



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

# **Public Workshop**

## **Draft Amendments to Regulation 3, Fees**

**Bay Area Air Quality Management District**  
**February 18, 2014**



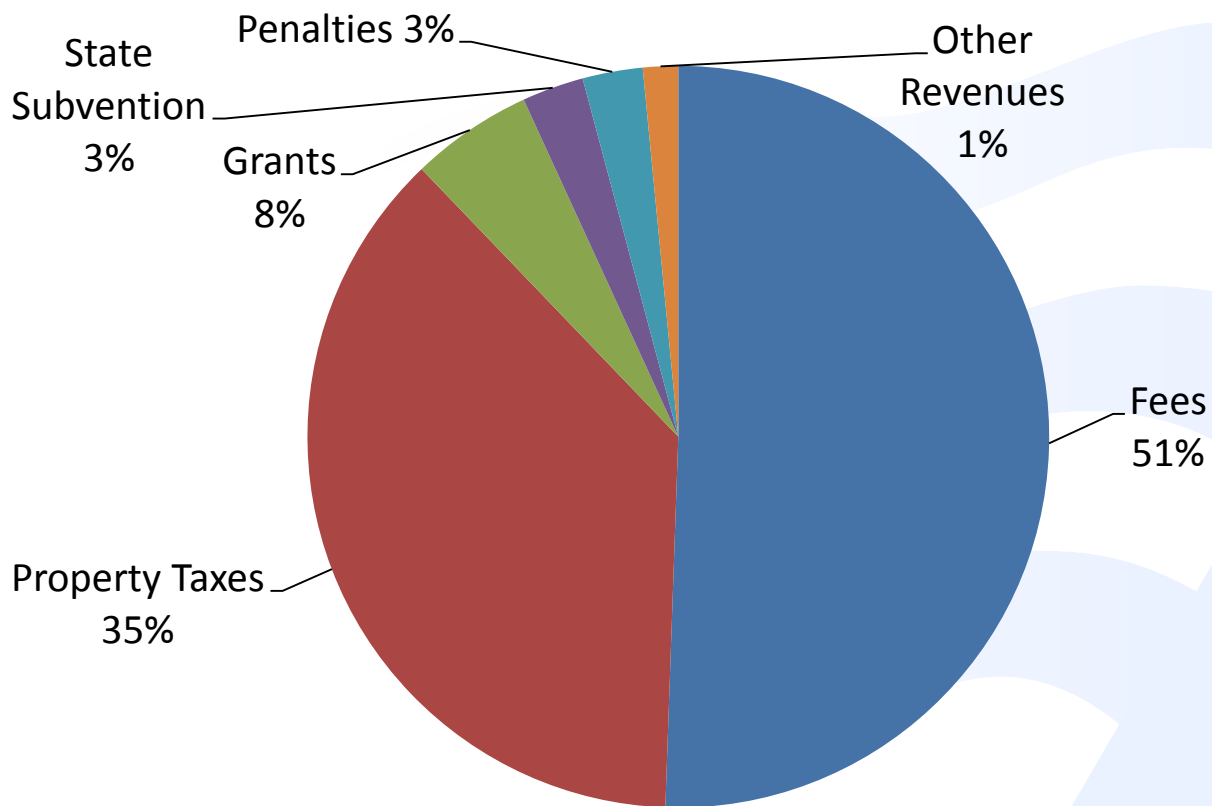
# Workshop Agenda

1. Welcome/Introductions
2. Cost Recovery Background
3. Draft Fee Amendments
4. Rule Development Schedule
5. Comments





# Revenue Sources - FYE 2013





# Cost Recovery Background

- District has authority to assess fees to recover the reasonable costs of regulating stationary sources
- Fee revenue falls well short of overall full cost recovery
  - FYE 2010: Cost recovery = 64%
  - FYE 2011: Cost recovery = 67%
  - FYE 2012: Cost recovery = 76%
  - FYE 2013: Cost recovery = 80%
- Cost recovery gap is filled by county tax revenue







