



# Air Pollution Control Board

## San Diego County Air Pollution Control District

### GOVERNING BODY

GREG COX  
First District

DIANNE JACOB  
Second District

KRISTIN GASPAR  
Third District

NATHAN FLETCHER  
Fourth District

JIM DESMOND  
Fifth District

### AGENDA ITEM

**DATE:** June 24, 2020

# AP1

**TO:** Air Pollution Control Board

### SUBJECT

**NOTICED PUBLIC HEARING: ADOPT AMENDMENTS TO RULE 40 (PERMIT AND OTHER FEES) TO IMPLEMENT THE DEFERRAL OF PERMIT RENEWAL FEES AS DIRECTED ON MAY 5, 2020 (DISTRICTS: ALL)**

### OVERVIEW

On May 5, 2020 (AP1), the Air Pollution Control Board directed the Air Pollution Control Officer to take the necessary steps to implement a deferral of the Air Pollution Control District's permit renewal fees for a period of six months. This action was taken to provide businesses extra time to recover from the economic impacts of the COVID-19 pandemic and to facilitate the swift reopening of closed businesses once the health order is lifted.

Today's requested action is to adopt the proposed amendments to Rule 40 (Permit and Other Fees) in order to implement the Board's directive. Permit renewal fees that are normally due to be paid between July 1 and December 31, 2020, will be due instead by December 31, 2020.

### Recommendations

#### AIR POLLUTION CONTROL OFFICER

1. Find that the amendment of Rule 40 is exempt from the California Environmental Quality Act (CEQA) as specified under section 15273 of the CEQA Guidelines as CEQA does not apply to the establishment, modification, structuring, restructuring or approval of fares and other charges by public agencies which are for the purpose of meeting operating expenses.
2. Adopt the Resolution entitled RESOLUTION ADOPTING AMENDMENTS TO RULE 40 – PERMITS AND OTHER FEES, OF REGULATION III OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT, TO IMPLEMENT THE DEFERRAL OF PERMIT RENEWAL FEES AS DIRECTED ON MAY 5, 2020.

### FISCAL IMPACT

Funds for this request are included in the Fiscal Year (FY) 2020-21 CAO Recommended Operational Plan for the Air Pollution Control District. If approved, the six-month deferral of permit renewal fees equates to delayed cash flow totaling an estimated \$2.5 million in Fiscal Year 2020-21, which

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will be mitigated by available prior year fund balance of the Air Pollution Control District Fund. There will be no change to net General Fund cost and no additional staff years.

**BUSINESS IMPACT STATEMENT**

This action will have a direct positive impact to businesses by deferring fees.

**ADVISORY BOARD STATEMENT**

N/A

**BACKGROUND**

The San Diego County Air Pollution Control District (District) is responsible for issuing and annually renewing permits to stationary (fixed) sources of air pollution. A permit outlines the actions a facility must take to comply with air pollution control requirements and protect air quality and public health.

The District oversees the permitting of over 4,000 facilities across the region including manufacturing and industrial facilities, power plants, stationary internal combustion engines, gas stations, landfills, solvent-based cleaning equipment, and surface coating operations. There are approximately 8,200 permits that are required to be renewed each year. All permitted facilities are required to pay the District an annual operating fee (permit renewal fee) pursuant to Rule 40 (Permit and Other Fees). The permit renewal fee amount ranges from \$12 to \$5,286 and provides a funding source for the District to inspect permitted facilities pursuant to State law to verify compliance with permit conditions.

On May 5, 2020 (AP1), the Air Pollution Control Board directed the Air Pollution Control Officer to take the necessary steps to implement a deferral of the District's permit renewal fees for a period of six months. This action was taken to provide businesses extra time to recover from the economic impacts of the COVID-19 pandemic and to facilitate their swift reopening once the health order is lifted.

Today's action would amend Rule 40 in order to implement the Board's directive, effective July 1. If the proposed rule amendments are approved, permit renewal fees that are normally due between July 1 and December 31, 2020, will be due instead by December 31, 2020. Until such time that the proposed Rule 40 amendments are adopted and take effect, the Air Pollution Control Officer has discretion to temporarily stay enforcement of the existing Rule 40 in order to approve fee deferral requests on a case by case basis.

**Customer/Stakeholder Notification**

As required by State law, the District conducted a public workshop on the proposed amendments to Rule 40 on June 9, 2020. The workshop was conducted virtually to adhere to social distancing requirements. Workshop notices including instructions to participate and/or submit comments were mailed in advance to every air quality permit holder and chamber of commerce in the region. Additionally, notices were emailed to stakeholders via the GovDelivery email subscription service. Furthermore, permit holders and other stakeholders were invited to review the proposal on the

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District's website and to contact staff by email or telephone. The District did not receive any comments that raise concerns.

**ENVIRONMENTAL STATEMENT**

The proposed action is exempt under CEQA Guidelines as Section 15273(a) provides exemptions for changes in rates, tolls, fares, or other charges by public agencies for the purposes of meeting operating expenses.

**LINKAGE TO THE COUNTY OF SAN DIEGO STRATEGIC PLAN**

Today's proposed action to amend Rule 40 to defer permit renewal fees supports the Thriving Strategic Initiative in the County of San Diego's 2020-2025 Strategic Plan by keeping businesses in operation following the COVID-19 pandemic.

Respectfully submitted,



SARAH E. AGHASSI  
Deputy Chief Administrative Officer



ROBERT REIDER  
Interim Director/Air Pollution Control Officer

**ATTACHMENTS**

*Note: Due to the size of the attachments, the documents are available online through the Clerk of the Board's website at [www.sandiegocounty.gov/content/sdc/cob/bosa.html](http://www.sandiegocounty.gov/content/sdc/cob/bosa.html).*

Attachment A: RESOLUTION ADOPTING AMENDMENTS TO RULE 40 – PERMITS AND OTHER FEES, OF REGULATION III OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT, TO IMPLEMENT THE DEFERRAL OF PERMIT RENEWAL FEES AS DIRECTED ON MAY 5, 2020

Attachment B: Rule 40 Change Copy

Attachment C: Workshop Report

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**AGENDA ITEM INFORMATION SHEET**

**REQUIRES FOUR VOTES:**          Yes        No

**WRITTEN DISCLOSURE PER COUNTY CHARTER SECTION 1000.1 REQUIRED**

   Yes        No

**PREVIOUS RELEVANT BOARD ACTIONS:**

May 5, 2020 (AP1), Business Stability During the COVID-19 Crisis.

**BOARD POLICIES APPLICABLE:**

N/A

**BOARD POLICY STATEMENTS:**

N/A

**MANDATORY COMPLIANCE:**

N/A

**ORACLE AWARD NUMBER(S) AND CONTRACT AND/OR REQUISITION NUMBER(S):**

N/A

**ORIGINATING DEPARTMENT:** Air Pollution Control District

**OTHER CONCURRENCE(S):**    N/A

**CONTACT PERSON(S):**

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