out of District's processing and/or approval of the applicant's project, except that an applicant shall only be responsible for indemnifying the District Parties in the amount of liability which is equal to the proportion of fault caused by the applicant, as determined by a court. Where any court action results in a ruling for the plaintiff/petitioner, the applicant and the District shall request a determination on the percentage contribution of fault from the court which adjudicated the underlying challenge to the applicant's project.

Notwithstanding this subsection, when a defense and indemnification agreement is required for a project under Subsection (d)(8)(v) above, the provisions of the defense and indemnification agreement shall apply to the applicant and not the provisions of this subsection.

(vii) Fees for Previously Permitted Emission Units Operating Without Valid Permits

In addition to the fees otherwise specified by this Section (d) Authority to Construct and Permit to Operate Fees, a person who is applying for an Authority to Construct and/or Permit to Operate for a previously permitted emission unit that was operated after the applicable permit expired, and is no longer eligible for reinstatement, shall pay the annual operating and late fees specified in Sections (e) Annual Operating Fees, Section (f) Specific Program Fees, and Section (g) Late Fees, that would have otherwise been due. Such payment shall not negate any fines and

penalties that may be assessed for violations of the requirement to operate with a valid permit.

(e) ANNUAL OPERATING FEES

(1) General Provisions

(i) Annual Operating Fees are due on an annual basis and shall be paid by any person who is required to maintain a Permit to Operate or Temporary Authorization pursuant to Rule 10 – Permits Required, Section (b) – Permit to Operate.

(ii) Annual Operating Fees are due by 5 PM Pacific Time on the date the permit expires. Permits expire on the last day of the renewal month. Payments received after the permit expiration date are subject to the late fee provisions of Section (g) – Late Fees.

(2) Annual Operating Fees

The following applicable fees shall be paid as part of the Annual Operating Fees: Site ID Processing and Handling Fee, Permit Processing Fee, Emission Unit Renewal Fee, Air Contaminant Emissions Fee, and if applicable, District and State Air Toxic Hot Spots Fee and Annual Source Test Fee.

Calculation Worksheet for Annual Operating Fees

Site ID Processing and Handling Fee	$~~41~~ 43
Permit Processing Fee ($~~31~~ 33 x number of permitted units)	
Emission Unit Renewal Fee (See (iii) below)	
Air Contaminant Emissions Fee (See (iv) below)	
District and State Air Toxic Hot Spots Fee (See (v) below)	
Annual Source Test Fee (See (vi) below)	

Total: $_____

(i) Site ID Processing and Handling Fee: A site ID processing and handling fee of $~~41~~ 43 per facility.

(ii) Permit Processing Fee: A permit processing fee of $~~31~~ 33 per Permit to Operate.

(iii) Emission Unit Renewal Fee: An annual renewal fee, for each specific type of emission unit, as specified in the Fee Schedules (Column (2)).

(iv) Air Contaminant Emissions Fee: An annual Air Contaminant Emissions Fee based on total emissions from the stationary source. This fee shall also apply to portable equipment permitted or registered under these Rules and Regulations. For

purposes of this subsection, the term "facility" means either the stationary source, or collection of portable equipment permitted or registered under a single site ID.

(A) For facilities with annual emissions of either carbon monoxide (CO), oxides of nitrogen (NO_x), oxides of sulfur, particulate matter (PM_{10}) or volatile organic compounds (VOC) that equal or exceed five tons, as indicated by the most recent District approved emission inventory report or an initial evaluation made pursuant to Subsection (d)(4)(ii), the Air Contaminant Emissions Fee shall be based on the total calendar year emissions of all these contaminants, multiplied by an air contaminant emissions fee rate of $116 per ton.

(B) For all other facilities, a single Air Contaminant Emissions Fee shall be paid based on the following table using the Fee Schedule that is most representative of the nature of the activities at the stationary source:

Fee Schedule	Source Category Description	Annual Emissions Fee
26(a)	VOC dispensing facility - Phase I and Phase II controls required	$9 per nozzle
28 (k and l)	Contract service solvent cleaning units (for contract companies with 100 or more units)	$7 per cleaning unit
28(f)	Facilities with only remote reservoir units and no other permits at the facility	$7 per cleaning unit
27(e)	Industrial surface coating applications	$580
27(k)	Metal parts and aerospace coating applications	$580
27(v)	Adhesive application operations	$580
Various	All other stationary sources	$116

If the most representative nature of the activities cannot be determined for facilities with more than one source category description or fee schedule, the highest applicable annual emissions fee shall apply.

(v) District and State Air Toxic Hot Spots Fee: If applicable, the stationary source-specific fee required under the Air Toxics "Hot Spots" Information and Assessment Act as specified in Subsection (f)(~~7~~ 6).

(vi) Annual Source Test Fee: If a periodic source test is required, the applicable source test fee, as specified in Fee Schedules 92 and/or 93.

(3) Staggered Renewal Dates

The District may initiate, or the owner of a Permit to Operate may request in writing, to change the renewal month of all permits located at a single facility. When the established renewal month for a facility is changed to a new renewal month, the amount due for each permit shall be prorated to reflect the new renewal month. Revised permits will be issued after the prorated amount has been paid.

(4) Split Payment of Annual Operating Fees

Owners or operators may request, due to financial hardship, to split the payment of the Annual Operating Fees into four equal payments. This request must be made in writing at least seven days prior to the due date. The first payment, equal to 25% of the Annual Operating Fees, plus an administrative fee of $75, must be deposited by 5 PM Pacific Time on the last day of the renewal month. The subsequent three payments, equal to 25% each of the Annual Operating Fees, are due no later than 30, 60, and 90 days after the last day of the renewal month.

Permits with approved split payment requests will expire 120 days after the last day of the renewal month if the Annual Operating Fees are not paid in full or will be issued for the remainder of the annual period after full payment of the Annual Operating Fees is made. Failure to pay the Annual Operating Fees in full within 120 days after the last day of the renewal month, shall be assessed a late fee in the amount prescribed in Section (g) – Late Fees. Permits that have expired after the 120 days, pursuant to this subsection, will be renewed or reinstated if the requirements set out in Rule 10 – Permits Required Section (h) and this Rule 40 Section (h) are met.

(5) Inactive Status Permits

A person who holds a valid permit who desires to have that permit placed on inactive status pursuant to Rule 10 – Permits Required shall submit an application requesting such change and shall pay the Initial Evaluation Fee specified in Fee Schedule 49(a)(Column (1)). If such request is received at the time of annual renewal of the permit, the person shall also pay the annual Emission Unit Renewal Fee specified in Fee Schedule 49(a)(Column (2)). Thereafter, the annual Emission Unit Renewal Fee for the inactive status permit shall be as specified in Fee Schedule 49(a)(Column (2)). When a person who holds a valid inactive status permit applies, in accordance with Rule 10, for the condition prohibiting operation to be removed and the permit returned to active status, the owner or operator shall pay the Initial Evaluation Fee specified in Fee Schedule 49(b)(Column (1)), any Additional Engineering Evaluation Fees required pursuant to Subsection (d)(5), and the applicable Annual Operating Fee specified in this Section (e) Annual Operating Fees for that category of emission unit with an active status permit, prorated for the portion of the permit renewal year remaining.

(6) Expiration and Retirement of Permits

(i) Expiration of Permits due to Non-Payment of Annual Operating Fees

If Annual Operating Fees are not paid by the permit expiration date, the permit will expire on that date. An expired permit may be renewed within six months of the expiration date as provided in Subsection (h)(2).

(ii) Retirement of Permits due to Non-payment of Annual Operating Fees

If Annual Operating Fees are not paid within six months from the permit expiration date, the permit will be retired on the day following the last day of the six-

month period from the permit expiration date. A retired permit may be reinstated within six months of the retirement date as provided in Subsection (h)(3). Emission units for which a permit was not reinstated within six months of the retirement date will require an application for a new Permit to Operate.

(iii) Retirement by Permittee Request

Owners or operators may, at any time, request retirement of a valid permit(s). This request must be made in writing. Retired permit(s) may be reinstated within six months of the date of retirement as provided in Subsection (h)(3).

(f) SPECIFIC PROGRAM FEES

(1) General Provisions

For all of the applicable programs listed below, a late fee as described in Section (g) – Late Fees shall be assessed if the required fees are not paid within 30 days after the due date.

(2) Asbestos Demolition or Renovation Notification

For each asbestos demolition or renovation notification subject to Rule 1206 – Asbestos Removal, Renovation, and Demolition, the owner or operator shall pay the applicable fees specified below. For projects where one notification is submitted for both renovation and demolition operations, the owner or operator shall pay both applicable renovation and demolition fees. Fees are due at the time a notification is submitted. Notifications or revisions thereof will not be considered received unless accompanied with the required fees. The terms used below are defined in Rule 1206.

TYPE OF OPERATION	Notification Fee	Online Notification Fee [1]
1. Renovation Operations (excluding residential buildings having four or fewer dwelling units)		
<100 sq. ft.	$~~833~~ 900	$~~609~~ 653
100 sq. ft. to 500 sq. ft.	$~~833~~ 930	$~~609~~ 683
501 to 2,000 sq. ft.	$~~927~~ 1000	$~~703~~ 753
2,001 to 5,000 sq. ft.	$~~1047~~ 1128	$~~825~~ 881
5,001 to 10,000 sq. ft.	$~~1063~~ 1167	$~~841~~ 920
>10,000 sq. ft.	$~~1226~~ 1191	$~~971~~ 944
2. Planned (Annual) Renovation Operations (add to appropriate renovation operation fee listed above)	$~~137~~ 133	$~~137~~ 133
3. Emergency Renovation Operations (add to appropriate renovation operation fee listed above)	$~~137~~ 133	$~~137~~ 133
4. Demolition Operations		
Regulated Asbestos Containing Material (RACM) sites	$1031	$~~808~~ 929
Non-RACM sites or sites with no asbestos present	$~~986~~ 804	$~~752~~ 731
5. Emergency Demolition Operations (add to demolition operation fee listed above)	$~~137~~ 133	$~~137~~ 133
6. Revised Notification Fee for Renovations, Demolitions, Planned Renovations, and Emergency Operations [2]		

	(NOTE: a revision is defined as a change in the original start date or when the amount of asbestos changes by greater than or equal to 20%.)	~~$72~~ 83	N/A
7.	Cancellation Fee for Renovations or Demolitions Operations	~~$94~~ 108	N/A

Notes:
1. Online notification fees apply when the notification is submitted to the District using the online Citizen Access Portal.
2. Additional fees may be required if the revised amount of asbestos to be removed increases to a higher category. The additional fee will be the difference between the fee paid and the fee required for the new category.

(3) Air Pollution Emergency Episode Plan Fee

The owner or operator of a facility for which a plan or a plan update is required by District Regulation VIII – San Diego Air Pollution Emergency Plan shall pay a $147 evaluation fee for each plan or plan update, at the time the plan is submitted for review.

(4) Grid Search

Any school district, individual, business or agency that submits a request for the District to conduct a grid search to identify all facilities with the potential to emit hazardous air contaminants (pollutants) shall deposit an initial fee of $362 at the time the grid search is requested. If the actual costs incurred are greater than the amount deposited, the school district, individual, business or agency that made the request shall submit an additional amount as specified by the District to recover the remaining actual costs of performing the grid search.

(5) New or Modified Power Plants

Any source subject to the requirements of Rule 20.5 – Power Plants, shall reimburse the District for the actual costs incurred in order to comply with the provisions of Rule 20.5. The applicant shall deposit the amount estimated to cover the actual cost at the time of application submittal.

(6) Toxic Hot Spots

The owner or operator of a facility who has been identified by the District as being subject to the requirements of California Health and Safety Code Section 44300 et seq. (the Air Toxics "Hot Spots" Information and Assessment Act), shall deposit or pay the applicable fees specified below to the District ~~within 30 days of receipt of an invoice for the required fees~~.

(i) ~~The owner or operator of a facility identified by the District as subject to any of the site-specific program requirements listed below shall pay an annual site-specific program fee. The amount of the site-specific program fee shall be equal to~~

~~the actual costs incurred by the District associated with the site-specific program requirements for each affected facility.~~ Upon receipt of a fee estimate or invoice from the District, deposit or pay the amount estimated or invoiced to cover the actual costs associated with the following requirements.

(A) Toxic air contaminant emissions source testing when necessary to determine emissions for inclusion in a toxic air contaminant emissions inventory.

(B) Health risk assessment or updated health risk assessment review, revision, and approval pursuant to California Health and Safety Code Section 44360 et seq. or Rule 1210 – Toxic Air Contaminant Health Risks-Public Notification and Risk Reduction.

(C) Public notification of health risks pursuant to California Health and Safety Code Section 44362 or Rule 1210 – Toxic Air Contaminant Health Risks-Public Notification and Risk Reduction.

(D) Facility toxic air contaminant risk reduction audit and plan pursuant to California Health and Safety Code Section 44390 or Rule 1210 – Toxic Air Contaminant Health Risks-Public Notification and Risk Reduction.

(ii) ~~In addition to the fee specified in Subsection (f)(7)(i), the owner or operator of a facility subject to the requirements of California Health and Safety Code Section 44300 et seq. shall pay an~~ An annual fee, as specified in Subsection (e)(1), for the recovery of State program costs. The amount of the annual State program fee for each facility shall be that specified by the California Air Resources Board in accordance with the State Air Toxics "Hot Spots" Fee Regulation contained in Title 17, California Code of Regulations, Section 90700 et seq.

(7) California Clean Air Act

The owner or operator of a stationary source who is required by Title 17, California Code of Regulations, Section 90800, et seq., to pay a fee adopted by the California Air Resources Board shall pay the required fee to the District within 30 days of receipt of an invoice for the required fees.

(8) Title V Operating Permit

The owner or operator of a stationary source subject to the requirements of Regulation XIV – Title V Operating Permits, shall pay the actual time and materials costs incurred by

the District to review and act upon an application for initial permit, permit modification, administrative permit amendment, Section 502(b)(10) change (42 U.S.C. §7661a), Trading Under an Emissions Cap Operational Flexibility change, enhanced Authority to Construct and/or Title V operating permit renewal; to evaluate such source for compliance with Regulation XIV and the terms and conditions of a Title V operating permit, including, but not limited to, the costs incurred to document such evaluation, to prepare reports, and to take any actions necessary in cases of noncompliance; to reopen an existing Title V operating permit; and to cancel a Title V operating permit. All such applications shall also pay the Non-refundable Processing Fee of ~~$98~~ 113.

(9) Synthetic Minor Source Permit

The owner or operator of a stationary source that submits an application to obtain a Synthetic Minor Source (SMS) Permit pursuant to Rule 60.2 – Limiting Potential to Emit-Synthetic Minor Sources, shall pay the fees specified below to recover the actual costs incurred by the District to review and act upon an application for initial permit, permit modification and/or permit renewal.

Non-refundable Processing Fee	~~$98~~ 113
Application evaluation fee (new or modified permits)	T+M
SMS permit renewal fee	T+M

(10) Determination of Exemption

The owner or operator of any emission unit or process requesting a determination of exemption pursuant to Rule 11 – Exemptions from Rule 10 Permit Requirements, Subsection (d)(19), shall pay the Non-refundable Processing Fee of ~~$98~~ 113, plus an evaluation fee based on T+M to recover the actual costs incurred by the District to evaluate the emission unit or process.

(11) California Environmental Quality Act

Whenever the District is requested or required to conduct analyses, review or prepare documents, or conduct and/or participate in administrative procedures, meetings or hearings pursuant to CEQA, the District costs shall be paid by the persons requesting and/or receiving such services. District staff costs shall be determined using the labor rates specified in Fee Schedule 94 – Time and Material (T+M) Labor Rates. Costs to the District resulting from the activities of other agencies or consultants to the District necessary to provide such services shall be included in the total District costs. Persons requesting and/or receiving such services shall be charged the estimated cost of providing those services and shall deposit such amount to the District in advance of the service, unless prior

arrangements for payment have been approved by the District. If the actual costs incurred are greater than the amounts deposited, the persons requesting and/or receiving the services shall deposit additional amounts as specified by the District to recover the remaining actual costs. Any funds deposited in excess of actual costs incurred shall be refunded.

(g) LATE FEES

(1) Late fees for Annual Operating Fees due to the District shall apply as follows:

(i) A late fee of 30% of the Annual Operating Fees due or $250, whichever is less, shall be added for fees paid later than the last day of the renewal month.

(ii) An additional late fee of 10% of the Annual Operating Fees due shall be added for each additional month or portion thereof that the fees remain unpaid.

(iii) In no case shall the late fees exceed 100% of the total Annual Operating Fees.

(2) Late fees for any payments due to the District, except Annual Operating Fees, shall apply as follows:

(i) A late fee of 30% of the amount due shall be added for payments made more than 30 days after the due date.

(ii) An additional late fee of 10% of the amount due shall be added for each additional month or portion thereof that the payment is not received.

(iii) In no case shall the late fees exceed 100% of the amount due.

(3) On a case-by-case basis, upon written request, the Air Pollution Control Officer may waive late fees due to financial hardship during declared federal, State, or local emergencies provided that the Annual Operating Fees, and any other payments due to the District, have been made in full.

(h) RENEWAL OF EXPIRED PERMIT(S) & REINSTATEMENT OF RETIRED PERMIT(S)

(1) General Provisions

In addition to the Annual Operating Fees due for renewing an expired permit or reinstating a retired permit, any applicable fees pursuant to Subsection (d)(6), such as an ownership change, change of location, or modification, shall be paid concurrently.

New owners seeking to renew or reinstate a retired permit are responsible for payment of all outstanding charges that are normally due and associated with that retired or expired permit.

(2) Renewal of Expired Permit(s) to Operate

An expired permit can be renewed within six months of the expiration date by paying the applicable Annual Operating Fees and the late fees as specified in Section (g) – Late Fees.

(3) Reinstatement of Retired Permit(s) to Operate

A retired permit can be reinstated within six months of the retirement date by submitting a written request, and paying the applicable Annual Operating Fees, a reinstatement fee of $75 and the late fees as specified in Section (g) – Late Fees.

(i) REFUNDS, INSUFFICIENT PAYMENT OF FEES AND CANCELLATIONS

(1) General Provisions

(i) No refunds shall be issued for amounts of less than $25.

(ii) If an applicant does not sign, date and return a refund claim form within six months after receipt of the form, all rights to a refund shall be forfeited.

(2) Application Fee Refunds

(i) If an application for an Authority to Construct/Permit to Operate is withdrawn by the applicant:

(A) before the engineering evaluation has begun, the District will refund the entire Initial Application Fee, less the $~~98~~ 113 Non-refundable Processing Fee.

(B) after the engineering evaluation has begun, the District will refund the Initial Application Fee, less the $~~98~~ 113 Non-refundable Processing Fee, and all costs incurred by the District to evaluate the application.

(ii) If an application for an Authority to Construct/Permit to Operate is denied or cancelled, the District will refund the Initial Application Fee, less the $~~98~~ 113 Non-refundable Processing Fee, the Initial Evaluation Fee (if a dollar amount is listed in Column (1), and not T+M), and all other costs incurred by the District to evaluate the application.

(iii) Certificate of Registration Refunds: If an application for a Certificate of Registration is withdrawn by the applicant after the engineering evaluation has begun, or withdrawn seven days after the date of receipt, or the application is denied or

cancelled, the District will refund the Initial Application Fee, less the $~~98~~ 113 Non-refundable Processing Fee, the Initial Evaluation Fee, and all other costs incurred by the District to evaluate the application.

(iv) Refund Due to Overpayment of T+M, Initial Evaluation Fees, or Additional Engineering Evaluation Fees: If the total cost incurred by the District to evaluate any application involving T+M fees is less than the amount deposited by the applicant, the District will refund any overage beyond its actual evaluation costs and less the $~~98~~ 113 Non-refundable Processing Fee. This provision does not apply to Initial Evaluation Fees for which a fixed amount is established in the Fee Schedules.

(v) Exempt Equipment Refunds: Except for requests for exemption processed according to Rule 40(f)(10), if the District determines that the article, machine equipment or other contrivance for which the application was submitted is not within the purview of state law or these Rules and Regulations, a full refund of the fees paid will be issued to the applicant. If a request for a determination of exemption is withdrawn by the applicant before the engineering evaluation has begun, the District will refund the entire deposit and any other fees paid. If a request for a determination of exemption is withdrawn by the applicant after the engineering evaluation has begun, the District will refund the entire deposit and any other fees paid, less any costs incurred by the District to evaluate the request.

(3) Annual Operating Fee Refunds

A refund of the Annual Operating Fees shall not be issued unless the fees for the upcoming year are paid prior to the Permit to Operate renewal date and the request for a refund of these fees is made prior to the Permit to Operate renewal date. No refunds will be made for fees or late payments made after the due date.

(4) Air Contaminant Emissions Fee Refunds

(i) New Facilities: The Air Contaminant Emissions Fee portion of the Initial Application Fee shall only be refunded if the application is withdrawn or cancelled prior to the issuance of a Startup Authorization or Permit to Operate.

(ii) Existing Facilities: Air Contaminant Emissions Fees paid by existing facilities as part of their Annual Operating Fee or an Initial Application Fee shall not be refundable, unless all Permit(s) to Operate at the facility are retired.

(5) Other Fees

Asbestos Notifications: Refunds of asbestos notification fees shall be issued only if a cancellation notice is received by the District prior to the notification start date. A refund

will not be issued if the notice of cancellation is received by the District on or after the notification start date.

(6) Cancellation Fees – Source Testing and Test Witnessing

Substitution of another facility for a scheduled test shall be considered a cancellation subject to the provisions listed below.

(i) Fee Schedule 92(a): If a source test cancellation notice is not received at least two working days prior to a scheduled source test date a cancellation fee of $500 shall be charged.

(ii) Fee Schedules 92(b-z) and 93: If a source test or test witnessing cancellation notice is not received at least two working days prior to a scheduled source test date a cancellation fee of $250 shall be charged.

(iii) Vapor Recovery (Phase I, II): If a VOC vapor recovery system test witness cancellation notice is not received at least two working days prior to a scheduled test date a cancellation fee of $250 shall be charged.

(7) Insufficient Payment of Fees

(i) If the fees deposited by an applicant to cover the cost of evaluating an application for an Authority to Construct/Permit to Operate or other District evaluation is insufficient to complete the work in progress, the applicant shall deposit an amount deemed sufficient by the District to complete the work, except if the amount is $25 or less.

(ii) The Air Pollution Control Officer may cancel an application when an applicant fails or refuses to deposit such amount within 45 days of demand or fails or refuses to deposit such amount by the date required by Rule 18 – Action on Applications for action to be taken on the application, whichever date is sooner.

(iii) If the applicant fails or refuses to deposit such amount upon demand, the District may recover the same through a collection agency or by action in any court of competent jurisdiction, including small claims court. Until such amount is paid in full, the District shall not further process the application unless the Air Pollution Control Officer determines that it is in the best interest of all parties concerned to proceed.

(iv) Returned Checks: Any person who issues a check to the District, which is returned by the bank upon which it is drawn without payment, shall pay a returned check fee of $25.

(v) The Air Pollution Control Officer may refuse to process an application and/or refuse to renew a Permit to Operate if the applicant has any unpaid invoices more than 60 days overdue or has any late fees or outstanding court judgments which are owed to the District. The Air Pollution Control Officer may refuse to process an

application if a prior applicant for the equipment or project which is the subject of the application has unpaid invoices or late fees related to that equipment or project.

In the event that processing of an application is stopped pursuant to this provision, the timelines for taking action on an application specified in Rule 18 – Action on Applications shall no longer apply to that application.

ALPHABETICAL LIST OF FEE SCHEDULES BY EMISSION UNIT TYPE

Alphabetical List Of Fee Schedules By Emission Unit Type – continued

Industrial Waste Water Treatment	Schedule 51
Ink Manufacturing	Schedule 38
Intermediate Refueler Facilities (Volatile Organic Compounds)	Schedule 25
Internal Combustion Engines (Piston Type)	Schedule 34
Internal Combustion Engines, Test Cells and Test Stands	Schedule 34
Kelp and Biogum Products Solvent Dryer	Schedule 30
Marine Coatings	Schedule 27
Metal Inspection Tanks	Schedule 28
Metal Melting Devices	Schedule 18
Municipal Waste Storage and Processing	Schedule 48
Non-Bulk Volatile Organic Compound Dispensing Facilities	Schedule 26
Non-Municipal Incinerators	Schedule 14
Non-Operational Status Equipment	Schedule 49
Oil Quenching	Schedule 19
Organic Gas Sterilizers	Schedule 47
Paint and Stain Manufacturing	Schedule 38
Paper Shredders or Grinders	Schedule 21
Perlite Processing	Schedule 41
Pharmaceutical Manufacturing	Schedule 54
Plasma Deposition Spray Booths	Schedule 37
Precious Metals Refining	Schedule 39
Rock Drills	Schedule 5
Salt Baths	Schedule 19
Sand, Rock, Aggregate Screens, and Other Screening Operations, when not used in Conjunction with other Permit Items in these Schedules	Schedule 6
Sand, Rock, and Aggregate Plants	Schedule 7
Sewage Treatment Facilities	Schedule 56
Soil Remediation Equipment	Schedule 52
Solder Paste Manufacturing	Schedule 38
Soldering Equipment (Automated)	Schedule 29
Solvent Cleaning Operations	Schedule 28
Stills Processing Organic Materials	Schedule 44
Turbine Engines, Test Cells and Test Stands	Schedule 20
Vapor Solvent Cleaning Operations	Schedule 28
Wood Shredders or Grinders	Schedule 21

CATEGORIZED LIST OF FEE SCHEDULES BY EMISSION UNIT TYPE

Categorized List Of Fee Schedules By Emission Unit Type – continued

FUEL STORAGE, TRANSFER AND DISPENSING EQUIPMENT
- Bulk Plants and Terminals (Volatile Organic Compounds) ..... Schedule 25
- Gasoline Stations ..... Schedule 26
- Intermediate Refueler Facilities (Volatile Organic Compounds) ..... Schedule 25
- Non-Bulk Volatile Organic Compound Dispensing Facilities ..... Schedule 26

MACHINING EQUIPMENT
- Grinding Booths and Rooms ..... Schedule 36
- Paper or Wood Shredders or Grinders ..... Schedule 21
- Plasma, Electric and Ceramic Deposition Spray Booths ..... Schedule 37

METAL TREATMENT OPERATIONS
- Acid Chemical Milling ..... Schedule 32
- Copper Etching ..... Schedule 32
- Hexavalent Chromium Plating and Anodizing Tanks ..... Schedule 55
- Hot Dip Galvanizing ..... Schedule 32
- Oil Quenching and Salt Baths ..... Schedule 19

METALLURGICAL PROCESSING EQUIPMENT
- Acid Chemical Milling ..... Schedule 32
- Copper Etching ..... Schedule 32
- Hot Dip Galvanizing ..... Schedule 32
- Metal Inspection Tanks ..... Schedule 28
- Metal Melting Devices ..... Schedule 18
- Oil Quenching and Salt Baths ..... Schedule 19
- Plasma and Electric Deposition Spray Booths ..... Schedule 37
- Precious Metals Refining ..... Schedule 39

MISCELLANOUS MANUFACTURING AND PROCESSING
- Ceramic Slip Casting ..... Schedule 43
- Evaporators, Dryers, and Stills Processing Organic Materials ..... Schedule 44
- Feed and Grain Mills and Kelp Processing Plants ..... Schedule 22
- Filtration Membrane Manufacturing ..... Schedule 46
- Ink Manufacturing ..... Schedule 38
- Kelp and Biogum Products Solvent Dryer ..... Schedule 30
- Municipal Waste Storage and Processing ..... Schedule 48
- Non-Operational Status Equipment ..... Schedule 49
- Organic Gas Sterilizers ..... Schedule 47
- Paint, Adhesive, Stain, Ink, Solder Paste, and Dielectric Paste Manufacturing ..... Schedule 38
- Perlite Processing ..... Schedule 41
- Pharmaceutical Manufacturing ..... Schedule 54
- Stills Processing Organic Materials ..... Schedule 44

MIXING, BLENDING AND PACKAGING EQUIPMENT
- Concrete Mixers Over One Cubic Yard Capacity ..... Schedule 8
- Dry Chemical Mixing ..... Schedule 24

Categorized List Of Fee Schedules By Emission Unit Type – continued

OVENS
- Burn Out Ovens ..... Schedule 15

SAND, ROCK AND AGGREGATE RELATED OPERATIONS
- Rock Drills ..... Schedule 5
- Sand, Rock, Aggregate Screens, and Other Screening Operations ..... Schedule 6
- Sand, Rock, and Aggregate Plants ..... Schedule 7

SOLVENT CLEANING OPERATIONS
- Cold Solvent and Remote Reservoir Cleaning Operations ..... Schedule 28
- Dry Cleaning Facilities ..... Schedule 31
- Vapor Solvent Cleaning Operations ..... Schedule 28

SPRAY BOOTH OPERATIONS
- Coating, Adhesives and Painting Operations ..... Schedule 27
- Plasma, Electric and Ceramic Deposition Spray Booths ..... Schedule 37

STORAGE AND TRANSFER EQUIPMENT
- Bulk Flour and Powdered Sugar Storage Systems ..... Schedule 35
- Bulk Plants and Terminals (Volatile Organic Compounds) ..... Schedule 25
- Bulk Terminal Grain Transfer and Storage Facility Equipment ..... Schedule 23
- Dry Chemical Storage Systems ..... Schedule 35
- Dry Chemical Transfer and Storage Facility Equipment ..... Schedule 23

TREATMENT AND REMEDIATION OPERATIONS
- Air Stripping Equipment ..... Schedule 52
- Asbestos Control Equipment ..... Schedule 59
- Evaporators, Dryers, and Stills Processing Organic Materials ..... Schedule 44
- Industrial Waste Water Treatment ..... Schedule 51
- Sewage Treatment Facilities ..... Schedule 56
- Soil Remediation Equipment ..... Schedule 52

FEE SCHEDULES

The Fee Schedules shall be used in determining the Initial Evaluation Fees and Emission Unit Renewal Fees using the amounts listed in Columns (1) and (2), respectively for each emission unit. The fees specified below do not include all applicable fees. See Sections (c), (d), (e), (f), (g), (h), and (i) for other required fees.

