

California Environmental Protection Agency



Annual Status Report

Air Toxics “Hot Spots” Program State Fees for Fiscal Year 2007-2008

(July '07 through June '08)

April 2008

*Tables 2-4 were updated on June 12, 2008 (for BA, GBU, and Sac)
SCAQMD adjusted in 2009.*

Air Toxics “Hot Spots” Program Annual Status Report on State Fees for Fiscal Year 2007-2008

This Annual Status Report on State Fees for the Air Toxics “Hot Spots” Program was prepared by the Air Resources Board (ARB/Board) staff as required by the AB 2588 Air Toxics “Hot Spots” Fee Regulation (last amended in Fiscal Year 2001-2002; section 90700, title 17, California Code of Regulations (CCR)). This is the fifth year that an annual report has been published. The Report provides the members of the Board, the air pollution control and air quality management districts, and the public with details about “Hot Spots” State fees for Fiscal Year 2007-2008.

The Annual Status Report on State 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 contact Mr. Chris Halm at (916) 323-4865, or via email at chalm@arb.ca.gov.

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“Hot Spots” Annual Status Report on State Fees for Fiscal Year 2007-2008

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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/ab2588/2588fees.htm>.

Between 1988 and 2001, the ARB staff annually amended the "Hot Spots" Fee Regulation² to calculate fees for that fiscal year. In fiscal year 2001-2002 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 2007-2008 is being conducted under this 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.

Table 1: State Fees for Each Risk Category

Fee Category	Fee Category Description	State Fee (\$)		
		Simple	Medium	Complex
A	Priority Score > 10	1,674	2,009	2,344
B	10 ≤ Risk < 50; or acute or chronic hazard index > 1	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; or 0.1 ≤ acute or chronic hazard index ≤ 1.0	67	100	134
IW	Industrywide	35		
Fee Exempt	Priority Score ≤ 10	0		
Exempt from Program	Priority Score ≤ 1 or Risk < 1	0		

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.

For the current fiscal year, ARB staff used the same fee rates for each risk category that have been used over the past ten 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 any risk category), the ARB will follow the standard public comment and Board hearing process. Unless that situation arises, the same fee rates, approved in the "Hot Spots" Fee Regulation for Fiscal Year 2001-2002 and presented in Table 1 of this report, 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

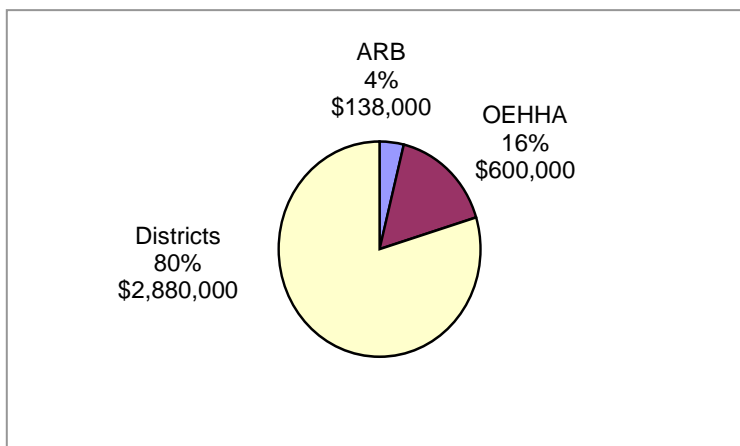
ARB no longer adopts district fee regulations as part of the annual administrative process. The ARB staff worked with the staffs of the affected districts to develop a new method for recovering the costs of implementing the program for districts that have not adopted their own local fee regulation. This method began in fiscal year 2002-2003 and continues in the current fiscal year (2007-2008). Under this method, 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. 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 optional 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 have already adopted their own fee regulation, few districts currently make use of this option. This 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

