

California Environmental Protection Agency



**Air Toxics “Hot Spots” Program
Annual Status Report on State Fees
Fiscal Year 2008-2009**

(July '08 through June '09)

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Air Toxics “Hot Spots” Program Annual Status Report on State Fees Fiscal Year 2008-2009

This Annual Status Report on State Fees was prepared by the Air Resources Board (ARB/Board) 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 State fees to support the Air Toxics “Hot Spots” program for fiscal year 2008-2009.

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 Air Toxics “Hot Spots” program. For questions regarding this report, or the Air Toxics “Hot Spots” program in general, please contact Mr. Chris Halm at (916) 323-4865, or via email at chalm@arb.ca.gov.

Air Toxics “Hot Spots” Program Annual Status Report on State Fees Fiscal Year 2008-2009

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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 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 to change the annual update from a regulatory to an administrative process. The fees program for fiscal year 2008-2009 is being updated 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 and acute and chronic H.I < 0.1]	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 for 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 change the fee rate for each risk category, the ARB will amend the "Hot Spots" Fee Regulation through 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

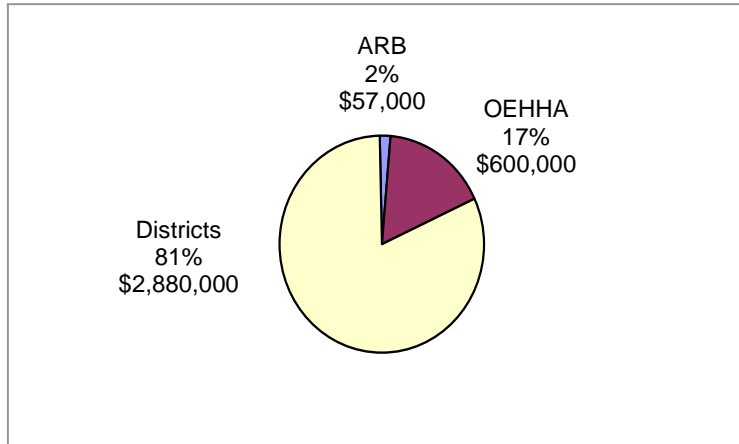
ARB no longer adopts district fee regulations as part of the annual administrative process. The ARB staff worked with the staffs of the affected districts to develop a new method for recovering the costs of implementing the program for districts that have not adopted their own local fee regulation. This method began in fiscal year 2002-2003 and continues in the current fiscal year (2008-2009). 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 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 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

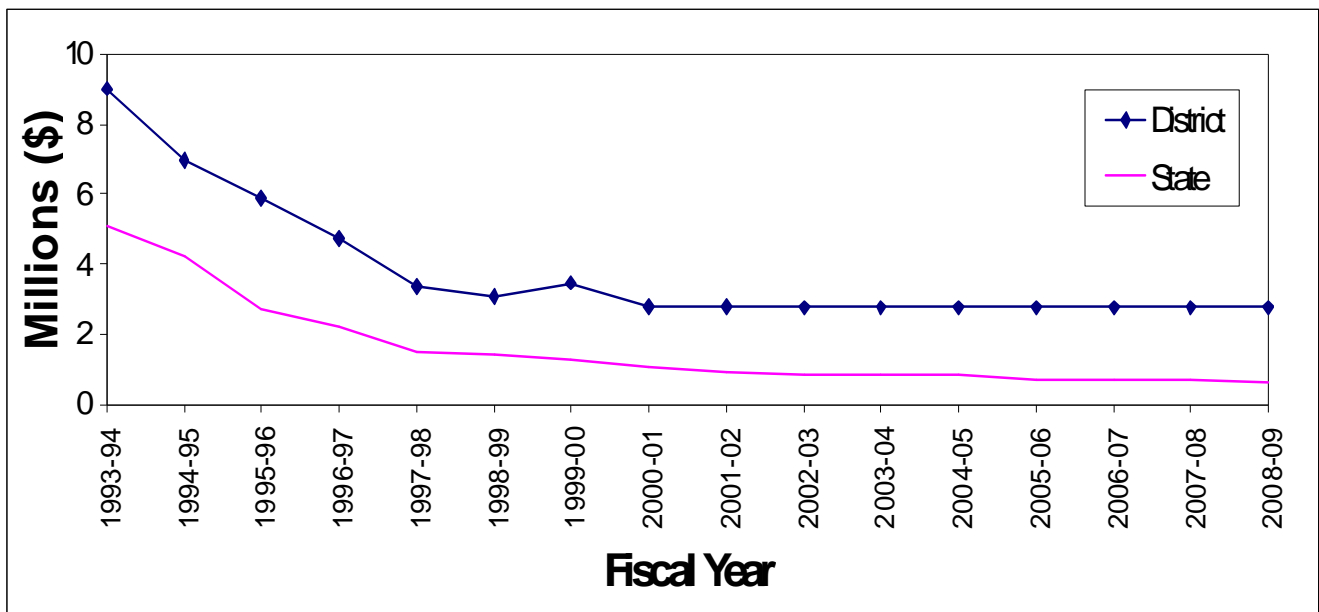
This year, the amount of State costs for the program is approximately \$~~642,170~~ ~~657,000~~ and the district costs are approximately \$2,880,000. The State costs are divided between the ARB and the Office of Environmental Health Hazard Assessment (OEHHA). The district costs are determined and approved 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 Costs - unadjusted



