

Agenda Date: March 17, 2005
Agenda Placement: Regular
Estimated Time: 15 Minutes
Continued Item: Yes

Board Agenda Item

TO: Air Pollution Control District Board
FROM: Terry Dressler, Air Pollution Control Officer
CONTACT: Ron Tan, 961-8812
SUBJECT: Proposed Amendment to Rule 210, Fees

RECOMMENDATION:

That the Board:

- A. Hold a second public hearing to receive testimony on the proposed amendments to Rule 210, "Fees" for the Air Toxics Program and consider proposal to base such fees on air toxic emissions rather than criteria emissions and consider fee schedule for same.
- B. Approve the Resolution which follows this Board Letter. Approval of the resolution will result in the following actions:
 1. CEQA Findings: Adopt the CEQA findings (Attachment 1) pursuant to the California Environmental Quality Act (CEQA) and the APCD CEQA guidelines.
 2. Rule Findings: Adopt the associated rule findings (Attachment 2) in support of the proposed amendment to Rule 210; including those pursuant to Health and Safety Code section 40727 regarding necessity, authority, clarity, consistency, nonduplication, and reference. The findings acknowledge public comments received on the proposed rule (Attachment 3) and adopt the response to comments (Attachment 4) as findings of the Board.
 3. Amended Rule Adoption: Adopt proposed amendments to Rule 210 (Attachment 5) for the Air Toxics Program Fees.

DISCUSSION:

This is the second of two required public hearings on a proposed amendment to Rule 210 that will base fees for the Air Toxics Program on emission fees for air toxic pollutants rather than emission fees for criteria pollutants. The first hearing was held on January 20, 2005. At the conclusion of this second hearing, the Board may adopt the proposed rule amendments.

Santa Barbara County APCD Rule 210 establishes the framework for a comprehensive system for recovering expenses incurred for the regulatory programs, plans, procedures and tasks necessary for the APCD to carry out its mandates under the Clean Air Act and California law.

Per APCD Rule 210.I.G, certain stationary sources with APCD permits (that are not located on the outer continental shelf) are required to pay an annual fee earmarked to administer the APCD's Air Toxics Program (see Attachment 8 for an overview of this program). Currently, Rule 210, Schedule B-2 defines these select stationary sources as those that emit greater than 10 tons per year of a total sum of criteria pollutants consisting of reactive organic compounds, oxides of nitrogen, gaseous sulfur compounds and particulate matter. Air toxic fees are then assessed on the basis of dollars per ton of emitted criteria pollutant over a graduated emission range. In response to a request by members of industry to base the fee on air toxics emissions rather than criteria emissions, the Air Pollution Control Officer made a commitment to your Board at the fiscal year 2004/2005 budget hearing that Rule 210.I.G and Schedule B-2 would be expressed in terms of air toxic contaminants rather than criteria pollutants. In addition, the Control Officer stated his intent to structure this change to the air toxic fee schedule so that the annual Air Toxics Program fee revenue remains at its existing level.

The proposed change to Rule 210.I.G and Schedule B-2 entails (1) requiring stationary sources not located on the outer continental shelf that possess an APCD permit to pay an annual Air Toxics Program fee if the source emits more than 2,000 pounds of air toxic substances in a year and (2) replacing the existing table of graduated Air Toxics Program fees and the associated criteria pollutant emission ranges with a single air toxic unit fee of \$0.25 per pound of air toxic contaminants. The methodology used to derive this unit fee is presented in Attachment 7.

Objectives:

The objective is to base the annual Air Toxics Program fee schedule in terms of air toxic contaminant emissions rather than criteria pollutants and to maintain the annual Air Toxics Program fee revenue at its existing level.

Implications to the Regulated Community:

As the proposed rule revision alters the fee applicability threshold to an air toxics basis instead of a criteria pollutant basis, some stationary sources currently subject to the fee will no longer have to pay while others currently exempt will enter the program. Additionally, sources currently paying an annual Air Toxics Program fee may see a decrease in their fees if their air toxics emissions are substantially less than their criteria emissions while the converse may also occur.

