

Air Operating Permit Program Report Fiscal Year 2014



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Introduction

This report summarizes Air Operating Permit (AOP) program financial details and program tasks and activities for Fiscal Year (FY) 2014. The reporting period is July 1, 2013 through June 30, 2014.

If you have questions regarding the information in this report, contact Gail Spencer at gail.spencer@ecy.wa.gov or at (360) 407-7530.

Financial Summary

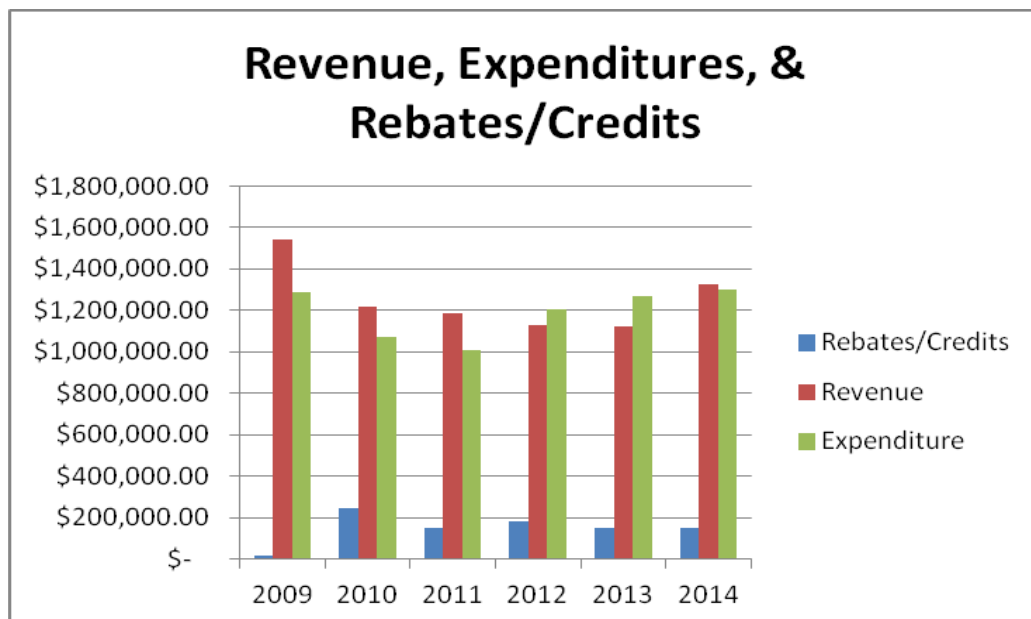
The budget is set using a workload analysis that identifies the costs associated with Ecology staff performing various AOP program tasks, such as permit writing and compliance verification. The budget for FY 2014 was set at \$1,477,021.28.

AOP tasks are broken into two categories:

