

California Environmental Protection Agency



**“Hot Spots” Annual Status Report
on Fees for Fiscal Year 2003-2004**

(July '03 through June '04)

May 2004

(corrections made on 6/23/04)

“Hot Spots” Annual Status Report on Fees for Fiscal Year 2003-2004

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). This is the second 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” fees for Fiscal Year 2003-2004.

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 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 Fees for Fiscal Year 2003-2004

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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 has 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 2003-2004 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 over the past seven 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), the ARB will revert back to the past process of public comment and Board approval. Unless that situation arises, 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

ARB no longer adopts district 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. Beginning in fiscal year 2002-2003, and continuing in the current fiscal year (2003-2004), if a district has

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.

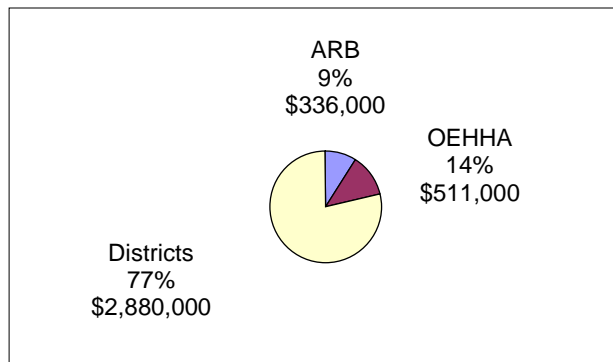
not adopted its own fee regulation, the Executive Officer of the ARB will authorize districts to recover district program costs from facilities that are subject to the State Fee Regulation. This amount may be up to, but shall not exceed, the State program cost on a per-facility basis. Simply put, the 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.

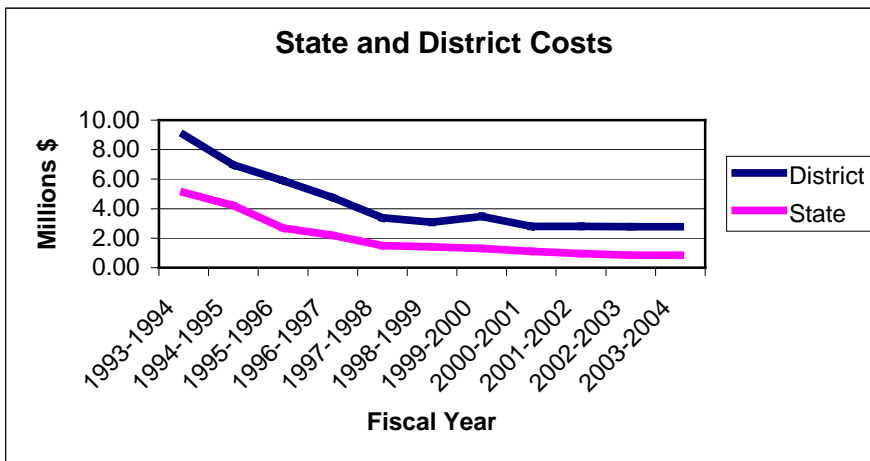
Current Fee Totals

This year the amount of State costs for the program is approximately \$847,000 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 \$847,000 proposed to be collected to support State activities for fiscal year 2003-2004 is an 84 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 or nearing completion. While the State costs dropped rapidly between 1993 and 1997, the last six 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.



Fee Tables

The following four tables provide information about the costs associated with the “Hot Spots” program. Table 1 shows the trend in State costs for each district. Most districts have not seen significant changes in the status of their facilities and therefore the fees remain relatively constant. Tables 2 and 3 provide information on the costs for industrywide facilities which are responsible for almost 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.

Additional Tables

Table 5 describes State activities performed by ARB and OEHHA. These amounts reflect the amount of State fees collected from facilities for the current fiscal year. Table 6 provides a list of the State fees for each risk category.