The APCD prepared an example comparison of annual Air Toxics Program fees for 2003 under existing Rule 210.I.G, Schedule B-2 and under the proposed rule revision. Under existing

Schedule B-2, twenty-three sources are subject to the fee. Under the proposed revision, nineteen of these twenty-three would still be subject to the fee while the remaining four sources would not be subject to the fee, as their 2003 air toxic emissions are less than 2,000 pounds. Four of the nineteen would see their fees decrease under the revision while the other fifteen would experience an increase. Additionally, seven sources not currently subject to the fee would now be subject to it.

Comparison to Existing Federal, State, and Local Requirements:

Pursuant to Health and Safety Code section 40727.2, the APCD is required to identify all existing federal, state, and local air pollution control requirements that apply to the same equipment or source category as the rule proposed for adoption or modification by the APCD. Rule 210 specifies the fees regulated sources pay to fund the APCD's Air Toxics Program. There is no specific equipment category that the Rule 210 will impact. Therefore, this analysis is not applicable.

Emission Reductions:

No emission changes are anticipated due to the proposed rule modification. Some sources subject to the annual Air Toxics Program fee may voluntarily elect to reduce their air toxic emissions to lower their fee.

Cost-Effectiveness and Incremental Cost-Effectiveness:

The amendment to Rule 210 does not implement an emission reduction control requirement. Therefore, this analysis is not applicable.

California Environmental Quality Act (CEQA):

The proposed revision simply serves to modify the manner in which the annual Air Toxics Program Fee is calculated. This is an administrative change to the rule and is exempt from the requirements of CEQA pursuant to state CEQA Guidelines §15273. As a result, the APCD prepared CEQA Findings (Attachment 1) and a Notice of Exemption (Attachment 6). The APCD will file the Notice of Exemption with the County Clerk of the Board in compliance with State Public Resources Code § 21152(b).

Public Review:

The APCD conducted a publicly noticed workshop on November 15, 2004 at the APCD Santa Barbara office. A total of sixty-four workshop announcements were mailed to representatives of potentially affected industries and to all members of the APCD Community Advisory Council (CAC). Three members of industry participated in the workshop.

On December 8, 2004, staff presented the proposed amended rule at a publicly noticed CAC meeting. The CAC recommended that your Board approve the Rule 210 rule amendment. The CAC also expressed concern that the proposed fee did not include sources emitting at or below 2,000 pounds per year of air toxic emissions. Consequently, the CAC recommended that your Board levy an additional flat annual Air Toxics Program fee for sources emitting at or below 2,000 pounds per year of air toxic emissions. And if your Board accepts this recommendation, the CAC recommended that your Board provide direction to the Air Pollution Control Officer to

develop such a flat fee and return to the Board with a proposed Rule 210 revision incorporating such a flat fee, which would be in effect by Fiscal Year 2005/2006 (i.e., the March 2006 billing cycle). During the January 20, 2005 Rule 210 hearing, the Board made a conceptual decision to strike the rulemaking option regarding levying a flat annual Air Toxics Program fee for sources at and below 2,000 pounds per year of air toxic emissions.

Health and Safety Code section 42311(e) requires the Board to hold a public meeting at which oral and written presentations may be made. This meeting requirement is in addition to the public hearing required by Health and Safety Code section 40725 for general rule adoptions. Therefore, the presentations and discussions at the January 20, 2005 meeting fulfill the requirements of Section 42311(e). Notice of January 20, 2005 meeting was published in the newspaper on December 19, 2004.

APCD published a public notice on February 6, 2005 regarding the public hearing for adoption on March 17, 2005.

Implications to the APCD Budget and Work Load:

The total APCD costs for the Air Toxics Program are approximately \$170,000 annually. The revenue generated by Rule 210.I.G for the Air Toxics Program is about \$65,000 annually (or 38% of the total program cost). The remainder of the program costs are covered by other revenue sources. Under the proposed amendments to Rule 210, the revenue generated by the annual Air Toxics Program fee will remain at its existing level.