SCHEDULE 1: Abrasive Blasting Equipment Excluding Rooms and Booths

Any permit unit consisting of air hoses, with or without water lines, with a single pot rated at 100 pounds capacity or more of sand regardless of abrasive used, and a nozzle or nozzles. (Equipment not operated solely in Schedule 2 facilities).

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Pot 100 pounds capacity or larger with no Peripheral Equipment	T+M	$~~262~~ 267
(b)	Each Pot 100 pounds capacity or larger loaded Pneumatically or from Storage Hoppers	$~~1796~~ 2065	$~~225~~ 227
(c)	Each Bulk Abrasive Blasting Material Storage System	T+M	$~~212~~ 213
(d)	Each Spent Abrasive Handling System	T+M	$~~212~~ 213
(x)	Each Portable Abrasive Blasting Unit, Registered Under Rule 12.1	$~~553~~ 636	$~~309~~ 320

SCHEDULE 2: Abrasive Blasting Cabinets, Rooms and Booths

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Abrasive Blasting Cabinet, Room or Booth	$~~4797~~ 5516	$~~459~~ 484
(b)	Each Cabinet, Room, or Booth with an Abrasive Transfer or Recycle System	$~~5543~~ 6374	$~~493~~ 523

SCHEDULE 3: Asphalt Roofing Kettles and Tankers used to Store, Heat, Transport, and Transfer Hot Asphalt

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Kettle or Tanker with capacity greater than 85 gallons	T+M	$~~292~~ 302
(w)	Each Kettle or Tanker, Registered Under Rule 12	$~~372~~ 427	$~~261~~ 266

SCHEDULE 4: Hot-Mix Asphalt Paving Batch Plant

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Hot-Mix Asphalt Paving Batch Plant	T+M	$~~1594~~ 1733

SCHEDULE 5: Rock Drills

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(w)	Each Drill, Registered Under Rule 12.1	$~~626~~ 719	$~~339~~ 353

SCHEDULE 6: Sand, Rock, Aggregate Screens, and Other Screening Operations, when not used in Conjunction with other Permit Items in these Schedules

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Screen Set	$~~4494~~ 5168	$~~508~~ 539
(x)	Each Portable Sand and Gravel Screen Set, Registered Under Rule 12.1	$~~643~~ 739	$~~336~~ 350

SCHEDULE 7: Sand, Rock, and Aggregate Plants

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Crusher System (involves one or more primary crushers forming a primary crushing system or, one or more secondary crushers forming a secondary crusher system and each serving a single process line)	T+M	$~~862~~ 928
(b)	Each Screening System (involves all screens serving a given primary or secondary crusher system)	T+M	$~~418~~ 440
(c)	Each Loadout System (a loadout system is a set of conveyors chutes and hoppers used to load any single rail or road delivery container at any one time)	T+M	$~~413~~ 433
(x)	Each Portable Rock Crushing System, Registered Under Rule 12.1	$~~643~~ 739	$~~312~~ 323

SCHEDULE 8: Concrete Batch Plants, Concrete Mixers over One Cubic Yard Capacity and Separate Cement Silo Systems

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Concrete Batch Plant (including Cement-Treated Base Plants)	T+M	$~~856~~ 921
(b)	Each Mixer over one cubic yard capacity	T+M	$~~316~~ 327
(c)	Each Cement or Fly Ash Silo System not part of another system requiring a Permit	T+M	$~~493~~ 522
(x)	Each Portable Concrete Batch Plant or stand-alone Cementitious Material Storage Silo, Registered Under Rule 12.1	$~~711~~ 817	$~~358~~ 382

SCHEDULE 9: Concrete Product Manufacturing Plants

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Plant	T+M	$~~607~~ 648

SCHEDULE 10: RESERVED

SCHEDULE 11: RESERVED

SCHEDULE 12: RESERVED

SCHEDULE 13: Boilers and Heaters

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each 1 MM BTU/HR up to but not including 50 MM BTU/HR input	$~~3104~~ 3569	$~~406~~ 467
(b)	Each 50 MM BTU/HR up to but not including 250 MM BTU/HR	T+M	$~~563~~ 600
(d)	Each 100 Megawatt output or greater (based on an average boiler efficiency of 32.5%)	T+M	$~~1162~~ 1259
(f)	Each 1 MM BTU/HR up to but not including 50 MM BTU/HR input at a single site where more than 5 such units are located	T+M	$~~353~~ 368
(w)	Each unit greater than 2 MM BTU/HR to less than 5 MM BTU/HR, Registered Under Rule 12	$~~802~~ 840	$~~257~~ 250

SCHEDULE 14: Non-Municipal Incinerators

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Crematory or waste incinerator burning*	T+M	$~~883~~ 952
(c)	Burning capacity up to and including 50 lbs/hr used exclusively for the incineration or cremation of animals	T+M	$~~420~~ 441

*Excluding units of 50 lbs/hr capacity or less used exclusively for incineration or cremation of animals.

SCHEDULE 15: Burn-Out Ovens

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Electric Motor/Armature Refurbishing Oven	T+M	$~~417~~ 439
(d)	USN SIMA (ID #APCD1981-SITE-02798)*	T+M	$~~256~~ 262

*Pursuant to Subsection (c)(3)

SCHEDULE 16: RESERVED

SCHEDULE 17: RESERVED

SCHEDULE 18: Metal Melting Devices

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(c)	Each Pit or Stationary Crucible/Pot Furnace	T+M	$~~429~~ 451

SCHEDULE 19: Oil Quenching and Salt Baths

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Tank	T+M	$~~253~~ 257

SCHEDULE 20: Gas Turbine Engines, Test Cells and Test Stands

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
	GAS TURBINE, TURBOSHAFT, TURBOJET AND TURBOFAN ENGINE TEST CELLS AND STANDS		
(a)	Each Aircraft Propulsion Turbine, Turboshaft, Turbojet or Turbofan Engine Test Cell or Stand	T+M	$~~413~~ 433
(b)	Each Aircraft Propulsion Test Cell or Stand at a facility where more than one such unit is located	T+M	$~~231~~ 235
(c)	Each Non-Aircraft Turbine Test Cell or Stand	T+M	$~~177~~ 175
	GAS TURBINE ENGINES		
(d)	Each Non-Aircraft Turbine Engine 1 MM BTU/HR up to but not including 50 MM BTU/HR input	T+M	$~~1087~~ 1176
(e)	Each Non-Aircraft Turbine Engine 50 MM BTU/HR up to but not including 250 MM BTU/HR input	T+M	$~~1361~~ 1477
(f)	Each Non-Aircraft Turbine Engine 250 MM BTU/HR or greater input	T+M	$~~3908~~ 4280
(g)	Each Unit used solely for Peak Load Electric Generation	T+M	$~~390~~ 409
(h)	Each Standby Gas Turbine used for Emergency Power Generation	T+M	$~~279~~ 286

SCHEDULE 21: Waste Disposal and Reclamation Units

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Paper or Wood Shredder or Hammermill Grinder	T+M	$~~352~~ 367
(w)	Each Paper Shredder with a maximum throughput capacity of greater than 600 pounds per hour, Registered Under Rule 12	$~~773~~ 809	$~~408~~ 396

SCHEDULE 22: Feed and Grain Mills and Kelp Processing Plants

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Receiving System (includes Silos)	T+M	$~~501~~ 531
(b)	Each Grinder, Cracker, or Roll Mill	T+M	$~~468~~ 494
(c)	Each Shaker Stack, Screen Set, Pelletizer System, Grain Cleaner, or Hammermill	T+M	$~~496~~ 526
(d)	Each Mixer System	T+M	$~~1045~~ 1130
(e)	Each Truck or Rail Loading System	T+M	$~~524~~ 555

SCHEDULE 23: Bulk Terminal Grain and Dry Chemical Transfer and Storage Facility Equipment

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Receiving System (Railroad, Ship and Truck Unloading)	T+M	~~$591~~ 631
(b)	Each Storage Silo System	~~$1947~~ 2239	~~$344~~ 358
(c)	Each Loadout Station System	T+M	~~$368~~ 384
(d)	Each Belt Transfer Station	T+M	~~$368~~ 384
(w)	Each Grain Silo at beer breweries producing less than 100,000 barrels (3.1 million gallons) per year, Registered Under Rule 12	~~$773~~ 809	~~$383~~ 372

SCHEDULE 24: Dry Chemical Mixing

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(c)	Each Dry Chemical Mixer with capacity over one-half cubic yard	T+M	~~$271~~ 278

SCHEDULE 25: Volatile Organic Compound Terminals, Bulk Plants and Intermediate Refueler Facilities

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
1.	Bulk Plants and Bulk Terminals equipped with or proposed to be equipped with a vapor processor:		
(a)	Per Tank	T+M	~~$293~~ 303
(b)	Tank Rim Seal Replacement	T+M	N/A
(c)	Per Truck Loading Head	T+M	~~$1723~~ 1876
(d)	Per Vapor Processor	T+M	~~$417~~ 439
2.	Bulk Plants not equipped with or not proposed to be equipped with a vapor processor:		
(e)	Per Tank	T+M	~~$469~~ 496
(f)	Per Truck Loading Head	T+M	~~$425~~ 447
	"Vapor Processor" means a device which recovers or transforms volatile organic compounds by condensation, refrigeration, adsorption, absorption, incineration, or any combination thereof.		
3.	Facilities fueling intermediate refuelers (IR's) for subsequent fueling of motor vehicles, boats, or aircraft:		
(h)	Per IR Loading Connector	T+M	~~$495~~ 524

If a facility falls into Parts 1, 2, or 3 above and is equipped with dispensing nozzles for which Phase II vapor controls are required, additional fees equivalent to the "per nozzle" fees for Schedule 26(a) shall be assessed for each dispensing nozzle.

SCHEDULE 26: Non-Bulk Volatile Organic Compound Dispensing Facilities Subject to District Rules 61.0 through 61.6

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Facilities where Phase I and Phase II controls are required (includes Phase I fee)	~~$3132~~ 3601	
	Renewal Fee: Fee x number of nozzles		~~$288~~ 332
(c)	Facilities where only Phase I controls are required (includes tank replacement)		
	Fee Per Facility	~~$2911~~ 3347	~~$611~~ 652
(e)	Non-retail facilities with 250-550 gallon tanks and no other non-bulk gasoline dispensing permits		
	Fee Per Facility	~~$906~~ 1042	~~$537~~ 570

SCHEDULE 27: Application of Materials Containing Organic Solvents (includes coatings, adhesives, and other materials containing volatile organic compounds (VOC))

PART 1 - MARINE COATINGS

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Marine Coating application operation, except where Fee Schedule 27(t) applies	T+M	~~$840~~ 904
(t)	Each Marine Coating application operation at facilities where combined coating and cleaning solvent usage is < 3 gallons/day and < 100 gallons/year	T+M	~~$567~~ 604

PART 2 - INDUSTRIAL MATERIAL APPLICATIONS AND MANUFACTURING

(Includes application stations for coatings such as paint spraying and dip tanks, printing, and manufacturing products with materials which contain VOCs, etc.)

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(d)	Each Surface Coating Application Station w/o control equipment and not covered by other fee schedules at facilities using > 1 gallon/day of surface coatings and emitting ≤ 5 tons/year of VOC from equipment in this fee schedule	T+M	~~$938~~ 1011
(e)	Each Surface Coating Application Station w/o control equipment and not covered by other fee schedules at facilities emitting > 5 tons/year of VOC from equipment in this fee schedule	T+M	~~$1156~~ 1252
(f)	Each Fiberglass, Plastic or Foam Product Process Line Except If Using Only Polyester Resin	~~$4756~~ T+M	~~$1034~~ 1118
(i)	Each Surface Coating Application Station requiring Control Equipment	T+M	~~$1676~~ 1823
(j)	Each Surface Coating Application Station subject to Rule 67.3 or 67.9 w/o Control Equipment at facilities emitting ≤ 5 tons/year of VOC from equipment in this fee schedule	~~$6438~~ 7404	~~$965~~ 1042
(k)	Each Surface Coating Application Station subject to Rule 67.3 or 67.9 w/o Control Equipment at facilities emitting > 5 tons/year of VOC from equipment in this fee schedule	T+M	~~$995~~ 1074

SCHEDULE 27: Application of Materials Containing Organic Solvents (includes coatings, adhesives, and other materials containing volatile organic compounds (VOC)) – continued

PART 2 - INDUSTRIAL MATERIAL APPLICATIONS AND MANUFACTURING

(Includes application stations for coatings such as paint spraying and dip tanks, printing, and manufacturing products with materials which contain VOCs, etc.) – continued

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(l)	Each Wood Products Coating Application Station w/o Control Equipment at facilities using > 500 gallons/year of wood products coatings	T+M	~~$918~~ 990
(n)	Each Press or Operation at a Printing or Graphic Arts facility subject to Rule 67.16	T+M	~~$545~~ 580
(o)	Each Fiberglass, Plastic or Foam Product Process Line Using Only Polyester Resin	T+M	~~$708~~ 758
(p)	Each Surface Coating Application Station w/o control equipment (except automotive painting) where combined coating, and cleaning solvent usage is < 1 gallon/day or < 50 gallons/year	T+M	~~$620~~ 663
(q)	Each Wood Products Coating Application Station of coatings and stripper w/o control equipment at a facility using < 500 gallons/year for Wood Products Coating Operations	~~$4421~~ T+M	~~$783~~ 841

PART 3 – MOTOR VEHICLE AND MOBILE EQUIPMENT REFINISHING OPERATIONS

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(r)	Each facility applying Coating Materials subject to Rule 67.20 (as applied or sprayed)	~~$3720~~ 4278	~~$1129~~ 1223

PART 4 - ADHESIVE MATERIALS APPLICATION OPERATIONS

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(u)	Each Adhesive Materials Application Station w/o control equipment at facilities emitting ≤ 5 tons/year of VOC from equipment in this fee schedule	T+M	~~$671~~ 717
(v)	Each Adhesive Materials Application Station w/o control equipment at facilities emitting > 5 tons/year of VOC from equipment in this fee schedule	T+M	~~$1237~~ 1341
(w)	Each Adhesive Materials Application Station w/o control equipment at facilities where adhesive materials usage is < 55 gallons/year	~~$2334~~ T+M	~~$735~~ 789

SCHEDULE 28: Vapor and Cold Solvent Cleaning Operations and Metal Inspection Tanks

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Vapor Degreaser with an Air Vapor Interfacial area > 5 square feet	T+M	$~~468~~ 494
(b)	Each Cold Solvent Degreaser with liquid surface area > 5 square feet	T+M	$~~356~~ 372
(d)	Each Paint Stripping Tank	T+M	$~~352~~ 367
(f)	Remote Reservoir Cleaners	T+M	$~~337~~ 351
(h)	Vapor Degreaser with an Air-Vapor Interfacial area ≤ 5 square feet	T+M	$~~419~~ 441
(i)	Cold Solvent Degreaser with a liquid surface area ≤ 5 square feet	T+M	$~~315~~ 326
(j)	Metal Inspection Tanks	T+M	$~~294~~ 303
(k)	Contract Service Remote Reservoir Cleaners with > 100 units	T+M	$~~38~~ 44
(l)	Contract Service Cold Degreasers with a liquid surface area of ≤ 5 square feet	T+M	$~~16~~ 18
(m)	Each facility-wide Solvent Application Operation	T+M	$~~842~~ 907

SCHEDULE 29: Automated Soldering Equipment

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Solder Leveler	T+M	$~~486~~ 515

SCHEDULE 30: Solvent and Extract Dryers

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Kelp and Biogum Products Solvent Dryer	T+M	$~~1576~~ 1712

SCHEDULE 31: Dry Cleaning Facilities

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Facility using Halogenated Hydrocarbon Solvents required to install Control Equipment	T+M	$~~830~~ 893
(b)	Each Facility using Petroleum Based Solvents	T+M	$~~511~~ 542

SCHEDULE 32: Acid Chemical Milling, Copper Etching and Hot Dip Galvanizing

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Copper Etching Tank	T+M	$~~668~~ 714
(b)	Each Acid Chemical Milling Tank	T+M	$~~574~~ 612
(c)	Each Hot Dip Galvanizing Tank	T+M	$~~676~~ 723

SCHEDULE 33: RESERVED

SCHEDULE 34: Piston Type Internal Combustion Engines and Diesel Particulate Filter Cleaning Processes

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Cogeneration Engine or Waste Derived Fuel-Fired Engine with Add-on Control Equipment	T+M	~~$1051~~ $1137
(b)	Each Cogeneration Engine or Waste Derived Fuel-Fired Engine without Add-on Control Equipment	T+M	~~$639~~ $682
(c)	Each Emergency Standby Engine (for electrical or fuel interruptions beyond control of Permittee)	~~$3956~~ $4549	~~$435~~ $459
(d)	Each Engine for Non-Emergency, Non-Cogeneration, and Not Waste Derived Fuel-Fired Operation ≥ 200 horsepower	T+M	~~$685~~ $734
(e)	Each Grouping of Engines for Dredging or Crane Operation with total engine horsepower > 200 HP	T+M	~~$632~~ $675
(f)	Each Diesel Pile-Driving Hammer	T+M	~~$212~~ $213
(g)	Each Engine for Non-Emergency, Non-Cogeneration, and Not Waste Derived Fuel-Fired Operation < 200 horsepower	~~$3240~~ $3726	~~$426~~ $449
(h)	Each California Certified Emergency Standby Engine (for electrical or fuel interruptions beyond control of Permittee)	~~$2878~~ $3309	~~$376~~ $393
(i)	Each Internal Combustion Engine Test Cell and Test Stand	T+M	~~$413~~ $433
(l)	Each Diesel Particulate Filter Cleaning Process	T+M	~~$554~~ $590
(w)	Each Specified Eligible Engine, Registered Under Rule 12	~~$422~~ $485	~~$357~~ $373
(x)	Each Specified Eligible Portable Engine, Registered Under Rule 12.1	~~$693~~ $797	~~$341~~ $355

SCHEDULE 35: Bulk Flour, Powdered Sugar and Dry Chemical Storage Systems

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each System	T+M	~~$343~~ $357

SCHEDULE 36: Grinding Booths and Rooms

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Booth or Room	T+M	~~$442~~ $466

SCHEDULE 37: Plasma Electric and Ceramic Deposition Spray Booths

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Application Station	T+M	~~$558~~ $594
(c)	Flame Spray (ID #APCD1976-SITE-00274)*	T+M	~~$413~~ $433

*Pursuant to Subsection (c)(3)

SCHEDULE 38: Paint, Adhesive, Stain, Ink, Solder Paste, and Dielectric Paste Manufacturing

Fee Unit	(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a) Each Process Line for Paint, Adhesive, Stain, or Ink Manufacturing at facilities producing > 10,000 gallons per year	T+M	$~~335~~ 348
(b) Each Can Filling Line	T+M	$~~355~~ 371
(c) Each Process Line for Solder Paste or Dielectric Paste Manufacturing	T+M	$~~713~~ 765
(d) Each Paint, Adhesive, Stain or Ink Manufacturing facility producing <10,000 gallons per year	T+M	$~~1390~~ 1509
(f) Ferro Electronic Material Systems (ID #APCD2001-SITE-04439)*	T+M	$~~841~~ 906

*Pursuant to Subsection (c)(3)

SCHEDULE 39: Precious Metals Refining

Fee Unit	(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a) Each Process Line	T+M	$~~779~~ 836

SCHEDULE 40: Asphalt Pavement Heaters/Recyclers

Fee Unit	(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(x) Each Portable Unheated Pavement Crushing and Recycling System, Registration Under Rule 12.1	T+M	$~~363~~ 380

SCHEDULE 41: Perlite Processing

Fee Unit	(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a) Each Process Line	T+M	$~~478~~ 506
(b) Aztec Perlite (ID #APCD1978-SITE-01598)*	T+M	$~~1079~~ 1166

*Pursuant to Subsection (c)(3)

SCHEDULE 42: Electronic Component Manufacturing

Fee Unit	(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a) Each Process Line	T+M	$~~726~~ 779
(b) Each Screen Printing Operation	T+M	$~~600~~ 641
(c) Each Coating/Maskant Application Operation, excluding Conformal Operation	T+M	$~~721~~ 773
(d) Each Conformal Coating Operation	T+M	$~~916~~ 988

SCHEDULE 43: Ceramic Slip Casting

Fee Unit	(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a) Each Process Line	T+M	$~~735~~ 788

SCHEDULE 44: Evaporators, Dryers, & Stills Processing Organic Materials

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Evaporators and Dryers [other than those referenced in Fee Schedule 30 (a)] processing materials containing volatile organic compounds	T+M	~~$429~~ $451
(b)	Solvent Recovery Stills, on-site, batch-type, solvent usage > 350 gallons per day	T+M	~~$437~~ $460

SCHEDULE 45: RESERVED

SCHEDULE 46: Filtration Membrane Manufacturing

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Process Line	T+M	~~$687~~ $735

SCHEDULE 47: Organic Gas Sterilizers

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Organic Gas Sterilizer/Aerator requiring control	T+M	~~$722~~ $774

SCHEDULE 48: Municipal Waste Storage and Processing

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Municipal Waste Storage and Processing - not subject to the ARB Methane Emissions Regulation	T+M	~~$1577~~ $1533
(c)	Municipal Waste Storage and Processing - subject to the ARB Methane Emissions Regulation	T+M	~~$5576~~ $5421

SCHEDULE 49: Non-Operational Status Equipment

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Non-Operational Status Equipment	~~$278~~ $319	~~$360~~ $375
(b)	Activating Non-Operational Status Equipment	~~$249~~ $286	N/A

SCHEDULE 50: Coffee Roasters

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Coffee Roaster	~~$3543~~ $4074	~~$475~~ $502

SCHEDULE 51: Industrial Waste Water Treatment

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each On-site Processing Line	T+M	$~~539~~ 573
(c)	USN Air Station NORIS Public Works (ID #APCD1986-SITE-02755)*	T+M	$~~1434~~ 1558

*Pursuant to Subsection (c)(3)

SCHEDULE 52: Air Stripping and Soil Remediation Equipment

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Air Stripping Equipment	T+M	$~~712~~ 763
(b)	Soil Remediation Equipment - On-site (In situ Only)	T+M	$~~828~~ 890

SCHEDULE 53: RESERVED

SCHEDULE 54: Pharmaceutical Manufacturing

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Pharmaceutical Manufacturing Process Line	T+M	$~~956~~ 1032

SCHEDULE 55: Hexavalent Chromium Plating and Anodizing Tanks, and Chromate Conversion Coating Tanks

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Hard or Decorative Chrome Plating and/or Anodizing Tank or Group of Tanks Served by an Emission Control System	T+M	$~~2501~~ 2731
(b)	Each Decorative Plating Tank without Add-on Emission Controls	T+M	$~~1356~~ 1471
(d)	Each Chromate Conversion Coating Tank	T+M	$~~423~~ 445

SCHEDULE 56: Sewage Treatment Facilities

Fee Unit		(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a)	Each Wastewater Treatment Facility, or Each Water Reclamation Facility	T+M	$~~1345~~ 1460
(b)	Each Wastewater Pump Station	T+M	$~~723~~ 776

SCHEDULE 57: RESERVED

SCHEDULE 58: Bakeries

Fee Unit	(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a) Bakery Ovens at Facilities with Emission Controls Pursuant to Rule 67.24	T+M	$~~804~~ 865

SCHEDULE 59: Asbestos Control Equipment

Fee Unit	(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(c) Portable Asbestos Mastic Removal Application Station	T+M	$~~404~~ 423

SCHEDULES 60 THROUGH 90 RESERVED

SCHEDULE 91: Miscellaneous – Hourly Rates

Fee Unit	(1) Initial Evaluation Fee	(2) Emission Unit Renewal Fee
(a) Miscellaneous Operations	T+M	$~~580~~ 616

SCHEDULE 92: Source Testing Performed by the District

The owner or operator of an emission unit which requires source testing to determine compliance shall pay the applicable source test fee(s) listed below if the source testing is performed by the District or a District contractor. If the source test requires significantly more on-site time than is provided by the fixed fees specified below (e.g., tall stacks), the additional costs incurred by the District shall be determined using the labor rates specified in Schedule 94 – Time and Material (T+M) Labor Rates and related material and other costs. The owner or operator shall pay such fees upon notification from the District that such fees are required.

Fee Unit	Fee
(c) Each Sulfur Oxides Source Test	T+M
(d) Annual Fee for each Biennial Cycle Test for NOx and CO (1/2 the cost of one test)	$~~1542~~ 1774
(e) Each Ethylene Oxide Source Test	T+M
(f) Each Carbon Monoxide and Nitrogen Oxides Source Test	$~~3085~~ 3547
(g) Each Nitrogen Oxides Source Test	$~~3557~~ 4090
(h) Each Incinerator Particulate Matter Source Test with Waste Burning Capacity of > 100 lbs Per Hour	T+M
(i) Each Ammonia Source Test	$~~1473~~ 1694
(j) Continuous Emission Monitor System Evaluation	T+M
(k) Incinerator Particulate Matter Source Test with Waste Burning Capacity of < 100 lbs Per Hour	T+M
(m) Each Mass Emissions Source Test	$~~1454~~ 1672
(o) Each Multiple Metals Source Test	T+M

SCHEDULE 92: Source Testing Performed by the District – continued

Fee Unit	Fee
(p) Each Chromium Source Test	T+M
(q) Each VOC Onsite Analysis	~~$6783~~ 7801
(r) Each VOC Offsite Analysis	~~$1590~~ 1828
(s) Each Hydrogen Sulfide Source Test	T+M
(t) Each Acid Gas Source Test	T+M
(v) Annual Fee for Optional Source Test Pilot Study	T+M
(w) Each Particulate Matter Source Test	~~$4360~~ 5014
(x) Each Particulate Matter and Nitrogen Oxides and Carbon Monoxide Source Test	~~$9726~~ 11185
(y) Each Particulate Matter and Carbon Dioxide and Oxygen Source Test	~~$6956~~ 8000
(z) Miscellaneous Source Test (Special Tests not Listed)	T+M

SCHEDULE 93: Witness of Source Tests Performed by Independent Contractors

The owner or operator of an emission unit which requires source testing to determine compliance for the purpose of quantifying emissions to determine whether a Permit to Operate shall be issued or if the emission unit is in compliance, and chooses to have the testing performed by an independent contractor, shall pay the actual T+M costs incurred by the District to observe such testing and review the resulting source test report.

Any person, company, agency that requests review of a test procedure shall pay the actual T+M costs incurred by the District to review such test procedures. Such requests shall be accompanied by an amount estimated to cover actual District costs.

Fee Unit	Fee
(a) Test Witness and Report Review	T+M
(c) Test Procedure Review	T+M
(d) Each VOC Bulk Terminal Test Witness	~~$3163~~ 3638
(e) Each Ethylene Oxide Test Witness Day	~~$2613~~ 3004

SCHEDULE 94: Time and Material (T+M) Labor Rates

Service Category	Hourly Rate
Compliance Services	~~$236~~ 249
Engineering Services	~~$238~~ 274
Monitoring Services	~~$158~~ 173
Planning and Mobile Incentives Services	~~$171~~ 193
Source Testing Services	~~$164~~ 189

SCHEDULE 95: Sampling and Analysis

When the District determines a sample and/or analysis is needed for the purpose of determining potential emissions and/or determining compliance with District Rules and Regulations, the actual T+M costs incurred by the District for collection and analysis of samples, including preparing the reports, shall be paid by the permittee, applicant or other persons for activities for which a Permit is not required.

SCHEDULE 96: Additional Costs Incurred by the District for Sources Not in Compliance

Whenever the District is requested or required to provide consultation, testing or inspection to any person or facility, beyond the consultation testing and inspection covered by the permit fees, or related to a Notice of Violation and/or Notice to Comply, the person or facility shall pay the actual T+M costs incurred by the District for the cost of such services.

SCHEDULE 97: Other Charges

Whenever the District is requested or required to provide consultation, legally required testimony, testing, inspection, engineering or services, the cost of such services shall be determined using the labor rates specified in Fee Schedule 94 – Time and Material (T+M) Labor Rates. Persons requesting and/or receiving such services shall be charged the estimated cost of providing such services and shall deposit such amount to the District in advance of the service, unless prior arrangements for payment have been approved by the District. In the case of consultations requested prior to filing an application, any funds deposited in excess of actual costs incurred for such consultations shall be refunded or applied as a credit against required application fees.