The dollar amounts shown in Table 1 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 1: Trend in State Costs for Three Fiscal Years

District	2001-2002	2002-2003	2003-2004
Amador County APCD	105	35	35
Antelope Valley APCD	8,248	7,758	7,733
Bay Area AQMD	121,307	116,109	58,430 116,810*
Butte County AQMD	4,433	2,018	201
Caleveras County APCD	0	0	0
Colusa County APCD	0	0	0
El Dorado County APCD	6,441	6,642	6,642
Feather River AQMD	535	1,206	1,206
Glenn County APCD	140	140	0
Great Basin Unified APCD	5,004	5,004	4,401
Imperial County APCD	9,620	9,620	9,620
Kern County APCD	694	653	618
Lake County APCD	70	0	0
Lassen County APCD	3,129	3,129	3,129
Mariposa County APCD	507	507	472
Mendocino County AQMD	7,555	4,513	4,513
Modoc County APCD	0	0	0
Mojave Desert AQMD	22,015	14,081	13,907
Monterey Bay Unified APCD	4,109	4,109	3,879 3,634**
North Coast Unified AQMD	1,607	1,537	1,537
Northern Sierra AQMD	805	770	770
Northern Sonoma County APCD	70	35	35
Placer County APCD	10,945	9,079	9,606
Sacramento Metro AQMD	19,647	17,579	16,564
San Diego County APCD	113,949	90,929	90,929 90,719**
San Joaquin Valley APCD	45,435	43,870	42,925
San Luis Obispo County APCD	560	595	595
Santa Barbara County APCD	28,688	29,661	29,422
Shasta County AQMD	9,088	3,582	3,582
Siskiyou County APCD	5,069	4,230	4,230
South Coast AQMD	478,158	436,136	447,651
Tehama County APCD	1,257	67	67
Tuolumne County APCD	700	519	519
Ventura County APCD	29,934	33,506	21,612
Yolo-Solano AQMD	5,978	3,720	3,930
TOTAL STATE COSTS	\$945,802	\$851,339	\$788,760 <u>846,685</u>

* The State fees for the Bay Area AQMD were readjusted upward on June 23, 2004, to include retail gas stations in the facility information list for fiscal year 2003-04. These were incorrectly omitted from the original facility list.

** The State fees for the Monterey Bay Unified APCD and the San Diego County APCD were corrected after additional information was supplied by the district.

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.

Table 2: Total State Fees for Fiscal Year 2003-2004

District	Core Fees	Industrywide Fees	Total State Fees
Amador County APCD	0	35	35
Antelope Valley APCD	4,688	3,045	7,733
Bay Area AQMD	52,130	6,300 64,680	58,430 116,810
Butte County AQMD	201	0	201
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	0	0
Great Basin Unified APCD	4,086	315	4,401
Imperial County APCD	7,100	2,520	9,620
Kern County APCD	268	350	618
Lake County APCD	0	0	0
Lassen County APCD	2009	1,120	3,129
Mariposa County APCD	402	70	472
Mendocino County AQMD	1,608	2,905	4,513
Modoc County APCD	0	0	0
Mojave Desert AQMD	9,812	4,095	13,907
Monterey Bay Unified APCD	1,674	2,205 1,960	3,879 3,634
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	12,110	16,564
San Diego County APCD	58,694	32,235 32,025	90,929 90,719
San Joaquin Valley APCD	33,055	9,870	42,925
San Luis Obispo County APCD	0	595	595
Santa Barbara County APCD	25,852	3,570	29,422
Shasta County AQMD	3,582	0	3,582
Siskiyou County APCD	4,020	210	4,230
South Coast AQMD	176,786	270,865	447,651
Tehama County APCD	67	0	67
Tuolumne County APCD	134	385	519
Ventura County APCD	17,412	4,200	21,612
Yolo-Solano AQMD	3,650	280	3,930
TOTALS	\$422,835	\$365,925 423,850	\$788,760 <u>846,685</u>

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 in Table 3 below.