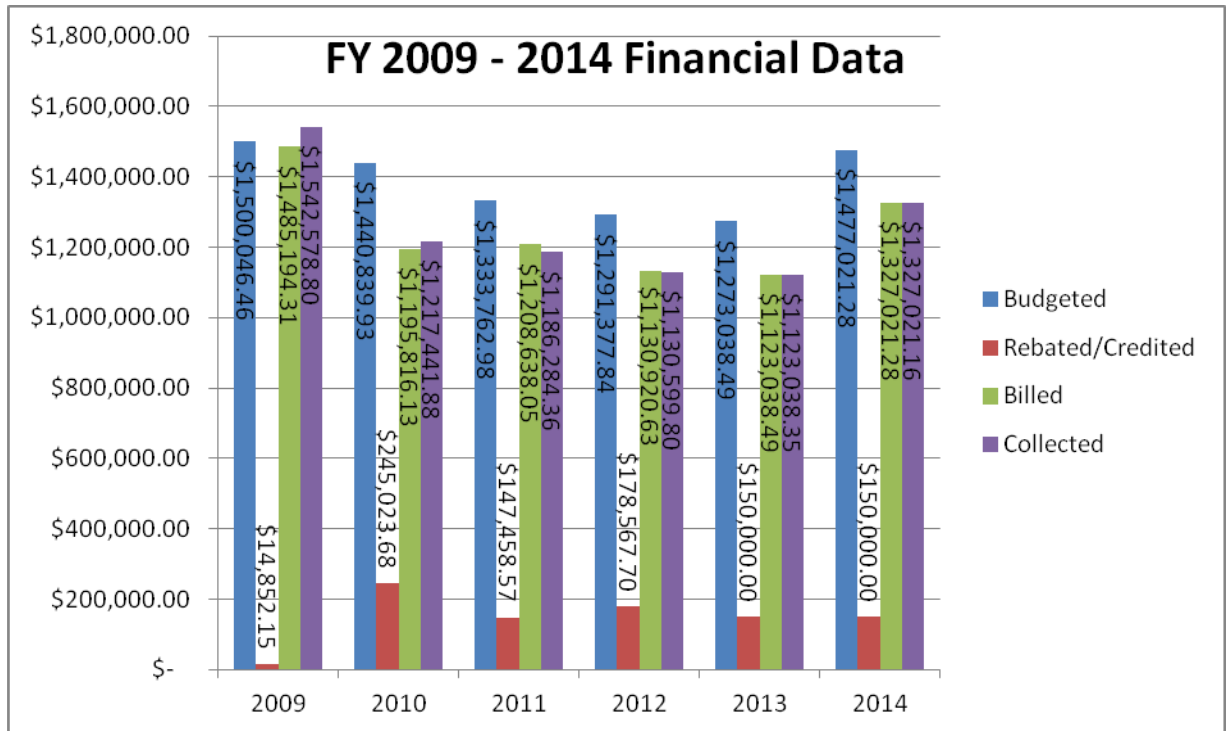
- Ecology AOP program administration, which is paid for by Ecology AOP sources only; and
- development and oversight (D&O) of the statewide AOP program, which is paid for by all AOP sources in Washington.

The AOP program administration budget for FY 2014 was \$1,238,872.55. Statewide development and oversight budget for FY 2014 was \$238,148.73.

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 rebate for FY 2014 was \$150,000. That amount was apportioned to each Ecology AOP source or local clean air agency based on the percentage of the fee each paid the prior year compared to the total fees collected that year.



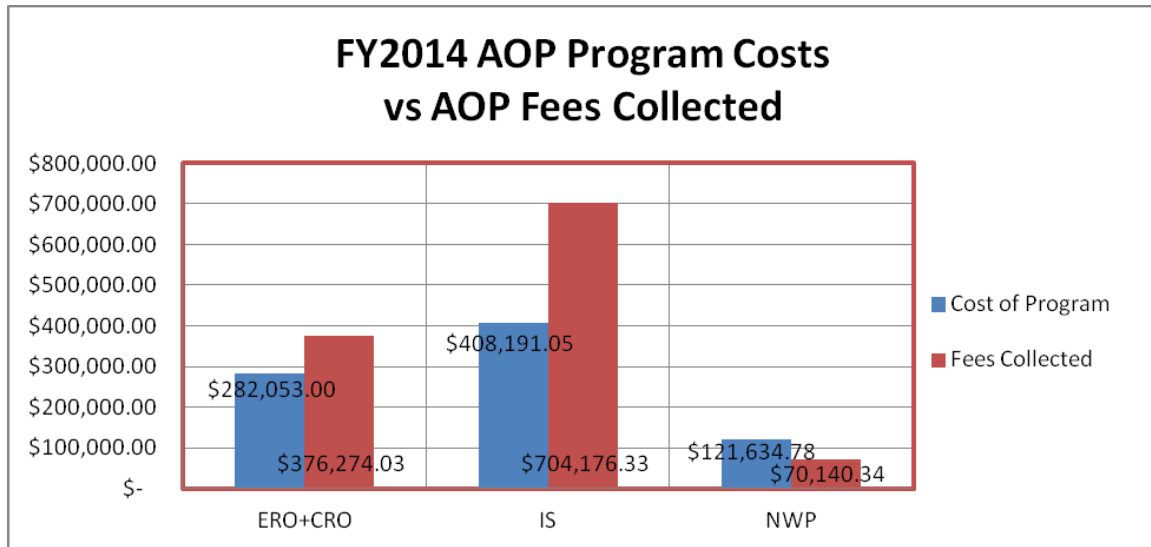
Information about the AOP budget, rebates, amounts billed, and fees collected for each year from FY 2009 through FY 2014 is represented in the chart below. Discrepancies between the amount budgeted and collected are discussed in the specific AOP Annual Report for each fiscal year.