In general, the amount of air-toxics-related effort that is necessary for a given source is proportional to the air toxic emissions of that source. That is, a source with higher air toxic emissions necessitates greater effort to ensure that it is compliant with Air Toxics Program requirements than a source with little or no air toxic emissions. Thus the proposed fee structure, which requires sources with higher toxic emissions to pay more, is appropriate.

With respect to the APCD's Air Toxics Program workload, sources with air toxics emissions greater than 2,000 pounds per year constitute approximately 30-40% of the staff's Air Toxics Program effort, which corresponds closely with the 38% of the total Air Toxics Program revenue that \$65,000 represents. Sources at and below 2,000 pounds per year of air toxic emissions constitute the remaining 60-65% of the workload. There will be no effect on APCD staff labor as a result of this rule revision.

CONCURRENCES:

County Counsel has reviewed this Board Letter and its attachments and approves them as to form.

SPECIAL INSTRUCTIONS:

After adoption by the Board, please have the Board Chair sign the attached resolution and return a copy along with a copy of the minute order to Ron Tan of the Air Pollution Control District.

ATTACHMENTS:

- Resolution
- Attachment 1: CEQA Findings
- Attachment 2: Rule Findings
- Attachment 3: Public Comments
- Attachment 4: Response to Public Comments
- Attachment 5: Proposed Amended Rule 210 (Strikeout/Underline Format)
- Attachment 6: Notice of Exemption (NOE) for CEQA
- Attachment 7: Air Toxics Fee Calculation Methodology
- Attachment 8: APCD Air Toxics Program Workload

BOARD RESOLUTION

PROPOSED REVISIONS TO RULE 210,
FEES

MARCH 17, 2005

Santa Barbara County Air Pollution Control District

260 North San Antonio Road, Suite A
Santa Barbara, California 93110

(805) 961-8800

**RESOLUTION OF THE AIR POLLUTION
CONTROL DISTRICT BOARD OF THE COUNTY OF
SANTA BARBARA, STATE OF CALIFORNIA**

In the Matter of)	APCD Resolution No.
)	
Revising Rule 210)	
)	
_____)	

RECITALS

1. The Air Pollution Control District Board of the County of Santa Barbara (“Board”) is authorized to adopt, amend, or repeal rules and regulations pursuant to Health and Safety Code section 40725 *et seq.* and Health and Safety Code section 42311.

2. Pursuant to Health and Safety Code 40001, the Board is required to adopt and enforce rules and regulations to achieve and maintain the state and federal ambient air quality standards.

3. The Board has determined that a need exists to amend Rule 210 (fees) to revise the manner in which the annual Air Toxics Program fees are collected.

NOW, THEREFORE, IT IS HEREBY RESOLVED THAT:

1) This Board has held two hearings and accepted public comments in accordance with the requirements of Health and Safety Code section 40725 *et seq* and Health and Safety Code section 42311.

2) The California Environmental Quality Act (“CEQA”) findings set forth in Attachment 1 of the Board Package dated March 17, 2005 (herein after “Board Letter”) are hereby adopted as findings of this Board pursuant to the CEQA and the CEQA guidelines.

3) The general rule findings, as set forth in Attachment 2 of the Board Letter, are hereby adopted as findings of this Board pursuant to Health and Safety Code section 40727.

4) The Responses to Public Comments, as set forth in Attachment 4 of the Board Letter, are hereby adopted as findings of this Board.

5) Rule 210, as set forth in Attachment 5 of the Board Letter, is hereby amended as a rule of the Santa Barbara County Air Pollution Control District pursuant to Health and Safety Code section 40725 *et seq.* and Section 42311.

6) The Board authorizes the Control Officer to transmit the amended rule to the State Air Resources Board in compliance with applicable state and federal law. Additionally, the Board authorizes the Control Officer to do any other acts necessary and proper to obtain necessary approvals of the amended rule by the California Air Resources Board and the Environmental Protection Agency.

