



DEPARTMENT OF
ECOLOGY
State of Washington

**Air Operating Permit Report
Fiscal Year 2011**

12-02-036

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Introduction

This report summarizes Air Operating Permit (AOP) program financial details and program tasks and activities for Fiscal Year (FY) 2011. The reporting period is July 1, 2010 through June 30, 2011.

If you have questions about the information in this report, contact Crystal Alford at crya461@ecy.wa.gov or at (509)329-3595.

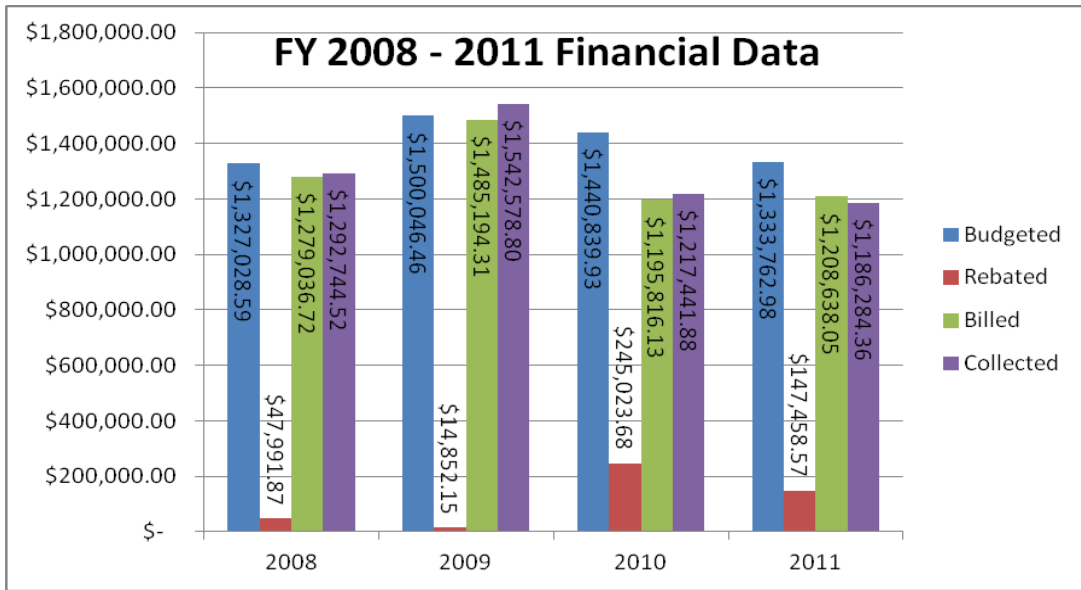
Financial Summary

The budget is set using a workload analysis that identifies the costs associated with Ecology staff performing various AOP program tasks, such as permit writing and inspections. The budget for FY 2011 was \$1,333,762.98.

AOP tasks are broken into two categories: Ecology AOP program administration costs, which are paid for by Ecology AOP sources (only); and costs associated with development and oversight (D&O) of the statewide AOP program, which are paid for by all AOP sources in Washington. AOP program administration costs for FY2011 were \$1,208,638.17. Statewide development and oversight costs for FY2011 were \$125,124.81.

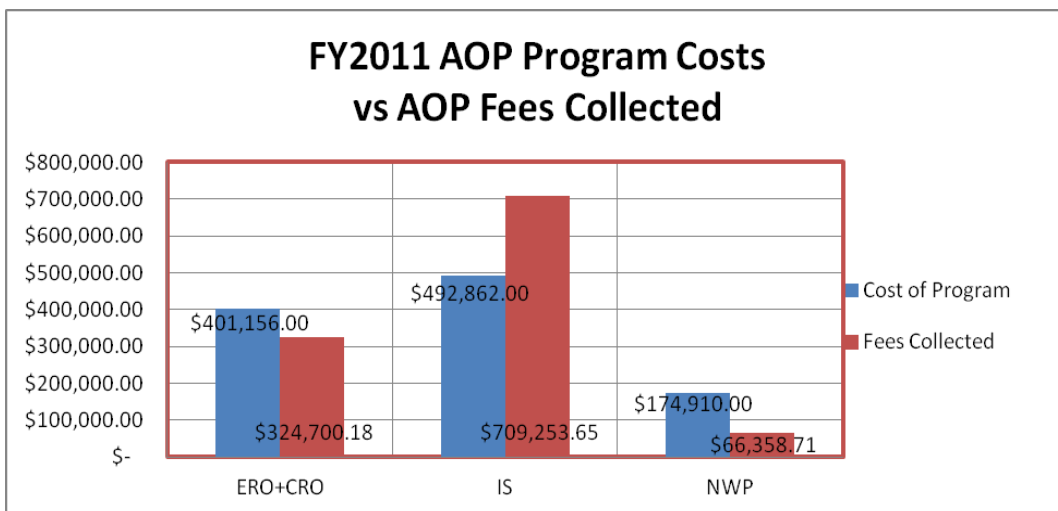
The annual AOP program administration fees and D&O fees are set after any rebate from the prior fiscal year is subtracted from the annual budget. The amount to be rebated from FY2010 was \$147,458.57. This rebate was apportioned to each Ecology AOP source or Local Clean Air Agency based on the percentage of the fee they paid the prior year compared to the total fees collected that year.