This year, we collected \$0.12 less than the amount billed due to rounding of fractions of a cent in the fee calculations.

Ecology collected \$1,327,021.16 in AOP fees for FY 2014. Ecology spent \$1,297,629.87 performing AOP related work in FY 2014.

The chart below shows AOP program costs for Ecology’s Regional Offices, Nuclear Waste Program, and Industrial Section versus the total AOP fees collected from sources in each program. Not included below are the costs associated with Air Quality Program work out of Ecology’s Headquarters office and overhead (Ecology administration, fiscal office, IT) charges. The methodology for how AOP fees are allocated to each source is defined in regulation and statute. However, the formula is unsuccessful in allocating fees that more closely approximate the costs associated with the source.



The time accounting summary below shows the number of FTEs budgeted to perform various AOP tasks, the actual number of FTEs spent doing the work, and the difference for FY 2014.

Office	Budgeted Total FTEs	Actual Total FTEs	Difference (Budgeted – Actual)
Industrial Section (IND)	3.80	2.67	1.13
Nuclear Waste Program (NUC)	1.21	0.96	0.25
Department of Health (DOH)	0.25	0.17	0.08
HQ – Science and Engineering Section (SES)	0.35	0.31	0.04
HQ – Technical Services Section (TSS)	1.26	0.54	0.72
HQ – Financial (FIN)	0.06	0.26	(0.20)
HQ – Program Manager (PM)	0.05	0.24	(0.19)
Eastern Regional Office (ERO)	2.06	2.14	(0.08)
Central Regional Office (CRO)	2.09	1.12	0.97
Totals	11.13	8.24	2.72

The table below shows some of the basic AOP activities budgeted and the actual work completed for FY 2014.

Office	Activity	Budgeted Work	Actual Work Completed
Industrial Section (IS)	1. Permit Renewal	0	2
	2. Final Permit	0	0
	3. Permit Modification	8	0
	4. Inspections	7	12
	5. Enforcement	7	21
Nuclear Waste Program (NWP)	1. Permit Renewal	0	0
	2. Final Permit	0	2
	3. Permit Modification	5	15
	4. Inspection	6	0
	5. Enforcement	4	0
Central Regional Office (CRO)	1. Permit Renewal	0	3 ¹
	2. Final Permit	3	0
	3. Permit Modification	1	2 ²
	4. Inspections	5	3
	5. Enforcement	1	0
Eastern Regional Office (ERO)	1. Permit Renewal	2	2
	2. Final Permit	2	1
	3. Permit Modification	0	6
	4. Inspections	7	4
	5. Enforcement	6	0

1. Three permits were open, but two permits were finalized during this period.
2. One significant permit modification was made and one administrative permit was amended.

Pre-Billing and Billing Statements

Ecology sent pre-billing statements for D&O fees to each local air agency on October 17, 2013. Ecology sent pre-billing statements for AOP fees to Ecology AOP sources on October 30, 2013.

Ecology sent final billing invoices to Ecology AOP sources January 2, 2014, with payment due by February 28, 2014. Ecology sent invoices for D&O fees to each local air agency on January 2, 2014 and April 2, 2014. Payments were due March 31, 2014 and June 30, 2014, respectively.

Explanation of Fee Collections/Late Payments

All AOP and D&O fees were collected before the end of the fiscal year. However, two sources submitted payments after the February 28, 2014 due date:

Source	Payment Posted Date	Amount
Guy Bennett Lumber	March 4, 2014	\$20,411.18
Cosmo Specialty Fibers	March 4, 2014	\$53,215.61

Explanation of Refunds, Rebates, and Credits

At the end of FY 2013, the AOP Program had \$150,000 that was not expended. A credit was given to each source based on the AOP fee amount paid to Ecology for FY 2013.

Explanation of Changes to Address Fee Errors

There were no fee errors in FY 2014.