TABLE 1 - PROPOSED RULE 40 – SUMMARY OF REVISED FEE SCHEDULES 1 - 91

Fee Sched.	Description	Application			Renewal		
		Current Initial Evaluation Fee	Proposed Initial Evaluation Fee	Increase/ (Decrease)	Current Emission Unit Renewal Fee	Proposed Emission Unit Renewal Fee	Increase/ (Decrease)
Schedule 1: Abrasive Blasting Equipment Excluding Rooms and Booths							
1 A	Each Pot 100 pounds capacity or larger with no Peripheral Equipment	T+M		$ -	$ 262	**$ 267**	$ 5
1 B	Each Pot 100 pounds capacity or larger loaded Pneumatically or from Storage Hoppers	$ 1,796	**$ 2,065**	$ 269	$ 225	**$ 227**	$ 2
1 C	Each Bulk Abrasive Blasting Material Storage System	T+M		$ -	$ 212	**$ 213**	$ 1
1 D	Each Spent Abrasive Handling System	T+M		$ -	$ 212	**$ 213**	$ 1
1 X	Each Portable Abrasive Blasting Unit, Registered Under Rule 12.1	$ 553	**$ 636**	$ 83	$ 309	**$ 320**	$ 11
Schedule 2: Abrasive Blasting Cabinets, Rooms and Booths							
2 A	Each Abrasive Blasting Cabinet, Room or Booth	$ 4,797	**$ 5,516**	$ 719	$ 459	**$ 484**	$ 25
2 B	Each Cabinet, Room, or Booth with an Abrasive Transfer or Recycle System	$ 5,543	**$ 6,374**	$ 831	$ 493	**$ 523**	$ 30
Schedule 3: Asphalt Roofing Kettles and Tankers used to Store, Heat, Transport, and Transfer Hot Asphalt							
3 A	Each Kettle or Tanker with capacity greater than 85 gallons	T+M		$ -	$ 292	**$ 302**	$ 10
3 W	Each Kettle or Tanker, Registered Under Rule 12	$ 372	**$ 427**	$ 55	$ 261	**$ 266**	$ 5
Schedule 4: Hot-Mix Asphalt Paving Batch Plant							
4 A	Each Hot-Mix Asphalt Paving Batch Plant	T+M		$ -	$ 1,594	**$ 1,733**	$ 139
Schedule 5: Rock Drills							
5 W	Each Drill, Registered Under Rule 12 or 12.1	$ 626	**$ 719**	$ 93	$ 339	**$ 353**	$ 14
Schedule 6: Sand, Rock, Aggregate Screens, and Other Screening Operations, when not used in Conjunction with other Permit Items in these Schedules							
6 A	Each Screen Set	$ 4,494	**$ 5,168**	$ 674	$ 508	**$ 539**	$ 31
6 X	Each Portable Sand and Gravel Screen Set, Registered Under Rule 12.1	$ 643	**$ 739**	$ 96	$ 336	**$ 350**	$ 14
Schedule 7: Sand, Rock, and Aggregate Plants							
7 A	Each Crusher System (involves one or more primary crushers forming a primary crushing system or, one or more secondary crushers forming a secondary crusher system and each serving a single process line)	T+M		$ -	$ 862	**$ 928**	$ 66
7 B	Each Screening System (involves all screens serving a given primary or secondary crusher system)	T+M		$ -	$ 418	**$ 440**	$ 22

T+RN = time and renewal; T+M = time and material

TABLE 1 - PROPOSED RULE 40 – SUMMARY OF REVISED FEE SCHEDULES 1 - 91									
Fee Sched.		Description	Application			Renewal			
			Current Initial Evaluation Fee	Proposed Initial Evaluation Fee	Increase/ (Decrease)	Current Emission Unit Renewal Fee	Proposed Emission Unit Renewal Fee	Increase/ (Decrease)	
Schedule 7: Sand, Rock, and Aggregate Plants – continued									
7	C	Each Loadout System (a loadout system is a set of conveyors chutes and hoppers used to load any single rail or road delivery container at any one time)	T+M		$ -	$ 413	**$ 433**	$ 20	
7	X	Each Portable Rock Crushing System, Registered Under Rule 12.1	$ 643	**$ 739**	$ 96	$ 312	**$ 323**	$ 11	
Schedule 8: Concrete Batch Plants, Concrete Mixers over One Cubic Yard Capacity and Separate Cement Silo Systems									
8	A	Each Concrete Batch Plant (including Cement-Treated Base Plants)	T+M		$ -	$ 856	**$ 921**	$ 65	
8	B	Each Mixer over one cubic yard capacity	T+M		$ -	$ 316	**$ 327**	$ 11	
8	C	Each Cement or Fly Ash Silo System not part of another system requiring a Permit	T+M		$ -	$ 493	**$ 522**	$ 29	
8	X	Each Portable Concrete Batch Plant or stand-alone Cementitious Material Storage Silo, Registered Under Rule 12.1	$ 711	**$ 817**	$ 106	$ 358	**$ 382**	$ 24	
Schedule 9: Concrete Product Manufacturing Plants									
9	A	Each Plant	T+M		$ -	$ 607	**$ 648**	$ 41	
Schedule 10: RESERVED									
Schedule 11: RESERVED									
Schedule 12: RESERVED									
Schedule 13: Boilers and Heaters									
13	A	Each 1 MM BTU/HR up to but not including 50 MM BTU/HR input	$ 3,104	**$ 3,569**	$ 465	$ 406	**$ 467**	$ 61	
13	B	Each 50 MM BTU/HR up to but not including 250 MM BTU/HR	T+M		$ -	$ 563	**$ 600**	$ 37	
13	D	Each 100 Megawatt output or greater (based on an average boiler efficiency of 32.5%)	T+M		$ -	$ 1,162	**$ 1,259**	$ 97	
13	F	Each 1 MM BTU/HR up to but not including 50 MM BTU/HR input at a single site where more than 5 such units are located	T+M		$ -	$ 353	**$ 368**	$ 15	
13	W	Each 2 MM BTU/HR up to but not including 5 MM BTU/HR, Registered Under Rule 12	$ 802	**$ 840**	$ 38	$ 257	**$ 250**	$ (7)	

T+RN = time and renewal; T+M = time and material

TABLE 1 - PROPOSED RULE 40 – SUMMARY OF REVISED FEE SCHEDULES 1 - 91									
Fee Sched.		Description	Application				Renewal		
			Current Initial Evaluation Fee	Proposed Initial Evaluation Fee	Increase/ (Decrease)		Current Emission Unit Renewal Fee	Proposed Emission Unit Renewal Fee	Increase/ (Decrease)
Schedule 14: Non-Municipal Incinerators									
14	A	Crematory or waste incinerator burning *	T+M		$ -		$ 883	**$ 952**	$ 69
14	C	Burning capacity up to and including 50 lbs/hr used exclusively for the incineration or cremation of animals	T+M		$ -		$ 420	**$ 441**	$ 21
*Excluding units of 50 lbs/hr capacity or less used exclusively for incineration or cremation of animals.									
Schedule 15: Burn-Out Ovens									
15	A	Each Electric Motor/Armature Refurbishing Oven	T+M		$ -		$ 417	**$ 439**	$ 22
15	D	USN SIMA (ID # APCD1981-SITE-02798) *	T+M		$ -		$ 256	**$ 262**	$ 6
* Pursuant to Subsection (c)(3)									
Schedule 16: RESERVED									
Schedule 17: RESERVED									
Schedule 18: Metal Melting Devices									
18	C	Each Pit or Stationary Crucible	T+M		$ -		$ 429	**$ 451**	$ 22
Schedule 19: Oil Quenching and Salt Baths									
19	A	Each Tank	T+M		$ -		$ 253	**$ 257**	$ 4
Schedule 20: Gas Turbine Engines, Test Cells and Test Stands									
		GAS TURBINE, TURBOSHAFT, TURBOJET AND TURBOFAN ENGINE TEST CELLS AND STANDS							
20	A	Each Aircraft Propulsion Turbine, Turboshaft, Turbojet or Turbofan Engine Test Cell or Stand	T+M		$ -		$ 413	**$ 433**	$ 20
20	B	Each Aircraft Propulsion Test Cell or Stand at a facility where more than one such unit is located	T+M		$ -		$ 231	**$ 235**	$ 4
20	C	Each Non-Aircraft Turbine Test Cell or Stand	T+M		$ -		$ 177	**$ 175**	$ (2)

T+RN = time and renewal; T+M = time and material

TABLE 1 - PROPOSED RULE 40 – SUMMARY OF REVISED FEE SCHEDULES 1 - 91										
Fee Sched.		Description	Application				Renewal			
			Current Initial Evaluation Fee	Proposed Initial Evaluation Fee	Increase/ (Decrease)		Current Emission Unit Renewal Fee	Proposed Emission Unit Renewal Fee	Increase/ (Decrease)	
Schedule 20: Gas Turbine Engines, Test Cells and Test Stands – continued										
		GAS TURBINE ENGINES								
20	D	Each Non-Aircraft Turbine Engine 1 MM BTU/HR up to but not including 50 MM BTU/HR input	T+M		$ -		$ 1,087	**$ 1,176**	$ 89	
20	E	Each Non-Aircraft Turbine Engine 50 MM BTU/HR up to but not including 250 MM BTU/HR input	T+M		$ -		$ 1,361	**$ 1,477**	$ 116	
20	F	Each Non-Aircraft Turbine Engine 250 MM BTU/HR or greater input	T+M		$ -		$ 3,908	**$ 4,208**	$ 300	
20	G	Each Unit used solely for Peak Load Electric Generation	T+M		$ -		$ 390	**$ 409**	$ 19	
20	H	Each Standby Gas Turbine used for Emergency Power Generation	T+M		$ -		$ 279	**$ 286**	$ 7	
Schedule 21: Waste Disposal and Reclamation Units										
21	A	Each Paper or Wood Shredder or Hammermill Grinder	T+M		$ -		$ 352	**$ 367**	$ 15	
21	W	Each Paper Shredder	$ 773	**$ 809**	$ 36		$ 408	**$ 396**	$ (12)	
Schedule 22: Feed and Grain Mills and Kelp Processing Plants										
22	A	Each Receiving System (includes Silos)	T+M		$ -		$ 501	**$ 531**	$ 30	
22	B	Each Grinder, Cracker, or Roll Mill	T+M		$ -		$ 468	**$ 494**	$ 26	
22	C	Each Shaker Stack, Screen Set, Pelletizer System, Grain Cleaner, or Hammermill	T+M		$ -		$ 496	**$ 526**	$ 30	
22	D	Each Mixer System	T+M		$ -		$ 1,045	**$ 1,130**	$ 85	
22	E	Each Truck or Rail Loading System	T+M		$ -		$ 524	**$ 555**	$ 31	
Schedule 23: Bulk Terminal Grain and Dry Chemical Transfer and Storage Facility Equipment										
23	A	Each Receiving System (Railroad, Ship and Truck Unloading	T+M		$ -		$ 591	**$ 631**	$ 40	
23	B	Each Storage Silo System	$ 1,947	**$ 2,239**	$ 292		$ 344	**$ 358**	$ 14	
23	C	Each Loadout Station System	T+M		$ -		$ 368	**$ 384**	$ 16	
23	D	Each Belt Transfer Station	T+M		$ -		$ 368	**$ 384**	$ 16	
23	W	Each Grain Silo	$ 773	**$ 809**	$ 36		$ 383	**$ 372**	$ (11)	

T+RN = time and renewal; T+M = time and material

TABLE 1 - PROPOSED RULE 40 – SUMMARY OF REVISED FEE SCHEDULES 1 - 91

Fee Sched.		Description	Application			Renewal		
			Current Initial Evaluation Fee	Proposed Initial Evaluation Fee	Increase/ (Decrease)	Current Emission Unit Renewal Fee	Proposed Emission Unit Renewal Fee	Increase/ (Decrease)
Schedule 24: Dry Chemical Mixing								
24	C	Each Dry Chemical Mixer with capacity over one-half cubic yard	T+M		$ -	$ 271	**$ 278**	$ 7
Schedule 25: Volatile Organic Compound Terminals, Bulk Plants and Intermediate Refueler Facilities.								
	1	Bulk Plants and Bulk Terminals equipped with or proposed to be equipped with a vapor processor:						
25	A	Per Tank	T+M		$ -	$ 293	**$ 303**	$ 10
25	B	Tank Rim Seal Replacement	T+M		$ -	N/A	**$ -**	$ -
25	C	Per Truck Loading Head	T+M		$ -	$ 1,723	**$ 1,876**	$ 153
25	D	Per Vapor Processor	T+M		$ -	$ 417	**$ 439**	$ 22
	2	Bulk Plants not equipped with or not proposed to be equipped with a vapor processor:						
25	E	Per Tank	T+M		$ -	$ 469	**$ 496**	$ 27
25	F	Per Truck Loading Head	T+M		$ -	$ 425	**$ 447**	$ 22
"Vapor Processor" means a device which recovers or transforms volatile organic compound by condensation, refrigeration, adsorption, absorption, incineration, or any combination thereof.								
	3	Facilities fueling intermediate refuelers (IR's) for subsequent fueling of motor vehicles, boats, or aircraft:						
25	H	Per IR Loading Connector	T+M		$ -	$ 495	**$ 524**	$ 29
If a facility falls into Part 1, 2 or 3 above and is equipped with dispensing nozzles for which Phase II vapor controls are required, additional fees equivalent to the "per nozzle" fees for Schedule 26(a) shall be assessed for each dispensing nozzle.								
Schedule 26: Non-Bulk Volatile Organic Compound Dispensing Facilities. Subject to District Rules 61.0 through 61.6								
26	A	Facilities where Phase I and Phase II controls are required (includes Phase I fee)	$ 3,132	**$ 3,601**	$ 469	$ 288	**$ 332**	$ 44

T+RN = time and renewal; T+M = time and material

TABLE 1 - PROPOSED RULE 40 – SUMMARY OF REVISED FEE SCHEDULES 1 - 91									
Fee Sched.		Description	Application			Renewal			
			Current Initial Evaluation Fee	Proposed Initial Evaluation Fee	Increase/ (Decrease)	Current Emission Unit Renewal Fee	Proposed Emission Unit Renewal Fee	Increase/ (Decrease)	
Schedule 26: Non-Bulk Volatile Organic Compound Dispensing Facilities. Subject to District Rules 61.0 through 61.6 – continued									
26	C	Facilities where only Phase I controls are required (includes tank replacement)	$ 2,911	**$ 3,347**	$ 436	$ 611	**$ 652**	$ 41	
26	E	Non-retail facilities with 250-550 gallon tanks and no other non-bulk gasoline dispensing permits Fee Per Facility	$ 906	**$ 1,042**	$ 136	$ 537	**$ 570**	$ 33	
Schedule 27: Application of Materials Containing Organic Solvents (includes coatings, adhesives, and other materials containing volatile organic compounds (VOC))									
		PART 1 - MARINE COATINGS							
27	A	Each Marine Coating application operation, except where Fee Schedule 27(t) applies	T+M		$ -	$ 840	**$ 904**	$ 64	
27	T	Each Marine Coating application operation at facilities where combined coating and cleaning solvent usage is < 3 gallons/day and < 100 gallons/year	T+M		$ -	$ 567	**$ 604**	$ 37	
		PART 2 - INDUSTRIAL MATERIAL APPLICATIONS AND MANUFACTURING (Includes application stations for coatings such as paint spraying and dip tanks, printing, and manufacturing products with materials which contain VOCs, etc.)							
27	D	Each Surface Coating Application Station w/o control equipment and not covered by other fee schedules at facilities using > 1 gallon/day of surface coatings and emitting ≤ 5 tons/year of VOC from equipment in this fee schedule	T+M		$ -	$ 938	**$ 1,011**	$ 73	
27	E	Each Surface Coating Application Station w/o control equipment and not covered by other fee schedules at facilities emitting > 5 tons/year of VOC from equipment in this fee schedule	T+M		$ -	$ 1,156	**$ 1,252**	$ 96	

T+RN = time and renewal; T+M = time and material

TABLE 1 - PROPOSED RULE 40 – SUMMARY OF REVISED FEE SCHEDULES 1 - 91									
Fee Sched.		Description	Application				Renewal		
			Current Initial Evaluation Fee	Proposed Initial Evaluation Fee	Increase/ (Decrease)		Current Emission Unit Renewal Fee	Proposed Emission Unit Renewal Fee	Increase/ (Decrease)
Schedule 27: Application of Materials Containing Organic Solvents (includes coatings, adhesives, and other materials containing volatile organic compounds (VOC)) – continued									
		PART 2 - INDUSTRIAL MATERIAL APPLICATIONS AND MANUFACTURING (Includes application stations for coatings such as paint spraying and dip tanks, printing, and manufacturing products with materials which contain VOCs, etc.) – continued							
27	F	Each Fiberglass, Plastic or Foam Product Process Line	$ 4,756	T+M	$ -		$ 1,034	$ 1,118	$ 84
27	I	Each Surface Coating Application Station requiring Control Equipment	T+M		$ -		$ 1,676	$ 1,823	$ 147
27	J	Each Surface Coating Application Station subject to Rule 67.3 or 67.9 w/o Control Equipment at facilities emitting ≤ 5 tons/year of VOC from equipment in this fee schedule	$ 6,438	$ 7,404	$ 966		$ 965	$ 1,042	$ 77
27	K	Each Surface Coating Application Station subject to Rule 67.3 or 67.9 w/o Control Equipment at facilities emitting > 5 tons/year of VOC from equipment in this fee schedule	T+M		$ -		$ 995	$ 1,074	$ 79
27	L	Each Wood Products Coating Application Station w/o Control Equipment at facilities using > 500 gallons/year of wood products coatings and emitting ≤ 5 tons/year of VOC from Wood Products Coating Operations	T+M		$ -		$ 918	$ 990	$ 72
27	N	Each Press or Operation at a Printing or Graphic Arts facility subject to Rule 67.16	T+M		$ -		$ 545	$ 580	$ 35
27	O	Each Fiberglass, Plastic or Foam Product Process Line Using Only Polyester Resin	T+M		$ -		$ 708	$ 758	$ 50
27	P	Each Surface Coating Application Station w/o control equipment (except automotive painting) where combined coating, and cleaning solvent usage is < 1 gallon/day or < 50 gallons/year	T+M		$ -		$ 620	$ 663	$ 43
27	Q	Each Wood Products Coating Application Station of coatings and stripper w/o control equipment at a facility using < 500 gallons/year for Wood Products Coating Operations	$ 4,421	T+M	$ -		$ 783	$ 841	$ 58

T+RN = time and renewal; T+M = time and material

TABLE 1 - PROPOSED RULE 40 – SUMMARY OF REVISED FEE SCHEDULES 1 - 91									
Fee Sched.		Description	Application			Renewal			
			Current Initial Evaluation Fee	Proposed Initial Evaluation Fee	Increase/ (Decrease)	Current Emission Unit Renewal Fee	Proposed Emission Unit Renewal Fee	Increase/ (Decrease)	
Schedule 27: Application of Materials Containing Organic Solvents (includes coatings, adhesives, and other materials containing volatile organic compounds (VOC)) - continued									
		PART 3 - MOTOR VEHICLE AND MOBILE EQUIPMENT REFINISHING OPERATIONS							
27	R	Each facility applying Coating Materials subject to Rule 67.20 (as applied or sprayed)	$ 3,720	**$ 4,278**	$ 558	$ 1,129	**$ 1,223**	$ 94	
		PART 4 - ADHESIVE MATERIALS APPLICATIONS OPERATIONS							
27	U	Each Adhesive Materials Application Station w/o control equipment at facilities emitting ≤ 5 tons/year of VOC from equipment in this fee schedule	**T+M**		$ -	$ 671	**$ 717**	$ 46	
27	V	Each Adhesive Materials Application Station w/o control equipment at facilities emitting > 5 tons/year of VOC from equipment in this fee schedule	**T+M**		$ -	$ 1,237	**$ 1,341**	$ 104	
27	W	Each Adhesive Materials Application Station w/o control equipment where adhesive materials usage is < 55 gallons/year	$ 2,334	**T+M**	$ -	$ 735	**$ 789**	$ 54	
Schedule 28: Vapor and Cold Solvent Cleaning Operations and Metal Inspection Tanks									
28	A	Each Vapor Degreaser with an Air Vapor Interfacial area > 5 square feet	T+M		$ -	$ 468	**$ 494**	$ 26	
28	B	Each Cold Solvent Degreaser with liquid surface area > 5 square feet	T+M		$ -	$ 356	**$ 372**	$ 16	
28	D	Each Paint Stripping Tank	T+M		$ -	$ 352	**$ 367**	$ 15	
28	F	Remote Reservoir Cleaners	T+M		$ -	$ 337	**$ 351**	$ 14	
28	H	Vapor Degreaser with an Air-Vapor Interfacial area ≤ 5 square feet	T+M		$ -	$ 419	**$ 441**	$ 22	
28	I	Cold Solvent Degreaser with a liquid surface area ≤ 5 square feet	T+M		$ -	$ 315	**$ 326**	$ 11	
28	J	Metal Inspection Tanks	T+M		$ -	$ 294	**$ 303**	$ 9	
28	K	Contract Service Remote Reservoir Cleaners with > 100 units	T+M		$ -	$ 38	**$ 44**	$ 6	
28	L	Contract Service Cold Degreasers with a liquid surface area of ≤ 5 square feet	T+M		$ -	$ 16	**$ 18**	$ 2	
28	M	Each facility-wide Solvent Application Operation	T+M		$ -	$ 842	**$ 907**	$ 65	

T+RN = time and renewal; T+M = time and material

TABLE 1 - PROPOSED RULE 40 – SUMMARY OF REVISED FEE SCHEDULES 1 - 91									
Fee Sched.		Description	Application			Renewal			
			Current Initial Evaluation Fee	Proposed Initial Evaluation Fee	Increase/ (Decrease)	Current Emission Unit Renewal Fee	Proposed Emission Unit Renewal Fee	Increase/ (Decrease)	
Schedule 29: Automated Soldering Equipment									
29	A	Each Solder Leveler	T+M		$ -	$ 486	**$ 515**	$ 29	
Schedule 30: Solvent and Extract Dryers									
30	A	Kelp and Biogum Products Solvent Dryer	T+M		$ -	$ 1,576	**$ 1,712**	$ 136	
Schedule 31: Dry Cleaning Facilities									
31	A	Each Facility using Halogenated Hydrocarbon Solvents required to install Control Equipment	T+M		$ -	$ 830	**$ 893**	$ 63	
31	B	Each Facility using Petroleum Based Solvents	T+M		$ -	$ 511	**$ 542**	$ 31	
Schedule 32: Acid Chemical Milling, Copper Etching and Hot Dip Galvanizing									
32	A	Each Copper Etching Tank	T+M		$ -	$ 668	**$ 714**	$ 46	
32	B	Each Acid Chemical Milling Tank	T+M		$ -	$ 574	**$ 612**	$ 38	
32	C	Each Hot Dip Galvanizing Tank	T+M		$ -	$ 676	**$ 723**	$ 47	
Schedule 33: RESERVED									
Schedule 34: Piston Type Internal Combustion Engines									
34	A	Each Cogeneration Engine or Waste Derived Fuel-Fired Engine with Add-on Control Equipment	T+M		$ -	$ 1,051	**$ 1,137**	$ 86	
34	B	Each Cogeneration Engine or Waste Derived Fuel-Fired Engine without Add-on Control Equipment	T+M		$ -	$ 639	**$ 682**	$ 43	
34	C	Each Emergency Standby Engine (for electrical or fuel interruptions beyond control of Permittee)	$ 3,956	**$ 4,549**	$ 593	$ 435	**$ 459**	$ 24	
34	D	Each Engine for Non-Emergency, Non-Cogeneration, and Not Waste Derived Fuel-Fired Operation ≥ 200 horsepower	T+M		$ -	$ 685	**$ 734**	$ 49	
34	E	Each Grouping of Engines for Dredging or Crane Operation with total engine horsepower > 200 HP	T+M		$ -	$ 632	**$ 675**	$ 43	
34	F	Each Diesel Pile-Driving Hammer	T+M		$ -	$ 212	**$ 213**	$ 1	
34	G	Each Engine for Non-Emergency, Non-Cogeneration, and Not Waste Derived Fuel-Fired Operation < 200 horsepower	$ 3,240	**$ 3,726**	$ 486	$ 426	**$ 449**	$ 23	
34	H	Each California Certified Emergency Standby Engine (for electrical or fuel interruptions beyond control of Permittee)	$ 2,878	**$ 3,309**	$ 431	$ 376	**$ 393**	$ 17	

T+RN = time and renewal; T+M = time and material

TABLE 1 - PROPOSED RULE 40 – SUMMARY OF REVISED FEE SCHEDULES 1 - 91										
Fee Sched.		Description	Application				Renewal			
			Current Initial Evaluation Fee	Proposed Initial Evaluation Fee	Increase/ (Decrease)		Current Emission Unit Renewal Fee	Proposed Emission Unit Renewal Fee	Increase/ (Decrease)	
Schedule 34: Piston Type Internal Combustion Engines – continued										
34	I	Each Internal Combustion Engine Test Cell and Test Stand	T+M		$ -		$ 413	**$ 433**	$ 20	
34	L	Each Diesel Particulate Filter Cleaning Process	T+M		$ -		$ 554	**$ 590**	$ 36	
34	W	Each Specified Eligible Engine, Registered Under Rule 12	$ 422	**$ 485**	$ 63		$ 357	**$ 373**	$ 16	
34	X	Each Specified Eligible Portable Engine, Registered Under Rule 12.1	$ 693	**$ 797**	$ 104		$ 341	**$ 355**	$ 14	
Schedule 35: Bulk Flour, Powdered Sugar and Dry Chemical Storage Systems										
35	A	Each System	T+M		$ -		$ 343	**$ 357**	$ 14	
Schedule 36: Grinding Booths and Rooms										
36	A	Each Booth or Room	T+M		$ -		$ 442	**$ 466**	$ 24	
Schedule 37: Plasma Electric and Ceramic Deposition Spray Booths										
37	A	Each Application Station	T+M		$ -		$ 558	**$ 594**	$ 36	
37	C	Flame Spray (ID # APCD1976-SITE-00274) *	T+M		$ -		$ 413	**$ 433**	$ 20	
* Pursuant to Subsection (c)(3)										
Schedule 38: Paint, Adhesive, Stain, Ink, Solder Paste, and Dielectric Paste Manufacturing										
38	A	Each Process Line for Paint, Adhesive, Stain, or Ink Manufacturing at facilities producing > 10,000 gallons per year	T+M		$ -		$ 335	**$ 348**	$ 13	
38	B	Each Can Filling Line	T+M		$ -		$ 355	**$ 371**	$ 16	
38	C	Each Process Line for Solder Paste or Dielectric Paste Manufacturing	T+M		$ -		$ 713	**$ 765**	$ 52	
38	D	Each Paint, Adhesive, Stain or Ink Manufacturing facility producing <10,000 gallons per year	T+M		$ -		$ 1,390	**$ 1,509**	$ 119	
38	F	Ferro Electronic Material Systems (ID # APCD2001-SITE-04439) *	T+M		$ -		$ 841	**$ 906**	$ 65	
* Pursuant to Subsection (c)(3)										
Schedule 39: Precious Metals Refining										
39	A	Each Process Line	T+M		$ -		$ 779	**$ 836**	$ 57	
Schedule 40: Asphalt Pavement Heaters/Recyclers										
40	X	Each Portable Unheated Pavement Crushing and Recycling System, Registration Under Rule 12.1	T+M		$ -		$ 363	**$ 380**	$ 17	

T+RN = time and renewal; T+M = time and material

TABLE 1 - PROPOSED RULE 40 – SUMMARY OF REVISED FEE SCHEDULES 1 - 91

Fee Sched.		Description	Application			Renewal		
			Current Initial Evaluation Fee	Proposed Initial Evaluation Fee	Increase/ (Decrease)	Current Emission Unit Renewal Fee	Proposed Emission Unit Renewal Fee	Increase/ (Decrease)
Schedule 41: Perlite Processing								
41	A	Each Process Line	T+M		$ -	$ 478	**$ 506**	$ 28
41	B	Aztec Perlite (ID # APCD1978-SITE-01598) *	T+M		$ -	$ 1,079	**$ 1,166**	$ 87
* Pursuant to Subsection (c)(3)								
Schedule 42: Electronic Component Manufacturing								
42	A	Each Process Line	T+M		$ -	$ 726	**$ 779**	$ 53
42	B	Each Screen Printing Operation	T+M		$ -	$ 600	**$ 641**	$ 41
42	C	Each Coating/Maskant Application Operation, excluding Conformal Operation	T+M		$ -	$ 721	**$ 773**	$ 52
42	D	Each Conformal Coating Operation	T+M		$ -	$ 916	**$ 988**	$ 72
Schedule 43: Ceramic Slip Casting								
43	A	Each Process Line	T+M		$ -	$ 735	**$ 788**	$ 53
Schedule 44: Evaporators, Dryers, & Stills Processing Organic Materials								
44	A	Evaporators and Dryers [other than those referenced in Fee Schedule 30 (a)] processing materials containing volatile organic compounds	T+M		$ -	$ 429	**$ 451**	$ 22
44	B	Solvent Recovery Stills, on-site, batch-type, solvent usage > 350 gallons per day	T+M		$ -	$ 437	**$ 460**	$ 23
Schedule 45: RESERVED								
Schedule 46: Filtration Membrane Manufacturing								
46	A	Each Process Line	T+M		$ -	$ 687	**$ 735**	$ 48
Schedule 47: Organic Gas Sterilizers								
47	A	Each Organic Gas Sterilizer/Aerator requiring control	T+M		$ -	$ 722	**$ 774**	$ 52
Schedule 48: Municipal Waste Storage and Processing								
48	A	Municipal Waste Storage and Processing - not subject to the ARB Methane Emissions Regulation	T+M		$ -	$ 1,577	**$ 1,533**	$ (44)
48	C	Municipal Waste Storage and Processing - subject to the ARB Methane Emissions Regulation	T+M		$ -	$ 5,576	**$ 5,421**	$ (155)
Schedule 49: Non-Operational Status Equipment								
49	A	Non-Operational Status Equipment	$ 278	**$ 319**	$ 41	$ 360	**$ 375**	$ 15
49	B	Activating Non-Operational Status Equipment	$ 249	**$ 286**	$ 37	N/A	**N/A**	$ -