PASSED AND ADOPTED by the Air Pollution Control District Board of the County of Santa Barbara, State of California, this ____ day of _____, 200_, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:
TERENCE E. DRESSLER
CLERK OF THE BOARD,

By _____
Deputy

Chair, Air Pollution Control
District Board of the County of
Santa Barbara

APPROVED AS TO FORM:

STEPHEN SHANE STARK
SANTA BARBARA COUNTY COUNSEL

By _____
Deputy
Attorneys for the Santa Barbara County
Air Pollution Control District

ATTACHMENT 1

CEQA FINDINGS

PROPOSED REVISIONS TO RULE 210,

FEES

MARCH 17, 2005

Santa Barbara County Air Pollution Control District

260 North San Antonio Road, Suite A
Santa Barbara, California 93110

(805) 961-8800

ATTACHMENT 1

CEQA FINDINGS

The project consists of revising the Rule 210 to modify the manner in which the annual Air Toxics Program Fee is calculated. Per APCD Rule 210.I.G, certain stationary sources with APCD permits (that are not located on the outer continental shelf) are required to pay an annual fee earmarked to administer the APCD's Air Toxics Program. Currently, Rule 210 Schedule B-2 defines the select stationary sources as those that emit greater than 10 tons per year of a total sum of criteria pollutants consisting of reactive organic compounds, oxides of nitrogen, gaseous sulfur compounds and particulate matter. Air toxic fees have historically been assessed on a dollars per ton of emitted criteria pollutant for each select stationary source over a graduated emission range. In response to a request by members of industry to base the fee on air toxics emissions rather than criteria emissions, the Air Pollution Control Officer made a commitment to your Board at the fiscal year 2004/2005 budget hearing that Rule 210.I.G and Schedule B-2 would be expressed in terms of air toxic contaminants rather than criteria pollutants. In addition, the Control Officer stated his intent to structure this change to the air toxic fee schedule so that the annual Air Toxics Program fee revenue remains at its existing level.

The proposed change to Rule 210 Schedule B-2 involves replacing the existing table of graduated Air Toxics Program fees and the associated criteria pollutant emission ranges with a single air toxic unit fee expressed in dollars per pound of air toxic contaminants. This change affects non-outer continental shelf sources that emit greater than 2,000 pounds of air toxics per year.

Therefore, the Board finds that:

- Pursuant to § 15273 of the State CEQA Guidelines, the project is not subject to CEQA as the project applies to the modification of rates charged by the APCD, a public agency, for the purpose of:
 - (1) Meeting operating expenses, including employee wage rates and fringe benefits,
 - (2) Purchasing or leasing supplies, equipment, or materials,
 - (3) Meeting financial reserve needs and requirements, or
 - (4) Obtaining funds for capital projects, necessary to maintain service within existing service areas.

The Santa Barbara County APCD prepared a Notice of Exemption (Attachment 6 of the Board Letter dated March 17, 2005) for the project. The APCD will file the Notice of Exemption with the County Clerk of the Board in compliance with State Public Resources Code § 21152(b).

ATTACHMENT 2

RULE FINDINGS

PROPOSED REVISIONS TO RULE 210,
FEES

MARCH 17, 2005

Santa Barbara County Air Pollution Control District

260 North San Antonio Road, Suite A
Santa Barbara, California 93110

(805) 961-8800

ATTACHMENT 2

RULE FINDINGS FOR REVISING RULE 210

Pursuant to California Health and Safety Code section 40727, the Board makes the following findings for the amendments of Rule 210 (Fees).

Necessity

The Board determines that it is necessary to amend Rule 210 (Fees) to revise the manner in which the annual Air Toxics Program fee is determined. This revision is being done so that the annual Air Toxics Program fee will be calculated on the basis of a source's air toxic emissions, rather than on the basis of a source's criteria pollutant emissions.

