

**March 15, 2017**

**STATEMENT OF PROCEEDINGS**

*The Minutes of the*

***AIR POLLUTION CONTROL BOARD  
REGULAR MEETING***

**COUNTY OF SAN DIEGO  
AIR POLLUTION CONTROL DISTRICT**

STATEMENT OF PROCEEDINGS  
SAN DIEGO COUNTY AIR POLLUTION CONTROL BOARD  
AIR POLLUTION CONTROL DISTRICT  
REGULAR MEETING  
MEETING AGENDA  
**WEDNESDAY, MARCH 15, 2017, 9:00 A.M.**  
BOARD OF SUPERVISORS NORTH CHAMBER  
1600 PACIFIC HIGHWAY, ROOM 310, SAN DIEGO, CALIFORNIA

REGULAR SESSION: Meeting was called to order at 9:03 a.m.

PRESENT: Members Dianne Jacob, Chairwoman; Kristin Gaspar, Vice-Chairwoman; Greg Cox; Ron Roberts; Bill Horn; also, David Hall, Clerk of the Board.

Approval of Statement of Proceedings/Minutes for the meeting of January 25, 2017.

**ACTION:**

ON MOTION of Member Roberts, seconded by Member Horn, the Air Pollution Control Board of the San Diego County Air Pollution Control District approved the Statement of Proceedings/Minutes for the meeting of January 25, 2017, on Consent.

AYES: Cox, Jacob, Gaspar, Roberts, Horn

**NOTICE:** THE BOARD OF SUPERVISORS MAY TAKE ANY ACTION WITH RESPECT TO THE ITEMS INCLUDED ON THIS AGENDA. RECOMMENDATIONS MADE BY COUNTY STAFF DO NOT LIMIT ACTIONS THAT THE BOARD OF SUPERVISORS MAY TAKE. MEMBERS OF THE PUBLIC SHOULD NOT RELY UPON THE RECOMMENDATIONS IN THE BOARD LETTER AS DETERMINATIVE OF THE ACTION THE BOARD OF SUPERVISORS MAY TAKE ON A PARTICULAR MATTER.

**Air Pollution Agenda Items**

**Agenda #    Subject**

1.        NOTICED PUBLIC HEARING:  
ADOPT AMENDMENTS TO RULE 40 – PERMIT AND OTHER FEES AND  
RULE 42 – HEARING BOARD FEES  
[FUNDING SOURCES: PERMIT HOLDERS AND OTHER CUSTOMERS OF  
THE DISTRICT'S FEE-BASED SERVICES]

**AP1. SUBJECT: NOTICED PUBLIC HEARING:  
ADOPT AMENDMENTS TO RULE 40 – PERMIT AND  
OTHER FEES AND RULE 42 – HEARING BOARD FEES  
(DISTRICTS: ALL)**

**OVERVIEW:**

The mission of the San Diego County Air Pollution Control District (District) is to improve air quality to protect public health and the environment. Accordingly, the District operates a county-wide permitting program for stationary (fixed) sources of air pollution pursuant to federal and state law. Stationary sources encompass large industrial facilities such as power plants and landfills and smaller commercial establishments such as gas stations and dry cleaners. A permit outlines the specific actions a facility must take to control its air pollution emissions pursuant to federal, state, and local requirements. The permit consolidates these requirements in a single document and provides clear instructions to the facilities, helping them to comply with air pollution limitations. By minimizing their emissions, facilities are protecting the environment and public health.

Rule 40 sets the fees for the District's permitting and other services, and Rule 42 sets the fees for petitioning the District's Hearing Board for a variance (temporary relief) from an air pollution control requirement. These programs are funded on a fee-for-service basis in accordance with the Federal and California Clean Air Acts and Board of Supervisors Policy B-29: Fees, Grants, Revenue Contracts - Department Responsibility for Cost Recovery. The District receives no General Purpose Revenue.

Permit fees were last updated over five years ago (December 7, 2011 (AP01)). Asbestos Notification fees were last updated nearly 13 years ago (June 23, 2004 (AP01)) and Hearing Board fees were last updated nearly 17 years ago (June 21, 2000 (AP01)). Over the past several years, the District was able to contain cost increases by implementing business process efficiencies and customer service enhancements, including the expansion of online and digital services. However, these efforts alone can no longer contain all cost increases.

Staff conducted an in depth analysis of the services provided to business customers and the actual costs of providing those services. The analysis results indicate that the total fee revenue collected by the District, in combination with federal and state funding, no longer covers the full costs of the services provided. This is due to certain cost increases that are beyond the District's control, including increased labor costs and new and increasingly stringent air quality mandates placed upon the District requiring further actions to protect public health. A fee adjustment is needed for Fiscal Year 2017-18 to ensure the District recovers the full cost of its services in accordance with federal, state, and local requirements.

The proposed fee adjustments, if adopted, would increase total annual fee revenue by \$786,040 (9.4%). This is equivalent to a 1.6% increase each year since the last fee adjustment.

Today's requested action is to adopt proposed amendments to Rule 40 - Permit and Other Fees and Rule 42 - Hearing Board Fees, reflecting an adjustment in fees paid by business customers to obtain air quality permits and other regulatory services of the District). The proposed fee adjustments enable the District to fully and equitably recover the costs of its permitting program and related services, while maintaining high levels of service and compliance with requirements for healthful air quality.

**FISCAL IMPACT:**

If approved, funds for this request will be included in the Fiscal Year 2017-18 CAO Recommended Operational Plan for the Air Pollution Control District. The recommended fee adjustments would result in a projected fee revenue increase of \$786,040 in Fiscal Year 2017-18. The funding sources are permit holders and other customers of the District's fee-based services. There will be no change in General Fund cost and no additional staff years.

**BUSINESS IMPACT STATEMENT:**

If approved, the proposal will have a positive impact on the business community by enabling the Air Pollution Control District to maintain high quality services, and by updating the alignment of fees to the actual costs of services provided to fee payers in each fee category. Total annual fee revenues paid by business customers would increase 9.4%, equivalent to a 1.6% increase each year since the last fee adjustment. The fee increases are necessary to ensure full cost recovery for services performed by staff.

**RECOMMENDATION:**

**AIR POLLUTION CONTROL OFFICER**

1. Find that the amendment of Rules 40 and 42 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 AMENDING RULE 40 AND RULE 42 OF REGULATION III OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT.

**ACTION:**

ON MOTION of Member Roberts, seconded by Member Horn, the Air Pollution Control Board of the San Diego County Air Pollution Control District closed the Hearing and took action as recommended, on Consent, adopting Resolution No. 17-030, entitled: RESOLUTION AMENDING RULE 40 AND RULE 42 OF REGULATION III OF THE RULES AND REGULATIONS OF THE SAN DIEGO COUNTY AIR POLLUTION CONTROL DISTRICT.

AYES: Cox, Jacob, Gaspar, Roberts, Horn

There being no further business, the Board adjourned at 12:59 p.m.

DAVID HALL  
Clerk of the Air Pollution Control Board  
San Diego County Air Pollution Control District

Notes by: Miller

NOTE: This Statement of Proceedings sets forth all actions taken by the San Diego County Air Pollution Control Board on the matters stated, but not necessarily the chronological sequence in which the matters were taken up.

Approved by the Members of the Board, on Wednesday, April 26, 2017.

A handwritten signature in blue ink, appearing to read "Dianne Jacob", written over a horizontal line.

DIANNE JACOB  
Chairwoman

Attest:

A handwritten signature in blue ink, appearing to read "David Hall", written over a horizontal line.

DAVID HALL  
Clerk of the Board