Table 3: Trend in State Fees for Industrywide Facilities for Three Fiscal Years

District	Industrywide Fees for 2001-2002	Industrywide Fees for 2002-2003	Industrywide Fees for 2003-2004
Amador County APCD	105	35	35
Antelope Valley APCD	2,555	2,065	3,045
Bay Area AQMD	82,635	95,655	6,300 64,680
Butte County AQMD	2,625	210	0
Caleveras County APCD	0	0	0
Colusa County APCD	0	0	0
El Dorado County APCD	3,360	3,360	3,360
Feather River AQMD	35	0	0
Glenn County APCD	140	140	0
Great Basin Unified APCD	560	315	315
Imperial County APCD	2,520	2,520	2,520
Kern County APCD	560	385	350
Lake County APCD	0	0	0
Lassen County APCD	1,120	1,120	1,120
Mariposa County APCD	105	105	70
Mendocino County AQMD	3,675	2,905	2,905
Modoc County APCD	0	0	0
Mojave Desert AQMD	5,705	3,465	4,095
Monterey Bay Unified APCD	2,100	2,100	2,205 1,960
North Coast Unified AQMD	105	1,470	1,470
Northern Sierra AQMD	805	770	770
Northern Sonoma County APCD	70	35	35
Placer County APCD	3,010	3,220	3,010
Sacramento Metro AQMD	15,260	13,125	12,110
San Diego County APCD	33,355	32,235	32,235 32,025
San Joaquin Valley APCD	1,085	10,815	9,870
San Luis Obispo County APCD	0	595	595
Santa Barbara County APCD	3,675	3,675	3,570
Shasta County AQMD	560	0	0
Siskiyou County APCD	245	210	210
South Coast AQMD	277,655	259,735	270,865
Tehama County APCD	1,190	0	0
Tuolumne County APCD	700	385	385
Ventura County APCD	6,125	5,110	4,200
Yolo-Solano AQMD	385	70	280
TOTALS	\$452,025	\$445,830	\$365,925 423,850

The dollar amounts shown in Table 4 below 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.

Table 4: Trend in District Costs for Three Fiscal Years

District	2001-2002	2002-2003	2003-2004
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	15,400	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	2,000	2,000	2,000
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	2,489	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	13,500	15,000	15,000
Sacramento Metro AQMD	61,787	61,787	61,787
San Diego County APCD	290,000	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	50,000	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	1,336,861	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 COSTS	\$2,793,916	\$2,888,129	\$2,888,129

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 in Table 5 below.

Table 5: State Program Costs for the ARB and OEHHA

Agency	Task	Pys*	Staff Cost	Contract Cost	Total
ARB	Air Toxics Emission Database Maintenance	1.0	76,000	60,000	136,000
ARB	Emission Data Collection and Validation	2.0	152,000	0	152,000
ARB	Risk Assessment and Notification Assistance	0.3	23,000	0	23,000
ARB	Develop Risk Reduction Guidelines	0.1	9,000	0	9,000
ARB	District/Board Assistance	0.2	16,000	0	16,000
ARB	Subtotal	3.6	276,000	60,000	336,000
OEHHA	Health Effects Value Update	0	0	24,000	24,000
OEHHA	Risk Assessment Guideline Update	1.5	113,000	0	113,000
OEHHA	Exposure Assessment/Uncertainty Methods Update	0.5	38,000	0	38,000
OEHHA	Health Risk Assessment Tracking	2.6	196,000	0	196,000
OEHHA	District/Board Assistance	1.7	140,000	0	140,000
OEHHA	Subtotal	6.3	487,000	24,000	511,000
	TOTAL for ARB and OEHHA	9.9	763,000	84,000	\$847,000

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

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 in Table 6 below. The State fee for an Industrywide facility is \$35.

Table 6: 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	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		
Fee Exempt	Exempt from State Fees if Priority Score ≤ 10	0 (inventory update still required)		
Exempt from Program	Priority Score ≤ 1 or Risk < 1	0		

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
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
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	Leland Villalvazo	(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.....	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) 323-4865