



Cost Recovery Task Force

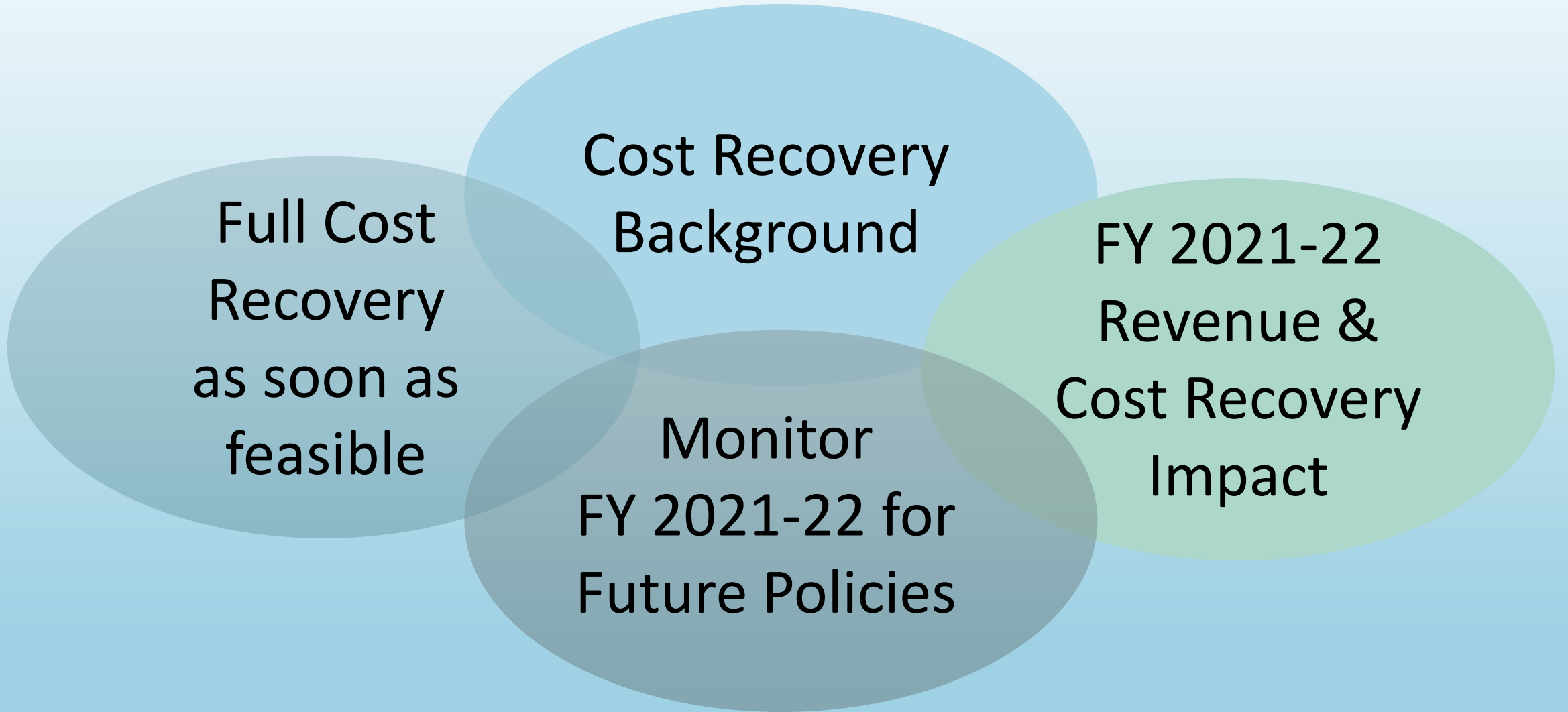
Board Members:

Jack Shu
Georgette Gomez
Enrique Medina



- On May 7, 2021, APCD Governing Board formed a Cost Recovery Task Force
- Task Force consists of the following Board Members:
 - Member Jack Shu
 - Member Georgette Gomez
 - Member Enrique Medina
- Members to develop with APCD staff and Matrix Consulting Group a Cost Recovery Scenario and return to the Board on May 21, 2021 with recommendations for adoption

Background



Task Force Focus Areas

- Fee increase applied to Application, Renewal, Processing, and Time and Material fees – per 15% aggregate cap

Fee Category	Current CR %	Subject to Aggregate Cap of 15%	FY 21-22 Fee Inc. %	FY 21-22 CR %	Years to Reach CR
Application Fixed	65%	Yes	15%	74%	3
Renewal	72%	Yes	15%	82%	3
Source Testing	46%	No	15%	63%	5
Asbestos	69%	No	25%	85%	2
Hearing Board	59%	No	25%	74%	3
T&M	65%	Yes	15%	74%	3
Processing Fees	80%	Yes	15%	91%	4

Scenario 6 (Modified Fee Increase)

➤ Current Deficit & Revenue Impact

➤ Projected revenue increase 18%

Fee Category	Current Deficit (\$)	FY 21-22 Deficit (\$)	Proposed Annual Increase
Application Fixed	(\$242,207)	(\$175,933)	\$66,274
Renewal	(\$1,753,327)	(\$1,092,347)	\$660,980
Source Testing	(\$964,603)	(\$656,665)	\$307,938
Asbestos	(\$199,524)	(\$99,237)	\$100,287
Hearing Board	(\$1,494)	(\$957)	\$537
T&M	(\$680,927)	(\$494,831)	\$186,096
Processing Fees	(\$131,064)	(\$56,679)	\$74,385
TOTAL	(\$3,973,146)	(\$2,576,649)	\$1,396,497

Scenario 6 (Cont.)

The Cost Recovery Task Force recommends Scenario 6:

- Annual revenue impact \$1.4 million
- Full cost recovery is achievable between 2 to 5 years according to fee categories
- Most fee categories can achieve 100% full cost recovery in 2 to 3 years
 - Asbestos fees in 2 years
 - Application, Renewal, Hearing Board, and Time & Material in 3 years

Recommended Scenario

Cost Recovery Task Force recommendation to the Air Pollution Control Board

- Direct the Interim Air Pollution Control Officer to implement a regulatory process, which includes industry and community partners, to amend District Rules 40 and 42 consistent with Scenario 6

Cost Recovery Task Force Recommendation