Authority

The Board is authorized under state law to adopt, amend, or repeal rules and regulations pursuant to Health and Safety Code section 40000, and 40725 through 40728 which assigns to local and regional authorities the primary responsibility for the control of air pollution from all sources other than exhaust emissions from motor vehicles. In addition, Health and Safety Code section 40702 requires the APCD Board to adopt rules and regulations and to do such acts as necessary and proper to execute the powers and duties granted to it and imposed upon it by state law.

Clarity

The Board finds that proposed amended Rule 210 is sufficiently clear. The APCD publicly noticed the proposed revisions to Rule 210. In addition, the proposed amended Rule 210 was reviewed by the Community Advisory Council. The rule is written or displayed so that its meaning can be easily understood by persons directly affected by it.

Consistency

The Board determines that proposed amended Rule 210 is consistent with, and not in conflict with or contradictory to, existing federal or state statutes, court decisions, or regulations.

The neighboring air pollution control districts such as Ventura County Air Pollution Control District, San Luis Obispo County Air Pollution Control District, and San Joaquin Valley Unified Air Pollution Control District have adopted similar fee rules. Based on this evidence, the Board finds that the rules are consistent with neighboring air pollution control districts.

Nonduplication

The Board finds that the amended Rule 210 (Fees) does not impose the same restrictions as any existing state or federal regulation, and the proposed amendments are necessary and proper to execute the powers and duties granted to, and imposed upon, the APCD.

Reference

The Board finds that we have authority under state law to amend Rule 210 pursuant to Health and Safety Code section 39002 which assigns to local and regional authorities the primary responsibility for the control of air pollution from all sources other than exhaust emissions from motor vehicles. Additionally, pursuant to Health and Safety Code section 40702, the Board is required to adopt rules and regulations and to do such acts as are necessary and proper to execute the powers and duties granted to it and imposed upon it by state law.

Additional Findings; Public Comment

Response to Comments

The Board has reviewed the public comments included in Attachment 3 and hereby approves the responses to comments set forth as Attachment 4 as findings.

ATTACHMENT 3
PUBLIC COMMENTS
PROPOSED REVISIONS TO RULE 210,
FEES

MARCH 17, 2005

Santa Barbara County Air Pollution Control District

260 San Antonio Road, Suite A
Santa Barbara, California 93110

(805) 961-8800

**PUBLIC COMMENTS
ON PROPOSED REVISIONS TO RULE 210, Fees**

As of January 5, 2005 the APCD received the following public comments on the proposed rule modification.

Public Workshop, November 15, 2004

- | | | |
|---|---|-------|
| 1. There was a request for more detail on the air toxic emission calculation methodology used by the APCD. |] | 1 - 1 |
| 2. There was a suggestion to include sources emitting less than 2,000 pounds of air toxics per year in the air toxic fee program. |] | 1 - 2 |
| 3. There was a request for a listing of APCD activities under the APCD Air Toxics Program. |] | 1 - 3 |
| 4. There was a request to consider an alternate option that involves annually updating the fee schedule by annually generating an air toxic unit fee based on the Air Toxics Program budget set by the Air Pollution Control District Board of Directors divided by the total annual air toxic emissions for that fee year. |] | 1 - 4 |

ATTACHMENT 4
RESPONSE TO COMMENTS
PROPOSED REVISIONS TO RULE 210,
FEES

MARCH 17, 2005

Santa Barbara County Air Pollution Control District

260 North San Antonio Road, Suite A
Santa Barbara, California 93110

(805) 961-8800

**APCD RESPONSE TO PUBLIC COMMENTS
ON PROPOSED REVISIONS TO RULE 210, FEES**

COMMENT NUMBER	APCD RESPONSE
1 - 1	The APCD has made available air toxic emission factor references and calculation methodology.
1 - 2	These sources are not currently subject to the air toxic fee and because of their relatively small air toxic emission rates would not contribute a significant amount of air toxic fee revenue.
1 - 3	That listing is provided as part of this document
1 - 4	This suggested method requires that a new air toxic unit fee be generated each year following the budget process and would not provide a predictable dollars/pound unit fee for each source. The APCD option provides a stable year-to-year air toxic unit fee value that only undergoes an annual CPI adjustment.