Information on the AOP budget, the rebates, amount billed and fees collected for each year from FY 2008 through FY2011 are represented in the chart (below). Discrepancies between the amount budgeted and collected are discussed in the specific AOP Annual Report for each fiscal year.



This year, we collected \$20.05 less than was billed. This was due to an overpayment of \$19.92 the previous fiscal year by Benton Clean Air Agency. Ecology's invoicing system showed a positive balance in Benton's account, so this amount was applied to the 2011 D&O fee, reducing the amount collect from Benton by \$19.92. The remaining \$.13 discrepancy is due to rounding in the workload model.

Ecology spent \$1,007,716.66 performing AOP related work in FY11. This includes reimbursement of \$17,046.60 to the Washington Department of Health for AOP work related to the Radioactive Air Emissions License for the US Department of Energy Hanford site. In FY 2012, Ecology will be rebating \$178,567.70 (collected revenue minus expenditures).



A time accounting summary follows that shows the number of FTEs budgeted to perform various AOP tasks, the actual number of FTEs spent doing the work and the difference for FY11.

	Budgeted Total FTEs	Actual Total FTEs	Difference (Budgeted – Actual)
Program A (Admin/Fiscal Services)	0	1.72	(1.72)
Industrial Section (IND)	3.75	2.33	1.42
Nuclear Waste Program (NUC)	1.39	0.86	0.53
Department of Health (DOH)	0.25	0.13	0.12
HQ – Science and Engineering Section (SES)	0.78	0.25	0.53
HQ – Technical Services Section (TSS)*	1.05	0.76	0.29
HQ – Financial (FIN)	0.073	0.05	0.023
HQ – Program Manager (PM)	0.10	0.09	0.01
Eastern Regional Office (ERO)	1.76	1.30	0.46
Central Regional Office (CRO)	1.45	1.16	0.29
Totals	10.60	8.65	1.95

* Staff time spent on AOP billing & AOP GHG coordination (from PDS) is included under TSS.

The table below shows some of the basic AOP activities budgeted and the actual work completed for FY11.

	Activity	Budgeted Work	Actual Work Completed
Industrial Section (IS)	1. Permit Renewal	3	1
	2. Final Permit	3	1
	3. Permit Mod.	4	0
	4. Inspections	10	10
	5. Enforcement	13	6
Nuclear Waste Program (NWP)	1. Permit Renewal	0	0
	2. Final Permit	0	0
	3. Permit Mod.	6	1
	4. Inspection	1	2
	5. Enforcement	1	0
Central Regional Office (CRO)	1. Permit Renewal	0	0
	2. Final Permit	0	0
	3. Permit Mod.	2	4
	4. Inspections	5	6
	5. Enforcement	1	0
Eastern Regional Office (ERO)	1. Permit Renewal	1	0
	2. Final Permit	1	0
	3. Permit Mod.	6	1
	4. Inspections	5	7
	5. Enforcement	2	2

Pre-billing and Billing Statements

Ecology sent pre-billing statements for D&O fees to each local air agency by October 27, 2010. Pre-billing statements for AOP fees were sent to Ecology AOP sources by October 29, 2010.

Ecology sent final billing invoices to Ecology AOP sources on January 10, 2011, with payment due by February 28, 2011. Ecology sent invoices for D&O fees to each local air agency on January 10, 2011 and April 14, 2011. Payments were due March 31, 2011 and June 30, 2011, respectively.

Explanation of Refunds and Rebates

Ecology did not issue any refunds in FY2011. Ecology's Industrial Section received notice that Columbia Gorge Aluminum had sold all processing equipment and was abandoning their AOP, so this facility has been "closed" and was not billed a FY2011 fee.

Rebates were credited towards FY2011 D&O fees for each local air agency based on the percentage of D&O fees collected from each agency in FY2010. Rebates were credited to each Ecology AOP source based on the percentage of AOP fees collected from that source in FY2010.

Explanation of Fee Collections/Late Payments

All AOP and D&O fees were collected by the end of the fiscal year. Four AOP sources did not pay their fees by February 28, 2011. Three of the four paid within one week of the due date. One source, Cosmo Specialty Fibers, had to be contacted several times before payment was received April 19, 2011.

Performance Audit Summary

Washington's AOP program undergoes a routine performance audit and a random permit review each year. Crystal Alford, AOP Coordinator from Ecology's Air Quality Program, and Mark Goodin, AOP Permit Writer from Olympic Region Clean Air Agency (ORCAA), performed the audit and the review for calendar year 2010.

These audits measure the performance of each agency's program against a set of questions detailed in WAC 173-401-920(3)(b) and (c). Under an interagency agreement, Mark Goodin evaluated the four Ecology AOP programs; Crystal Alford evaluated the seven Local Clean Air Agency programs. ORCAA was reimbursed \$10,033.36 for salary, benefits, travel and indirect costs associated with performing the audit of Ecology's offices.

A detailed audit report is available on Ecology's website at

AOP Program Report
Fiscal Year 2011
October 28, 2011

Need once it is publicated