T+RN = time and renewal; T+M = time and material

TABLE 1 - PROPOSED RULE 40 – SUMMARY OF REVISED FEE SCHEDULES 1 - 91									
Fee Sched.		Description	Application			Renewal			
			Current Initial Evaluation Fee	Proposed Initial Evaluation Fee	Increase/ (Decrease)	Current Emission Unit Renewal Fee	Proposed Emission Unit Renewal Fee	Increase/ (Decrease)	
Schedule 50: Coffee Roasters									
50	A	Each Coffee Roaster	$ 3,543	**$ 4,074**	$ 531	$ 475	**$ 502**	$ 27	
Schedule 51: Industrial Waste Water Treatment									
51	A	Each On-site Processing Line	T+M		$ -	$ 539	**$ 573**	$ 34	
51	C	USN Air Station NORIS Public Works (ID # APCD1986-SITE-02755) *	T+M		$ -	$ 1,434	**$ 1,558**	$ 124	
* Pursuant to Subsection (c)(3)									
Schedule 52: Air Stripping & Soil Remediation Equipment									
52	A	Air Stripping Equipment	T+M		$ -	$ 712	**$ 763**	$ 51	
52	B	Soil Remediation Equipment - On-site (In situ Only)	T+M		$ -	$ 828	**$ 890**	$ 62	
Schedule 53: RESERVED									
Schedule 54: Pharmaceutical Manufacturing									
54	A	Each Pharmaceutical Manufacturing Process Line	T+M		$ -	$ 956	**$ 1,032**	$ 76	
Schedule 55: Hexavalent Chromium Plating and Anodizing Tanks, and Chromate Conversion Coating Tanks									
55	A	Each Hard or Decorative Chrome plating and/or Anodizing Tank or Group of Tanks Served by an Emission Control System	T+M		$ -	$ 2,501	**$ 2,731**	$ 230	
55	B	Each Decorative Plating Tank without Add-on Emission Controls	T+M		$ -	$ 1,356	**$ 1,471**	$ 115	
55	D	Each Chromate Conversion Coating Tank	T+M		$ -	$ 423	**$ 445**	$ 22	
Schedule 56: Sewage Treatment Facilities									
56	A	Each Wastewater Treatment Facility, or Each Water Reclamation Facility	T+M		$ -	$ 1,345	**$ 1,460**	$ 115	
56	B	Each Wastewater Pump Station	T+M		$ -	$ 723	**$ 776**	$ 53	
Schedule 57: RESERVED									

T+RN = time and renewal; T+M = time and material

TABLE 1 - PROPOSED RULE 40 – SUMMARY OF REVISED FEE SCHEDULES 1 - 91										
Fee Sched.		Description	Application				Renewal			
			Current Initial Evaluation Fee	Proposed Initial Evaluation Fee	Increase/ (Decrease)		Current Emission Unit Renewal Fee	Proposed Emission Unit Renewal Fee	Increase/ (Decrease)	
Schedule 58: Bakeries										
58	A	Bakery Ovens at Facilities with Emission Controls Pursuant to Rule 67.24	T+M		$ -		$ 804	**$ 865**	$ 61	
Schedule 59: Asbestos Control Equipment										
59	C	Portable Asbestos Mastic Removal Application Station	T+M		$ -		$ 404	**$ 423**	$ 19	
Schedule 91: Miscellaneous – Hourly Rates										
91	A	Miscellaneous – Hourly Rates	T+M		$ -		$ 580	**$ 616**	$ 36	

TABLE 2 - PROPOSED RULE 40 – SUMMARY OF MISCELLANEOUS AND REVISED SOURCE TESTING FEES					
Fee Sched.		**Description**	**Current Fee**	**Proposed Fee**	**Increase / (Decrease)**
		Schedule 92: Source Testing Performed by the District			
92	C	Each Sulfur Oxides Source Test	T+M		$ -
92	D	Annual Fee for each Biennial Cycle Test for NOx and CO (1/2 the cost of one test)	$ 1,542	**$ 1,774**	$ 232
92	E	Each Ethylene Oxide Source Test	T+M		$ -
92	F	Each Carbon Monoxide and Nitrogen Oxides Source Test	$ 3,085	**$ 3,547**	$ 462
92	G	Each Nitrogen Oxides Source Test	$ 3,557	**$ 4,090**	$ 533
92	H	Each Incinerator Particulate Matter Source Test with Waste Burning Capacity of > 100 lbs Per Hour	T+M		$ -
92	I	Each Ammonia Source Test	$ 1,473	**$ 1,694**	$ 221
92	J	Continuous Emission Monitor System Evaluation	T+M		$ -
92	K	Incinerator Particulate Matter Source Test with Waste Burning Capacity of < 100 lbs Per Hour	T+M		$ -
92	M	Each Mass Emissions Source Test	$ 1,454	**$ 1,672**	$ 218
92	O	Each Multiple Metals Source Test	T+M		$ -
92	P	Each Chromium Source Test	T+M		$ -
92	Q	Each VOC Onsite Analysis	$ 6,783	**$ 7,801**	$ 1,018
92	R	Each VOC Offsite Analysis	$ 1,590	**$ 1,828**	$ 238
92	S	Each Hydrogen Sulfide Source Test	T+M		$ -
92	T	Each Acid Gas Source Test	T+M		$ -
92	V	Annual Fee for Optional Source Test Pilot Study	T+M		$ -
92	W	Each Particulate Matter Source Test	$ 4,360	**$ 5,014**	$ 654
92	X	Each Particulate Matter and Nitrogen Oxides and Carbon Monoxide Source Test	$ 9,726	**$ 11,185**	$ 1,459
92	Y	Each Particulate Matter and Carbon Dioxide and Oxygen Source Test	$ 6,956	**$ 8,000**	$ 1,044
92	Z	Miscellaneous Source Test (Special Tests not Listed)	T+M		$ -

T+RN = time and renewal; T+M = time and material

TABLE 3 - PROPOSED RULE 40 – SUMMARY OF REVISED SOURCE TEST WITNESS FEES					
Fee Sched.		**Description**	**Current Fee**	**Proposed Fee**	**Increase / (Decrease)**
		Schedule 93: Witness of Source Tests Performed by Independent Contractors			
93	A	Test Witness and Report Review	T+M		$ -
93	C	Test Procedure Review	T+M		$ -
93	D	Each VOC Bulk Terminal Test Witness	$ 3,163	**$ 3,638**	$ 475
93	E	Each Ethylene Oxide Test Witness Day	$ 2,613	**$ 3,004**	$ 391

TABLE 4 - PROPOSED RULE 40 – SUMMARY OF REVISED HOURLY LABOR RATE					
Fee Sched.		**Description**	**Current Fee**	**Proposed Fee**	**Increase / (Decrease)**
		Schedule 94: Time and Material (T+M) Labor Rates			
		Engineering Services	$ 238	$ 274	$ 36
		Monitoring Services	$ 158	$ 173	$ 15
		Source Testing Services	$ 164	$ 189	$ 25
		Compliance Services	$ 236	$ 249	$ 13
		Planning and Mobile Incentives Services	$ 171	$ 193	$ 22

TABLE 5 - PROPOSED RULE 40 – SUMMARY OF REVISED ASBESTOS DEMOLITION AND RENOVATION NOTIFICATION FEES

	Type of Operation	Current Fee	Proposed Fee	Increase / (Decrease)		Current Fee	Proposed Online Notification Fee	Increase / (Decrease)
1.	Renovation Operations (excluding residential buildings having four or fewer dwelling units)							
	<100 sq.ft.	$ 833	**$ 900**	$ 67		$ 609	**$ 653**	$ 44
	100 sq. ft. or > 260 linear (ln.) ft. to 500 sq. or ln. ft.	$ 833	**$ 930**	$ 97		$ 609	**$ 683**	$ 74
	501 to 2,000 sq. or ln. ft.	$ 927	**$ 1,000**	$ 73		$ 703	**$ 753**	$ 50
	2,001 to 5,000 sq. or ln. ft.	$ 1,047	**$ 1,128**	$ 81		$ 825	**$ 881**	$ 56
	5,001 to 10,000 sq. or ln. ft.	$ 1,063	**$ 1,167**	$ 104		$ 841	**$ 920**	$ 79
	>10,000 sq. or ln. ft.	$ 1,226	**$ 1,191**	$ (35)		$ 971	**$ 944**	$ (27)
2.	Planned (Annual) Renovation Operations							
	(add to appropriate renovation operation fee listed above)	$ 137	**$ 133**	$ (4)		$ 137	**$ 133**	$ (4)
3.	Emergency Renovation Operation							
	(add to appropriate renovation operation fee listed above)	$ 137	**$ 133**	$ (4)		$ 137	**$ 133**	$ (4)
4.	Demolition Operations							
	Regulated Asbestos Containing Material (RACM) sites	$ 1,031	**$ 1,031**	$ -		$ 808	**$ 929**	$ 121
	Non-RACM sites with no asbestos present	$ 986	**$ 804**	$ 182		$ 752	**$ 731**	$ (21)
5.	Emergency Demolition Operations							
	(add to appropriate demolition operation fee listed above)	$ 137	**$ 133**	$ (4)		$ 137	**$ 133**	$ (4)
6.	Revised Notification Fee for Renovations, Demolitions, Planned Renovations, and Emergency Operations (NOTE: a revision is defined as a change in the original start date or when the amount of asbestos changes by greater than or equal to 20%)	$ 72	**$ 83**	$ 11			**$ -**	
7.	Cancellation Fee for Renovations or Demolitions Operations	$ 94	**$ 108**	$ 14			**$ -**	

T+RN = time and renewal; T+M = time and material

TABLE 6 - PROPOSED RULE 40 – SUMMARY OF ADMINISTRATIVE FEES				
	Description	**Current Fee**	**Proposed Fee**	**Increase / (Decrease)**
1.	Non-Refundable Processing Fee	$ 98	**$ 113**	$ 15
2.	Site ID Processing & Handling Fee	$ 41	**$ 43**	$ 2
3.	Permit Processing Fee	$ 31	**$ 33**	$ 2

Attachment D

Cost Recovery and Fee Analysis Consolidated Report

SAN DIEGO AIR POLLUTION CONTROL DISTRICT, CALIFORNIA

FINAL REPORT

April 2021

matrix consulting group

Introduction and Executive Summary

The Matrix Consulting Group was retained by the San Diego Air Pollution Control District to conduct a cost recovery and fee analysis of the District's existing fees for service, as well as work with the District to support the implementation of the fee recovery analysis. The following report is split into two sections – Cost Recovery Analysis and Cost Recovery Scenarios.

1 Project Background and Overview

The District conducts an annual review of its fees to ensure that all appropriate costs are reflected in the fees charged to permit and facility holders. This annual calculation currently incorporates Vehicle Registration surcharge revenues to offset some of the fee-related costs. In July 2020, the State of California conducted an audit of the District and identified that it was utilizing Vehicle Registration Surcharge revenue to offset fee or permit-related services. A resulting recommendation of the audit was to conduct a thorough evaluation of the District's fees charged to permit holders and facility owners to determine their fair share of cost associated with those activities.

The Matrix Consulting Group analyzed the cost of service relationships that exist between the District and its customers in relation to Initial Application Fees, Renewal Fees, Source Testing, Asbestos, Hearing Board, and Time and Material fees. The results of this cost recovery study provided the District with a tool for understanding current service levels, the cost and demand for those services, and what fees for service can be legally charged. In order for the District to achieve cost recovery there are several options that can be pursued. Therefore, the project team worked with District staff to develop a supplemental report outlining the different scenarios available for implementation and fiscal impacts associated with those scenarios for the Board.

The following consolidated report provides the results of the full cost analysis, as well as the options that the Board has as it relates to increasing fee-related cost recovery for the District. The first report, the Cost Recovery Analysis focuses solely on describing the full cost associated with each of the fee-related services provided by the District. The second report, the Cost Recovery and Fee Analysis Scenario provides an overview of the most feasible options available to the Board for implementation.

2 Project Methodology

The methodology employed by the Matrix Consulting Group is a widely accepted "bottom up" approach to cost analysis, where time spent per unit of fee activity is determined for each position within a Division or Program. Once time spent for a fee activity is determined, all applicable District costs are then considered in the calculation of the "full" cost of fee-related services provided by the District:

Table 1: Cost Components Overview

Cost Component	Description
Direct	Fiscal Year 2020/21 Budgeted salaries, benefits and allowable expenditures.
Indirect	Departmental, districtwide and countywide administration and clerical support.

Together the cost components in the table above comprise the calculation of the total "full" cost of providing the particular fee-related activity. For example, the full cost of an initial application review of each kettle or tanker with capacity greater than 85 gallons, consists of a review of 0.10 hours (6 minutes) by the Sr. Eng and 6.20 hours (6 hours and 12 minutes) by the Associate / Assistant Engineer. The time estimates for each position are multiplied by their respective fully burdened hourly rates ($291 Sr. Eng and $266 for Associate / Assistant Engineer) to arrive at the full cost of $1,680. This is the level of detail that was collected for every single fee included in this study.

The work accomplished by the Matrix Consulting Group in the analysis of the fees for service and scenarios involved the following steps:

- **Conducted Interviews with Staff:** The project team interviewed District staff across all programs and activities regarding the services that they provide, the level of service associated with the fees, and ensuring that time estimates are appropriate.

- **Collected Data:** Data was collected for each permit / service, including internal time tracking information and workload information associated with the different activities. In addition, budgeted costs and staffing levels for FY20/21 were entered into the Matrix Consulting Group's analytical software model.

- **Calculated the Full Cost of Services:** Utilizing the data collected, fully burdened hourly rates were calculated and multiplied by the time estimates to determine the full cost associated with the fee-related services.

- **Reviewed Results with Staff:** The project team reviewed the results of the analysis with supervisory, and managerial staff to ensure that there was review and approval of these documented results.

- **Development of Implementation Scenarios:** Discussed options with district staff regarding the types of fee increase scenarios that are available, including no fee increases as well as significant fee increases to help achieve faster cost recovery at a more targeted pace.

A more detailed description of user fee methodology, legal regulations, and the scenarios are provided in the attached reports.

3 Legal Summary

In the State of California there are several rules and regulations that govern the setting of fees for service. The cost recovery study has a more detailed overview of the legal rules and regulations; however, this section provides information regarding the key legal highlights impacting the District's ability to set fees.

Per proposition 26 and 218, the District cannot set its fees higher than what it costs to provide the service; however, that cost of service can include both direct and indirect costs. In addition to these propositions, the California Health and Safety Code, also provides some insight into setting fees for service for California Air Districts. Specifically, as it relates to San Diego, the health and safety code allows the District to recover its costs through fees for service as well as other funding sources (grants, vehicle registration fees, etc.), increase fees for service to meet the cost of service, and apply annual increase factors.

The Health and Safety Code has a specific provision regarding the District, restricting its ability to increase fees annually. Individual permit fees associated with authority to construct and permit to operate can be increased by more than 15% individually, as long as the overall revenue for those fee categories does not increase by more than 15% annually. This was an important regulation that influenced many of the scenarios presented to the Board for implementation as part of the larger cost recovery study.

4 Summary of Reports

Based upon the full cost recovery analysis, the District is under-recovering its fee-related costs by approximately $3.9 million. The following table outlines these results based upon major fee category assessed by the District:

Table 2: Annual Cost Recovery Analysis

Fee Category	Revenue at Current Fee	Total Annual Cost	Annual Surplus / (Deficit)	Cost Recovery %
Initial Application	$441,825	$684,032	($242,207)	65%
Renewal Fees	$4,406,535	$6,159,862	($1,753,327)	72%
Source Testing	$817,137	$1,781,741	($964,603)	46%
Asbestos Fees	$454,601	$654,125	($199,524)	69%
Hearing Board Fees	$2,147	$3,641	($1,494)	59%
Processing Fee	$511,483	$642,547	($131,064)	80%
Time & Material	$1,240,638	$1,921,565	($680,927)	65%
TOTAL	**$7,874,366**	**$11,847,512**	**($3,973,146)**	**66%**

The largest source of the District's current deficit is Renewal fees. Renewal Fees represent 44% of the District's current deficit, with the next largest impact associated with source testing fees. Currently, this deficit is primarily being recovered through Vehicle Registration fees, rather than through permit holders.

Eliminating a $3.9 million deficit within a single fiscal year is extremely difficult. Therefore, the project team worked with District staff to develop fee-increase scenarios that the District board can review and adopt. The following table compares the potential cost recovery level, and the number of years it will take for the District to achieve full cost recovery based upon the different scenarios.

Table 3: Summary of Scenarios and Implications

#	Scenario	Fee Revenue Increase	Fee-Related Cost Recovery %	# of Years to Full Cost Recovery	Reliance on Vehicle Reg. Fee Funding
1	Status Quo	N / A	N / A	N / A	Yes
2	No Fee Increase	$0	66%	N / A	Yes
3	15% Fee increase	$1.2 million	76%	8	Yes
4	15% Standardized Increase	$1.4 million	78%	5	Yes
5	15% Increase + Per Capita Fee	$1.2 million	76%	8	No

As the table indicates, Scenarios 3-5 provide the District with a fee increase, and other than Scenario 5, all scenarios would still require the District to rely on Vehicle Registration Funding for fee-related revenues. It is important to note that while Scenario 5 will generate additional revenue for the District and allow the District to subsidize fees through the per capita fee, it does not result in increased fee revenue or increase fee-related cost recovery other than the 15% increases annually.

The majority of the options require the District to implement fee increases, whether it is an across the board 15% fee increase (Scenarios 3 and 5) or a targeted fee increase (Scenario 4). **Based upon the options evaluated, the project team recommends that the District consider implementing Scenario 4.** The following table shows by major fee category the proposed fee increase under Scenario 4 and the resulting cost recovery.

Table 4: Proposed Cost Recovery Impacts of Scenario 4 Fee Increases

Fee Category	FY 21-22 Fee Inc. %	FY 21-22 Cost Recovery %
Application Fixed	20%	78%
Renewal	10%	79%
Source Testing	15%	63%
Asbestos	25%	85%
Hearing Board	25%	74%
T&M	30%	84%
Processing Fee	15%	91%

As the table indicates this scenario immediately increases fee-related revenue, but provides a phased fee increase approach, allowing for a more targeted approach for fee increases by lower fee increases for renewal fees (majority of district permit holders) and higher fee increases for new applications and application modifications. As such, this approach combines advantages for both internal (District) and external (fee payers) stakeholders.

5 Cost Recovery Policy and Annual Fee Increases

Through this study, the project team recommends that the District develop a formalized cost recovery policy. The cost recovery policy should identify the District's targeted cost recovery level for fee-related services, as well as procedures associated with annual fee reviews and fee increases. The California Health and Safety Code allows the District to annually increase its fees based upon a California Consumer Price Index (CPI). The District should formalize this annual increase as part of its cost recovery policy to ensure that at a minimum the District maintains its existing cost recovery level as there are changes in the economy and the District's costs.

Cost Recovery and Fee Analysis

SAN DIEGO AIR POLLUTION CONTROL DISTRICT, CALIFORNIA

FINAL REPORT

April 2021

matrix consulting group

Table of Contents

1. Introduction and Executive Summary

The Matrix Consulting Group was retained by the San Diego Air Pollution Control District to conduct a cost recovery and fee analysis of the District's existing fees for service. The following report summarizes the findings and conclusions associated with the District's current cost recovery and full cost recovery.

1 Project Background and Overview

The District historically has had a directive to recover its fee-related costs through its fees for service. The District conducts an annual review of its fees to ensure that all appropriate costs are reflected. Traditionally, this annual calculation incorporates Vehicle Registration revenues to offset some of the fee-related costs. The primary offset of Vehicle Registration revenues is for indirect costs associated with the fees.

In July 2020, the Auditor of the State of California conducted an audit of the District and identified that it was utilizing Vehicle Registration revenue to offset fee or permit-related services. The result of the audit stated that the District should conduct a thorough evaluation of its fees charged to permit holders and facility owners to determine their fair share of cost associated with those activities.

The Matrix Consulting Group analyzed the cost of service relationships that exist between the District and its customers in relation to Initial Application Fees, Renewal Fees, Source Testing, Asbestos, Hearing Board, and Time and Material fees. The results of this study provide the District with a tool for understanding current service levels, the cost and demand for those services, and what fees for service can be legally charged.

2 Project Methodology

The methodology employed by the Matrix Consulting Group is a widely accepted "bottom up" approach to cost analysis, where time spent per unit of fee activity is determined for each position within a Division or Program. Once time spent for a fee activity is determined, all applicable District costs are then considered in the calculation of the "full" cost of fee-related services provided by the District:

Table 1: Cost Components Overview

Cost Component	Description
Direct	Fiscal Year 2020/21 Budgeted salaries, benefits and allowable expenditures.
Indirect	Departmental, districtwide and countywide administration and clerical support.

Together the cost components in the table above comprise the calculation of the total "full" cost of providing the particular fee-related activity. For example, the full cost of an initial application review of each kettle or tanker with capacity greater than 85 gallons, consists of a review of 0.10 hours (6 minutes) by the Sr. Eng and 6.20 hours (6 hours and 12 minutes) by the Associate / Assistant Engineer. The time estimates for each position are multiplied by their respective fully burdened hourly rates ($291 Sr. Eng and $266 for Associate / Assistant Engineer) to arrive at the full cost of $1,680. This is the level of detail that was collected for every single fee included in this study.

The work accomplished by the Matrix Consulting Group in the analysis of the fees for service involved the following steps:

- **Conducted Interviews with Staff:** The project team interviewed District staff across all programs and activities regarding the services that they provide, the level of service associated with the fees, and ensuring that time estimates are appropriate.

- **Collected Data:** Data was collected for each permit / service, including internal time tracking information and workload information associated with the different activities. In addition, budgeted costs and staffing levels for FY20/21 were entered into the Matrix Consulting Group's analytical software model.

- **Calculated the Full Cost of Services:** Utilizing the data collected, fully burdened hourly rates were calculated and multiplied by the time estimates to determine the full cost associated with the fee-related services.

- **Reviewed Results with Staff:** The project team reviewed the results of the analysis with supervisory, and managerial staff to ensure that there was review and approval of these documented results.

A more detailed description of user fee methodology and legal regulations are provided in subsequent chapters of this report.

3 Summary of Findings and Recommendations

When comparing FY 20/21 fee-related expenditures with fee-related revenue based upon FY19/20 workload, the District is providing a subsidy of approximately $3.9 million, recovering approximately 66% of annual fee-related costs. The following table outlines these results based upon major fee category assessed by the District:

Table 2: Annual Cost Recovery Analysis

Fee Category	Revenue at Current Fee	Total Annual Cost	Annual Surplus / (Deficit)	Cost Recovery %
Initial Application	$441,825	$684,032	($242,207)	65%
Renewal Fees	$4,406,535	$6,159,862	($1,753,327)	72%
Source Testing	$817,137	$1,781,741	($964,603)	46%
Asbestos Fees	$454,601	$654,125	($199,524)	69%
Hearing Board Fees	$2,147	$3,641	($1,494)	59%
Processing Fee	$511,483	$642,547	($131,064)	80%
Time & Material	$1,240,638	$1,921,565	($680,927)	65%
TOTAL	**$7,874,366**	**$11,847,512**	**($3,973,146)**	**66%**

The largest source of the District's current deficit is Renewal fees. Renewal Fees represent 44% of the District's current deficit, with the next largest impact associated with source testing fees. Currently, this deficit is primarily being recovered through Vehicle Registration fee surcharges, rather than through permit holders.

The display of the cost recovery figures shown in this report are meant to provide a basis for policy development discussions among Board members and District staff, and do not represent a recommendation for where or how the Board should act. The setting of the "rate" or "price" for services, whether at 100 percent full cost recovery or lower, is a policy decision to be made only by the Board, with input from District staff and the community.

4 Considerations for Cost Recovery Policy and Updates

The Matrix Consulting Group recommends that the District use the information contained in this report to discuss, adopt, and implement a formal Cost Recovery Policy, and a mechanism for the annual update of fees for service.

(1) Adopt a Formal Cost Recovery Policy

The Matrix Consulting Group strongly recommends that the Board adopt a formalized, individual cost recovery policy for each service area included in this Study. Whenever a cost recovery policy is established at less than 100% of the full cost of providing services, a known gap in funding is recognized and may then potentially be recovered through other revenue sources. The Matrix Consulting Group considers a formalized cost recovery policy for various fees for service an industry Best Management Practice.

(2) Adopt an Annual Fee Update / Increase Mechanism

The purpose of a comprehensive update is to completely revisit the analytical structure, service level estimates and assumptions applied in the previous study, and to account for any major shifts in cost components or organizational structures. The Matrix Consulting

Group believes it is a best management practice to perform a complete update of a Fee Assessment every 3 to 5 years.

In between comprehensive updates, the District should utilize published industry economic factors such as the California Consumer Price Index (CPI) as noted by the California Health and Safety Code Section 42311, which enables the District to update the cost calculations established in the Study on an annual basis. Utilizing an annual increase mechanism would ensure that the District receives appropriate fee and revenue increases that reflect growth in costs and minimize major cost increases from year to year.

2. Legal Framework

A "user fee" is a charge for service provided by a governmental agency to a public citizen or group. In California, several constitutional laws such as Propositions 13, 4, and 218, State Government Codes 66014 and 66016, and more recently Prop 26 and the Attorney General's Opinion 92-506 set the parameters under which the user fees typically administered by local government are established and administered. Specifically, California State Law, Government Code 66014(a), stipulates that user fees charged by local agencies "…may not exceed the estimated reasonable cost of providing the service for which the fee is charged".

In addition to these propositions and legal government codes, the District's fees are specifically subject to the California Health and Safety Code. The following graphic summarizes the key Health and Safety Codes and their fee and revenue related regulations:

Table 3: California Health and Safety Code Regulations

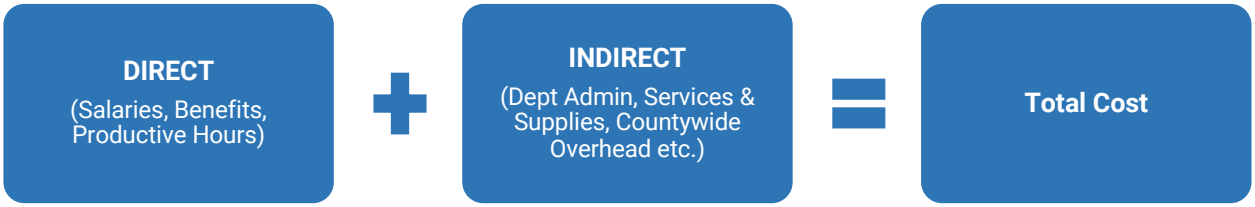
CA H&SC	Description
40701.5	Provides the District with the ability to fund its activities through a combination of Grants, Subventions, Permit Fees (scope of this analysis), penalties, and Vehicle Registration surcharges. If funding is incomplete, the District has ability to impose a per capita fee.
41512	Provides the District with the ability to set fees (after a public hearing) to recover the costs associated with evaluation, sampling, calculations, and report preparation for sources that have emissions as long as fees do not exceed the cost of providing those services.
41512.7(d)(2)	Provides language that enables the District to increase individual fees for service for permit to operate and authority to construct permits as long as the total revenue for those fee categories does not exceed more than 15% in a singular fiscal year.
42311	This section enables the District to establish fees for renewal, evaluation, and issuance of permits for stationary sources, nonvehicular sources emitting toxic air contaminants, and hearing board fees, as long as they do not exceed the cost of providing those services. Additionally, the District is able to increase these fees every year based upon the California CPI.

As the table demonstrates, there are several codes that are applicable to District fees. Ultimately, these codes reiterate the regulations from Proposition 26 and 218, in that the District is limited to the cost associated with providing these services as it is setting its fees. Therefore, it is critical to ensure that as the costs are being calculated for this analysis, they incorporate all costs (direct and indirect) associated with providing the fee-related services.

There is one special distinction in that there are certain fee categories that are associated with permit to operate and authority to construct permits that can have individual fee increases beyond 15% in a given year, but the total revenue collected from those fees cannot be more than a 15% increase from the prior year. This component while not critical in the calculation of fees, is an important consideration when setting fees.

3. Cost Recovery Study Methodology

The Matrix Consulting Group utilizes a cost allocation methodology commonly known and accepted as the "bottom-up" approach to establishing User Fees. The term means that several cost components are calculated for each fee or service. These components then build upon each other to comprise the total cost for providing the service. The following chart describes the components of a full cost calculation:



The general steps utilized by the project team to determine allocations of cost components to a particular fee or service are:

- Calculate fully burdened hourly rates by position, including direct & indirect costs;
- Develop time estimates for each service included in the study;
- Distribute the appropriate amount of the other cost components to each fee or service based on the staff time allocation basis, or another reasonable basis.

The results of these allocations provide detailed documentation for the reasonable estimate of the actual cost of providing each service. The following subsections discuss the fully burdened hourly rates calculated and the time estimates utilized.

1 Fully Burdened Hourly Rates

The fully burdened hourly rates are one of the two key factors of the full cost calculated. The fully burdened hourly rates calculated through this study are comprised of the following key components:

- **Direct Cost:** This consists of the salaries, benefits, and productive hours associated with each position. The salaries and benefits are the actual salaries and benefits budgeted for each position at the District. The productive hours are a calculation to reduce the billable hours from 2,080 (standard full-time hours) to the hours which are available to be billed for. This includes reduction for items such as sick leave, vacation, holidays, meetings, breaks, and trainings. Based upon

review of District staff labor agreements, the total productive hours calculated for the District are 1,618 hours. The 1,618 hours represents a billable percentage of 78%, which is within the range typically seen for local government at 72-82%.

