



2008/2009 YEAR PERMIT FEES AND WINERY PERMITTING STAKEHOLDER MEETING

3:00 pm, Monday April 14, 2008
3433 Roberto Court, San Luis Obispo

The San Luis Obispo County Air Pollution Control District (District) is holding a stakeholder meeting on Monday, April 14 to share information on budget issues and obtain input on possible solutions to cost increases, including a proposal to increase fees. If fee increases are enacted they will not, by law, exceed 15%. In addition to budget and fee issues, a proposal to establish a winery specific permit exemption level will also be discussed.

Permit Program Changes:

In the past, the District's permit program has been subsidized by various revenue streams unrelated to the issuance and renewal of permits. Historically, the District has collected less than 85% of the total cost necessary to run the permit program from the affected sources. With inflation pressure and the loss of revenue used to subsidize the permit program, the District is faced with budget challenges that need to be addressed. Our Board-directed goal is to obtain at least 95% cost recovery from permitted sources. State law prohibits Air Districts from using permit fees for non-permit related programs or from collecting more than they spend on the program. Although, we continue to receive additional unfunded State mandates every year that must be implemented throughout SLO County, we are committed to continuous improvement of our services without increasing staff. In fact, the District has not increased staffing levels in the last 15 years. The proposed plan would increase most annual permit fees by 8%; however, permit fees for refineries, petroleum operations, power plants, prime use engines, and any engine over 3,000 hp and gasoline dispensing facilities would increase by 15%.

Winery Permitting Program:

The second item of discussion at this stakeholder meeting will focus on winery fermentation and storage permitting threshold scenarios and a proposed permit fee structure for these operations. Neighboring air districts (i.e., Monterey Unified APCD, San Joaquin Unified APCD and Santa Barbara County APCD) require permits for wineries. SLO County District regulations do not include a specific permit exemption threshold for wineries; therefore almost all wineries in SLO County are technically subject to permitting today. To avoid permitting very small wineries that have insignificant impacts, the District intends to adopt a permit exemption threshold specific to wineries, and clarify permit requirements for the larger wineries. The District is considering an exemption threshold for wineries at 5,000 cases per year -- those below 5,000 cases would not be subject to permits. Currently there are no plans to require controls on **existing** wine fermentation and storage; however, State law could require such controls in the future. Once APCD permitting begins, new wineries or existing wineries that expand would be subject to review by District staff for air pollution control requirements.

The first of two public hearings for APCD Board consideration of the proposed permit fee schedule changes will be held on May 14, 2008. The second fee schedule hearing and the hearing to establish winery permitting requirements will be held on July 23, 2008. Both hearings are scheduled for 9:00 am at the County Government Center located at 1055 Monterey Street in San Luis Obispo.

If you have any questions, please contact Gary Willey at (805) 781-5937 or gwilley@co.slo.ca.us.