

“Hot Spots” Annual Status Report on Fees for Fiscal Year 2002-2003

This Annual Status Report on Fees was prepared by the Air Resources Board (ARB/Board) as required by the AB 2588 Air Toxics “Hot Spots Fee Regulation for Fiscal Year 2001-2002 (H&SC 90700). The Report provides the members of the Air Resources Board, the air pollution control and air quality management districts, and the public with details about “Hot Spots” Fees for Fiscal Year 2002-2003.

The Annual Status Report on Fees is available on our website at: <http://www.arb.ca.gov/ab2588/2588fees.htm>. The website also contains information on the “Hot Spots” Program. For questions regarding this report, or the “Hot Spots” Program in general, please call Mr. Chris Halm at (916) 323-8372, or via email at chalm@arb.ca.gov.

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“Hot Spots” Annual Status Report on Fees for Fiscal Year 2002-2003

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Background

The Air Toxics "Hot Spots" Information and Assessment Act of 1987¹ (AB 2588/the Act) established a program to compile an inventory of air toxics emissions from facilities in California, and to assess the potential risks to public health as a result of exposure to those emissions. The public is to be notified if a facility's emissions pose a significant health risk, and high-risk facilities are required to reduce their toxic emissions. The Act authorizes the Air Resources Board (ARB) and districts to assess fees to recover the costs to implement and administer the Air Toxics "Hot Spots" Program (Program). A list of all of the facilities in the "Hot Spots" program that pay State fees is available on ARB's website at: <http://www.arb.ca.gov/ab2588/2588facilityfees.htm>.

Since 1988, the ARB staff has annually amended the "Hot Spots" Fee Regulation² to calculate fees for that fiscal year. Last year, the Board amended the Fee Regulation and changed the annual fee program update from a regulatory to an administrative process. The "Hot Spots" fee program for fiscal year 2002-2003 is being conducted under this new, streamlined administrative process.

Facilities that are subject to the "Hot Spots" Program are placed in one of seven risk categories, where the higher risk facilities pay higher fees. For the current fiscal year, ARB staff used the same fee rates for each risk category that have been used in the past six years to determine fees. The ability to calculate fees based on a previous year's formula was approved by the Office of Administrative Law (OAL) on June 10, 2002. If it becomes necessary to amend the "Hot Spots" Fee Regulation in the future (change the fee rate for each risk category), that year's status report will be replaced by the regular process of public comment and Board approval that regulations have historically required. Until that time, the fee rates, located in Table 3 of the "Hot Spots" Fee Regulation for Fiscal Year 2001-2002, will remain constant and will apply until such time as the Regulation is amended. To obtain a copy of the Fee Regulation, visit our website at: <http://www.arb.ca.gov/ab2588/2588fees.htm>.

District Regulations and Fees

The Act requires districts to adopt a fee regulation to recover the district Program costs, but the Act also allows districts to make a request to the ARB to adopt a fee regulation for them. However, converting the fee program to an annual administrative process makes it no longer feasible for the ARB to adopt local fee regulations. To address this issue, the ARB staff worked with the staffs of the

1 Health and Safety Code sections 44300-44394, Stats. 1987, Ch. 1252; as amended by Stats. 1989, Ch. 1254; Stats. 1990, Ch. 1432; Stats. 1992, Ch. 375; Stats. 1992, Ch. 1162; Stats. 1993, Ch. 1037; Stats. 1993, Ch. 1041; and Stats. 1996, Ch. 602.

2 Title 17, California Code of Regulations, sections 90700-90705.

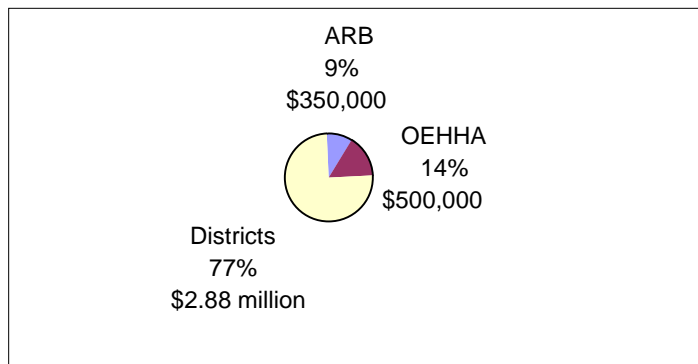
affected districts to develop a new method for recovering the costs of implementing the program for districts that have not adopted their own local fee regulation. Beginning in fiscal year 2002-2003, if a district has not adopted its own fee regulation, the Executive Officer of the ARB will authorize districts to recover district program costs from facilities that are subject to the State Fee Regulation. This amount may be up to, but shall not exceed, the State Program cost on a per-facility basis. Simply put, the maximum total fee for a facility in a district with no local fee regulation would be twice the State cost. One half of this would go to the State, and the other half would go to the district. The total fee for a facility could be less if the district needed less than the full amount of the State cost to recover its district program costs. This provision would in no way preclude districts from adopting their own fee regulations.