- **Supplies and Services Overhead:** This overhead refers to the non-personnel budgeted items for each program or division that are necessary for the employees to be productive. This includes costs such as internal service charges for vehicles, technology costs, minor equipment, training expenses, and general office equipment. There is a unique overhead associated with each program, as each program has their own services and supplies costs. The costs for each program are divided by the total billable hours in each program to calculate the supplies and services overhead per hour.

- **Departmental Overhead:** This consists of the costs associated with all other activities associated with fee-related programs that are not considered billable. This includes the costs associated with managerial and clerical staff, as well as the non-billable time associated with fee-related staff. The goal of the program is to be recovered through fees, as such the costs should be considered as overhead to fees. The departmental overhead, similar to the supplies and services overhead is unique to each program, as there are different staffing allocations to each program and activity.

- **Districtwide Overhead:** This cost component reflects the costs associated with the Support Services, Rule Development, Public Information, and Administration (including allocation from the County for their support) of the District. These are all programs and activities that provide support to the District's fee and non-fee related programs. The costs associated with these programs are allocated to the different District programs based upon the FTE and budgeted expenditures associated with each program. The total overhead costs for each program is unique and divided by the total available hours for each program to calculate the districtwide overhead per hour for each staff position.

Together these cost components result in fully burdened hourly rates, which are reflective of the total cost to the District for each position. It is important to note that this rate is NOT meant to be reflective of actual pay to District staff, but rather reflects the cost associated with that employee, which includes salaries, benefits, supervisory support, services and supplies, and overall districtwide support. The fully burdened hourly rate is utilized in conjunction with time estimates to calculate the full cost of service.

2 Time Estimates

One of the key study assumptions utilized in the "bottom up" approach is the use of time estimates for the provision of each fee related service. Utilization of time estimates is a reasonable and defensible approach, especially since experienced staff members who understand service levels and processes unique to the District developed these estimates.

The project team worked closely with District staff in developing time estimates with the following criteria:

- Estimates are representative of average times for providing services. Estimates for extremely difficult or abnormally simple projects are not factored into this analysis.
- Estimates reflect the time associated with the position or positions that typically perform a service.
- Estimates provided by staff are reviewed and approved by the division / department, and often involve multiple iterations before a Study is finalized.
- Estimates are reviewed by the project team for "reasonableness" against their experience with other agencies.
- Estimates were not based on time in motion studies[1], as they are not practical for the scope of services and time frame for this project.

The Matrix Consulting Group agrees that while the use of time estimates is not perfect, it is the best alternative available for setting a standard level of service for which to base a jurisdiction's fees for service and meets the requirements of California law.

The alternative to time estimating is actual time tracking, often referred to billing on a "time and materials" basis. The District utilizes this mechanism for many of its application fees, when there is a large variation between the level of review that is necessary to approve that facility. In order to ensure appropriate cost recovery for the District, "time and material (T&M)" fees are contingent upon accuracy in time tracking and the correct fully burdened hourly rate.

[1] Time in Motion studies refers to a type of process in which staff time is measured utilizing a stopwatch and each task is timed separately through the course of the project. This is typically unfeasible for development-related projects due to the timeline.

4. Results Overview

The motivation behind a cost of services (User Fee) analysis is for the District Board and Program staff to maintain services at a level that is both accepted and effective for the community, and also to maintain control over the policy and management of these services.

It should be noted that the results presented in this report are not a precise measurement. In general, a cost of service analysis takes a "snapshot in time", where a fiscal year of adopted budgeted cost information is compared to the same fiscal year of revenue, and workload data available. Changes to the structure of fee names, along with the use of time estimates allow only for a reasonable projection of subsidies and revenue. Consequently, the Board and Program staff should rely conservatively upon these estimates to gauge the impact of implementation going forward.

Discussion of results in the following sections is intended as a summary of extensive and voluminous fee study documentation produced during the Study. Each chapter will include detailed cost calculation results for each major permit category including the following:

- **"Per Unit" Results:** comparison of the full cost of providing each unit of service to the current fee for each unit of service (where applicable).

- **Annualized Results:** utilizing volume of activity estimates annual subsidies and revenue impacts were projected.

The full analytical results were provided to District staff under separate cover from this summary report.

5. Initial Application Fee

The Initial Application fee charged by the District is to evaluate the specific type of equipment, process or operation for which an application is submitted. This fee is only assessed when it is the initial utilization of this equipment, process, or operation, and does not typically impact existing facilities or permit holders, unless there is a change in their process, or a new piece of equipment is added. This service is provided by the Engineering Division within the District. The Engineering staff receives the permit application, reviews the requirements, conducts site visit(s) as necessary and processes the final permit in the system to inform Compliance staff for renewal purposes for the following year. The following subsections discuss the per unit and annual results for the initial application fees charged by the District.

1 Per Unit Results

The Initial Application fees are charged for all of the different unique equipment types and processes that are relevant for District businesses. Approximately half of the fees in this section of the fee schedule are currently flat fees, while the remaining fees are based upon time and material. The full cost calculated for each service includes direct staff costs, departmental overhead, and districtwide overhead (including Countywide overhead). The following table details by fee schedule, the name, the current fee, the full cost calculated through this study, and the surplus or associated deficit with each service.

Table 4: Initial Application Fees – Cost Per Unit Results

Fee Sched.		Description	Current Fee	Full Cost Per Unit	Surplus / (Deficit) Per Unit
Schedule 1: Abrasive Blasting Equipment Excluding Rooms and Booths					
1	A	Each Pot 100 pounds capacity or larger with no Peripheral Equipment	$606	$937	($331)
1	B	Each Pot 100 pounds capacity or larger loaded Pneumatically or from Storage Hoppers	$1,358	$2,109	($751)
1	C	Each Bulk Abrasive Blasting Material Storage System	$1,759	$2,726	($967)
1	D	Each Spent Abrasive Handling System	$1,358	$2,109	($751)
1	X	Each Portable Abrasive Blasting Unit, Registered Under Rule 12.1	$418	$644	($226)
Schedule 2: Abrasive Blasting Cabinets, Rooms and Booths					
2	A	Each Abrasive Blasting Cabinet, Room or Booth	$3,627	$5,617	($1,990)
2	B	Each Cabinet, Room, or Booth with an Abrasive Transfer or Recycle System	$4,191	$6,496	($2,305)

Fee Sched.		Description	Current Fee	Full Cost Per Unit	Surplus / (Deficit) Per Unit
Schedule 3: Asphalt Roofing Kettles and Tankers used to Store, Heat, Transport, and Transfer Hot Asphalt					
3	A	Each Kettle or Tanker with capacity greater than 85 gallons	$1,081	$1,680	($599)
3	W	Each Kettle or Tanker, Registered Under Rule 12	$281	$431	($150)
Schedule 4: Hot-Mix Asphalt Paving Batch Plant					
4	A	Each Hot-Mix Asphalt Paving Batch Plant		Time & Materials	
Schedule 5: Rock Drills					
5	W	Each Drill, Registered Under Rule 12	$473	$726	($253)
Schedule 6: Sand, Rock, Aggregate Screens, and Other Screening Operations, when not used in Conjunction with other Permit Items in these Schedules					
6	A	Each Screen Set	$3,398	$5,266	($1,868)
6	X	Each Portable Sand and Gravel Screen Set, Registered Under Rule 12.1	$486	$751	($265)
Schedule 7: Sand, Rock, and Aggregate Plants					
7	A	Each Crusher System (involves one or more primary crushers forming a primary crushing system or, one or more secondary crushers forming a secondary crusher system and each serving a single process line)		Time & Materials	
7	B	Each Screening System (involves all screens serving a given primary or secondary crusher system)		Time & Materials	
7	C	Each Loadout System (a loadout system is a set of conveyors chutes and hoppers used to load any single rail or road delivery container at any one time)		Time & Materials	
7	X	Each Portable Rock Crushing System, Registered Under Rule 12.1	$486	$751	($265)
Schedule 8: Concrete Batch Plants, Concrete Mixers over One Cubic Yard Capacity and Separate Cement Silo Systems					
8	A	Each Concrete Batch Plant (including Cement-Treated Base Plants)		Time & Materials	
8	B	Each Mixer over one cubic yard capacity		Time & Materials	
8	C	Each Cement or Fly Ash Silo System not part of another system requiring a Permit		Time & Materials	
8	D	Expo Builders (1084A)*		Time & Materials	
8	X	Each Portable Concrete Batch Plant, Registered Under Rule 12.1	$537	$830	($293)
Schedule 9: Concrete Product Manufacturing Plants					
9	A	Each Plant		Time & Materials	
Schedule 13: Boilers and Heaters					
13	A	Each 1 MM BTU/HR up to but not including 50 MM BTU/HR input	$2,347	$3,637	($1,290)
13	B	Each 50 MM BTU/HR up to but not including 250 MM BTU/HR		Time & Materials	
13	D	Each 100 Megawatt output or greater (based on an average boiler efficiency of 32.5%)		Time & Materials	
13	F	Each 1 MM BTU/HR up to but not including 50 MM BTU/HR input at a single site where more than 5 such units are located	$2,270	$3,494	($1,224)

Fee Sched.		Description	Current Fee	Full Cost Per Unit	Surplus / (Deficit) Per Unit
13	G	Each 250 MM BTU/HR up to 1050 MM BTU/HR input or up to but not including 100 Megawatt gross output, whichever is greater, where a Notice of Intention has been filed with the California Energy Commission		Time & Materials	
13	H	Each 100 Megawatt gross output or greater where a Notice of Intention has been filed with the California Energy Commission		Time & Materials	
13	W	Each 2 MM BTU/HR up to but not including 5 MM BTU/HR, Registered Under Rule 12	New	$782	N / A
Schedule 14: Non-Municipal Incinerators					
14	A	Waste burning capacity up to and including 100 lbs/hr		Time & Materials	
14	B	Waste burning capacity greater than 100 lbs/hr		Time & Materials	
14	C	Burning capacity up to and including 50 lbs/hr used exclusively for the incineration or cremation of animals		Time & Materials	
Schedule 15: Burn-Out Ovens					
15	A	Each Electric Motor/Armature Refurbishing Oven		Time & Materials	
15	C	Each IC Engine Parts Refurbishing Unit		Time & Materials	
15	D	USN SIMA (4845C)		Time & Materials	
Schedule 18: Metal Melting Devices					
18	C	Each Pit or Stationary Crucible		Time & Materials	
18	D	Each Pot Furnace		Time & Materials	
Schedule 19: Oil Quenching and Salt Baths					
19	A	Each Tank		Time & Materials	
Schedule 20: Gas Turbine Engines, Test Cells and Test Stands					
20	A	Each Aircraft Propulsion Turbine, Turboshaft, Turbojet or Turbofan Engine Test Cell or Stand		Time & Materials	
20	B	Each Aircraft Propulsion Test Cell or Stand at a facility where more than one such unit is located		Time & Materials	
20	C	Each Non-Aircraft Turbine Test Cell or Stand		Time & Materials	
20	D	Each Non-Aircraft Turbine Engine 1 MM BTU/HR up to but not including 50 MM BTU/HR input		Time & Materials	
20	E	Each Non-Aircraft Turbine Engine 1 MM BTU/HR up to but not including 50 MM BTU/HR input		Time & Materials	
20	F	Each Non-Aircraft Turbine Engine 250 MM BTU/HR or greater input		Time & Materials	
20	G	Each Unit used solely for Peak Load Electric Generation		Time & Materials	
20	H	Each Standby Gas Turbine used for Emergency Power Generation		Time & Materials	
Schedule 21: Waste Disposal and Reclamation Units					
21	A	Each Wood Shredder or Hammermill Grinder		Time & Materials	
21	W	Paper shredders	New	$753	N / A
Schedule 22: Feed and Grain Mills and Kelp Processing Plants					
22	A	Each Receiving System (includes Silos)		Time & Materials	
22	B	Each Grinder, Cracker, or Roll Mill		Time & Materials	
22	C	Each Shaker Stack, Screen Set, Pelletizer System, Grain Cleaner, or Hammermill		Time & Materials	
22	D	Each Mixer System		Time & Materials	
22	E	Each Truck or Rail Loading System		Time & Materials	
22	F	CP Kelco: Shaker, Screen, Pelletizer, Cleaner, Hammermill (203A)		Time & Materials	

Fee Sched.		Description	Current Fee	Full Cost Per Unit	Surplus / (Deficit) Per Unit
Schedule 23: Bulk Terminal Grain and Dry Chemical Transfer and Storage Facility Equipment					
23	A	Each Receiving System (Railroad, Ship and Truck Unloading		Time & Materials	
23	B	Each Storage Silo System	$1,472	$2,276	($804)
23	C	Each Loadout Station System		Time & Materials	
23	D	Each Belt Transfer Station		Time & Materials	
23	W	Grain Silo	New	$753	N / A
Schedule 24: Dry Chemical Mixing					
24	C	Each Dry Chemical Mixer with capacity over one-half cubic yard		Time & Materials	
Schedule 25: Volatile Organic Compound Terminals, Bulk Plants and Intermediate Refueler Facilities					
	1	Bulk Plants and Bulk Terminals equipped with or proposed to be equipped with a vapor processor			
25	A	Per Tank		Time & Materials	
25	B	Tank Rim Seal Replacement		Time & Materials	
25	C	Per Truck Loading Head		Time & Materials	
25	D	Per Vapor Processor		Time & Materials	
25	G	NAVY REGION SW (ID#APCD1980-SITE-02754)*		Time & Materials	
	2	Bulk Plants not equipped with or not proposed to be equipped with a vapor processor			
25	E	Per Tank		Time & Materials	
25	F	Per Truck Loading Head		Time & Materials	
	3	Facilities fueling intermediate refuelers (IR's) for subsequent fueling of motor vehicles, boats, or aircraft:			
25	H	Per IR Loading Connector		Time & Materials	
Schedule 26: Non-Bulk Volatile Organic Compound Dispensing Facilities. Subject to District Rules 61.0 through 61.6					
26	A	VOCs Dispensing Facilities Equipped with Phase I & II controls (includes Phase I fee)	$2,368	$3,666	($1,298)
26	C	VOCs Dispensing Operation with Phase I only (Phase II exempt) - Fee per Facility	$2,201	$3,402	($1,201)
26	E	VOCs Dispensing Operation (Phase I and Phase II exempt) - Fee per Facility	$685	$1,051	($366)
26	F	VR Vacuum Assist, Bootless Systems		Time & Materials	
Schedule 27: Application of Materials Containing Organic Solvents (includes coatings, adhesives, and other materials containing volatile organic compounds (VOC))					
27	A	First Permit to Operate for Marine Coating application at facilities emitting ≤ 10 tons/year of VOC from Marine Coating Operations	$2,614	$4,058	($1,444)
27	D	Each Surface Coating Application Station w/o control equipment and not covered by other fee schedules at facilities using > 1 gallon/day of surface coatings and emitting ≤ 5 tons/year of VOC from equipment in this fee schedule	$2,252	$3,482	($1,230)
27	E	Each Surface Coating Application Station w/o control equipment and not covered by other fee schedules at facilities emitting > 5 tons/year of VOC from equipment in this fee schedule		Time & Materials	
27	F	Each Fiberglass, Plastic or Foam Product Process Line at facilities emitting ≤10 tons/year of VOC from fiberglass, plastic or foam products operations	$3,596	$5,581	($1,985)

Fee Sched.		Description	Current Fee	Full Cost Per Unit	Surplus / (Deficit) Per Unit
27	I	Each Surface Coating Application Station requiring Control Equipment		Time & Materials	
27	J	Each Surface Coating Application Station subject to Rule 67.3 or 67.9 w/o Control Equipment at facilities emitting ≤ 5 tons/year of VOC from equipment in this fee schedule	$4,868	$7,557	($2,689)
27	K	Each Surface Coating Application Station subject to Rule 67.3 or 67.9 w/o Control Equipment at facilities emitting > 5 tons/year of VOC from equipment in this fee schedule		Time & Materials	
27	L	Each Wood Products Coating Application Station w/o Control Equipment at facilities using > 500 gallons/year of wood products coatings and emitting ≤ 5 tons/year of VOC from Wood Products Coating Operations	$3,343	$5,184	($1,841)
27	M	Each Wood Products Coating Application Station w/o Control Equipment at facilities emitting > 5 tons/ year of VOC from Wood Products Coating Operations		Time & Materials	
27	N	Each Press or Operation at a Printing or Graphic Arts facility subject to Rule 67.16	$1,816	$2,826	($1,010)
27	P	Each Surface Coating Application Station w/o control equipment (except automotive painting) where combined coating, and cleaning solvent usage is < 1 gallon/day or < 50 gallons/year	$2,252	$3,482	($1,230)
27	Q	Each Wood Products Coating Application Station of coatings and stripper w/o control equipment at a facility using < 500 gallons/year for Wood Products Coating Operations	$3,343	$5,184	($1,841)
27	R	Each facility applying < 5 gallons/day of Coating Materials subject to Rule 67.20 (as applied or sprayed)	$2,813	$4,358	($1,545)
27	T	First Permit to Operate for Marine Coating application at facilities where combined coating and cleaning solvent usage is < 3 gallons/day and <100 gallons/year	$1,177	$1,821	($644)
27	U	Each Adhesive Materials Application Station w/o control equipment at facilities emitting ≤ 5 tons/year of VOC from equipment in this fee schedule	$1,765	$2,746	($981)
27	V	Each Adhesive Materials Application Station w/o control equipment at facilities emitting > 5 tons/year of VOC from equipment in this fee schedule	$1,765	$2,746	($981)
27	W	Each Adhesive Materials Application Station w/o control equipment where adhesive materials usage is < 55 gallons/year	$1,765	$2,746	($981)
27	Z	NASSCO (253A)		Time & Materials	
Schedule 28: Vapor and Cold Solvent Cleaning Operations and Metal Inspection Tanks					
28	A	Each Vapor Degreaser with an Air Vapor Interfacial area > 5 square feet		Time & Materials	
28	B	Each Cold Solvent Degreaser with liquid surface area > 5 square feet	$1,554	$2,392	($838)
28	D	Each Paint Stripping Tank	$1,964	$3,046	($1,082)
28	F	Remote Reservoir Cleaners	$689	$1,053	($364)
28	H	Vapor Degreaser with an Air-Vapor Interfacial area ≤ 5 square feet	$599	$918	($319)

Fee Sched.		Description	Current Fee	Full Cost Per Unit	Surplus / (Deficit) Per Unit
28	I	Cold Solvent Degreaser with a liquid surface area ≤ 5 square feet	$442	$676	($234)
28	J	Metal Inspection Tanks	$1,211	$1,874	($663)
28	K	Contract Service Remote Reservoir Cleaners with > 100 units		Time & Materials	
28	L	Contract Service Cold Degreasers with a liquid surface area of ≤ 5 square feet		Time & Materials	
28	M	Each facility-wide Solvent Application Operation		Time & Materials	
Schedule 29: Automated Soldering Equipment					
29	A	Each Solder Leveler	$2,733	$4,244	($1,511)
Schedule 30: Solvent and Extract Dryers					
30	A	Kelp and Biogum Products Solvent Dryer		Time & Materials	
Schedule 31: Dry Cleaning Facilities					
31	A	Each Facility using Halogenated Hydrocarbon Solvents required to install Control Equipment	$1,242	$1,925	($683)
31	B	Each Facility using Petroleum Based Solvents		Time & Materials	
Schedule 32: Acid Chemical Milling, Copper Etching and Hot Dip Galvanizing					
32	A	Each Copper Etching Tank		Time & Materials	
32	B	Each Acid Chemical Milling Tank		Time & Materials	
32	C	Each Hot Dip Galvanizing Tank		Time & Materials	
Schedule 34: Piston Type Internal Combustion Engines					
34	A	Each Cogeneration Engine with in-stack Emission Controls		Time & Materials	
34	B	Each Cogeneration Engine with Engine Design Emission Controls		Time & Materials	
34	C	Each Emergency Standby Engine (for electrical or fuel interruptions beyond control of Permittee)	$2,991	$4,629	($1,638)
34	D	Each Engine for Non-Emergency and Non-Cogeneration Operation		Time & Materials	
34	E	Each Grouping of Engines for Dredging or Crane Operation with total engine horsepower > 200 HP		Time & Materials	
34	F	Each Diesel Pile-Driving Hammer		Time & Materials	
34	G	Each Engine for Non-Emergency and Non-Cogeneration Operation < 200 horsepower	$2,450	$3,796	($1,346)
34	H	Each California Certified Emergency Standby Engine (for electrical or fuel interruptions beyond control of Permittee)	$2,176	$3,370	($1,194)
34	I	Each Internal Combustion Engine Test Cell and Test Stand			Time & Materials
34	W	Each Specified Eligible Engine, Registered Under Rule 12	$319	$487	($168)
34	X	Each Specified Eligible Portable Engine, Registered Under Rule 12.1	$524	$806	($282)
34	Z	Each Specified Eligible Engine, Registered Under Rule 12, Conversion from Valid Permit	$349	$538	($189)
Schedule 35: Bulk Flour, Powdered Sugar and Dry Chemical Storage Systems					
35	A	Each System		Time & Materials	
Schedule 36: Grinding Booths and Rooms					
36	A	Each Booth or Room	$2,176	$3,370	($1,194)
Schedule 37: Plasma Electric and Ceramic Deposition Spray Booths					
37	A	Each Application Station		Time & Materials	
37	C	Flame Spray (507A)		Time & Materials	

Fee Sched.		Description	Current Fee	Full Cost Per Unit	Surplus / (Deficit) Per Unit
Schedule 38: Paint, Adhesive, Stain, Ink, Solder Paste, and Dielectric Paste Manufacturing					
38	A	Each Process Line for Paint, Adhesive, Stain, or Ink Manufacturing at facilities producing > 10,000 gallons per year		Time & Materials	
38	B	Each Can Filling Line		Time & Materials	
38	C	Each Process Line for Solder Paste or Dielectric Paste Manufacturing		Time & Materials	
38	D	Each Paint, Adhesive, Stain or Ink Manufacturing facility producing <10,000 gallons per year		Time & Materials	
38	F	Ferro Electronic Material Systems (8407A)*		Time & Materials	
Schedule 39: Precious Metals Refining					
39	A	Each Process Line		Time & Materials	
Schedule 40: Asphalt Pavement Heaters/Recyclers					
40	X	Each Portable Unheated Pavement Crushing and Recycling System, Registration Under Rule 12.1	$554	$857	($303)
Schedule 41: Perlite Processing					
41	A	Each Process Line		Time & Materials	
41	B	Aztec Perlite (2700A)		Time & Materials	
Schedule 42: Electronic Component Manufacturing					
42	A	Each Process Line		Time & Materials	
42	B	Each Screen Printing Operation		Time & Materials	
42	C	Each Coating/Maskant Application Operation, excluding Conformal Operation		Time & Materials	
42	D	Each Conformal Coating Operation		Time & Materials	
Schedule 43: Ceramic Slip Casting					
43	A	Each Process Line		Time & Materials	
Schedule 44: Evaporators, Dryers, & Stills Processing Organic Materials					
44	A	Evaporators and Dryers [other than those referenced in Fee Schedule 30 (a)] processing materials containing volatile organic compounds		Time & Materials	
44	B	Solvent Recovery Stills with a rated capacity equal to or greater than 7.5 gallons	$1,998	$3,099	($1,101)
Schedule 46: Filtration Membrane Manufacturing					
46	A	Each Process Line		Time & Materials	
Schedule 47: Organic Gas Sterilizers					
47	A	Each Organic Gas Sterilizer requiring control		Time & Materials	
47	B	Each Stand Alone Organic Gas Aerator requiring control		Time & Materials	
Schedule 48: Municipal Waste Storage and Processing					
48	A	Municipal Waste Storage & Processing - not subject to the ARB Methane Emissions Regulation		Time & Materials	
48	C	Municipal Waste Storage & Processing - subject to the ARB Methane Emissions Regulation		Time & Materials	
Schedule 49: Non-Operational Status Equipment					
49	A	Non-Operational Status Equipment	$210	$318	($108)
49	B	Activating Non-Operational Status Equipment	$188	$293	($105)
Schedule 50: Coffee Roasters					
50	A	Each Coffee Roaster	$2,679	$4,148	($1,469)
Schedule 51: Industrial Waste Water Treatment					
51	A	Each On-site Processing Line	$2,275	$3,528	($1,253)
51	C	USN Air Station NORIS Public Works (ID #4821B)		Time & Materials	

Fee Sched.		Description	Current Fee	Full Cost Per Unit	Surplus / (Deficit) Per Unit
Schedule 52: Air Stripping & Soil Remediation Equipment					
52	A	Air Stripping Equipment		Time & Materials	
52	B	Soil Remediation Equipment - On-site (In situ Only)		Time & Materials	
Schedule 54: Pharmaceutical Manufacturing					
54	A	Each Pharmaceutical Manufacturing Process Line		Time & Materials	
Schedule 55: Hexavalent Chromium Plating and Anodizing Tanks					
55	A	Each Hard or Decorative Chrome plating and/or Anodizing Tank or Group of Tanks Served by an Emission Control System		Time & Materials	
55	B	Each Decorative Plating Tank without Add-on Emission Controls		Time & Materials	
Schedule 56: Sewage Treatment Facilities					
56	A	Each Sewage Treatment Facility		Time & Materials	
56	B	Each Wastewater Odor Treatment System that is not part of a Permitted Sewage Treatment Facility		Time & Materials	
Schedule 58: Bakeries					
58	A	Bakery Ovens at Facilities with Emission Controls Pursuant to Rule 67.24		Time & Materials	
Schedule 59: Asbestos Control Equipment					
59	C	Portable Asbestos Mastic Removal Application Station	$1,660	$2,569	($909)
Schedule 91: Miscellaneous					
91		Miscellaneous Operations		Time & Materials	

As the table indicates, the District is under-recovering for all of the flat fees charged in the Initial Application Fee category. The largest deficit of $2,689 per unit is associated with Schedule 27J for Each Surface Coating Application Station subject to Rule 67.3 or 67.9 w/o Control Equipment at facilities emitting ≤ 5 tons/year of VOC from equipment in this fee schedule. The smallest deficit is $105 for Schedule 49B for Activating Non-Operational Status Equipment. On average the cost recovery for the Application Fees is approximately 65%.

2 Annual Results

In addition to the per unit analysis, the project team also collected information regarding the annual implications of the full cost calculated. The following table shows by fee schedule (for those fee schedules that had workload), the annual volume, the revenue at current fee, the total annual cost, and the annual surplus / (deficit):

Table 5: Initial Application Fees – Annual Results

Fee Sched		Description	Volume	Revenue at Current Fee	Revenue at Full Cost	Annual Surplus / (Deficit)
Schedule 1: Abrasive Blasting Equipment Excluding Rooms and Booths						
1	X	Each Portable Abrasive Blasting Unit, Registered Under Rule 12.1	21	$8,778	$13,525	($4,747)

Fee Sched		Description	Volume	Revenue at Current Fee	Revenue at Full Cost	Annual Surplus / (Deficit)
Schedule 2: Abrasive Blasting Cabinets, Rooms and Booths						
2	A	Each Abrasive Blasting Cabinet, Room or Booth	3	$10,881	$16,852	($5,971)
2	B	Each Cabinet, Room, or Booth with an Abrasive Transfer or Recycle System	2	$8,382	$12,992	($4,610)
Schedule 3: Asphalt Roofing Kettles and Tankers used to Store, Heat, Transport, and Transfer Hot Asphalt						
3	W	Each Kettle or Tanker, Registered Under Rule 12	7	$1,967	$3,017	($1,050)
Schedule 6: Sand, Rock, Aggregate Screens, and Other Screening Operations, when not used in Conjunction with other Permit Items in these Schedules						
6	A	Each Screen Set	4	$13,592	$21,065	($7,473)
Schedule 7: Sand, Rock, and Aggregate Plants						
7	X	Each Portable Rock Crushing System, Registered Under Rule 12.1	2	$972	$1,501	($529)
Schedule 8: Concrete Batch Plants, Concrete Mixers over One Cubic Yard Capacity and Separate Cement Silo Systems						
8	X	Each Portable Concrete Batch Plant, Registered Under Rule 12.1	3	$1,611	$2,491	($880)
Schedule 13: Boilers and Heaters						
13	A	Each 1 MM BTU/HR up to but not including 50 MM BTU/HR input	2	$4,694	$7,273	($2,579)
Schedule 23: Bulk Terminal Grain and Dry Chemical Transfer and Storage Facility Equipment						
23	B	Each Storage Silo System	6	$8,832	$13,656	($4,824)
Schedule 26: Non-Bulk Volatile Organic Compound Dispensing Facilities. Subject to District Rules 61.0 through 61.6						
26	A	VOCs Dispensing Facilities Equipped with Phase I & II controls (includes Phase I fee)	1	$2,368	$3,666	($1,298)
26	C	VOCs Dispensing Operation with Phase I only (Phase II exempt) - Fee per Facility	7	$15,407	$23,813	($8,406)
Schedule 27: Application of Materials Containing Organic Solvents (includes coatings, adhesives, and other materials containing volatile organic compounds (VOC))						
27	A	First Permit to Operate for Marine Coating application at facilities emitting ≤ 10 tons/year of VOC from Marine Coating Operations	1	$2,614	$4,058	($1,444)
27	D	Each Surface Coating Application Station w/o control equipment and not covered by other fee schedules at facilities using > 1 gallon/day of surface coatings and emitting ≤ 5 tons/year of VOC from equipment in this fee schedule	3	$6,756	$10,445	($3,689)
27	F	Each Fiberglass, Plastic or Foam Product Process Line at facilities emitting ≤10 tons/year of VOC from fiberglass, plastic or foam products operations	3	$10,788	$16,743	($5,955)
27	J	Each Surface Coating Application Station subject to Rule 67.3 or 67.9 w/o Control Equipment at facilities emitting ≤ 5 tons/year of VOC from equipment in this fee schedule	1	$4,868	$7,557	($2,689)

Fee Sched		Description	Volume	Revenue at Current Fee	Revenue at Full Cost	Annual Surplus / (Deficit)
27	N	Each Press or Operation at a Printing or Graphic Arts facility subject to Rule 67.16	1	$1,816	$2,826	($1,010)
27	R	Each facility applying < 5 gallons/day of Coating Materials subject to Rule 67.20 (as applied or sprayed)	5	$14,065	$21,791	($7,726)
Schedule 28: Vapor and Cold Solvent Cleaning Operations and Metal Inspection Tanks						
28	I	Cold Solvent Degreaser with a liquid surface area ≤ 5 square feet	1	$442	$676	($234)
Schedule 34: Piston Type Internal Combustion Engines						
34	C	Each Emergency Standby Engine (for electrical or fuel interruptions beyond control of Permittee)	2	$5,982	$9,259	($3,277)
34	G	Each Engine for Non-Emergency and Non-Cogeneration Operation < 200 horsepower	8	$19,600	$30,372	($10,772)
34	H	Each California Certified Emergency Standby Engine (for electrical or fuel interruptions beyond control of Permittee)	128	$278,528	$431,404	($152,876)
34	W	Each Specified Eligible Engine, Registered Under Rule 12	11	$3,509	$5,353	($1,844)
34	X	Each Specified Eligible Portable Engine, Registered Under Rule 12.1	20	$10,480	$16,125	($5,645)
Schedule 40: Asphalt Pavement Heaters/Recyclers						
40	X	Each Portable Unheated Pavement Crushing and Recycling System, Registration Under Rule 12.1	1	$554	$857	($303)
Schedule 50: Coffee Roasters						
50	A	Each Coffee Roaster	1	$2,679	$4,148	($1,469)
Schedule 59: Asbestos Control Equipment						
59	C	Portable Asbestos Mastic Removal Application Station	1	$1,660	$2,569	($909)
			TOTAL	**$441,825**	**$684,032**	**($242,207)**

The annual deficit for the Application Fees Category is approximately $242,000. The largest component of this deficit ($153,000) is associated with Schedule 34H for Each California Certified Emergency Standby Engine (for electrical or fuel interruptions beyond control of Permittee). There are 128 permits in that category and the per unit deficit is $1,194, resulting in such a high annual deficit. Therefore, changing that fee even marginally will have a great impact on the overall revenue associated with the Initial Application Fee category.