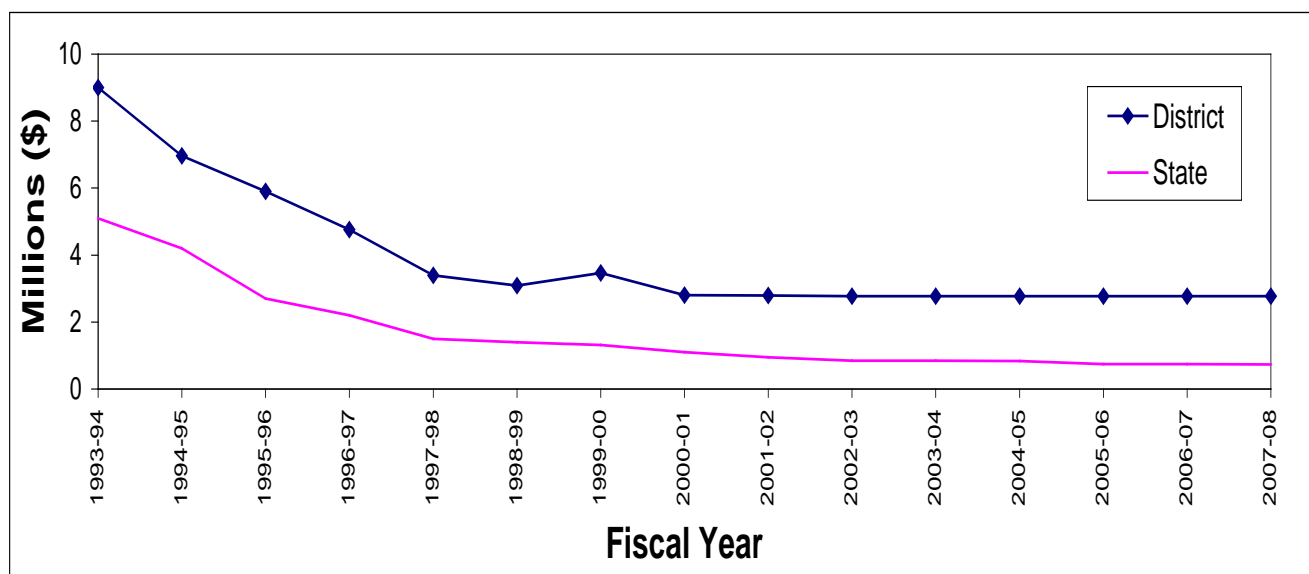
This year, the amount of State costs for the program is approximately \$738,000 and the district costs are approximately \$2,880,000. The State costs are divided between the ARB and the Office of Environmental Health Hazard Assessment (OEHHA). The district costs are determined and approved by each local district and are not affected by the State Fee Regulation. This cost distribution is depicted in Figure 1.

Figure 1: Distribution of Total Costs (Unadjusted)



The approximately \$738,000 proposed to be collected to support State activities for fiscal year 2007-2008 is an 86 percent reduction since fiscal year 1993-1994. 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. As shown in Figure 2, the State fees dropped rapidly between 1993 and 1997, while the last nine years have seen the State fees 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.

Figure 2: State and District Costs (Unadjusted)



State and District Fees

The following five tables provide information about the fees associated with the “Hot Spots” program. The total State fees are shown in Table 2 below. Core fees are assessed on non-industrywide facilities, like refineries and power plants, and are calculated based on fees for risk categories that range from \$67 to \$6,363. Industrywide facilities include gasoline stations, dry cleaners and autobody shops, and are charged a flat rate of \$35. Low-risk facilities are exempt from State fees.

Table 2: Total State Fees for Fiscal Year 2007-2008

District	Core Fees	Industrywide Fees	Total State Fees
Amador County APCD	0	35	35
Antelope Valley APCD	4,688	2,660	7,348
Bay Area AQMD	5,054 81,326	61,950 91,070	67,004 172,396
Butte County AQMD	201	0	201
Calaveras County APCD	0	0	0
Colusa County APCD	0	0	0
El Dorado County APCD	402	2,905	3,307
Feather River AQMD	1,206	0	1,206
Glenn County APCD	0	0	0
Great Basin Unified APCD	3,282 3,885	315	3,597 4,200
Imperial County APCD	7,100	2,520	9,620
Kern County APCD	268	350	618
Lake County APCD	0	0	0
Lassen County APCD	2,009	1,120	3,129
Mariposa County APCD	0	35	35
Mendocino County AQMD	1,608	2,835	4,443
Modoc County APCD	0	0	0
Mojave Desert AQMD	9,812	6,720	16,532
Monterey Bay Unified APCD	2,578	1,505	4,083
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	6,596	3,010	9,606
Sacramento Metro AQMD	4,454	12,565 12,775	17,019 17,229
San Diego County APCD	57,156	3,185	60,341
San Joaquin Valley APCD	16,109	14,175	30,284
San Luis Obispo County APCD	0	420	420
Santa Barbara County APCD	24,513	3,255	27,768
Shasta County AQMD	3,582	0	3,582
Siskiyou County APCD	4,020	210	4,230
South Coast AQMD	109,181**	238,665**	347,846**
Tehama County APCD	67	0	67
Tuolumne County APCD	134	455	589
Ventura County APCD	2,276	1,995	4,271
Yolo-Solano AQMD	2,311	140	2,451
ADJUSTED TOTALS	268,674 345,549	363,300 392,630	\$631,974 738,179

**adjusted

The dollar amounts shown in Table 3 below represent the trend in total State fees apportioned to each district for three fiscal years. This amount includes both the core and industrywide fees for each district.