ATTACHMENT 5

PROPOSED AMENDED RULE 210,

FEES

(STRIKEOUT AND UNDERLINE FORMAT)

MARCH 17, 2005

Santa Barbara County Air Pollution Control District

260 North San Antonio Road, Suite A
Santa Barbara, California 93110

(805) 961-8800

RULE 210. FEES. (Adopted 10/18/1971, revised 5/1/1972, 6/16/1975, 6/1976 and 7/24/1978, readopted 10/23/1978, revised 5/17/1980, 6/1980, 12/14/1981, 6/30/1986, 12/15/1986, 8/8/1988, 5/2/1989, 12/12/1989, 2/13/1990, 3/27/1990, 6/5/1990, 12/18/1990, 5/7/1991, 4/17/1997, and [date of revised rule adoption])

Deleted: and

SCOPE AND PURPOSE

This rule establishes the framework for a comprehensive system for recovering expenses incurred for the regulatory programs, plans, procedures and tasks necessary for the Santa Barbara County Air Pollution Control District (the District) to carry out its mandate under the Clean Air Act and California law. The purpose of this rule is to allow the District to recover its reasonable costs incurred for direct and incidental costs associated with its activities, including but not limited to the issuance of permits, inspection, enforcement, planning, research and administration. Authority to establish said regulation is provided for in Health & Safety Code sections 41512, 41512.5, 42311, and 42364.

I. FEES FOR SOURCES WITH DISTRICT PERMITS

Permit related fees are assessed for District activities which are related to stationary sources requiring a District permit. The activities include, but are not limited to: review and evaluation of applications; reevaluation of permits; source testing; ambient air quality and continuous emissions monitoring; review, evaluation, implementation of plans, agreements, studies, programs and notices; research; planning and implementation of measures to attain and maintain air quality standards and control of air toxics.

[. . .]

G. Air Toxics Program

All stationary sources with a District permit shall pay an annual fee based on annual emissions multiplied by the Air Toxics Program unit fee, prescribed in Schedule B-2. The annual toxic emissions shall be determined pursuant to section I.H. The fees assessed under this provision are independent of any permit fees that may be assessed for an ATC, PTO or reissuance of a PTO.

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[. . .]

SCHEDULE B-2
FEE FOR AIR TOXICS PROGRAM

EMISSION RANGE (pounds/year) AIR TOXICS PROGRAM UNIT FEE

0 - 2,000 0

> 2,000 \$0.25 per pound of air toxic emissions

Deleted: tons

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Deleted: The Emission Range shall be determined as the sum of Reactive Organic Compounds, Oxides of Nitrogen (expressed as nitrogen dioxide), Gaseous Sulfur Compounds (expressed as sulfur dioxide) and Particulate Matter at a stationary source. These pollutants are used as proxies for toxic air contaminants. At a later date, this schedule will be expressed in terms of specific toxic air contaminants rather than ROC, NOx, SOx and PM.

APPROVED AS TO FORM:

STEPHEN SHANE STARK
SANTA BARBARA COUNTY COUNSEL

By _____
Deputy

Attorneys for the Santa Barbara County
Air Pollution Control District

ATTACHMENT 6

CEQA NOTICE OF EXEMPTION
FOR
PROPOSED REVISIONS TO RULE 210,
FEES
MARCH 17, 2005

**Prepared by the Technology and Environmental
Assessment Division, CEQA Section**



260 San Antonio Road, Suite A
SANTA BARBARA, CALIFORNIA 93110

NOTICE OF EXEMPTION

TO: Clerk of the Board
County of Santa Barbara
105 East Anapamu Street
Santa Barbara, CA 93101

FROM: Santa Barbara County
Air Pollution Control District
260 N. San Antonio Road, Suite A
Santa Barbara, CA 93110

Project I.D.: Revision to APCD Rule 210

Project Title: Revised Annual Air Toxics Program fee

Location: Santa Barbara County, California

Project Description: The project consists of revising the Rule 210 to modify the manner in which the annual Air Toxics Program Fee is calculated. The proposed change to Rule 210 Schedule B-2 involves replacing the existing table of graduated Air Toxics Program fees and the associated criteria pollutant emission ranges with a single air toxic unit fee expressed in dollars per pound of air toxic contaminants. This change affects non-outer continental shelf sources that emit greater than 2,000 pounds of air toxics per year.