The overall annual cost recovery for Application Fees is 65%, which matches the per unit cost recovery, indicating that the under-recovery for this fee category is fairly consistent.

6. Renewal Fees

The Renewal Fees charged by the District refer to the annual operating fees that are charged to the facilities to maintain a permit to operate. These fees are due annually on the date that the permit expires. The purpose of the renewal fee is to capture the level of effort associated with conducting compliance inspections annually. These inspections ensure that the permit holders are following all the conditions and requirements outlined on the initial permit issued for the different types of equipment that they have to operate. The following subsections discuss the per unit and annual results calculated through this study.

1 Per Unit Results

There is a corresponding renewal fee for every initial application fee, unless there are certain types of equipment that only have temporary authorization and as such would always require an initial evaluation. Unlike the initial application fees, the renewal fees are always fixed fee amounts for greater transparency and clarity to the applicant. The full cost calculated for each service includes direct staff costs, departmental overhead, and districtwide overhead (including Countywide overhead). The following table details by fee schedule, the name, the current fee, the full cost calculated through this study, and the surplus or associated deficit with each service.

Table 6: Renewal Fees – Cost Per Unit Results

Fee Sched.		Description	Current Fee	Full Cost Per Unit	Surplus / (Deficit) Per Unit
Schedule 1: Abrasive Blasting Equipment Excluding Rooms and Booths					
1	A	Each Pot 100 pounds capacity or larger with no Peripheral Equipment	$198	$247	($49)
1	B	Each Pot 100 pounds capacity or larger loaded Pneumatically or from Storage Hoppers	$170	$210	($40)
1	C	Each Bulk Abrasive Blasting Material Storage System	$160	$197	($37)
1	D	Each Spent Abrasive Handling System	$160	$197	($37)
1	X	Each Portable Abrasive Blasting Unit, Registered Under Rule 12.1	$234	$296	($62)
Schedule 2: Abrasive Blasting Cabinets, Rooms & Booths					
2	A	Each Abrasive Blasting Cabinet, Room or Booth	$347	$447	($100)
2	B	Each Cabinet, Room, or Booth with an Abrasive Transfer or Recycle System	$373	$483	($110)
Schedule 3: Asphalt Roofing Kettles and Tankers used to Store, Heat, Transport, and Transfer Hot Asphalt					
3	A	Each Kettle or Tanker with capacity greater than 85 gallons	$221	$279	($58)
3	W	Each Kettle or Tanker, Registered Under Rule 12	$197	$246	($49)

Fee Sched.		Description	Current Fee	Full Cost Per Unit	Surplus / (Deficit) Per Unit
Schedule 4: Hot-Mix Asphalt Paving Batch Plant					
4	A	Each Hot-Mix Asphalt Paving Batch Plant	$1,205	$1,600	($395)
Schedule 5: Rock Drills					
5	W	Each Drill, Registered Under Rule 12	$256	$326	($70)
Schedule 6: Sand, Rock, Aggregate Screens, and Other Screening Operations, when not used in Conjunction with other Permit Items in these Schedules					
6	A	Each Screen Set	$384	$498	($114)
6	X	Each Portable Sand and Gravel Screen Set, Registered Under Rule 12.1	$254	$324	($70)
Schedule 7: Sand, Rock, and Aggregate Plants					
7	A	Each Crusher System (involves one or more primary crushers forming a primary crushing system or, one or more secondary crushers forming a secondary crusher system and each serving a single process line)	$652	$857	($205)
7	B	Each Screening System (involves all screens serving a given primary or secondary crusher system)	$316	$407	($91)
7	C	Each Loadout System (a loadout system is a set of conveyors chutes and hoppers used to load any single rail or road delivery container at any one time)	$312	$400	($88)
7	X	Each Portable Rock Crushing System, Registered Under Rule 12.1	$236	$299	($63)
Schedule 8: Concrete Batch Plants, Concrete Mixers over One Cubic Yard Capacity and Separate Cement Silo Systems					
8	A	Each Concrete Batch Plant (including Cement-Treated Base Plants)	$647	$850	($203)
8	B	Each Mixer over one cubic yard capacity	$239	$302	($63)
8	C	Each Cement or Fly Ash Silo System not part of another system requiring a Permit	$373	$482	($109)
8	X	Each Portable Concrete Batch Plant, Registered Under Rule 12.1	$271	$353	($82)
Schedule 9: Concrete Product Manufacturing Plants					
9	A	Each Plant	$459	$599	($140)
Schedule 13: Boilers and Heaters					
13	A	Each 1 MM BTU/HR up to but not including 50 MM BTU/HR input	$307	$394	($87)
13	B	Each 50 MM BTU/HR up to but not including 250 MM BTU/HR	$426	$554	($128)
13	D	Each 100 Megawatt output or greater (based on an average boiler efficiency of 32.5%)	$879	$1,163	($284)
13	F	Each 1 MM BTU/HR up to but not including 50 MM BTU/HR input at a single site where more than 5 such units are located	$267	$340	($73)
13	W	Each 2 MM BTU/HR up to but not including 5 MM BTU/HR, Registered Under Rule 12	New	$231	N / A
Schedule 14: Non-Municipal Incinerators					
14	A	Crematory or Waste Incinerator burning	$668	$879	($211)
14	C	Burning capacity up to and including 50 lbs/hr used exclusively for the incineration or cremation of animals	$317	$408	($91)

Fee Sched.		Description	Current Fee	Full Cost Per Unit	Surplus / (Deficit) Per Unit
Schedule 15: Burn-Out Ovens					
15	A	Each Electric Motor / Armature Refurbishing Oven	$316	$406	($90)
15	D	USN SIMA (ID#APCD1981-SITE-02798)*Pursuant to Subsection ©(3)	$194	$242	($48)
Schedule 18: Metal Melting Devices					
18	C	Each Pit or Stationary Crucible / Pot Furnace	$324	$417	($93)
Schedule 19: Oil Quenching and Salt Baths					
19	A	Each Tank	$191	$238	($47)
Schedule 20: Gas Turbine Engines, Test Cells and Test Stands					
20	A	Each Aircraft Propulsion Turbine, Turboshaft, Turbojet or Turbofan Engine Test Cell or Stand	$312	$400	($88)
20	B	Each Aircraft Propulsion Test Cell or Stand at a facility where more than one such unit is located	$175	$218	($43)
20	C	Each Non-Aircraft Turbine Test Cell or Stand	$134	$162	($28)
20	D	Each Non-Aircraft Turbine Engine 1 MM BTU/HR up to but not including 50 MM BTU/HR input	$822	$1,086	($264)
20	E	Each Non-Aircraft Turbine Engine 1 MM BTU/HR up to but not including 50 MM BTU/HR input	$1,029	$1,364	($335)
20	F	Each Non-Aircraft Turbine Engine 250 MM BTU/HR or greater input	$2,955	$3,950	($995)
20	G	Each Unit used solely for Peak Load Electric Generation	$295	$378	($83)
20	H	Each Standby Gas Turbine used for Emergency Power Generation	$211	$265	($54)
Schedule 21: Waste Disposal and Reclamation Units					
21	A	Each Wood Shredder or Hammermill Grinder	$266	$339	($73)
21	W	Paper shredders	New	$336	N / A
Schedule 22: Feed and Grain Mills and Kelp Processing Plants					
22	A	Each Receiving System (includes Silos)	$379	$490	($111)
22	B	Each Grinder, Cracker, or Roll Mill	$354	$457	($103)
22	C	Each Shaker Stack, Screen Set, Pelletizer System, Grain Cleaner, or Hammermill	$375	$486	($111)
22	D	Each Mixer System	$790	$1,043	($253)
22	E	Each Truck or Rail Loading System	$396	$513	($117)
Schedule 23: Bulk Terminal Grain and Dry Chemical Transfer and Storage Facility Equipment					
23	A	Each Receiving System (Railroad, Ship and Truck Unloading	$447	$583	($136)
23	B	Each Storage Silo System	$260	$331	($71)
23	C	Each Loadout Station System	$278	$355	($77)
23	D	Each Belt Transfer Station	$278	$355	($77)
23	W	Grain Silo	New	$344	N / A
Schedule 24: Dry Chemical Mixing					
24	C	Each Dry Chemical Mixer with capacity over one-half cubic yard	$205	$257	($52)
Schedule 25: Volatile Organic Compound Terminals, Bulk Plants and Intermediate Refueler Facilities					
	1	**Bulk Plants and Bulk Terminals equipped with or proposed to be equipped with a vapor processor**			
25	A	Per Tank	$222	$280	($58)
25	C	Per Truck Loading Head	$1,303	$1,732	($429)
25	D	Per Vapor Processor	$316	$406	($90)

Fee Sched.		Description	Current Fee	Full Cost Per Unit	Surplus / (Deficit) Per Unit
	2	**Bulk Plants not equipped with or not proposed to be equipped with a vapor processor**			
25	E	Per Tank	$355	$458	($103)
25	F	Per Truck Loading Head	$321	$413	($92)
	3	**Facilities fueling intermediate refuelers (IR's) for subsequent fueling of motor vehicles, boats, or aircraft:**			
25	H	Per IR Loading Connector	$374	$484	($110)
Schedule 26: Non-Bulk Volatile Organic Compound Dispensing Facilities. Subject to District Rules 61.0 through 61.6					
26	A	VOCs Dispensing Facilities Equipped with Phase I & II controls (includes Phase I fee) - per nozzle	$218	$344	($126)
26	C	VOCs Dispensing Operation with Phase I only (Phase II exempt) - Fee per Facility	$462	$602	($140)
26	E	VOCs Dispensing Operation (Phase I and Phase II exempt) - Fee per Facility	$406	$527	($121)
Schedule 27: Application of Materials Containing Organic Solvents (includes coatings, adhesives, and other materials containing volatile organic compounds (VOC))					
	1	**Marine Coatings**			
27	A	Each Marine Coating application operation, except where Fee Schedule 27(t) applies	$635	$834	($199)
27	T	Each Marine Coating application operation at facilities where combined coating and cleaning solvent usage is < 3 gallons / day and < 100 gallons per year	$429	$558	($129)
	2	**Industrial Material Applications and Manufacturing**			
27	D	Each Surface Coating Application Station without control equipment and not covered by other fee schedules at facilities using > 1 gallon / day of surface coatings and emitting less than or equal to 5 tons / year of VOC from equipment in this fee schedule.	$709	$934	($225)
27	E	Each Surface Coating Application Station without control equipment and not covered by other fee schedules at facilities emitting greater than 5 tons / year of VOC from equipment in this fee schedule.	$874	$1,156	($282)
27	F	Each Fiberglass, Plastic or Foam Product Process Line Except if Using Only Polyester Resin	$782	$1,032	($250)
27	I	Each Surface Coating Application Station requiring Control Equipment	$1,267	$1,683	($416)
27	J	Each Surface Coating Application Station subject to Rule 67.3 or 67.9 without control equipment at facilities emitting less than or equal to 5 tons per year of VOC from equipment in this fee schedule	$730	$962	($232)
27	K	Each Surface Coating Application Station subject to Rule 67.3 or 67.9 without control equipment at facilities emitting greater than 5 tons per year of VOC from equipment in this fee schedule	$752	$991	($239)
27	L	Each Wood Products Coating Application Station without Control Equipment at facilities using > 500 gallons per year of wood products coatings	$694	$914	($220)
27	N	Each Press or Operation at a Printing or Graphic Arts Facility subject to Rule 67.16	$412	$535	($123)

Fee Sched.		Description	Current Fee	Full Cost Per Unit	Surplus / (Deficit) Per Unit
27	O	Each Fiberglass, Plastic or Foam Product Process Line Using Only Polyester Resin	$535	$700	($165)
27	P	Each Surface Coating Application Station without control equipment (except automotive painting) where combined coating, and cleaning solvent usage is < 1 gallon per day or < 50 gallons per year	$469	$612	($143)
27	Q	Each Wood Products Coating Application Station of coatings and stripper without control equipment at a facility using < 500 gallons per year for Wood Product Coating Operations	$592	$777	($185)
	3	**Motor Vehicle and Mobile Equipment Refinishing Operations**			
27	R	Each Facility applying Coating Materials subject to Rule 67.20 (as applied or sprayed)	$854	$1,129	($275)
	4	**Adhesive Materials Application Operations**			
27	U	Each Adhesive Materials Application Station without control equipment at facilities emitting less than or equal to 5 tons per year of VOC from equipment in this fee schedule.	$507	$558	($129)
27	V	Each Adhesive Materials Application Station without control equipment at facilities emitting greater than 5 tons per year of VOC from equipment in this fee schedule.	$935	$663	($156)
27	W	Each Adhesive Materials Application Station without control equipment where adhesive material usage is < 55 gallons per year	$556	$1,238	($303)
Schedule 28: Vapor and Cold Solvent Cleaning Operations and Metal Inspection Tanks					
28	A	Each Vapor Degreaser with an Air Vapor Interfacial Area > 5 sq. ft.	$354	$457	($103)
28	B	Each Cold Solvent Degreaser with liquid surface area > 5 sq. ft.	$269	$344	($75)
28	D	Each Paint Stripping Tank	$266	$340	($74)
28	F	Remote Reservoir Cleaners	$255	$324	($69)
28	H	Vapor Degreaser with an Air-Vapor Interfacial Area less than or equal to 5 sq. ft.	$317	$407	($90)
28	I	Cold Solvent Degreaser with a liquid surface area less than or equal to 5 sq. ft.	$238	$302	($64)
28	J	Metal Inspection Tanks	$222	$280	($58)
28	K	Contract Service Remote Reservoir Cleaners with > 100 units	$29	$41	($12)
28	L	Contract Service Cold Degreasers with a liquid surface area of less than or equal to 5 sq. ft.	$12	$23	($11)
28	M	Each facility-wide Solvent Application Operation	$637	$838	($201)
Schedule 29: Automated Soldering Equipment					
29	A	Solder Leveler	$368	$475	($107)
Schedule 30: Solvent and Extract Dryers					
30	A	Kelp & Biogum Products Solvent Dryer	$1,191	$1,581	($390)
Schedule 31: Dry Cleaning Facilities					
31	A	Each Facility using Halogenated Hydrocarbon Solvents required to install Control Equipment	$628	$825	($197)
31	B	Each Facility using Petroleum Based Solvents	$386	$501	($115)

Fee Sched.		Description	Current Fee	Full Cost Per Unit	Surplus / (Deficit) Per Unit
Schedule 32: Acid Chemical Milling, Copper Etching and Hot Dip Galvanizing					
32	A	Each Copper Etching Tank	$505	$660	($155)
32	B	Each Acid Chemical Milling Tank	$434	$565	($131)
32	C	Each Hot Dip Galvanizing Tank	$511	$668	($157)
Schedule 34: Piston Type Internal Combustion Engines					
34	A	Each Cogeneration Engine or Waste Derived Fuel-Fired Engine with Add-on Control Equipment	$795	$1,050	($255)
34	B	Each Cogeneration Engine or Waste Derived Fuel-Fired Engine without Add-on Control Equipment	$483	$630	($147)
34	C	Each Emergency Standby Engine (for electrical or fuel interruptions beyond control of permittee)	$329	$424	($95)
34	D	Each Engine for Non-Emergency, Non-Cogeneration, and Not Waste Derived Fuel-Fired Operation greater than or equal to 200 horsepower	$518	$678	($160)
34	E	Each Grouping of Engines for Dredging or Crane Operation with total engine horsepower > 200 HP	$478	$623	($145)
34	F	Diesel Pile Driving Hammer	$160	$197	($37)
34	G	Each Engine for Non-Emergency, Non-Cogeneration, and Not Waste Derived Fuel-Fired Operation less than 200 horsepower	$322	$415	($93)
34	H	California Certified Emergency Standby Engine	$284	$364	($80)
34	I	Each Internal Combustion Engine, Test Cell and Test Stand	$312	$400	($88)
34	L	Each Diesel Particulate Filter Cleaning Process	$419	$545	($126)
34	W	Engines Eligible under Rule 12	$270	$344	($74)
34	X	Portable Engines eligible in Rule 12	$258	$328	($70)
Schedule 35: Bulk Flour, Powdered Sugar and Dry Chemical Storage Systems					
35	A	Each System	$259	$330	($71)
Schedule 36: Grinding Booths and Rooms					
36	A	Each Booth or Room	$334	$430	($96)
Schedule 37: Plasma Electric and Ceramic Deposition Spray Booths					
37	A	Each Application Station	$422	$549	($127)
37	C	Flame Spray (ID#APCD1976-SITE-00274) - pursuant to Subsection ©(3)	$312	$400	($88)
Schedule 38: Paint, Adhesive, Stain, Ink, Solder Paste, and Dielectric Paste Manufacturing					
38	A	Each Process Line for Paint, Adhesive, Stain, or Ink Manufacturing at facilities producing > 10,000 gallons per year	$253	$321	($68)
38	B	Each Can Filling Line	$269	$343	($74)
38	C	Each Process Line for Solder Paste or Dielectric Paste Manufacturing	$539	$706	($167)
38	D	Each Paint, Adhesive, Stain or Ink Manufacturing facility producing <10,000 gallons per year	$1,051	$1,393	($342)
38	F	Ferro Electronic Material Systems (8407A)*	$636	$836	($200)
Schedule 39: Precious Metals Refining					
39	A	Each Process Line	$589	$772	($183)
Schedule 40: Asphalt Pavement Heaters/Recyclers					
40	X	Each Portable Unheated Pavement Crushing and Recycling System, Registration Under Rule 12.1	$275	$351	($76)
Schedule 41: Perlite Processing					
41	A	Each Process Line	$362	$468	($106)

Fee Sched.		Description	Current Fee	Full Cost Per Unit	Surplus / (Deficit) Per Unit
41	B	Aztec Perlite (ID#APCD1978-SITE-01598) Pursuant to Subsection ©(3)	$816	$1,077	($261)
Schedule 42: Electronic Component Manufacturing					
42	A	Each Process Line	$549	$720	($171)
42	B	Each Screen Printing Operation	$454	$592	($138)
42	C	Each Coating/Maskant Application Operation, excluding Conformal Operation	$545	$714	($169)
42	D	Each Conformal Coating Operation	$693	$913	($220)
Schedule 43: Ceramic Slip Casting					
43	A	Each Process Line	$556	$728	($172)
Schedule 44: Evaporators, Dryers, & Stills Processing Organic Materials					
44	A	Evaporators and Dryers	$324	$417	($93)
44	B	Solvent Recovery Stills, on-site, batch-type, solvent usage > 350 gallons per day	$330	$425	($95)
Schedule 46: Filtration Membrane Manufacturing					
46	A	Each Process Line	$519	$678	($159)
Schedule 47: Organic Gas Sterilizers					
47	A	Each Organic Gas Sterilizer / Aerator requiring control	$546	$715	($169)
Schedule 48: Municipal Waste Storage and Processing					
48	A	Municipal Waste Storage & Processing - not subject to the ARB Methane Emissions Regulation	$2,134	$2,848	($714)
48	C	Municipal Waste Storage & Processing - subject to the ARB Methane Emissions Regulation	$5,286	$7,081	($1,795)
Schedule 49: Non-Operational Status Equipment					
49	A	Non-Operational Status Equipment	$272	$347	($75)
Schedule 50: Coffee Roasters					
50	A	Each Coffee Roaster	$359	$464	($105)
Schedule 51: Industrial Waste Water Treatment					
51	A	Each On-site Processing Line	$408	$530	($122)
51	C	USN Air Station NORIS Public Works (ID#APCD1986-SITE-02755)*Pursuant to subsection ©(3)	$1,084	$1,438	($354)
Schedule 52: Air Stripping & Soil Remediation Equipment					
52	A	Air Stripping Equipment	$538	$705	($167)
52	B	Soil Remediation Equipment - On-Site (In situ only)	$626	$822	($196)
Schedule 54: Pharmaceutical Manufacturing					
54	A	Each Pharmaceutical Manufacturing Process Line	$723	$953	($230)
Schedule 55: Hexavalent Chromium Plating and Anodizing Tanks					
55	A	Each Hard or Decorative Chrome Plating and / or Anodizing Tank or Group of Tanks served by an emission control system	$1,891	$2,521	($630)
55	B	Each Decorative Plating Tank without Add-on Emission Controls	$1,025	$1,358	($333)
55	D	Each Chromate Conversion Coating Tank	$320	$412	($92)
Schedule 56: Sewage Treatment Facilities					
56	A	Each Wastewater Treatment Facility, or Each Water Reclamation Facility	$1,017	$1,348	($331)
56	B	Each Wastewater Pump Station	$547	$717	($170)
Schedule 58: Bakeries					
58	A	Bakery Ovens at Facilities with Emission Controls Pursuant to Rule 67.24	$608	$799	($191)

Fee Sched.		Description	Current Fee	Full Cost Per Unit	Surplus / (Deficit) Per Unit
Schedule 59: Asbestos Control Equipment					
59	C	Portable Asbestos Mastic Removal Application Station	$305	$391	($86)
Schedule 91: Miscellaneous - Hourly Rates					
91	A	Miscellaneous	$438	$569	($131)

As the table indicates, the District is under-recovering for all of the renewal fees charged. The largest deficit of $1,795 per unit is associated with Schedule 48C for Municipal Waste Storage and Processing, which is subject to the ARB Methane Emission regulation. The smallest deficit is $11 for Schedule 28L for Contract Service Cold Degreasers with a liquid surface area of less than or equal to 5 sq. ft.. On average the cost recovery for the Renewal Fees is approximately 77%.

2 Annual Results

In addition to the per unit analysis, the project team also collected information regarding the annual implications of the full cost calculated. The following table shows by fee schedule (for those fee schedules that had workload), the annual volume, the revenue at current fee, the total annual cost, and the annual surplus / (deficit):

Table 7: Renewal Fees – Annual Results

Fee Sched.		Description	Volume	Revenue at Current Fee	Revenue at Full Cost	Annual Surplus / (Deficit)
Schedule 1: Abrasive Blasting Equipment Excluding Rooms and Booths						
1	A	Each Pot 100 pounds capacity or larger with no Peripheral Equipment	15	$2,970	$3,710	($740)
1	B	Each Pot 100 pounds capacity or larger loaded Pneumatically or from Storage Hoppers	20	$3,400	$4,200	($800)
1	C	Each Bulk Abrasive Blasting Material Storage System	3	$480	$592	($112)
1	D	Each Spent Abrasive Handling System	4	$640	$789	($149)
1	X	Each Portable Abrasive Blasting Unit, Registered Under Rule 12.1	97	$22,698	$28,743	($6,045)
Schedule 2: Abrasive Blasting Cabinets, Rooms & Booths						
2	A	Each Abrasive Blasting Cabinet, Room or Booth	46	$15,962	$20,574	($4,612)
2	B	Each Cabinet, Room, or Booth with an Abrasive Transfer or Recycle System	50	$18,650	$24,142	($5,492)
Schedule 3: Asphalt Roofing Kettles and Tankers used to Store, Heat, Transport, and Transfer Hot Asphalt						
3	A	Each Kettle or Tanker with capacity greater than 85 gallons	15	$3,315	$4,187	($872)

Fee Sched.		Description	Volume	Revenue at Current Fee	Revenue at Full Cost	Annual Surplus / (Deficit)
3	W	Each Kettle or Tanker, Registered Under Rule 12	73	$14,381	$17,968	($3,587)
Schedule 4: Hot-Mix Asphalt Paving Batch Plant						
4	A	Each Hot-Mix Asphalt Paving Batch Plant	8	$9,640	$12,800	($3,160)
Schedule 5: Rock Drills						
5	W	Each Drill, Registered Under Rule 12	6	$1,536	$1,957	($421)
Schedule 6: Sand, Rock, Aggregate Screens, and Other Screening Operations, when not used in Conjunction with other Permit Items in these Schedules						
6	A	Each Screen Set	29	$11,136	$14,440	($3,304)
6	X	Each Portable Sand and Gravel Screen Set, Registered Under Rule 12.1	7	$1,778	$2,265	($487)
Schedule 7: Sand, Rock, and Aggregate Plants						
7	A	Each Crusher System (involves one or more primary crushers forming a primary crushing system or, one or more secondary crushers forming a secondary crusher system and each serving a single process line)	44	$28,688	$37,722	($9,034)
7	B	Each Screening System (involves all screens serving a given primary or secondary crusher system)	33	$10,428	$13,427	($2,999)
7	C	Each Loadout System (a loadout system is a set of conveyors chutes and hoppers used to load any single rail or road delivery container at any one time)	7	$2,184	$2,802	($618)
7	X	Each Portable Rock Crushing System, Registered Under Rule 12.1	9	$2,124	$2,689	($565)
Schedule 8: Concrete Batch Plants, Concrete Mixers over One Cubic Yard Capacity and Separate Cement Silo Systems						
8	A	Each Concrete Batch Plant (including Cement-Treated Base Plants)	36	$23,292	$30,617	($7,325)
8	B	Each Mixer over one cubic yard capacity	2	$478	$605	($127)
8	C	Each Cement or Fly Ash Silo System not part of another system requiring a Permit	8	$2,984	$3,858	($874)
8	X	Each Portable Concrete Batch Plant, Registered Under Rule 12.1	3	$813	$1,059	($246)
Schedule 9: Concrete Product Manufacturing Plants						
9	A	Each Plant	8	$3,672	$4,790	($1,118)
Schedule 13: Boilers and Heaters						
13	A	Each 1 MM BTU/HR up to but not including 50 MM BTU/HR input	192	$58,944	$75,622	($16,678)
13	B	Each 50 MM BTU/HR up to but not including 250 MM BTU/HR	5	$2,130	$2,770	($640)

Fee Sched.		Description	Volume	Revenue at Current Fee	Revenue at Full Cost	Annual Surplus / (Deficit)
13	F	Each 1 MM BTU/HR up to but not including 50 MM BTU/HR input at a single site where more than 5 such units are located	6	$1,602	$2,041	($439)
Schedule 14: Non-Municipal Incinerators						
14	A	Crematory or Waste Incinerator burning	16	$10,688	$14,063	($3,375)
14	C	Burning capacity up to and including 50 lbs/hr used exclusively for the incineration or cremation of animals	4	$1,268	$1,631	($363)
Schedule 15: Burn-Out Ovens						
15	A	Each Electric Motor / Armature Refurbishing Oven	9	$2,844	$3,653	($809)
15	D	USN SIMA (ID#APCD1981-SITE-02798)*Pursuant to Subsection ©(3)	2	$388	$485	($97)
Schedule 18: Metal Melting Devices						
18	C	Each Pit or Stationary Crucible / Pot Furnace	22	$7,128	$9,164	($2,036)
Schedule 19: Oil Quenching and Salt Baths						
19	A	Each Tank	5	$955	$1,189	($234)
Schedule 20: Gas Turbine Engines, Test Cells and Test Stands						
20	A	Each Aircraft Propulsion Turbine, Turboshaft, Turbojet or Turbofan Engine Test Cell or Stand	1	$312	$400	($88)
20	B	Each Aircraft Propulsion Test Cell or Stand at a facility where more than one such unit is located	14	$2,450	$3,045	($595)
20	C	Each Non-Aircraft Turbine Test Cell or Stand	64	$8,576	$10,355	($1,779)
20	D	Each Non-Aircraft Turbine Engine 1 MM BTU/HR up to but not including 50 MM BTU/HR input	12	$9,864	$13,033	($3,169)
20	E	Each Non-Aircraft Turbine Engine 1 MM BTU/HR up to but not including 50 MM BTU/HR input	8	$8,232	$10,909	($2,677)
20	F	Each Non-Aircraft Turbine Engine 250 MM BTU/HR or greater input	17	$50,235	$67,157	($16,922)
20	H	Each Standby Gas Turbine used for Emergency Power Generation	5	$1,055	$1,324	($269)
Schedule 21: Waste Disposal and Reclamation Units						
21	A	Each Wood Shredder or Hammermill Grinder	20	$5,320	$6,787	($1,467)
Schedule 22: Feed and Grain Mills and Kelp Processing Plants						
22	A	Each Receiving System (includes Silos)	6	$2,274	$2,943	($669)
22	B	Each Grinder, Cracker, or Roll Mill	8	$2,832	$3,653	($821)
22	C	Each Shaker Stack, Screen Set, Pelletizer System, Grain Cleaner, or Hammermill	31	$11,625	$15,058	($3,433)
22	D	Each Mixer System	19	$15,010	$19,821	($4,811)
22	E	Each Truck or Rail Loading System	2	$792	$1,026	($234)