The approximately \$657,000 proposed to be collected to support State activities for fiscal year 2008-2009 is an 87 percent reduction since fiscal year 1993-1994. This total reduction in costs is due to reductions in toxic emissions from facilities, a reduction in workload resulting from legislative changes to the program, and certain classes of facilities being exempted from the fee program. The reductions also reflect the fact that many of the original tasks mandated by the Act have been 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 Air Toxics “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 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 2008-2009

District	Core Fees	Industrywide Fees	Total State Fees
Amador County APCD	0	0	0
Antelope Valley APCD	3,818	<u>2,275</u> 2,450	<u>6,093</u> 6,268
Bay Area AQMD	4,986	61,950	66,936
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	1,470	2,676
Glenn County APCD	0	0	0
Great Basin Unified APCD	3,282	315	3,597
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	945	2,954
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	7,455	17,267
Monterey Bay Unified APCD	368	1,120	1,488
North Coast Unified AQMD	67	1,470	1,537
Northern Sierra AQMD	0	770	770
Northern Sonoma County APCD	0	0	0
Placer County APCD	6,596	2,415	9,011
Sacramento Metro AQMD	17,848	12,530	30,378
San Diego County APCD	57,156	3,185	60,341
San Joaquin Valley APCD	<u>12,557</u> 14,409	14,175	<u>26,732</u> 30,284
San Luis Obispo County APCD	0	420	420
Santa Barbara County APCD	<u>24,513</u> 32,685	3,255	<u>27,768</u> 35,940
Shasta County AQMD	334	0	334
Siskiyou County APCD	4,020	210	4,230
South Coast AQMD	<u>119,359</u> 122,306	236,915	<u>356,274</u> 359,221
Tehama County APCD	67	0	67
Tuolumne County APCD	134	<u>0</u> 420	<u>134</u> 554
Ventura County APCD	1,874	1,925	3,799
Yolo-Solano AQMD	<u>1,105</u> 2,311	<u>35</u> 140	<u>1,140</u> 2,451
ADJUSTED TOTALS	<u>280,690</u> 296,567	<u>361,480</u> 362,180	<u>\$642,170</u> 658,747

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

Table 3: Trend in State Fees for Three Fiscal Years

District	2006-2007	2007-2008	2008-2009
Amador County APCD	35	35	0
Antelope Valley APCD	7,348	7,348	<u>6,093</u> 6,268
Bay Area AQMD	116,810	<u>67,004</u>	66,936
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	2,676
Glenn County APCD	0	0	0
Great Basin Unified APCD	4,200	<u>3,597</u>	3,597
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	2,954
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	<u>17,267</u>	17,267
Monterey Bay Unified APCD	4,083	4,083	1,488
North Coast Unified AQMD	1,537	1,537	1,537
Northern Sierra AQMD	770	770	770
Northern Sonoma County APCD	35	35	0
Placer County APCD	9,606	9,606	9,011
Sacramento Metro AQMD	17,019	<u>17,019</u>	30,378
San Diego County APCD	58,572	60,341	60,341
San Joaquin Valley APCD	37,908	30,284	<u>26,732</u> 30,284
San Luis Obispo County APCD	420	420	420
Santa Barbara County APCD	27,873	27,768	<u>27,768</u> 35,940
Shasta County AQMD	3,582	3,582	334
Siskiyou County APCD	4,230	4,230	4,230
South Coast AQMD	375,180	347,846	<u>356,274</u> 359,221
Tehama County APCD	67	67	67
Tuolumne County APCD	589	589	<u>134</u> 554
Ventura County APCD	10,420	4,271	3,799
Yolo-Solano AQMD	2,451	2,451	<u>1,140</u> 2,451
ADJUSTED TOTAL STATE FEES	\$721,826	632,709	<u>\$642,170</u> 658,747

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 total amounts for each district are shown in Table 4 below. Several districts have completed risk assessments for their facilities, while other districts have still not completed the evaluation of their facilities.