This option is designed primarily to allow small districts with low program costs to recover the cost of implementing the program without the need for adopting a local fee regulation. Because most districts' program costs exceed the State cost and most districts have already adopted their own fee regulation, only a few districts have taken advantage of this option. This new method ensures that this State-adopted district fee value complies with H&SC Section 44380(a)(3), which requires the fees for facilities to be based on their emissions, and that facilities in districts using this option will have the certainty of knowing the ceiling for their district fees.

Current Fee Totals

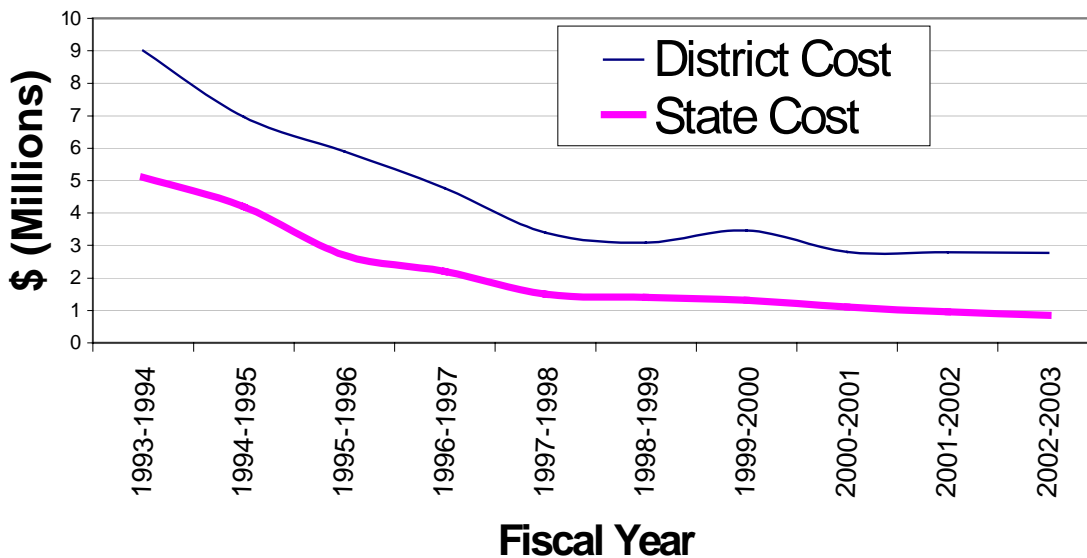
This year the amount of State costs for the Program is approximately \$850,000 and the District costs are approximately \$2,880,000. The State costs are divided between the ARB and the Office of Environmental Health Hazard Assessment (OEHHA). The district costs are determined and approved by each local district and are not affected by the State Fee Regulation.

Distribution of Costs



The approximately \$850,000 proposed to be collected to support State activities for fiscal year 2002-2003 is an 84 percent reduction since fiscal year 1993-1994 and a 10 percent reduction from fiscal year 2001-2002. This total reduction in costs is due to a reduction in workload resulting from legislative changes to the program, certain classes of facilities being exempted from the fee program, and, most importantly, reductions in toxic emissions from facilities. The reductions also reflect the fact that many of the original tasks mandated by the Act are now completed or nearing completion. While the State costs dropped rapidly between 1993 and 1997, the last five years have seen the State costs leveling off. This is a result of keeping fees for fee categories the same, while incorporating small year-to-year changes in the number of facilities subject to the Program.

State and District Costs



Fee Tables

The following four tables provide information about the costs associated with the “Hot Spots” program. As shown in Table 1, there were only small adjustments in fees for most districts. Table 2 and 3 provide information on the costs for industrywide facilities which were responsible for more than half of the total fees statewide for the current fiscal year. As shown in Table 4, district costs remain stable with very little change in the amount that districts collect to continue implementing their district “Hot Spots” program.

Table 1: Trend in State Costs for Three Fiscal Years

The dollar amounts shown in Table 1 represent how fees are apportioned to each district for three fiscal years. This amount includes both the Core and Industrywide fees for each district.

