

Attachment H
Written Comments

From: John Lane [mailto:JLane@teichert.com]
Sent: Monday, January 28, 2013 9:22 AM
To: David Yang
Cc: Becky Wood
Subject: RE: SMAQMD Industry Fee Task Force Meeting

David,

I would like to attend this meeting and understand better the District's intentions on this. As you can imagine, we too are impacted by the recession and revenue issues and further fee increases impact our viability.

With only a 6 day notice of this meeting, I would like to ask that the District consider rescheduling so that people can arrange their schedules accordingly. I am currently committed to another meeting but will attempt to make other arrangements.

If rescheduling is not possible, please send me any available materials to consider.

From: Lee Gamboa [mailto:leegamboa@gamboas.com]
Sent: Tuesday, January 29, 2013 5:04 PM
To: David Yang
Subject: Re: SMAQMD Industry Fee Task Force Meeting

I will not be attending, but I will tell you my position, no new taxes/fees.

----- Original Message -----

From: David Yang
To: leegamboa@gamboas.com
Sent: Tuesday, January 29, 2013 2:34 PM
Subject: FW: SMAQMD Industry Fee Task Force Meeting

Lee,

I am forwarding the email inviting you to the Industry fee task force meeting.

Please let me know if you are planning to attend this meeting.

Thank you,

David Yang
Air Quality Engineer

From: Rene' Toledo [mailto:Rene.Toledo@smud.org]
Sent: Wednesday, February 06, 2013 10:33 AM
To: Marc Cooley; David Yang; ALETA KENNARD; Patrick Durham
Subject: Industry Task Force Comments

Marc,

Thank you for inviting SMUD to be part of the Industry Task Force meeting last week.

As requested by APCO Larry Greene, we are submitting the following written comments concerning the proposed changes to Rule 301 (Permit Fees).

- 1) For projects and/or applications subject to the hourly time and material labor rate fee (currently listed in Sections 308.11 and 308.12), please consider adding a monthly invoicing requirement to Section 400 of the rule. The monthly invoice could itemize the work complete by AQMD staff during the previous month and allow you to collect fees as a project is processed.
- 2) Exclude Schedule 8 (5 MW plus generators) from the fee deposit provision of Section 301.1, since fees would be collected on a monthly basis.
- 3) Revise the fee rule to collect pollutant fees of PM10 instead of TSP, since BACT, offset, and major source trigger levels are based on PM10 (not TSP).

Please feel free to contact me with any questions you may have at Rene.Toledo@smud.org or 916-732-7452.

Sincerely,

René Toledo
Environmental Health & Safety Specialist SMUD
916-732-7452

From: Grow, William (SDA) [mailto:groww@sacsewer.com]
Sent: Thursday, March 21, 2013 2:17 PM
To: David Yang
Subject: Proposed Fee Increases

When do the higher fees go into effect?

For Air Toxics Hot Spots, we were charged \$95 per site (invoice #1213-09-00201B)

Where is this fee defined under the current regs and what would be the new, higher fee under the proposed changes?

William Grow, P.E.
Associate Civil Engineer
Sacramento Regional County Sanitation District
8521 Laguna Station Road, Elk Grove, CA 95758
916 875 9164 office

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P O Box 13222
 Sacramento CA 95813-6000

April 11, 2013
 L9223:CMW

Mr. David Yang
 777 12th Street, 3rd Floor
 Sacramento Metropolitan Air Quality Management District
 Sacramento, CA 95814