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

District	Industrywide Fees for 2006-2007	Industrywide Fees for 2007-2008	Industrywide Fees for 2008-2009
Amador County APCD	35	35	0
Antelope Valley APCD	2,660	2,660	<u>2,275</u> 2,450
Bay Area AQMD	64,680	91,070	61,950
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	1,470
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	945
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	7,455
Monterey Bay Unified APCD	1,505	1,505	1,120
North Coast Unified AQMD	1,470	1,470	1,470
Northern Sierra AQMD	770	770	770
Northern Sonoma County APCD	35	35	0
Placer County APCD	3,010	3,010	2,415
Sacramento Metro AQMD	12,565	12,775	12,530
San Diego County APCD	5,635	3,185	3,185
San Joaquin Valley APCD	13,895	14,175	14,175
San Luis Obispo County APCD	420	420	420
Santa Barbara County APCD	3,360	3,255	3,255
Shasta County AQMD	0	0	0
Siskiyou County APCD	210	210	210
South Coast AQMD	248,255	238,665	236,915
Tehama County APCD	0	0	0
Tuolumne County APCD	455	455	<u>0</u> 420
Ventura County APCD	2,485	1,995	1,925
Yolo-Solano AQMD	140	140	<u>35</u> 140
ADJUSTED TOTALS	378,385	392,630	<u>361,480</u> 362,180

The dollar amounts shown in Table 5 below represent the amount of fees collected by each district to recover their own costs of administering the Air Toxics “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: Estimated District Costs for Fiscal Year 2008-2009

District	2008-2009
Amador County APCD	1,810
Antelope Valley APCD	12,570
Bay Area AQMD	480,240
Butte County AQMD	0
Calaveras County APCD	0
Colusa County APCD	2,000
El Dorado County APCD	7,480
Feather River AQMD	35,000
Glenn County APCD	0
Great Basin Unified APCD	3,570
Imperial County APCD	770
Kern County APCD	4,866
Lake County APCD	2,000
Lassen County APCD	1,788
Mariposa County APCD	0
Mendocino County AQMD	14,519
Modoc County APCD	0
Mojave Desert AQMD	31,985
Monterey Bay Unified APCD	70,026
North Coast Unified AQMD	0
Northern Sierra AQMD	27,500
Northern Sonoma County APCD	0
Placer County APCD	15,000
Sacramento Metro AQMD	61,787
San Diego County APCD	270,000
San Joaquin Valley APCD	209,481
San Luis Obispo County APCD	34,303
Santa Barbara County APCD	55,275
Shasta County AQMD	12,000
Siskiyou County APCD	5,700
South Coast AQMD	1,445,000
Tehama County APCD	3,000
Tuolumne County APCD	4,450
Ventura County APCD	49,000
Yolo-Solano AQMD	9,609
TOTAL DISTRICT FEES	\$2,870,729

The State fees that are collected as part of the Air Toxics “Hot Spots” program allow the 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 the ARB and OEHHA - unadjusted

Agency	Task	PYs*	Staff Cost	Contract Cost	Total
ARB	Air Toxics Emission Database Maintenance	0.1	8,000	20,000	28,000
ARB	Emission Data Collection and Validation	0.1	10,000	0	10,000
ARB	District/Board Assistance	0.2	19,000	0	19,000
ARB	Subtotal	0.4	37,000	20,000	57,000
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	5.4	587,000	70,000	\$657,000

* 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> and <http://www.arb.ca.gov/capcoa/roster.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	Matt Baldwin	(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.....	Doug Gearhart	(707) 263-7000
Lassen County APCD	Jim Donnelly	(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) 443-3093
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.....	Michelle Joe	(916) 874-4853
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	Mike Goldman	(805) 961-8821
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
CAPCOA.....	Mel Zeldin	(916) 449-9603
OEHHA	Melanie Marty	(510) 622-3154
ARB	Chris Halm	(916) 323-4865