



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: December 9, 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 OCTOBER 27, 2020 (DISTRICTS: ALL)

OVERVIEW

On May 5, 2020 (AP1), the Air Pollution Control Board (Board) took unanimous action to defer payment of Air Pollution Control District permit renewal fees normally due between July 1, 2020 and December 31, 2020 until December 31, 2020. On October 27, 2020 (AP1), the 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 an additional period of three 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, 2020 and March 31, 2021, will be due instead by April 1, 2021.

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 OCTOBER 27, 2020.

FISCAL IMPACT

Funds for this request are included in the Fiscal Year (FY) 2020-21 Operational Plan for the Air Pollution Control District. If approved, the additional three-month deferral of permit renewal fees

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equates to delayed cash flow totaling an estimated \$3.75 million in Fiscal Year 2020-21, which will be mitigated by available prior year fund balance of the Air Pollution Control District Fund. There will be no change in 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 (Board) took unanimous action to defer payment of Air Pollution Control District permit renewal fees normally due between July 1, 2020 and December 31, 2020 until December 31, 2020. On October 27, 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 an additional three 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 upon adoption. If the proposed rule amendments are approved, permit renewal fees that are normally due between July 1, 2020 and March 31, 2021, will be due instead by April 1, 2021.

Customer/Stakeholder Notification

Impacted permit holders received written notice on the proposed amendments to Rule 40 during monthly renewal invoice billings.

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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.

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 OCTOBER 27, 2020

Attachment B: Rule 40 Change Copy

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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:

October 27, 2020 (AP01), Maintaining Business Stability During the COVID-19 Crisis; June 24, 2020 (AP01) Adopt Amendments to Rule 40 (Permit and Other Fees) to Implement the Deferral of Permit Renewal Fees as Directed on May 5, 2020; May 5, 2020 (AP01) 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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