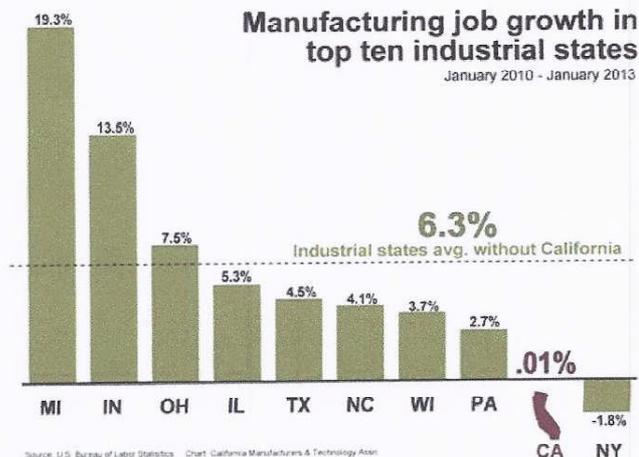
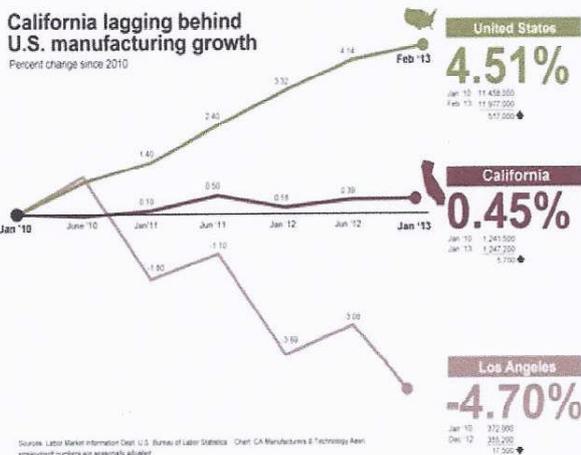
Subject: Comments from Aerojet to the Sacramento Metropolitan Air Quality Management District on the Proposed Changes to Rule 107- Alternative Compliance, Rule 205 – Community Bank and Priority Reserve Bank, Rule 301 – Permit Fees – Stationary Source, Rule 306 – Air Toxics Fees

Dear Mr. Yang:

Aerojet respectfully submits comments on the Sacramento Metropolitan Air Quality Management District's (SMAQMD) proposed changes to the Subject rules listed above.

General Comments Regarding all Proposed Fee Increases

Aerojet appreciates the opportunity to comment on the proposed fee increases and recognizes the important role of the SMAQMD and the challenges it faces. However, California manufacturers such as Acrojet face a disproportionate regulatory burden relative to their competitors in other states (see charts below). These data, compiled by the California Manufacturing and Technology Association from government sources demonstrate a precipitous, sustained decline in the manufacturing sector over time and dismal job growth in California relative to other states. Regulatory agencies such as SMAQMD bear some responsibility for these trends and adding to the cumulative regulatory burden through imposition of higher fees, especially during a period of economic instability, will only make a bad situation worse.



Some state environmental regulatory agencies are taking concrete actions to reduce the cost and administrative burdens their programs impose on the regulated community. For example, as part of an ongoing “resource alignment” effort, the State Water Resources Control Board adopted a workplan in 2012 to “identify opportunities to reduce the costs of compliance for dischargers subject to Water Board regulation and oversight” and to “maximize utility/benefit arising from discharger compliance actions, including benefits to the regulated community and to the environment at large” (see: http://www.waterboards.ca.gov/water_issues/programs/rap/docs/cost_of_compliance090612.pdf).

The Legislature’s Joint Legislative Budget Committee on AB 32 conducted oversight hearings in 2012 to address regulated community concerns about misappropriation of fee revenue by the California Air Resources Board intended for implementation of CARB’s greenhouse gas emission control programs. As a result of this inquiry, language was adopted in the 2012-2013 state budget requiring CARB to account for prior year fee revenue income and expenditures, and to forecast staffing, operations, and contract expenditures by major program area for the next fiscal cycle. CARB submitted its initial report to the Legislature earlier this year (<http://www.arb.ca.gov/cc/jlbreports/jan2013jlbcreport.pdf>).

The Brown administration recognizes the unique challenges faced by regulated businesses in California. In 2011, the Governor established a new Office of Business and Economic Development (GoBiz), in part to assist businesses in navigating permit requirements, “clearing of regulatory hurdles” and offsetting the cost of doing business in California. The Governor’s Senior Economic advisor recently announced the administration’s commitment to stimulating growth in California’s manufacturing sector during an “Advanced Manufacturing Summit” it sponsored in late March. The Governor has also been openly supportive of efforts to reform the California Environmental Quality Act to expedite review, and where appropriate approval of, new projects.