District	2000-2001	2001-2002	2002-2003	Corrected Fees
Amador County APCD	1,346	105	35	
Antelope Valley APCD	9,263	8,248	7,863	7,758 9/19/03
Bay Area AQMD	83,371	121,307	116,109	
Butte County AQMD	9,296	4,433	240	2,018 3/3/03
Caleveras County APCD	0	0	0	
Colusa County APCD	0	0	0	
El Dorado County APCD	3,738	6,441	6,642	
Feather River AQMD	12,492	535	1,206	
Glenn County APCD	455	140	140	
Great Basin Unified APCD	5,109	5,004	5,004	
Imperial County APCD	10,775	9,620	9,620	
Kern County APCD	589	694	653	
Lake County APCD	0	70	0	
Lassen County APCD	3,129	3,129	3129	
Mariposa County APCD	507	507	507	
Mendocino County AQMD	4,720	7,555	4,513	
Modoc County APCD	70	0	0	
Mojave Desert AQMD	22,295	22,015	14,364	14,081 9/19/03
Monterey Bay Unified APCD	5,985	4,109	4,109	
North Coast Unified AQMD	1,502	1,607	1,537	
Northern Sierra AQMD	7,215	805	770	
Northern Sonoma County APCD	70	70	70	35 9/19/03
Placer County APCD	11,147	10,945	9,079	
Sacramento Metro AQMD	9,232	19,647	17,579	
San Diego County APCD	138,231	113,949	90,929	
San Joaquin Valley APCD	53,023	45,435	43,870	
San Luis Obispo County APCD	350	560	595	
Santa Barbara County APCD	35,888	28,688	29,661	
Shasta County AQMD	12,054	9,088	4,252	3,582 3/10/03
Siskiyou County APCD	5,873	5,069	4,230	
South Coast AQMD	578,153	478,158	437,112	436,136 3/3/03
Tehama County APCD	67	1,257	67	
Tuolumne County APCD	700	700	519	
Ventura County APCD	49,996	29,934	33,506	
Yolo-Solano AQMD	5,698	5,978	4,507	3,720 9/19/03
TOTAL STATE COSTS	\$1,082,339	\$945,802	\$852,384	\$851,339 9/19/03

Table 2: Total State Fees for Fiscal Year 2002-2003

The total State costs are shown in Table 2 below. Core fees are calculated based on risk categories and range from \$67 to \$6,363. Industrywide facilities are charged a flat rate of \$35.

(These have been updated to reflect changes on previous page)

District	Core Fees	Industrywide Fees	Total State Fees
Amador County APCD	0	35	35
Antelope Valley APCD	5,693	2,065	7,758
Bay Area AQMD	20,454	95,655	116,109
Butte County AQMD	1,808	210	2,018
Caleveras County APCD	0	0	0
Colusa County APCD	0	0	0
El Dorado County APCD	3,282	3,360	6,642
Feather River AQMD	1,206	0	1,206
Glenn County APCD	0	140	140
Great Basin Unified APCD	4,689	315	5,004
Imperial County APCD	7,100	2,520	9,620
Kern County APCD	268	385	653
Lake County APCD	0	0	0
Lassen County APCD	2009	1,120	3129
Mariposa County APCD	402	105	507
Mendocino County AQMD	1,608	2,905	4,513
Modoc County APCD	0	0	0
Mojave Desert AQMD	10,616	3,465	14,081
Monterey Bay Unified APCD	2,009	2,100	4,109
North Coast Unified AQMD	67	1,470	1,537
Northern Sierra AQMD	0	770	770
Northern Sonoma County APCD	0	35	35
Placer County APCD	5,859	3,220	9,079
Sacramento Metro AQMD	4,454	13,125	17,579
San Diego County APCD	58,694	32,235	90,929
San Joaquin Valley APCD	33,055	10,815	43,870
San Luis Obispo County APCD	0	595	595
Santa Barbara County APCD	25,986	3,675	29,661
Shasta County AQMD	3,582	0	3,582
Siskiyou County APCD	4,020	210	4,230
South Coast AQMD	176,401	259,735	436,136
Tehama County APCD	67	0	67
Tuolumne County APCD	134	385	519
Ventura County APCD	28,396	5,110	33,506
Yolo-Solano AQMD	3,650	70	3,720
TOTALS	\$405,509	\$445,830	\$851,339

Table 3: Industrywide Facilities

Each district has compiled a list of industrywide facilities for the current fiscal year. Each Industrywide facility is charged a flat rate of \$35 for the State fee. The total amounts for each district are shown below.