Exempt Status: (Check One)

- Ministerial (Section 21080 (b)(1); 15268)
- Declared Emergency (Section 21080(b)(3); 15269(a))
- Emergency Project (Section 21080(b)(4); 15269(b)(c))
- Categorical Exemption
CEQA Section(s): 15273
- Statutory Exemption
Code Number(s):
- General Exemption under CEQA Section 15061(b)(3)
- APCD CEQA Guidelines, Appendix A ("APCD List of Exempt Projects")

Reasons Why Project is Exempt: The project is not subject to CEQA as the project applies to the modification of rates charged by the APCD, a public agency, for the purpose of:

- (1) Meeting operating expenses, including employee wage rates and fringe benefits,
- (2) Purchasing or leasing supplies, equipment, or materials,
- (3) Meeting financial reserve needs and requirements, or
- (4) Obtaining funds for capital projects, necessary to maintain service within existing service areas.

Contact Person: Ron Tan

Telephone: 961-8812

Bobbie Bratz
Technology and Environmental Review Division

Date: _____

Clerk of the Board Date and Time Stamp

Terence E. Dressler
Air Pollution Control Officer

ATTACHMENT 7

AIR TOXICS PROGRAM FEE CALCULATION
METHODOLOGY

PROPOSED REVISIONS TO RULE 210,
FEES

MARCH 17, 2005

Santa Barbara County Air Pollution Control District

260 North San Antonio Road, Suite A
Santa Barbara, California 93110

(805) 961-8800

Rule 210 Air Toxics Program Fee Calculation Methodology

The proposed change to Rule 210 Schedule B-2 entails replacing the existing table of graduated Air Toxics Program fees and the associated criteria pollutant emission ranges with a single air toxic unit fee expressed in dollars per pound of air toxic emissions.

The APCD methodology used to arrive at this unit fee factor consists of generating a dollars per pound of air toxic emissions unit fee factor using actual air toxics revenues as the numerator of the factor (designated as value “A” in the formula below) in conjunction with inventoried air toxic emission data calculated by utilizing annual process data and the most current air toxics emission factors as the denominator of the factor (designated as value “B” in the formula below). Each value is an average over a three year period of 2001 through 2003. Only stationary sources with emissions greater than 2,000 pounds of air toxics are included in this calculation for any given year.

The dollars/pound air toxic unit fee factor is arrived at in the following manner:

$$\text{Air Toxics Unit Fee Factor, \$/pound} = \frac{A}{B}$$

where:

A = three-year average of all air toxic fee revenues collected from FY2001 through 2003
The three-year average Air Toxics Program fee revenue equals \$65,550.

B = three-year average of all air toxic emissions from sources greater than 2,000 pounds of air toxics per year. This utilizes annual process data from those select sources for the years 2001 through 2003 and the most current air toxics emission factors. The three-year average (years 2001 through 2003) of total air toxic emissions from all sources greater than 2,000 pounds of air toxics per year equals 265,366 pounds.

The factor numerator, the three-year average of all air toxic fee revenues collected from FY2001 through 2003, is determined to equal \$65,550. The factor denominator, the three-year average (years 2001 through 2003) of total air toxic emissions from all sources greater than 2,000 pounds of air toxics per year, equals 265,366 pounds of air toxic emissions. Dividing the numerator (A) by the denominator (B) results in an air toxic unit fee of \$0.25 per pound of air toxic emissions. To determine the appropriate annual air toxic fee for any given stationary source, the calculated annual air toxic emissions for that stationary source is multiplied by the \$0.25 per pound of air toxic unit fee. Again, under this proposed rule change, only stationary sources that emit greater than 2,000 pounds of air toxics during the fee year are subject to an air toxic fee assessment. Outer continental shelf sources continue to remain exempt from air toxic fees.