The district’s proposed fee increases are dramatically out of step with this state-level emphasis on controlling regulatory program costs and otherwise reducing burdens on the regulated community. The SMAQMDs has projected that the proposed fee increase will result in over a 70% increase in Aerojet’s fees within the next three years. SMAQMDs proposed Rule 301 changes will impose a 15% increase in costs in FY 13/14 for all of our existing 158 local permits, as well as new fees to support our Title V permit. The increases in Rule 301 alone would result in over a \$56,000 increase in fees in FY 13/14. Aerojet, as well as other companies in the District not only need to comply with local SMAQMD rules, but also new vehicles rules imposed by the California Air Resources Board which have already resulted in a significant cost impact. These types of fee increases and compliance costs cannot easily be passed on to our customers and will require further cost cutting measures and inhibit job growth within our Sacramento facility.

Cost Reductions through Decreased Inspections for Facilities in Compliance

Aerojet would like to request SMAQMD to consider an additional cost reduction measure with respect to inspections by potentially reducing the number of inspections per year on processes/equipment that are consistently in compliance. Currently all our local permits are inspected once per year. From 2008 to date, SMAQMD inspectors have visited our site over 80 times and inspected over 150 permitted processes/equipment every year. During this period, Aerojet has not received any Notice of Violations (NOV) as a result of a SMAQMD inspection. Aerojet is proposing that the inspection frequency be reduced for permits or facilities that have remained in compliance for a specified period of time such as 5 years. Many of our permits have remained unchanged for many years and have always been in compliance. Due to the consistency of these permits, the majority of the administrative costs for SMAQMD to maintain these permits are presumably costs related to inspections. By reducing the

amount of inspections done per year, the SMAQMD could save on staff time and labor costs associated with this process.

Rule 205 – Community Bank and Priority Reserve Bank.

The proposed Rule 205 amendments increase the amount of fees that can be collected by the SMAQMD for the renewal of existing Emission Reduction Credit (ERC) loans that are borrowed through the SMAQMD’s bank. Aerojet holds 7 of the SMAQMD’s 50 active ERC loans for various processes on the Rancho Cordova plant. Currently we pay \$8,127 per year to renew all 7 loans. As written, the proposed rule will increase the annual renewal fee from \$903 per year to \$2,556 per year, a 283% increase. Aerojet understands that this program is underfunded and the fees have not been increased in some time, but does not agree with the drastic rate increase that is planned to take place all in one year.

Aerojet is proposing that the SMAQMD consider a gradual increase in fees to achieve the desired goal which would be consistent with the proposed increases for the other rules. The proposed schedule below outlines three different options that would allow Aerojet more time to reallocate money and balance our budget internally to cover these costs.

Options	FY 13/14 (7/25/13 – 7/24/14)	FY 14/15 (7/25/14 – 7/24/15)	FY 15/16 (7/25/15 – 7/24/16)	FY 16/17 (7/25/16 – 7/24/17)	FY 17/18 (7/25/17 – 7/24/18)
\$ = Amount per year due / % = percentage increase from prior year					
1 Increase ~ \$330/year for 5 years	\$1233 / 36.5%	\$1562 / 26.7%	\$1890 / 21%	\$2221 / 17.5%	\$2576 / 16%
2 Increase ~ \$413/year for 4 years	\$1318 / 46%	\$1727 / 31%	\$2141 / 24%	\$2569 / 20%	0
3 Increase ~ \$551/year for 3 years	\$1454 / 61%	\$2007 / 38%	\$2569 / 28%	0	0

The table represents a more gradual increase in fees which is similar to but still more than the rate of fee increases drafted in Rule 301 – Permit Fees – Stationary Source, which Aerojet will also be heavily impacted by as stated above. Aerojet requests SMAQMD to consider Option 1 for the Rule 205 ERC renewal fee increases or a similar fee increase schedule.

Please contact Chelsea Westerberg at (916) 804-2361 if you have any questions.