District	IW Cost for 2000-2001	IW Cost for 2001-2002	IW Cost for 2002-2003
Amador County APCD	0	105	35
Antelope Valley APCD	3,360	2,555	2,065
Bay Area AQMD	68,740	82,635	95,655
Butte County AQMD	2,800	2,625	210
Caleveras County APCD	0	0	0
Colusa County APCD	0	0	0
El Dorado County APCD	0	3,360	3,360
Feather River AQMD	35	35	0
Glenn County APCD	140	140	140
Great Basin Unified APCD	105	560	315
Imperial County APCD	3,675	2,520	2,520
Kern County APCD	455	560	385
Lake County APCD	0	0	0
Lassen County APCD	1,120	1,120	1,120
Mariposa County APCD	0	105	105
Mendocino County AQMD	700	3,675	2,905
Modoc County APCD	0	0	0
Mojave Desert AQMD	5,950	5,705	3,465
Monterey Bay Unified APCD	2,100	2,100	2,100
North Coast Unified AQMD	0	105	1,470
Northern Sierra AQMD	455	805	770
Northern Sonoma County APCD	70	70	35
Placer County APCD	0	3,010	3,220
Sacramento Metro AQMD	5,180	15,260	13,125
San Diego County APCD	18,165	33,355	32,235
San Joaquin Valley APCD	5,600	1,085	10,815
San Luis Obispo County APCD	350	0	595
Santa Barbara County APCD	3,570	3,675	3,675
Shasta County AQMD	0	560	0
Siskiyou County APCD	0	245	210
South Coast AQMD	287,525	277,655	259,735
Tehama County APCD	0	1,190	0
Tuolumne County APCD	0	700	385
Ventura County APCD	7,735	6,125	5,110
Yolo-Solano AQMD	105	385	70
TOTALS	\$417,935	\$452,025	\$445,830

Table 4: District Costs

These dollar amounts represent the amount of fees collected by each district to recover their own costs of administering the “Hot Spots” Program. These fees remain separate from State fees. Where districts did not specify a change in their district costs, the previous year’s estimates were used.

District	2000-2001	2001-2002	2002-2003
Amador County APCD	3,152	1,810	1,810
Antelope Valley APCD	13,340	12,570	12,570
Bay Area AQMD	445,000	480,240	480,240
Butte County AQMD	15,200	15,400	15,400
Caleveras County APCD	0	0	0
Colusa County APCD	2,000	2,000	2,000
El Dorado County APCD	7,480	7,480	7,480
Feather River AQMD	35,000	35,000	35,000
Glenn County APCD	1,250	2,000	2,000
Great Basin Unified APCD	5,520	3,570	3,570
Imperial County APCD	770	770	770
Kern County APCD	12,565	4,866	4,866
Lake County APCD	2,000	2,000	2,000
Lassen County APCD	2,089	2,489	1,788
Mariposa County APCD	0	0	0
Mendocino County AQMD	725	14,519	14,519
Modoc County APCD	0	0	0
Mojave Desert AQMD	35,135	31,985	31,985
Monterey Bay Unified APCD	69,625	70,026	70,026
North Coast Unified AQMD	2,500	0	0
Northern Sierra AQMD	27,500	27,500	27,500
Northern Sonoma County APCD	0	0	0
Placer County APCD	16,556	13,500	15,000
Sacramento Metro AQMD	61,787	61,787	61,787
San Diego County APCD	251,000	290,000	270,000
San Joaquin Valley APCD	232,757	209,481	209,481
San Luis Obispo County APCD	25,000	34,303	34,303
Santa Barbara County APCD	50,000	50,000	55,275
Shasta County AQMD	12,000	12,000	12,000
Siskiyou County APCD	5,700	5,700	5,700
South Coast AQMD	1,400,000	1,336,861	1,445,000
Tehama County APCD	3,500	3,000	3,000
Tuolumne County APCD	4,450	4,450	4,450
Ventura County APCD	56,000	49,000	49,000
Yolo-Solano AQMD	1,375	9,609	9,609
TOTAL DISTRICT COSTS	\$2,800,976	\$2,793,916	\$2,888,129

State Program Costs for the ARB and OEHHA

The State fees that are collected as part of the “Hot Spots” Program allow the ARB and OEHHA to conduct a variety of activities, as shown below.