ATTACHMENT 8

APCD AIR TOXICS PROGRAM WORKLOAD

PROPOSED REVISIONS TO RULE 210,

FEES

JANUARY 20, 2005

Santa Barbara County Air Pollution Control District

260 San Antonio Road, Suite A
Santa Barbara, California 93110

(805) 961-8800

**Santa Barbara County Air Pollution Control District
Engineering & Compliance Division
Toxics Program Workload**

AIR TOXIC HOT SPOTS (ATHS) PROGRAM

- Review facilities' Air Toxics Emission Inventory Plans and Reports
- Review source test and sampling plans, observe toxics source testing, and review and approve source test and sampling reports
- Review and oversee implementation of Risk Reduction Audits and Plans for Significant Risk Sources
- Run Health Risk Assessments for new and existing sources using HARP model
- Calculate Prioritization scores for sources of toxic emissions
- Produce ATHS Annual Report
- Develop annual budget
- Determine ATHS status of existing and new facilities
- Schedule and review facilities' quadrennial emissions updates
- Implement ATHS Notification requirements for Significant Risk Sources
- Develop and manage toxic emissions database for ATHS sources
- Develop and implement program efficiencies – flowchart; integrate with other program databases; streamline data exchange with sources
- Integrate the HRA, Notification and Risk Reduction requirements of ATHS with DICE ATCM requirements

MODELING AND RELATED

- Maintain and improve expertise in HARP risk model and associated database
- Create and maintain HRA forms, allow for sources to submit data electronically
- Review and comment on modeling submittals from sources and contractors
- Develop and implement Industrywide screening tables (GDF, D/C, ABS)
- Research, develop and implement policies associated with HRA modeling
- Integrate GIS software with APCD databases and HARP to create improved mapping and extract site-specific toxics information

AIR TOXIC CONTROL MEASURES

- Stationary and Portable DICE ATCMs – coordination, review, applicability, implementation, including integration with Air Toxic Hot Spots program
- Review draft and final ATCMs (e.g., diesel-related, but also D/C, thermal spray, composite wood products, other) for content, applicability to SBC sources
- Oversee ongoing implementation of existing ATCMs (e.g., Perc D/C, Cr⁺⁶)

PERMITTING AND RELATED

- Develop and implement IDS-based Toxics NSR process for new applications
- Develop DICE permitting package (forms, EmFac info, website availability)
- Create database-driven permitting module for processing DICE permit applications (incl. tracking ATCM and ATHS requirements)

INTERDIVISIONAL/INTERAGENCY

- CEQA review & toxics coordination (incl. HRA and policy issues)
- Rule review (e.g., ATCM coordination and interaction re: Rule 202)
- Participate in CAPCOA (e.g., TARMAC, Engineering Managers) for statewide consistency in toxic policy and related issues
- Participate in HARP working group to maintain and improve model
- Assist ARB and other districts in implementation, roll-out and maintenance of Community Health Air Pollution Information System (CHAPIS)
- Respond to ARB, EPA information requests
- Q/A and comment on EPA's Toxic Release Inventory to ensure accuracy
- Participate in STAPPA/ALAPCO issues as necessary

MACT/NESHAP, CLEAN AIR ACT

- Review draft and final MACT, NESHAP documents
- Determine applicability of MACT, NESHAP requirements to SBC sources
- Coordinate internally with permitting staff on MACT/NESHAP implementation
- Create and maintain list of Major HAP sources in SBC

GENERAL PROGRAM

- Update existing and create new Toxics webpage content
- Perform facility-specific and category-specific research (e.g., crematory)
- Respond to public, agency and other requests for information
- Provide toxics expertise in response to compliance and nuisance-related issues
- Maintain and update Frequently Asked Questions list
- Research policy issues
- Research and document approved toxic emission factors for program use
- Ensure compliance with Prop 65 requirements; research applicability
- Develop and maintain a comprehensive APCD Air Toxics Reference Manual