Sincerely,



Chelsea Westerberg
Environmental, Health and Safety

Municipal Services Agency

Department of Waste
Management & Recycling

Paul Philleo, Director



Brad Hudson, County Executive
Robert Leonard, Chief Deputy County
Executive

County of Sacramento

April 15, 2013

Mr. David Yang
Sacramento Metropolitan
Air Quality Management District
777 12th Street
Sacramento, CA 95814

Subject: Proposed SMAQMD Fee Increase Comments

Dear Mr. Yang:

The County of Sacramento Municipal Services Agency, Department of Waste Management & Recycling (DWMR) is pleased to submit comments on proposed Sacramento Metropolitan Air Quality District (SMAQMD) rule changes associated with fee increases.

Title V Fees-

The projected Title V fee revenues SMAQMD calculated appear to be underestimated. The projected revenues appear to account only for fees associated with the annual fee and the five year renewal. Revenues from the revision of local permits do not appear to be included in the SMAQMD estimate. Table 1 contains DWMR's estimate for Title V fees for the Kiefer Landfill for the fiscal years 2013/14 through 2016/17 including revenues from anticipated local permit revisions. Total fees for the Kiefer Landfill during this four year period are estimated by DWMR staff to be \$76,301. This equates to an annual average fee of \$19,465 which significantly exceeds SMAQMD's estimated annual average of \$9,754.

Table 1
Estimated Title V Fees - Kiefer Landfill

Fiscal Year	DWMR Title V Fee Estimate			SMAQMD Estimated Total Fees
	Permit Related Fees	Annual Fees	Total Title V Fees	
FY 2013/14	\$0	\$3,424	\$3,424	\$7,993
FY 2014/15	\$29,214	\$3,936	\$33,150	\$9,192
FY 2015/16	\$9,657	\$4,528	\$14,185	\$10,571
FY 2016/17	\$20,726	\$4,816	\$25,542	\$11,258
4 Year Total	\$59,597	\$16,704	\$76,301	\$39,014

Simple revisions of any local permits will become very expensive. For example, in FY 2015/16 the permit to operate for Kiefer's greenwaste trommel will require revision because the ERC loan from the essential public services account will expire. Under the proposed fee changes, DWMR will be required to pay \$1,614 in local fees and \$9,657 in Title V fees to revise the two local permits associated with that equipment. An anticipated similar revision of our flare and engine permits in FY 2014/2015 will require Title V fees for seven permits for a total of \$23,922. Fee resulting from the revision of local permits will be a significant revenue source and should be considered in the SMAQMD revenue projections.

DWMR requests that SMAQMD Staff consider reevaluation of the projected revenues taking into account the fees that will be charged for revisions to local permits and adjust the proposed Title V permit fees accordingly.

ERC Loan Fees -

SMAQMD proposes to increase the annual emission reduction credit (ERC) loan fee by 280 percent. DWMR has the following comments;

- The current and proposed fee structure does not take the size of the loan into account. DWMR's loan of 0.09 tons for the Kiefer gasoline dispenser will incur the same fees as the 7.72 tons for the site's flares and engines. DWMR suggests that SMAQMD consider a tiered approach for small, medium and large sized loans. This approach is utilized for local permit fees.
- The staff report does not clearly address how the initial loan fees fit into the budget for this program. DWMR requests that SMAQMD staff evaluate the impact of base loan fees on the projected revenues and consider adjusting the proposed fees.
- The proposed fee increases are retroactive to our original agreements to the ERC loans. We cannot recover the original loan fees if we decide that the new annual fees are too costly. Would the SMAQMD consider prorated refunds for loans that have suddenly become cost prohibitive?

If you have any questions regarding this matter, please contact me at (916)876-9431.

Sincerely;



Tim Israel, PE
Senior Engineer

From: Nitin Patel [mailto:nit9pat@yahoo.com]
Sent: Thursday, April 25, 2013 11:09 AM
To: David Yang
Subject: Proposed Fee Increase

Our permit # 23277

We strongly object to any fee increase, as it will impact us in this bad economy

Nitin Patel
Maaco
1216 Arden Way
Sacramento, CA 95815
916 565 2760