Table 3: Trend in Total State Fees for Three Fiscal Years

District	2005-2006	2006-2007	2007-2008
Amador County APCD	35	35	35
Antelope Valley APCD	11,113	7,348	7,348
Bay Area AQMD	116,810	116,810	67,004 172,396
Butte County AQMD	201	201	201
Calaveras County APCD	0	0	0
Colusa County APCD	0	0	0
El Dorado County APCD	3,307	3,307	3,307
Feather River AQMD	1,206	1,206	1,206
Glenn County APCD	0	0	0
Great Basin Unified APCD	4,200	4,200	3,597 4,200
Imperial County APCD	9,620	9,620	9,620
Kern County APCD	618	618	618
Lake County APCD	0	0	0
Lassen County APCD	3,129	3,129	3,129
Mariposa County APCD	35	35	35
Mendocino County AQMD	4,443	4,443	4,443
Modoc County APCD	0	0	0
Mojave Desert AQMD	16,532	16,532	16,532
Monterey Bay Unified APCD	4,252	4,083	4,083
North Coast Unified AQMD	1,537	1,537	1,537
Northern Sierra AQMD	770	770	770
Northern Sonoma County APCD	35	35	35
Placer County APCD	9,606	9,606	9,606
Sacramento Metro AQMD	16,704	17,019	17,019 17,229
San Diego County APCD	55,626	58,572	60,341
San Joaquin Valley APCD	33,079	37,908	30,284
San Luis Obispo County APCD	420	420	420
Santa Barbara County APCD	27,873	27,873	27,768
Shasta County AQMD	3,582	3,582	3,582
Siskiyou County APCD	4,230	4,230	4,230
South Coast AQMD	404,406	375,180	347,846**
Tehama County APCD	67	67	67
Tuolumne County APCD	589	589	589
Ventura County APCD	8,796	10,420	4,271
Yolo-Solano AQMD	2,384	2,451	2,451
<u>ADJUSTED</u> TOTAL STATE FEES	745,205	\$721,826	\$631,974 738,179

Each district has compiled a list of industrywide facilities subject to State fees for the current fiscal year. Each industrywide facility is charged a flat rate of \$35 for the State fee. The trend in total industrywide State fees for facilities in each district is shown in Table 4 below.

Table 4: Trend in State Fees for Industrywide Facilities for Three Years

District	Industrywide Fees for 2005-2006	Industrywide Fees for 2006-2007	Industrywide Fees for 2007-2008
Amador County APCD	35	35	35
Antelope Valley APCD	3,745	2,660	2,660
Bay Area AQMD	64,680	64,680	61,950 94,070
Butte County AQMD	0	0	0
Calaveras County APCD	0	0	0
Colusa County APCD	0	0	0
El Dorado County APCD	2,905	2,905	2,905
Feather River AQMD	0	0	0
Glenn County APCD	0	0	0
Great Basin Unified APCD	315	315	315
Imperial County APCD	2,520	2,520	2,520
Kern County APCD	350	350	350
Lake County APCD	0	0	0
Lassen County APCD	1,120	1,120	1,120
Mariposa County APCD	35	35	35
Mendocino County AQMD	2,835	2,835	2,835
Modoc County APCD	0	0	0
Mojave Desert AQMD	6,720	6,720	6,720
Monterey Bay Unified APCD	1,540	1,505	1,505
North Coast Unified AQMD	1,470	1,470	1,470
Northern Sierra AQMD	770	770	770
Northern Sonoma County APCD	35	35	35
Placer County APCD	3,010	3,010	3,010
Sacramento Metro AQMD	12,250	12,565	12,565 12,775
San Diego County APCD	6,440	5,635	3,185
San Joaquin Valley APCD	9,870	13,895	14,175
San Luis Obispo County APCD	420	420	420
Santa Barbara County APCD	3,360	3,360	3,255
Shasta County AQMD	0	0	0
Siskiyou County APCD	210	210	210
South Coast AQMD	270,550	248,255	238,665**
Tehama County APCD	0	0	0
Tuolumne County APCD	455	455	455
Ventura County APCD	2,870	2,485	1,995
Yolo-Solano AQMD	140	140	140
<u>ADJUSTED TOTALS</u>	398,650	378,385	\$363,600 392,630

The dollar amounts shown in Table 5 below represent the trend in 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.