Agency	Task	Pys	Staff Cost	Contract Cost	Total
ARB	Air Toxics Emission Database Maintenance	1.2	88,000	60,000	148,000
ARB	Emission Data Collection and Validation	2.0	152,000	0	152,000
ARB	Risk Assessment and Notification Assistance	0.3	26,000	0	26,000
ARB	Develop Risk Reduction Guidelines	0.1	10,000	0	10,000
ARB	District/Board Assistance	0.2	16,000	0	16,000
ARB	Subtotal	3.8	292,000	60,000	352,000
OEHHA	Health Effects Value Update	0	0	24,000	24,000
OEHHA	Risk Assessment Guideline Update	2.5	188,000	0	188,000
OEHHA	Exposure Assessment/Uncertainty Methods Update	0.5	38,000	0	38,000
OEHHA	Health Risk Assessment Tracking	1.7	127,000	0	127,000
OEHHA	District/Board Assistance	1.6	123,000	0	123,000
OEHHA	Subtotal	6.3	476,000	24,000	500,000
	TOTAL for ARB and OEHHA	10.1	768,000	84,000	\$852,000

- PY is equal to a staff position and is an approximation.

State Fees for Each Risk Category

There are six risk categories (A through F) used to calculate State fees for a simple, medium, and complex facility (based on the number of SCCs at the facility) as shown below. The State fee for an Industrywide facility is \$35.

Fee Category	Fee Category Description	State Fee (\$)		
		Simple	Medium	Complex
A	Priority Score > 10	1,674	2,009	2,344
B	10 ≤ Risk < 50	3,014	3,349	3,684
C	50 ≤ Risk < 100	4,353	4,688	5,023
D	Risk ≥ 100	5,693	6,028	6,363
E	Unprioritized	402	603	804
F	1 ≤ Risk < 10	67	100	134
IW	Industrywide	35		

District Contacts

If you have specific questions about a facility, you may want to contact the district directly using the following contact information.

Amador County APCD	Jim Harris	(209) 257-0112 (revised)
Antelope Valley APCD	Richard Wales	(661) 723-8070
Bay Area AQMD.....	Catherine Fortney	(415) 771-6000
Butte County APCD	Jim Culbertson	(530) 891-2882
Calaveras County APCD.....	Lakhmir Grewal	(209) 754-6504
Colusa County APCD.....	Harry Krug	(530) 458-0581
El Dorado County APCD.....	David Mehl	(530) 621-6662
Feather River AQMD.....	Larry Matlock	(530) 634-7659
Glenn County APCD	Rick Steward	(530) 934-6500
Great Basin Unified APCD	Ellen Hardebeck	(760) 872-8211
Imperial County APCD	Bob Fischer	(760) 482-4606
Kern County APCD	Glen Stephens	(661) 862-5250
Lake County APCD	Robert Reynolds	(707) 263-7000
Lassen County APCD	Ken Smith	(530) 251-8110
Mariposa County APCD	Dave Conway	(209) 966-2220
Mendocino County AQMD.....	C. Dean Wolbach	(707) 463-4354 (revised)
Modoc County APCD	Joe Moreo	(530) 233-6419
Mojave Desert AQMD	Richard Wales	(760) 245-1661
Monterey Bay Unified APCD.....	David Craft	(831) 647-9411
North Coast Unified AQMD	Larry Odle	(707) 443-3099
Northern Sierra AQMD.....	Joe Fish	(530) 274-7546
Northern Sonoma County APCD.....	Sean Connolly	(707) 433-5911
Placer County APCD.....	Todd Nishikawa	(530) 889-7130
Sacramento Metro AQMD	Karen Kelley	(530) 874-4800
San Diego County APCD	Dave Byrnes	(858) 650-4623
San Joaquin Valley Unified APCD	Rick McVaigh	(559) 230-6000
San Luis Obispo County APCD.....	Paul Reitz	(805) 781-4247
Santa Barbara County APCD.....	Mike Goldman	(805) 961-8800
Shasta County APCD.....	Mike Kussow	(530) 225-5236
Siskiyou County APCD	Eldon Beck	(530) 841-4029
South Coast AQMD.....	Tom Chico	(909) 396-2000
Tehama County APCD.....	Gary Bovee	(530) 527-3717
Tuolumne County APCD.....	Bill Sandman	(209) 533-5693
Ventura County APCD	Terri Thomas	(805) 645-1400
Yolo-Solano County APCD	Dave Smith	(530) 757-3650
CAPCOA.....	Stewart Wilson	(530) 676-4323
OEHHA	Melanie Marty	(510) 622-3154
ARB.....	Chris Halm	(916) 323-8372