Fee Sched.		Description	Volume	Revenue at Current Fee	Revenue at Full Cost	Annual Surplus / (Deficit)
Schedule 23: Bulk Terminal Grain and Dry Chemical Transfer and Storage Facility Equipment						
23	A	Each Receiving System (Railroad, Ship and Truck Unloading	5	$2,235	$2,913	($678)
23	B	Each Storage Silo System	50	$13,000	$16,559	($3,559)
23	C	Each Loadout Station System	2	$556	$710	($154)
23	D	Each Belt Transfer Station	8	$2,224	$2,841	($617)
Schedule 25: Volatile Organic Compound Terminals, Bulk Plants and Intermediate Refueler Facilities						
	1	**Bulk Plants and Bulk Terminals equipped with or proposed to be equipped with a vapor processor**				
25	A	Per Tank	41	$9,102	$11,469	($2,367)
25	C	Per Truck Loading Head	90	$117,270	$155,889	($38,619)
25	D	Per Vapor Processor	3	$948	$1,218	($270)
	2	**Bulk Plants not equipped with or not proposed to be equipped with a vapor processor**				
25	E	Per Tank	12	$4,260	$5,497	($1,237)
25	F	Per Truck Loading Head	12	$3,852	$4,953	($1,101)
	3	**Facilities fueling intermediate refuelers (IR's) for subsequent fueling of motor vehicles, boats, or aircraft:**				
25	H	Per IR Loading Connector	22	$8,228	$10,646	($2,418)
Schedule 26: Non-Bulk Volatile Organic Compound Dispensing Facilities. Subject to District Rules 61.0 through 61.6						
26	A	VOCs Dispensing Facilities Equipped with Phase I & II controls (includes Phase I fee) - per nozzle	7,096	$1,546,928	$2,442,851	($895,923)
26	C	VOCs Dispensing Operation with Phase I only (Phase II exempt) - Fee per Facility	150	$69,300	$90,343	($21,043)
26	E	VOCs Dispensing Operation (Phase I and Phase II exempt) - Fee per Facility	88	$35,728	$46,359	($10,631)
Schedule 27: Application of Materials Containing Organic Solvents (includes coatings, adhesives, and other materials containing volatile organic compounds (VOC))						
27	A	First Permit to Operate for Marine Coating application at facilities emitting ≤ 10 tons/year of VOC from Marine Coating Operations	89	$56,515	$74,258	($17,743)
27	D	Each Surface Coating Application Station w/o control equipment and not covered by other fee schedules at facilities using > 1 gallon/day of surface coatings and emitting ≤ 5 tons/year of VOC from equipment in this fee schedule	40	$28,360	$37,345	($8,985)
27	E	Each Surface Coating Application Station w/o control equipment and not covered by other fee schedules at facilities emitting > 5 tons/year of VOC from equipment in this fee schedule	2	$1,748	$2,312	($564)

Fee Sched.		Description	Volume	Revenue at Current Fee	Revenue at Full Cost	Annual Surplus / (Deficit)
27	F	Each Fiberglass, Plastic or Foam Product Process Line at facilities emitting ≤10 tons/year of VOC from fiberglass, plastic or foam products operations	26	$20,332	$26,831	($6,499)
27	I	Each Surface Coating Application Station requiring Control Equipment	9	$11,403	$15,146	($3,743)
27	J	Each Surface Coating Application Station subject to Rule 67.3 or 67.9 w/o Control Equipment at facilities emitting ≤ 5 tons/year of VOC from equipment in this fee schedule	99	$72,270	$95,269	($22,999)
27	K	Each Surface Coating Application Station subject to Rule 67.3 or 67.9 w/o Control Equipment at facilities emitting > 5 tons/year of VOC from equipment in this fee schedule	88	$66,176	$87,236	($21,060)
27	L	Each Wood Products Coating Application Station w/o Control Equipment at facilities using > 500 gallons/year of wood products coatings and emitting ≤ 5 tons/year of VOC from Wood Products Coating Operations	44	$30,536	$40,219	($9,683)
27	N	Each Press or Operation at a Printing or Graphic Arts facility subject to Rule 67.16	43	$17,716	$23,024	($5,308)
27	O	Each Fiberglass, Plastic or Foam Product Process Line Using Only Polyester Resin	17	$9,095	$11,905	($2,810)
27	P	Each Fiberglass, Plastic or Foam Product Process Line Using Only Polyester Resin	9	$4,221	$5,511	($1,290)
27	Q	Each Surface Coating Application Station without control equipment (except automotive painting) where combined coating, and cleaning solvent usage is < 1 gallon per day or < 50 gallons per year	43	$25,456	$33,414	($7,958)
27	R	Each Wood Products Coating Application Station of coatings and stripper without control equipment at a facility using < 500 gallons per year for Wood Product Coating Operations	302	$257,908	$340,902	($82,994)
27	T	First Permit to Operate for Marine Coating application at facilities where combined coating and cleaning solvent usage is < 3 gallons/day and <100 gallons/year	3	$1,287	$1,675	($388)

Fee Sched.		Description	Volume	Revenue at Current Fee	Revenue at Full Cost	Annual Surplus / (Deficit)
27	U	Each Adhesive Materials Application Station w/o control equipment at facilities emitting ≤ 5 tons/year of VOC from equipment in this fee schedule	52	$26,364	$34,453	($8,089)
27	V	Each Adhesive Materials Application Station w/o control equipment at facilities emitting > 5 tons/year of VOC from equipment in this fee schedule	8	$7,480	$9,905	($2,425)
27	W	Each Adhesive Materials Application Station w/o control equipment where adhesive materials usage is < 55 gallons/year	8	$4,448	$5,830	($1,382)
Schedule 28: Vapor and Cold Solvent Cleaning Operations and Metal Inspection Tanks						
28	A	Each Vapor Degreaser with an Air Vapor Interfacial Area > 5 sq. ft.	5	$1,770	$2,283	($513)
28	B	Each Cold Solvent Degreaser with liquid surface area > 5 sq. ft.	22	$5,918	$7,558	($1,640)
28	D	Each Paint Stripping Tank	6	$1,596	$2,038	($442)
28	F	Remote Reservoir Cleaners	48	$12,240	$15,568	($3,328)
28	H	Vapor Degreaser with an Air-Vapor Interfacial Area less than or equal to 5 sq. ft.	21	$6,657	$8,551	($1,894)
28	I	Cold Solvent Degreaser with a liquid surface area less than or equal to 5 sq. ft.	26	$6,188	$7,840	($1,652)
28	J	Metal Inspection Tanks	1	$222	$280	($58)
28	K	Contract Service Remote Reservoir Cleaners with > 100 units	22	$638	$893	($255)
28	L	Contract Service Cold Degreasers with a liquid surface area of less than or equal to 5 sq. ft.	17	$204	$384	($180)
28	M	Each facility-wide Solvent Application Operation	4	$2,548	$3,352	($804)
Schedule 30: Solvent and Extract Dryers						
30	A	Kelp and Biogum Products Solvent Dryer	10	$11,910	$15,809	($3,899)
Schedule 31: Dry Cleaning Facilities						
31	A	Each Facility using Halogenated Hydrocarbon Solvents required to install Control Equipment	2	$1,256	$1,650	($394)
31	B	Each Facility using Petroleum Based Solvents	149	$57,514	$74,624	($17,110)
Schedule 32: Acid Chemical Milling, Copper Etching and Hot Dip Galvanizing						
32	A	Each Copper Etching Tank	5	$2,525	$3,298	($773)
32	B	Each Acid Chemical Milling Tank	5	$2,170	$2,826	($656)
32	C	Each Hot Dip Galvanizing Tank	2	$1,022	$1,336	($314)
Schedule 34: Piston Type Internal Combustion Engines						
34	A	Each Cogeneration Engine with in-stack Emission Controls	14	$11,130	$14,697	($3,567)

Fee Sched.		Description	Volume	Revenue at Current Fee	Revenue at Full Cost	Annual Surplus / (Deficit)
34	B	Each Cogeneration Engine with Engine Design Emission Controls	10	$4,830	$6,301	($1,471)
34	C	Each Emergency Standby Engine (for electrical or fuel interruptions beyond control of Permittee)	526	$173,054	$223,239	($50,185)
34	D	Each Engine for Non-Emergency and Non-Cogeneration Operation	98	$50,764	$66,463	($15,699)
34	E	Each Grouping of Engines for Dredging or Crane Operation with total engine horsepower > 200 HP	13	$6,214	$8,102	($1,888)
34	G	Each Engine for Non-Emergency and Non-Cogeneration Operation < 200 horsepower	75	$24,150	$31,106	($6,956)
34	H	Each California Certified Emergency Standby Engine (for electrical or fuel interruptions beyond control of Permittee)	1,695	$481,380	$616,201	($134,821)
34	I	Each Internal Combustion Engine Test Cell and Test Stand	8	$2,496	$3,202	($706)
34	L	Each Diesel Particulate Filter Cleaning Process	17	$7,123	$9,259	($2,136)
34	W	Each Specified Eligible Engine, Registered Under Rule 12	921	$248,670	$317,274	($68,604)
34	X	Each Specified Eligible Portable Engine, Registered Under Rule 12.1	118	$30,444	$38,683	($8,239)
Schedule 35: Bulk Flour, Powdered Sugar and Dry Chemical Storage Systems						
35	A	Each System	8	$2,072	$2,640	($568)
Schedule 36: Grinding Booths and Rooms						
36	A	Each Booth or Room	50	$16,700	$21,520	($4,820)
Schedule 37: Plasma Electric and Ceramic Deposition Spray Booths						
37	A	Each Application Station	25	$10,550	$13,719	($3,169)
37	C	Flame Spray (ID#APCD1976-SITE-00274)* Pursuant to Subsection ©(3)	8	$2,496	$3,202	($706)
Schedule 38: Paint, Adhesive, Stain, Ink, Solder Paste, and Dielectric Paste Manufacturing						
38	A	Each Process Line for Paint, Adhesive, Stain, or Ink Manufacturing at facilities producing > 10,000 gallons per year	8	$2,024	$2,570	($546)
38	B	Each Can Filling Line	8	$2,152	$2,741	($589)
38	C	Each Process Line for Solder Paste or Dielectric Paste Manufacturing	2	$1,078	$1,412	($334)
Schedule 39: Precious Metals Refining						
39	A	Each Process Line	1	$589	$772	($183)
Schedule 40: Asphalt Pavement Heaters/Recyclers						
40	X	Each Portable Unheated Pavement Crushing and Recycling System, Registration Under Rule 12.1	19	$5,225	$6,676	($1,451)
Schedule 41: Perlite Processing						
41	A	Each Process Line	2	$724	$936	($212)

Fee Sched.		Description	Volume	Revenue at Current Fee	Revenue at Full Cost	Annual Surplus / (Deficit)
41	B	Aztec Perlite (ID#APCD1978-SITE-01598) Pursuant to Subsection ©(3)	1	$816	$1,077	($261)
Schedule 42: Electronic Component Manufacturing						
42	A	Each Process Line	4	$2,196	$2,879	($683)
42	B	Each Screen Printing Operation	7	$3,178	$4,144	($966)
42	C	Each Coating/Maskant Application Operation, excluding Conformal Operation	2	$1,090	$1,427	($337)
42	D	Each Conformal Coating Operation	2	$1,386	$1,825	($439)
Schedule 43: Ceramic Slip Casting						
43	A	Each Process Line	7	$3,892	$5,097	($1,205)
Schedule 44: Evaporators, Dryers, & Stills Processing Organic Materials						
44	A	Evaporators and Dryers [other than those referenced in Fee Schedule 30 (a)] processing materials containing volatile organic compounds	7	$2,268	$2,917	($649)
44	B	Solvent Recovery Stills with a rated capacity equal to or greater than 7.5 gallons	5	$1,650	$2,127	($477)
Schedule 46: Filtration Membrane Manufacturing						
46	A	Each Process Line	10	$5,190	$6,785	($1,595)
Schedule 47: Organic Gas Sterilizers						
47	A	Each Organic Gas Sterilizer / Aerator requiring control	10	$5,460	$7,149	($1,689)
Schedule 48: Municipal Waste Storage and Processing						
48	A	Municipal Waste Storage & Processing - not subject to the ARB Methane Emissions Regulation	9	$19,206	$25,630	($6,424)
48	C	Municipal Waste Storage & Processing - subject to the ARB Methane Emissions Regulation	21	$111,006	$148,703	($37,697)
Schedule 49: Non-Operational Status Equipment						
49	A	Non-Operational Status Equipment	146	$39,712	$50,609	($10,897)
Schedule 50: Coffee Roasters						
50	A	Each Coffee Roaster	26	$9,334	$12,052	($2,718)
Schedule 51: Industrial Waste Water Treatment						
51	A	Each On-site Processing Line	3	$1,224	$1,589	($365)
51	C	USN Air Station NORIS Public Works (ID#APCD1986-SITE-02755)*Pursuant to subsection ©(3)	2	$2,168	$2,876	($708)
Schedule 52: Air Stripping & Soil Remediation Equipment						
52	A	Air Stripping Equipment	1	$538	$705	($167)
52	B	Soil Remediation Equipment - On-site (In situ Only)	28	$17,528	$23,022	($5,494)
Schedule 54: Pharmaceutical Manufacturing						
54	A	Each Pharmaceutical Manufacturing Process Line	16	$11,568	$15,253	($3,685)

Fee Sched.		Description	Volume	Revenue at Current Fee	Revenue at Full Cost	Annual Surplus / (Deficit)
Schedule 55: Hexavalent Chromium Plating and Anodizing Tanks						
55	A	Each Hard or Decorative Chrome plating and/or Anodizing Tank or Group of Tanks Served by an Emission Control System	1	$1,891	$2,521	($630)
55	B	Each Decorative Plating Tank without Add-on Emission Controls	3	$3,075	$4,074	($999)
55	D	Each Chromate Conversion Coating Tank	19	$6,080	$7,819	($1,739)
Schedule 56: Sewage Treatment Facilities						
56	A	Each Sewage Treatment Facility	18	$18,306	$24,268	($5,962)
56	B	Each Wastewater Odor Treatment System that is not part of a Permitted Sewage Treatment Facility	59	$32,273	$42,295	($10,022)
Schedule 58: Bakeries						
58	A	Bakery Ovens at Facilities with Emission Controls Pursuant to Rule 67.24	3	$1,824	$2,396	($572)
Schedule 59: Asbestos Control Equipment						
59	C	Portable Asbestos Mastic Removal Application Station	14	$4,270	$5,477	($1,207)
Schedule 91: Miscellaneous						
91	A	Miscellaneous Operations	138	$60,444	$78,585	($18,141)
			TOTAL	**$4,406,535**	**$6,159,862**	**($1,753,327)**

The renewal fees show an annual under-recovery of approximately $1.7 million, which represents a cost recovery level of 72%. Approximately $896,000 of the $1.7 million is associated with Schedule 26A – Volatile Organic Compound (VOC) Dispensing facilities, followed by $135,000 associated with Schedule 34H for certified standby engine. These fee schedules have such large deficits due to their high volume of activity. The annual cost recovery of 72% is slightly lower than the average per unit cost recovery of 77%, as it indicates that the bulk of the District's workload is in those line items, which have a lower per unit cost recovery. The renewal fees are the largest source of fee-related revenue for the District, and as such has the greatest impact on the District's overall cost recovery.

7. Source Testing

The Source Testing Fee is an annual, bi-annual, or triennial fee charged by the District for specific facilities and permit holders that require their emission sources to be tested. The Source Testing division of the District is responsible for conducting these source tests, as well as reviewing any source tests conducted by external consultants. The following subsections discuss the per unit and annual results calculated through this study associated with source testing.

1 Per Unit Results

The full cost calculated for each service includes direct staff costs, departmental overhead, and districtwide overhead (including Countywide overhead). The following table details by fee schedule, the name, the current fee, the full cost calculated through this study, and the surplus or associated deficit with each Source Testing service.

Table 8: Source Testing Fees – Cost Per Unit Results

Fee Sched.		Description	Current Fee	Full Cost Per Unit	Surplus / (Deficit)
Schedule 92: Source Testing Performed by the District					
92	C	Each Sulfur Oxides Source Test		Time & Materials	
92	D	Annual Fee for each Biennial Cycle Test for NOx and CO (1/2 the cost of one test)	$1,166	$2,337	($1,171)
92	E	Each Ethylene Oxide Source Test		Time & Materials	
92	F	Each Carbon Monoxide and Nitrogen Oxides Source Test	$2,333	$4,674	($2,341)
92	G	Each Nitrogen Oxides Source Test	$2,690	$4,910	($2,221)
92	H	Each Incinerator Particulate Matter Source Test with Waste Burning Capacity of > 100 lbs Per Hour		Time & Materials	
92	I	Each Ammonia Source Test	$1,114	$3,589	($2,475)
92	J	Continuous Emission Monitor System Evaluation		Time & Materials	
92	K	Incinerator Particulate Matter Source Test with Waste Burning Capacity of < 100 lbs Per Hour		Time & Materials	
92	M	Each Mass Emissions Source Test	$1,100	$2,640	($1,540)
92	O	Each Multiple Metals Source Test		Time & Materials	
92	P	Each Chromium Source Test		Time & Materials	
92	Q	Each VOC Onsite Analysis	$5,129	$11,767	($6,638)
92	R	Each VOC Offsite Analysis	$1,202	$2,757	($1,555)
92	S	Each Hydrogen Sulfide Source Test		Time & Materials	
92	T	Each Acid Gas Source Test		Time & Materials	
92	V	Annual Fee for Optional Source Test Pilot Study		Time & Materials	
92	W	Particulate Matter Source Test	$3,297	$7,758	($4,462)
92	X	Particulate Matter and Nitrogen Oxides and Carbon Monoxide Source Test	$7,355	$18,418	($11,063)
92	Y	Particulate Matter and Carbon Dioxide and Oxygen Source Test	$5,260	$14,108	($8,848)

Fee Sched.		Description	Current Fee	Full Cost Per Unit	Surplus / (Deficit)
92	Z	Miscellaneous Source Test (Special Tests not Listed)		Time & Materials	
Schedule 93: Witness of Source Tests Performed by Independent Contractors					
93	A	Test Witness and Report Review		Time & Materials	
93	C	Test Procedure Review		Time & Materials	
93	D	Each VOC Bulk Terminal Test Witness	$2,392	$3,396	($1,004)
93	E	Each Ethylene Oxide Test Witness Day	$1,976	$3,411	($1,436)

Similar to the other three areas of the fee schedule, the District is under-recovering for all source test related services. However, this category has the largest per unit deficits. This under-recovery ranges from a low of $1,004 for Each VOC Bulk Terminal Test Witness (93D) to a high of $11,063 for Particulate Matter and Nitrogen Oxides and Carbon Monoxide Source Test (92x). Many of these source tests require 2 staff positions to conduct the test and can require several hours of preparation and testing and multiple site visits to collect the correct information. It is important to note that the District has historically kept source testing fees low to encourage compliance with testing requirements. This is one of the reasons for the large per unit deficits for this category. On average source testing is recovering about 47% of its costs.

2 Annual Results

In addition to the per unit analysis, the project team also collected information regarding the annual implications of the full cost calculated. The following table shows by fee schedule (for those fee schedules that had workload), the annual volume, the revenue at current fee, the total annual cost, and the annual surplus / (deficit):

Table 9: Source Testing Fees – Annual Results

Fee Sched		Description	Volume	Revenue at Current Fee	Revenue at Full Cost	Annual Surplus / (Deficit)
Schedule 92: Source Testing Performed by the District						
92	D	Annual Fee for each Biennial Cycle Test for NOx and CO (1/2 the cost of one test)	10	$11,663	$23,368	($11,705)
92	F	Each Carbon Monoxide and Nitrogen Oxides Source Test	195	$455,607	$912,882	($457,274)
92	G	Each Nitrogen Oxides Source Test	5	$13,448	$24,551	($11,103)
92	I	Each Ammonia Source Test	27	$30,075	$96,912	($66,836)
92	M	Each Mass Emissions Source Test	34	$37,386	$89,761	($52,374)
92	Q	Each VOC Onsite Analysis	17	$86,218	$197,803	($111,584)
92	R	Each VOC Offsite Analysis	58	$69,716	$159,923	($90,207)
92	W	Particulate Matter Source Test	6	$19,779	$46,551	($26,772)
92	X	Particulate Matter and Nitrogen Oxides and Carbon Monoxide Source Test	7	$51,482	$128,925	($77,444)

Fee Sched		Description	Volume	Revenue at Current Fee	Revenue at Full Cost	Annual Surplus / (Deficit)
92	Y	Particulate Matter and Carbon Dioxide and Oxygen Source Test	6	$32,612	$87,467	($54,855)
Schedule 93: Witness of Source Tests Performed by Independent Contractors						
93	D	Each VOC Bulk Terminal Test Witness	3	$7,176	$10,189	($3,013)
93	E	Each Ethylene Oxide Test Witness Day	1	$1,976	$3,411	($1,436)
			TOTAL	**$817,137**	**$1,781,741**	**($964,603)**

The annual deficit associated with source testing is approximately $964,000 and represents a cost recovery level of 46%. The largest source of the deficit at $457,000 is associated with schedule 92F or the carbon monoxide and nitrogen oxides source test. The per unit deficit for that category is $2,341 and combined by the sheer volume of activity, it results in a significant deficit. The next largest deficit for this category at $111,500 is 92Q, which has a per unit deficit of $6,638. The large per unit deficits in this category contribute to the significant dollar under-recovery for these fees.

8. Asbestos Fees

The Asbestos fees charged by the District are in relation to whenever any renovation or demolition project involves asbestos and has an impact on the air quality. Along with inspections and review of the project, the fees also cover notices being mailed or provided to nearby residents. The following subsections discuss the per unit and annual results calculated through this study as it relates to inspecting for asbestos.

1 Per Unit Results

The full cost calculated for each service includes direct staff costs, departmental overhead, and districtwide overhead (including Countywide overhead). The following table details by fee schedule, the name, the current fee, the full cost calculated through this study, and the surplus or associated deficit with each service.

Table 10: Asbestos Fees – Cost Per Unit Results

Fee Sched.	Description	Current Fee	Full Cost Per Unit	Surplus / (Deficit) Per Unit
1	**Renovation Operations (excluding residential buildings have four or fewer dwelling units): (Notification)**			
	Less than 100 sq. ft.	$533	$835	($302)
	100-500 sq. ft.	$533	$862	($329)
	501-2,000 sq. ft.	$593	$927	($334)
	2,001-5,000 sq. ft.	$670	$1,044	($374)
	5,001-10,000 sq. ft.	$680	$1,081	($401)
	10,000+ sq. ft.	$806	$1,103	($297)
1	**Renovation Operations (excluding residential buildings have four or fewer dwelling units): (Online Notification)**			
	Less than 100 sq. ft.	$390	$605	($215)
	100-500 sq. ft.	$390	$632	($242)
	501-2,000 sq. ft.	$450	$697	($247)
	2,001-5,000 sq. ft.	$528	$814	($286)
	5,001-10,000 sq. ft.	$538	$851	($313)
	10,000+ sq. ft.	$664	$873	($209)
2	Planned (Annual) Renovation Operations (added to appropriate renovation operations fees)	$119	$124	($5)
3	Emergency Renovation Operations (add to appropriate renovation operation fee listed above)	$119	$124	($5)
4	**Demolition Operations: Regulated Asbestos Containing Material (RACM) sites or Non-RACM sites or sites with no asbestos present (notification):**			
	Including RACM Removal	$660	$953	($293)
	No RACM Removal	$660	$886	($226)

Fee Sched.	Description	Current Fee	Full Cost Per Unit	Surplus / (Deficit) Per Unit
4	**Demolition Operations: Regulated Asbestos Containing Material (RACM) sites or Non-RACM sites or sites with no asbestos present (Online Notification):**			
	Including RACM Removal	$517	$743	($226)
	No RACM Removal	$517	$676	($159)
5	Emergency Demolition Operations (add to demolition operations fees listed above)	$119	$124	($5)
6	Revised Notification Fee for Renovations, Demolitions, Planned Renovations, and Emergency Operations	$46	$99	($53)
7	Cancellation Fee for Renovations or Demolition Operations	$60	$198	($138)

As the table indicates, the District is under-recovering for all asbestos-related fee categories. The smallest deficit of $5 is associated with planned renovation operations, emergency renovations or emergency demolitions. The largest deficit of $401 is associated with 5,001-10,000 sq. ft. renovation operations with no online notification. The average cost recovery for asbestos fees is 69%.

2 Annual Results

In addition to the per unit analysis, the project team also collected information regarding the annual implications of the full cost calculated. The following table shows by fee schedule (for those fee schedules that had workload), the annual volume, the revenue at current fee, the total annual cost, and the annual surplus / (deficit):

Table 11: Asbestos Fees – Annual Results

Fee Sched.	Description	Volume	Revenue at Current Fee	Revenue at Full Cost	Annual Surplus / (Deficit)
1	**Renovation Operations (excluding residential buildings have four or fewer dwelling units): (Notification)**				
	100-500 sq. ft.	29	$15,457	$24,991	($9,534)
	501-2,000 sq. ft.	31	$18,383	$28,742	($10,359)
	2,001-5,000 sq. ft.	7	$4,690	$7,311	($2,621)
	5,001-10,000 sq. ft.	5	$3,400	$5,403	($2,003)
	10,000+ sq. ft.	3	$2,418	$3,309	($891)
1	**Renovation Operations (excluding residential buildings have four or fewer dwelling units): (Online Notification)**				
	100-500 sq. ft.	142	$55,380	$89,702	($34,322)
	501-2,000 sq. ft.	165	$74,250	$115,026	($40,776)
	2,001-5,000 sq. ft.	60	$31,680	$48,867	($17,187)
	5,001-10,000 sq. ft.	24	$12,912	$20,413	($7,501)
	10,000+ sq. ft.	53	$35,192	$46,274	($11,082)
2	Planned (Annual) Renovation Operations (added to appropriate renovation operations fees)	7	$833	$866	($33)

Fee Sched.	Description	Volume	Revenue at Current Fee	Revenue at Full Cost	Annual Surplus / (Deficit)
3	Emergency Renovation Operations (add to appropriate renovation operation fee listed above)	524	$62,356	$64,807	($2,451)
4	**Demolition Operations: Regulated Asbestos Containing Material (RACM) sites or Non-RACM sites or sites with no asbestos present (notification):**				
	Including RACM Removal	133	$87,780	$126,791	($39,011)
4	**Demolition Operations: Regulated Asbestos Containing Material (RACM) sites or Non-RACM sites or sites with no asbestos present (Online Notification):**				
	Including RACM Removal	96	$49,632	$71,376	($21,744)
5	Emergency Demolition Operations (add to demolition operations fees listed above)	2	$238	$247	($9)
TOTAL			**$454,601**	**$654,125**	**($199,524)**

Asbestos related fees are under-recovering their costs by approximately $199,000 annually. The largest source of this deficit is $41,000 associated with the 501-2,000 sq. ft. of renovation operations including online notifications, followed by $39,000 for demolition operations. These line items have a significant annual workload. The current annual cost recovery for these fees is 69%, which closely mirrors the per unit cost recovery of 69% for this fee category.

9. Hearing Board Fees

The Hearing Board fees charged by the District are in relation to when permit-related decisions are appealed by the permit holder or a variance is being asked from the existing permit conditions to the District's hearing officer. The fees cover the costs of conducting the civil investigation and the time associated with preparation for the hearing. The following subsections discuss the per unit and annual results calculated through this study for hearing board fees.

1 Per Unit Results

The full cost calculated for each service includes direct staff costs, departmental overhead, and districtwide overhead (including Countywide overhead). The following table details by fee schedule, the name, the current fee, the full cost calculated through this study, and the surplus or associated deficit with each service.

Table 12: Hearing Board – Cost Per Unit Results

Description	Current Fee	Full Cost Per Unit	Surplus / (Deficit) Per Unit
Emergency Variance	$977	$1,808	($831)
90-Day Variance	$1,259	$2,118	($859)
Regular Variance	$1,197	$2,068	($871)
Interim/Regular Variance	$1,459	$2,316	($857)
Permit Appeals	$1,544	$2,593	($1,049)
Modify an existing variance or abatement order	$888	$1,523	($635)

The under-recoveries associated with the Hearing Board are extremely large with the smallest deficit being $635 for modifications to an existing variance, and the largest deficit of $1,049 associated with any general permit appeals. The average per unit cost recovery for the hearing board is 59%. These types of fees are typically subsidized in other jurisdictions and air districts to allow it to be easier for permit holders to appeal decisions to the hearing board.