Table 5: Trend in District Costs for Three Fiscal Years

District	2005-2006	2006-2007	2007-2008
Amador County APCD	1,810	1,810	1,810
Antelope Valley APCD	12,570	12,570	12,570
Bay Area AQMD	480,240	480,240	480,240
Butte County AQMD	0	0	0
Calaveras 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	2,000	0	0
Great Basin Unified APCD	3,570	3,570	3,570
Imperial County APCD	770	770	770
Kern County APCD	4,866	4,866	4,866
Lake County APCD	2,000	2,000	2,000
Lassen County APCD	1,788	1,788	1,788
Mariposa County APCD	0	0	0
Mendocino County AQMD	14,519	14,519	14,519
Modoc County APCD	0	0	0
Mojave Desert AQMD	31,985	31,985	31,985
Monterey Bay Unified APCD	70,026	70,026	70,026
North Coast Unified AQMD	0	0	0
Northern Sierra AQMD	27,500	27,500	27,500
Northern Sonoma County APCD	0	0	0
Placer County APCD	15,000	15,000	15,000
Sacramento Metro AQMD	61,787	61,787	61,787
San Diego County APCD	270,000	270,000	270,000
San Joaquin Valley APCD	209,481	209,481	209,481
San Luis Obispo County APCD	34,303	34,303	34,303
Santa Barbara County APCD	55,275	55,275	55,275
Shasta County AQMD	12,000	12,000	12,000
Siskiyou County APCD	5,700	5,700	5,700
South Coast AQMD	1,445,000	1,445,000	1,445,000
Tehama County APCD	3,000	3,000	3,000
Tuolumne County APCD	4,450	4,450	4,450
Ventura County APCD	49,000	49,000	49,000
Yolo-Solano AQMD	9,609	9,609	9,609
TOTAL DISTRICT FEES	\$2,872,729	\$2,870,729	\$2,870,729

State Program Activities Supported by Fees

The State fees that are collected as part of the “Hot Spots” program allow ARB and OEHHA to conduct a variety of activities, as shown in Table 6 below. Recently, most of the State fees that have been collected by ARB have been sent to OEHHA in order to maintain staffing that supports critical ARB programs. As a reminder, this annual report on fees focuses only on State fees allocated to ARB and OEHHA. Local air districts adopt their own fee rules, or collect fees subject to the procedures in the ARB’s fee regulation.

Table 6: State Program Costs for ARB and OEHHA
UNADJUSTED

Agency	Task	PYs*	Staff Cost	Contract Cost	Total
ARB	Air Toxics Emission Database Maintenance	0.6	63,000	30,000	93,000
ARB	Emission Data Collection and Validation	0.1	10,000	0	10,000
ARB	District/Board Assistance	0.3	35,000	0	35,000
ARB	Subtotal	1.0	108,000	30,000	138,000
OEHHA	Health Effects Value Update	3.0	330,000	50,000	380,000
OEHHA	Risk Assessment Guidance Manual Update	0.5	55,000	0	55,000
OEHHA	Exposure Assessment	1.0	110,000	0	110,000
OEHHA	District/Board Assistance	0.5	55,000	0	55,000
OEHHA	Subtotal	5.0	550,000	50,000	600,000
	TOTAL for ARB and OEHHA	6.0	658,000	80,000	\$738,000

* PY is equal to a staff position for a specific task and is only an approximation.

District Contacts

If you have specific questions about a facility, you may want to contact the district directly using the following contact information. Additional contact information for local air districts is at <http://www.capcoa.org/Districts.htm> and <http://www.arb.ca.gov/html/links.htm>.

Amador County APCD	Jim Harris	(209) 257-0112
Antelope Valley APCD	Chris Anderson	(661) 723-8070
Bay Area AQMD	Catherine Fortney	(415) 771-6000
Butte County APCD	David Lusk	(530) 891-2882
Calaveras County APCD	Lakhmir Grewal	(209) 754-6504
Colusa County APCD	Charles Price	(530) 458-0581
El Dorado County APCD.....	Steven McKinney	(530) 621-6662
Feather River AQMD	Sondra Andersson	(530) 634-7659
Glenn County APCD.....	Kevin Tokunaga	(530) 934-6500
Great Basin Unified APCD.....	Jon Becknell	(760) 872-8211
Imperial County APCD.....	Jesus Ramirez	(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	Bob Scaglione	(707) 463-4354
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.....	Jason Davis	(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.....	Mark Loutzenhiser	(916) 874-4800
San Diego County APCD.....	Dave Byrnes	(858) 586-2736
San Joaquin Valley Unified APCD	Ester Davila	(559) 230-6000
San Luis Obispo County APCD	Paul Reitz	(805) 781-4247
Santa Barbara County APCD	Robin Cobbs	(805) 961-8824
Shasta County APCD	Donal Jonio	(530) 225-5236
Siskiyou County APCD	Eldon Beck	(530) 841-4029
South Coast AQMD	Tom Chico	(909) 396-2000
Tehama County APCD	Curtis Wentworth	(530) 527-3717
Tuolumne County APCD.....	Bill Sandman	(209) 533-5693
Ventura County APCD.....	Terri Thomas	(805) 645-1405
Yolo-Solano County APCD	Dave Smith	(530) 757-3662
ARB	Chris Halm	(916) 323-4865
CAPCOA.....	Mel Zeldin	(916) 449-9603
OEHHA	Melanie Marty	(510) 622-3154