



State of Utah

GARY R. HERBERT
Governor

GREG BELL
Lieutenant Governor

Department of
Environmental Quality

Amanda Smith
Executive Director

DIVISION OF AIR QUALITY
Cheryl Heying
Director

DAQ-057-09

MEMORANDUM

TO: Air Quality Board

THROUGH: Cheryl Heying, Executive Secretary

FROM: David Beatty, Operating Permits Section Manager

DATE: September 16, 2009

SUBJECT: PROPOSE FOR PUBLIC COMMENT: Operating Permit Program Fee for Fiscal Year 2011

Background:

Title V of the Clean Air Act Amendments of 1990 (CAAA) requires the State of Utah to develop an Operating Permit Program (OPP), to include a fee system which is to be used solely to fund all direct and indirect costs associated with administering the OPP. Section 19-2-109.1 (4)(a) of the Utah Conservation Act authorizes the Utah Air Quality Board (the Board) to propose to the legislature an annual emission fee that conforms to Title V of the CAAA for each ton of chargeable pollutant.

Utah began collecting an emission fee during fiscal year 1993, based on tons of air pollution emitted, to fund development of the program. The fee has increased in varying increments by 0% to 12.3% (one year decreased 4.3%). The current fee charged to fund fiscal year 2010 is \$48.75 per ton of emissions. Most fee increases have been the result of reduced emission tonnages by sources, and increasing salaries and benefits to staff. Staff size has been reduced since 1995 from 39 FTE's to the current level of 31.5 FTE's, this has assisted in keeping fee increases as low as possible.

For fiscal year 2011 Air Quality staff is basing its proposal on an emissions inventory of 77,000 tons, an amount slightly lower than that of the last few years, due to small decreases by several sources. Additionally, staff is proposing to base the fee on a staff size of 31.5 FTE's. The fee calculation is shown in the table below and shows no fee increase for FY2011.

Operating Permit Emission Fee for Fiscal Year 2011:

FY2009 Actual Salary + Benefits	\$2,788,718	
FY2011 Projected Salary + Benefits		\$2,788,718
FY2011 Indirect Costs (Using 12.46%)	\$347,474	
FY2011 Direct Costs (based on FY2010)	\$617,558	
FY2011 Projected Total Expenditures		\$3,753,750
FY2011 Projected Fee Tonnage	77,000	
FY2011 Proposed Fee Rate Per Ton of Emissions		\$48.75

Current Fee (FY2010) is \$48.75. Difference is \$0 per ton.

As part of the fee development process, the fee is included as part of the Department’s fee schedule each fall. Additionally, a public comment period will be held to allow an opportunity for interested parties to comment on the Department fee schedule and a public hearing will be scheduled during the fall of 2009. Notice of the comment period and public hearing will be provided in the Legal Notices section of the major newspapers in the state.

Staff Recommendation: Staff recommends that the Board submit as part of the Department’s fee schedule, a proposed fee of \$48.75/ton for the Operating Permit Program for fiscal year 2011.