2 Annual Results

In addition to the per unit analysis, the project team also collected information regarding the annual implications of the full cost calculated. The following table shows by fee schedule (for those fee schedules that had workload), the annual volume, the revenue at current fee, the total annual cost, and the annual surplus / (deficit):

Table 13: Hearing Board Fees – Annual Results

Description	Volume	Revenue at Current Fee	Revenue at Full Cost	Annual Surplus / (Deficit)
90-Day Variance	1.00	$1,259	$2,118	($859)
Modify an existing variance or abatement order	1.00	$888	$1,523	($635)
	TOTAL	**$2,147**	**$3,641**	**($1,494)**

The annual deficit for the Hearing Board Fees Category is approximately $1,500. The largest component of component of this deficit is $859 associated with the 90-day variance. The District does not receive a lot of hearing board cases annually, as such even with an overall annual cost recovery of 59%, it has minimal impact on the District's overall cost recovery.

10. Processing Fees

The District charges three different administrative fees as it relates to permit applications. The first type of fee is a non-refundable processing fee associated with all new permits and is associated with inputting information in the system and setting up the permit. The District also charges a permit processing and site handling and processing fee for all renewal permits. These fees are meant to recover the costs associated with the permit processing staff. The following subsections discuss the per unit and annual results calculated for the non-refundable processing fee.

1 Per Unit Results

The full cost calculated for each service includes direct staff costs, departmental overhead, and districtwide overhead (including Countywide overhead). The following table details by fee schedule, the name, the current fee, the full cost calculated through this study, and the surplus or associated deficit with each service.

Table 14: Processing Fees – Cost Per Unit Results

Description	Current Fee	Full Cost Per Unit	Surplus / (Deficit)
Non-Refundable Processing Fee	$74	$217	($143)
Site ID Processing & Handling Fee	$35	$40	($5)
Permit Processing Fee	$25	$30	($5)

The District is currently recovering for all of its permit processing fees, with the under-recovery ranging from $5 for permit processing staff and $143 for the non-refundable processing fee.

2 Annual Results

In addition to the per unit analysis, the project team also collected information regarding the annual implications of the full cost calculated. The following table shows by fee, the annual volume, the revenue at current fee, the total annual cost, and the annual surplus / (deficit):

Table 15: Processing Fees – Annual Results

Description	Volume	Revenue at Current Fee	Total Annual Cost	Annual Surplus / (Deficit)
Non-Refundable Processing Fee	292	$21,608	$63,388	($41,730)
Site ID Processing & Handling Fee	4,000	$140,000	$158,663	($19,536)
Permit Processing Fee	13,995	$349,875	$420,546	($70,671)
	TOTAL	**$511,483**	**$642,547**	**($131,064)**

The annual deficit associated with the processing fees is approximately $131,000 and represents an annual cost recovery level of 80%. The largest source of this deficit (54%) is associated with the permit processing fee, which only has a per unit deficit of $5 but due to the sheer number of renewal permits has a larger impact upon the District's overall cost recovery.

11. Time and Materials (Schedule 94)

Schedule 94 of the District's fee schedule is a list of the different staff positions at the District, which can provide services to permit holders, and their fully burdened hourly rate. This rate is then charged and assessed for any fees that are considered time and materials. The following subsections discuss the per unit and annual results calculated for the District's Schedule 94 or time and material related services.

1 Per Unit Results

It is important to note that the District lists several positions in Schedule 94 that do not currently exist at the District, and as such hourly rates for those positions have not been calculated. It is recommended that if those positions are not budgeted and will not be budgeted in the future at the District, they should be removed from the schedule, as permit holders do not have the ability or option to utilize those staff positions.

The fully burdened hourly rate for each staff position includes direct staff costs, departmental overhead, and districtwide overhead (including Countywide overhead). The following table details by existing positions, the current burdened rate, the fully burdened rate calculated through the study, and the surplus or associated deficit with each rate.

Table 16: Time and Material (Staff Hourly Rates) – Cost Per Unit Results

Fee Sched.		Description	Current Fee	Full Cost	Surplus / (Deficit) Per Unit
94	U	Air Pollution Control Aide (94u)	$57	$216	($159)
94	X	Air Pollution Control Civil Actions Investigator (94x)	$135	$237	($102)
94	E	Air Quality Inspector II (94e)	$168	$226	($58)
94	Z	Air Quality Specialist (94z)	$100	$275	($174)
94	Q	Associate Air Resources Specialist (94q)	$168	$259	($91)
94	J	Associate Chemist (94j)	$119	$204	($85)
94	C	Associate Engineer (94c)	$171	$266	($95)
94	R	Associate Meteorologist (94r)	$119	$176	($57)
94	K	Senior Chemist (94k)	$143	$230	($87)
94	D	Senior Engineer (94d)	$207	$291	($84)
94	F	Supervising Air Quality Inspector (94f)	$238	$247	($9)

As the table indicates the District is under-recovering for all of its fully burdened hourly rates. The under-recovery ranges from a low of $9 for the Supervising Air Quality Inspector to a high of $174 for the Air Quality Specialist. It is important to note that while this schedule represents the hourly rates, it does not represent the salaries paid to District staff; rather, the rate represents the true cost of staff to the District. The average per unit cost recovery for Schedule 94 is 62%.

In order to estimate the annual number of hours billed, the project team calculated an average hourly rate to be divided against the District's time and material revenue line item. The average hourly rate utilized was not for all positions, but rather based upon the most typical position(s) that utilize time and materials, which is the Associate / Sr. Chemist, and the Associate / Sr. Engineer. The following table compares the current average billable rate to the full cost billable rate:

Table 17: Average Billable Rate Comparison

Fee Sched.		Description	Current Fee	Full Cost	Surplus / (Deficit) Per Unit
94	J	Associate Chemist (94j)	$119	$204	($85)
94	C	Associate Engineer (94c)	$171	$266	($95)
94	K	Senior Chemist (94k)	$143	$230	($87)
94	D	Senior Engineer (94d)	$207	$291	($84)
		AVERAGE	**$160**	**$248**	**($88)**

Based upon the billable rate average, the District is under-recovering on average by $88 per hour.

2 Annual Results

In addition to the per unit analysis, the project team also collected information regarding the annual implications of the full cost calculated. While there was not detailed information available regarding the different hours and positions calculated for each time and materials fee charged by the District, there was total revenue information available for these fees. The total revenue was divided by an average hourly rate to determine the estimated number of hours that could be billed. The following table shows the total revenue budgeted for time and materials services in FY21, the average hourly rate, and the total hours billed for it:

Table 18: Estimated # of Annual Hours for T&M Revenue Calculation

Category	Amount
FY21 T&M Budgeted Revenue	$1,240,638
Average Billable Rate	$160
Total Annual Hours	**7,754**

The total estimated annual billed time and material hours were approximately 7,754. These 7,754 hours were multiplied by the current and full cost average billable rates of $160 and $229 to calculate the estimated annual cost associated with Time and Material fees. The following table shows for time and material fees, the total annual hours, the revenue at current annual hours, the annual cost, and the associated annual surplus / (deficit):

Table 19: Time & Material Fees – Annual Results

Description	Volume	Revenue at Current Fee	Revenue at Full Cost	Annual Surplus / (Deficit)
Time and Material Fees	7,754	$1,240,638	$1,921,565	($680,927)

The annual under-recovery associated with labor rates is approximately $681,000 and reflects a cost recovery level of 65%. The reason for this difference is due to the large per unit deficit of $88 per hour. Therefore, even though the concept of fully burdened hourly rates or time and material fees is to be full cost recovery, if the hourly rate being utilized is not the true fully burdened hourly rate, then the District cannot achieve full cost recovery.

Cost Recovery and Fee Analysis Scenarios

SAN DIEGO AIR POLLUTION CONTROL DISTRICT, CALIFORNIA

FINAL REPORT

April 2021

matrix consulting group

Table of Contents

1. Introduction and Executive Summary

The Matrix Consulting Group was retained by the San Diego Air Pollution Control District to conduct a cost recovery and fee analysis of the District's existing fees for service. The following report summarizes the scenarios developed for the District to increase fees for service and the associated cost recoveries for those scenarios.

1 Project Background and Overview

The District conducts an annual review of its fees to ensure that all appropriate costs are reflected. This annual calculation currently incorporates Vehicle Registration revenues to offset some of the fee-related costs. In July 2020, the Auditor of the State of California conducted an audit of the District and identified that it was utilizing Vehicle Registration revenue to offset fee or permit-related services. While this is allowed, the auditor recommended that the District consider conducting a thorough evaluation of the District's fees charged to permit holders and facility owners to determine their fair share of cost associated with those activities, rather than those fees being subsidized by vehicle registration fees.

The Matrix Consulting Group analyzed the cost of service relationships that exist between the District and its customers in relation to Initial Application Fees, Renewal Fees, Source Testing, Asbestos, Hearing Board, and Time and Material fees. The results of this study provided the District with a tool for understanding current service levels, the cost and demand for those services, and what fees for service can be legally charged. In order for the District to help achieve cost recovery there are several options that the District can pursue. The purpose of this supplemental report is to review those scenarios and options for discussion with the District's Board.

The following report provides the District board with five different scenario options related to affecting the current and future cost recovery levels. The five scenarios range from no changes to targeted increases based upon different fee categories. The goal of the District is to minimize its reliance on Vehicle Registration fee funding; however, even the Auditor's report recognizes that this is not feasible within a single fiscal year, due to the significant current deficit and large impact upon rate payors. Therefore, this supplemental report was developed to provide the Board with potential options to increase fees to help minimize the reliance on Vehicle registration funding for specifically offsetting stationary and permitted source related costs and bring the District in compliance with the auditor's findings. All revenue and fee figures in this report are from the District's Cost Recovery Analysis Report / Study completed in 2021.

2 Summary of Findings and Recommendations

The following table compares the potential cost recovery level, and the number of years it will take for the District to achieve full cost recovery based upon the different scenarios.

Table 1: Summary of Scenarios and Implications

#	Scenario	Fee Revenue Increase	Fee-Related Cost Recovery %	# of Years to Full Cost Recovery	Reliance on Vehicle Registration Fee Funding
1	Fee Deferral and No Fee Inc.	N / A	N / A	N / A	Yes
2	No Fee Increase	$0	66%	N / A	Yes
3	15% Fee increase	$1.2 million	76%	8	Yes
4	15% Standardized Increase	$1.4 million	78%	5	Yes
5	15% Increase + Per Capita Fee	$1.2 million	76%	8	No

As the table indicates, Scenarios 3-5 provide the District with a fee increase, and other than Scenario 5, all scenarios still require the District to rely on Vehicle registration fee revenue for fee-related services. It is important to note that while Scenario 5 will generate additional revenue for the District and allow the District to subsidize fees through the per capita fee, it does not result in increased fee revenue or increase fee-related cost recovery other than the 15% increases annually.

The majority of the options require the District to implement a fee increase, whether it is an across the board 15% fee increase (Scenarios 3 and 5) or a targeted fee increase in Scenario 4. These fee increases enable the District to phase in full cost recovery and phase out reliance on Vehicle Registration revenue to bring the District in compliance with the findings from the State Auditor's report as well as to ensure that permit holders are paying for their fair share of services. Based upon the analysis conducted in this report and the cost of service study, the Matrix Consulting Group **recommends that the District staff and the Board consider implementing Scenario 4.** The following table shows by major fee category the proposed fee increase under Scenario 4 and the resulting cost recovery.

Table 2: Proposed Cost Recovery Impacts of Scenario 4 Fee Increases

Fee Category	FY 21-22 Fee Inc. %	FY 21-22 Cost Recovery %
Application Fixed	20%	78%
Renewal	10%	79%
Source Testing	15%	63%
Asbestos	25%	85%
Hearing Board	25%	74%
T&M	30%	84%
Processing Fee	15%	91%

Scenario 4 increases all fee categories, but targets the fee increases to allow the District to achieve cost recovery faster for certain types of fees (i.e., Application and T&M) and smooth the effect for fee increases for the majority of its ratepayers (renewal fees). This Scenario is also in alignment with District's historical practices and as such will be easier to implement as stakeholders are already familiar with these types of increases.

2. Scenario 1 – Fee Deferral & No Fee Increases

The District currently is in the midst of a fee deferral, meaning that not only have fees not increased, but the District has deferred the collection of fees from rate payers. The first scenario for the Board to consider is to not only have no fee increases, but that fees continue to be deferred. In this scenario, the fees would be deferred for another fiscal year and as such while costs would increase, there would be no corresponding change in FY21-22 revenue, resulting in a lower cost recovery and higher deficit.

It is difficult to accurately estimate the fiscal impact of fee deferrals, as its primary impact is upon the District's cash flow. The following table summarizes the advantages and disadvantages of this scenario from the perspective of internal (District) and external (permit and fee holders):

Table 3: Scenario 1 – Advantages and Disadvantages

Advantages	Disadvantages
• **External**: No immediate fee increases for rate payers. • **Internal**: No need to change current fee system to account for any fee increases.	• **Internal**: The fee-related deficit continues to be subsidized by Vehicle Registration fee funding. • **Internal**: Vehicle registration fee payers are subsidizing facility holders. • **Internal**: Fee deferrals have to be accounted for and added into future billings – creating more work for District staff and more shock for facility / permit holders.

The scenario's major advantage is for external stakeholders in that there is no immediate impact on rate payers. All of the disadvantages for this scenario are related to internal stakeholders, including not being in compliance with state auditor findings of utilizing Vehicle registration funds to subsidize facility and permit holders rather than offset mobile-related emissions. Under this scenario, the District does not have a clear path towards increasing cost recovery or achieving full cost recovery through fees.

3. Scenario 2 – No Increase

This scenario mimics Scenario 1, with the only difference being that there would be no fee deferrals. The District would not change any individual fee amounts, but instead of deferring collection, it would start collecting for renewals, new applications, as well as source testing, hearing board, and other miscellaneous fees. This would indicate that the District's current deficit would remain with no changes. The following table shows the current deficit and cost recovery percentage by major fee category for the District:

Table 4: Annual Cost Recovery Analysis – Scenario 2

Fee Category	Revenue at Current Fee	Total Annual Cost	Annual Surplus / (Deficit)	Cost Recovery %
Initial Application	$441,825	$684,032	($242,207)	65%
Renewal Fees	$4,406,535	$6,159,862	($1,753,327)	72%
Source Testing	$817,137	$1,781,741	($964,603)	46%
Asbestos Fees	$454,601	$654,125	($199,524)	69%
Hearing Board Fees	$2,147	$3,641	($1,494)	59%
Time & Material	$1,240,638	$1,921,565	($680,927)	65%
Processing Fee	$511,483	$642,547	($131,064)	80%
TOTAL	**$7,874,366**	**$11,847,512**	**($3,973,146)**	**66%**

Under this scenario, the District's current deficit of $3.9 million would be unaltered and the District would still be at 66% cost recovery for fees for service. This would suggest that the District would continue to rely on Vehicle Registration fee funding to help bridge the $3.9 million gap between fees for service and the cost associated with providing those fee-related services. The following table summarizes the advantages and disadvantages of this scenario from the perspective of internal (District) and external (permit and fee holders):

Table 5: Scenario 2 – Advantages and Disadvantages

Advantages	Disadvantages
• **External**: No fee increases for rate payers. • **Internal**: No need to change current fee system to account for any fee increases.	• **Internal**: The fee-related deficit continues to be subsidized by Vehicle Registration fee funding. • **Internal**: Vehicle Registration fee payers are subsidizing facility and permit holders.

While this scenario allows rate payers to not have any immediate fee increases, it continues to put the District in a situation, where fee-related activities have to be subsidized by Vehicle registration fees rather than those facility or permit holders who are directly benefitting from the service. Under this scenario, the District does not have a clear path towards increasing cost recovery or achieving full cost recovery through fees.

4. Scenario 3 – 15% Increase

This scenario is the first scenario in which the Board will have the option to increase fees. In this scenario, the District is proposing that the Board increase all fees by 15%. The 15% increase is applied on the current fee, and the actual fee amount increase is dependent upon the current amount. For example, 15% increase on a current fee of $100 = $15 increase; however, a 15% increase on a current fee of $1,000 = $150. To illustrate this example, specifically for District fees, the following table shows a sampling of some fees currently charged by the District, the new fee based upon the 15% increase, and the dollar increase:

Table 6: Sample Fee Increases – Scenario 3 – 15% Increase Across All Fees

Fee Sched.		Description	Current Fee	Proposed Fee	$ Increase
FIXED FEES (APPLICATION):					
Schedule 1: Abrasive Blasting Equipment Excluding Rooms and Booths					
1	A	Each Pot 100 pounds capacity or larger with no Peripheral Equipment	$606	$697	$91
1	B	Each Pot 100 pounds capacity or larger loaded Pneumatically or from Storage Hoppers	$1,358	$1,562	$204
1	C	Each Bulk Abrasive Blasting Material Storage System	$1,759	$2,023	$264
RENEWAL FEES:					
Schedule 26: Non-Bulk Volatile Organic Compound Dispensing Facilities. Subject to District Rules 61.0 through 61.6					
26	A	VOCs Dispensing Facilities Equipped with Phase I & II controls (includes Phase I fee) - per nozzle	$218	$251	$33
26	C	VOCs Dispensing Operation with Phase I only (Phase II exempt) - Fee per Facility	$462	$531	$69
26	E	VOCs Dispensing Operation (Phase I and Phase II exempt) - Fee per Facility	$406	$467	$61
SOURCE TESTING:					
Schedule 92: Source Testing Performed by the District					
92	I	Each Ammonia Source Test	$1,114	$1,281	$167
92	Q	Each VOC Onsite Analysis	$5,129	$5,898	$769
92	R	Each VOC Offsite Analysis	$1,202	$1,382	$180
ASBESTOS:					
6		Revised Notification Fee for Renovations, Demolitions, Planned Renovations, and Emergency Operations	$46	$53	$7
7		Cancellation Fee for Renovations or Demolition Operations	$60	$69	$9
HEARING BOARD FEES:					
		Emergency Variance	$977	$1,124	$147
		90-Day Variance	$1,259	$1,448	$189

Based upon the sample information provided, under this scenario, fee increases could be as minimal as $7 for revised notification to a high of $769 associated with Schedule 92Q for Each VOC Onsite Analysis. The following table shows for each of the major fee

categories, the current revenue, the projected revenue at 15% increase, and the resulting revenue increase:

Table 7: Revenue increase Impacts – Scenario 3

Fee Category	Revenue at Current Fee	Total Projected Revenue	$ Difference
Initial Application	$441,825	$508,099	$66,274
Renewal Fees	$4,406,535	$5,067,515	$660,980
Source Testing	$817,137	$939,708	$122,571
Asbestos Fees	$454,601	$522,791	$68,190
Hearing Board Fees	$2,147	$2,469	$322
Time & Material	$1,240,638	$1,426,734	$186,096
Processing Fee	$511,483	$588,205	$76,722
TOTAL	**$7,874,366**	**$9,055,521**	**$1,181,155**

If a 15% fee increase were to be implemented, the District's total revenue would increase by $1.2 million from $7.9 million to $9.1 million. The largest increase in revenue would be renewal fees at $661,000, followed by Time and Material fees at $186,000. The $1.2 million would represent a 15% increase in fee-related revenue and would result in cost recovery increasing from 54% to 63% and would reduce the deficit from $6.6 million to $5.4 million.

If the District decided to adopt a policy to increase fees by 15% a year until cost recovery was achieved, it would take between 3-8 years until all fee-related expenses could be funded by fee-related revenue. The following table summarizes the advantages and disadvantages of this scenario from the perspective of internal (District) and external (permit and fee holders):

Table 8: Scenario 3 – Advantages and Disadvantages

Advantages	Disadvantages
• **External**: Standardized Fee increase for rate payers. • **Internal**: Simplified ability to increase fees in the District's system. • **Internal**: Reducing reliance on Vehicle Registration venue by $1.2 million. • **Internal**: Increased revenue for the District.	• **External**: Fee increases for rate payers. • **Internal**: Limits the District's ability to reduce reliance on Vehicle registration funding at a quicker speed *(3-8 years before full cost recovery through fees)*. • **Internal**: Lack of targeted cost recovery for fees. • **External**: Not all fee amount increases are the same, ranging from $7 to $769, depending upon the current fee amount.

There are two key advantages to this scenario for internal stakeholders as it enables the District to start reducing the reliance on Vehicle Registration fees and it allows the District to do it in a simplified manner across all fee categories. There are two key disadvantages for external stakeholders in this scenario as it not only increases fees, but the amount that the fees are increased by depends on the amount of the current fee. As such, some industries with already high fees will see even more of an increase in their fees, compared

to other industries or fees, which already have lower fees, and will see correspondingly a smaller increase in their fees. As discussed in the sample table (Table 6), these fee increases could be as low as $7 or as a high as $769 depending upon the fee schedule and the corresponding activity.

5. Scenario 4 – 15% Standard Increase

This scenario is similar to the Scenario 3 in that it allows for a 15% increase; however, it applies the 15% increase not to the individual fee amounts, but rather the aggregate or total revenue generated by fee categories. The California Health and Safety Code Section 41512.7(d)(2) states that the District has the ability to increase individual fees for service for permit to operate and authority to construct permits as long as the total revenue for those fee categories does not exceed more than 15% in a single fiscal year.

The District has traditionally followed this Health and Safety Code guideline by applying it to the Application Fees, Renewal Fees, Time and Material, and Processing Fee categories, as those fees fall under the "permit to operate" and "authority to construct" permit category. For all other fee categories – Source Testing, Asbestos, and Hearing Board, the District is not bound to any limits on fee or revenue increases, other than the requirement that the fee cannot exceed the cost of providing the service. Therefore, under this scenario, the District is able to apply different cost increases to the fee categories to allow for greater cost recovery for the District.

The project team worked with District staff to calculate different proposed percentage increases for each fee category, ensuring that for the four relevant categories, the total revenue could not increase more than 15%. The following table summarizes by major fee category for the District, the current cost recovery percentage, whether it is subject to the Aggregate Fee increase of 15%, the projected fee increase for FY21-22 and the resulting FY21-22 Cost Recovery %:

Table 9: Proposed Cost Recovery Impacts of Scenario 4 Fee Increases

Fee Category	Current Cost Recovery %	Subject to Aggregate Cap of 15%?	FY 21-22 Fee Inc. %	FY 21-22 Cost Recovery %
Application Fixed	65%	Yes	20%	78%
Renewal	72%	Yes	10%	79%
Source Testing	46%	No	15%	63%
Asbestos	69%	No	25%	85%
Hearing Board	59%	No	25%	74%
T&M	65%	Yes	30%	84%
Processing Fee	80%	Yes	15%	91%

The District's current cost recovery for its fees ranges from a low of 46% for Source Testing to a high of 80% for Processing fees. The highlighted rows in the table above represent those categories that are subject to the 15% revenue limit, meaning the total revenue for those fees combined cannot exceed 15%. As the table indicates, fee categories that are subject to the cap of 15% revenue increase, the fee increases range from a low of 10% for renewal fees to a high of 30% for time and material fees. For all other fee categories, the fee increase was developed based upon deficits associated with those fee categories. The following table shows for each of the major fee categories, the

current revenue, the projected revenue at the targeted increase, and the resulting revenue increase:

Table 10: Revenue increase Impacts – Scenario 4

Fee Category	Revenue at Current Fee	Total Projected Revenue	$ Difference
Initial Application	$441,825	$530,190	$88,365
Renewal Fees	$4,406,535	$4,847,189	$440,654
Source Testing	$817,137	$1,117,016	$299,879
Asbestos Fees	$454,601	$554,888	$100,287
Hearing Board Fees	$2,147	$2,684	$537
Time & Material	$1,240,638	$1,612,829	$372,191
Processing Fee	$511,483	$585,868	$74,385
TOTAL	**$7,874,366**	**$9,250,664**	**$1,376,298**

The District's total revenue would increase by $1.4 million from $7.9 million to $9.3 million. The largest increase in revenue would be renewal fees at $441,000, followed by Time & Material fees at $372,000. The $1.4 million would represent a 17% increase in revenue for the District and would result in the District's cost recovery increasing from 66% to 78% and would reduce the deficit from $3.9 million to $2.6 million. Therefore, this scenario allows for a greater impact on reducing the District's reliance on Vehicle registration fee funding to help subsidize fee-related services. The following table summarizes the advantages and disadvantages of this scenario from the perspective of internal (District) and external (permit and fee holders):

Table 11: Scenario 4 – Advantages and Disadvantages

Advantages	Disadvantages
• **Internal:** Reducing reliance on Vehicle Registration fee funding by $1.4 million. • **Internal:** Increased revenue for the District. • **External:** Largest fee increases targeted on new / application fees, and lowest fee increase for renewals or everyday businesses. • **Internal:** Allows certain fee categories to achieve cost recovery faster (i.e., 2-5 years for full cost recovery). • **Internal:** In alignment with historical District practices.	• **External:** Fee increases for rate payers.

There are several advantages for internal stakeholders in this scenario, including allowing the District to have a significant reduction in its reliance on Vehicle registration fee funding and achieving targeted cost recovery for certain fee categories sooner. While the only disadvantage in this scenario is for external stakeholders by increasing fees, there is also an advantage in this scenario in that the fee increases are phased in and that the fees associated with the majority of the District's external stakeholders (renewal fees) are being phased in more slowly compared to other fee categories to help smooth the financial impact upon those external stakeholders.

6. Scenario 5 – 15% Increase + Per Capita

The final fee increase scenario explored by the District was to take advantage of the California Health and Safety Section 40701.5, which states that if the District is unable to meet all of its funding needs it has the ability to impose a per capita fee. In this scenario, the District would increase all fee categories by a standard 15%, and the remaining deficit each year would be offset by a per capita fee. This scenario would eliminate the District's reliance on Vehicle Registration Fee funding immediately, as the per capita fee would allow the District to cover the fee-related deficit.

It is important to note that the per capita fee would be temporary and would only be in place until the District is able to increase its fees annually by 15% to cover all of its fee-related costs. The following table shows the annual deficit based upon a 15% across the board fee increase:

Table 12: Annual Cost Recovery Analysis – Scenario 2

Fee Category	Total Projected Revenue	Total Annual Cost	Annual Surplus / (Deficit)
Initial Application	$508,099	$684,032	($175,933)
Renewal Fees	$5,067,515	$6,159,862	($1,092,347)
Source Testing	$939,708	$1,781,741	($842,033)
Asbestos Fees	$522,791	$654,125	($131,334)
Hearing Board Fees	$2,469	$3,641	($1,172)
Time & Material	$1,426,734	$1,921,565	($494,831)
Processing Fee	$588,205	$642,547	($54,341)
TOTAL	**$9,055,521**	**$11,847,512**	**($2,791,991)**

The per capita fee would be based upon the anticipated population for San Diego County – unincorporated areas and all cities – as that is the service area for the District. Based upon the Department of Finance 2020 population projections, the population for San Diego County is approximately 3,343,355 people. The per capita fee was calculated based upon the proposed deficit associated with the 15% increase all fee categories divided by the total population of San Diego County. The following table shows the per capita fee calculation for FY21-22:

Table 13: FY21-22 Proposed Per Capita Calculation

Category	Amount
Annual Deficit with 15% Revenue Increase	$2,791,991
Total San Diego County Population	3,343,355
Per Capita Fee	**$0.84**

The per capita fee for FY21-22 would be approximately $0.82 per San Diego County Resident. The per capita fee would be collected by individual cities and paid to the District. The fee would be assessed per household. An average household in San Diego County

has 2.87 residents[1], as such the $0.84 would translate to a household annual fee of $2.40 or a monthly fee of $0.20 per household. The per capita fee would decrease every year until the District achieved cost recovery, which at a 15% increase per year, would take approximately 3-8 years to achieve. The following table shows the projected per capita fee for the next 5 years:

Table 14: Projected Per Capita Fee

Category	FY21-22	FY22-23	FY23-24	FY24-25	FY25-26
Per Capita Fee	$0.84	$0.52	$0.20	$0.14	$0.06

As discussed, the per capita fee decreases each year, as the District's deficit decreases. In Year 6 after the projected revenue increase, the deficit would be so minimal for the District that there would be no need for a per capita fee (almost $20,000). Therefore, the District would only need to impose this fee for five years and it would allow the District to phase in the revenue increases, while also eliminating any reliance on Vehicle Registration fees. The following table summarizes the advantages and disadvantages of this scenario from the perspective of internal (District) and external (permit and fee holders):

Table 15: Scenario 5 – Advantages and Disadvantages

Advantages	Disadvantages
• **Internal**: Eliminates reliance on Vehicle Registration Fee Funding. • **Internal:** Increased revenue for the District. • **External**: Minimal per capita fee added onto each household to help phase in fee increases for permit and facility holders.	• **External**: Fee increases for rate payers. • **External**: County and City residents to subsidize private businesses receiving services from the District. • **Internal**: Lack of targeted cost recovery prolongs the District's ability to achieve full cost recovery for 3-8 years. • **Internal**: 15% fee increase across the board can result in disproportionate increase for some fees based upon dollar value.

The primary advantage for internal stakeholders in this scenario is that it immediately eliminates the District's reliance on Vehicle Registration funding. There are several disadvantages in this scenario for both internal and external stakeholders including the further subsidization of facility owners and permit holders by city and county residents through an additional per capita fee. This scenario also prolongs the District's ability to achieve full cost recovery compared to a targeted approach.

[1] Based upon California Department of Finance average household information 2020.