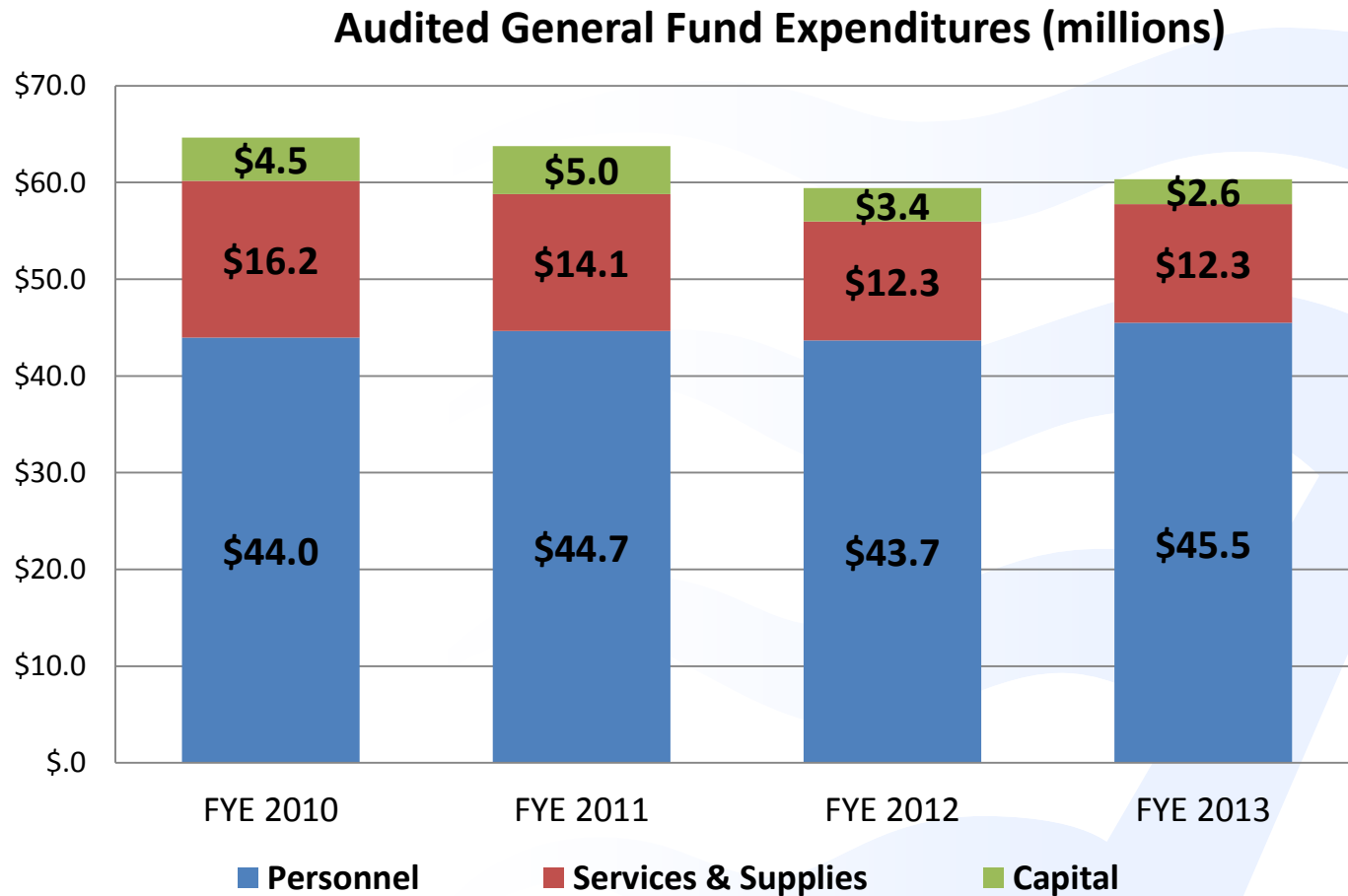
# Cost Recovery Policy

- Sets goal of increasing cost recovery to 85% by FYE 2016
- An average 6.4% *overall* annual increase in fee revenue needed to meet cost recovery goal
- Fee amendments will be made in consideration of cost recovery analyses conducted at the fee schedule-level
- District will implement feasible cost containment measures





# Trends in Cost Cutting





# Proposed Changes to Fee Schedules

Revenue from Fee Schedule	Change in Fees	Fee Schedules
<b>Exceeds 95% of costs</b>	2% increase (CPI)	C, G-5, M, N, Q, T,U,V
<b>85 – 95% of costs</b>	7% increase	B, D, I
<b>75 – 84% of costs</b>	8% increase	F, G-4
<b>Less than 75% of costs</b>	9% increase	A, E, G-1, G-2, G-3, H, K, L, P, R, S

Fees that are administrative in nature (e.g., filing fees, processing fees) are proposed to increase by 3%.





# Proposed Changes to Fee Schedules

## ➤ Fee Schedules with 2% increase

- Schedule C: Stationary Containers for the Storage of Organic Liquids
- Schedule G-5: Petroleum Refinery Flares
- Schedule M: Major Stationary Source Fees
- Schedule N: Toxic Inventory Fees
- Schedule Q: Contaminated Soil & Removal of Underground Storage Tanks
- Schedule T: Greenhouse Gas Fees
- Schedule U: Indirect Source Fees
- Schedule V: Open Burning Fees







# Proposed Changes to Fee Schedules

## ➤ Fee Schedules with 7% increase

- Schedule B: Combustion of Fuel
- Schedule D: Gasoline Transfer at Gasoline Dispensing Facilities, Bulk Plants & Terminals
- Schedule I: Dry Cleaners

## ➤ Fee Schedules with 8% increase

- Schedule F: Misc. Sources (storage silos, abrasive blasting)
- Schedule G-4: Misc. Sources (cement kilns, sulfur removal & coking units, acid manufacturing)





# Proposed Changes to Fee Schedules

## ➤ Fee Schedules with 9% increase

- Schedule A: Hearing Board Fees
- Schedule E: Solvent Evaporating Sources
- Schedule G-1: Misc. Sources (glass manufacturing, soil remediation)
- Schedule G-2: Misc. Sources (asphaltic concrete, furnaces)
- Schedule G-3: Misc. Sources (metal melting, cracking units)
- Schedule H: Semiconductor and Related Operations
- Schedule K: Solid Waste Disposal Sites
- Schedule L: Asbestos Operations
- Schedule P: Major Facility Review Fees
- Schedule R: Equipment Registration Fees
- Schedule S: Naturally Occurring Asbestos Operations





# Impact on Small Businesses

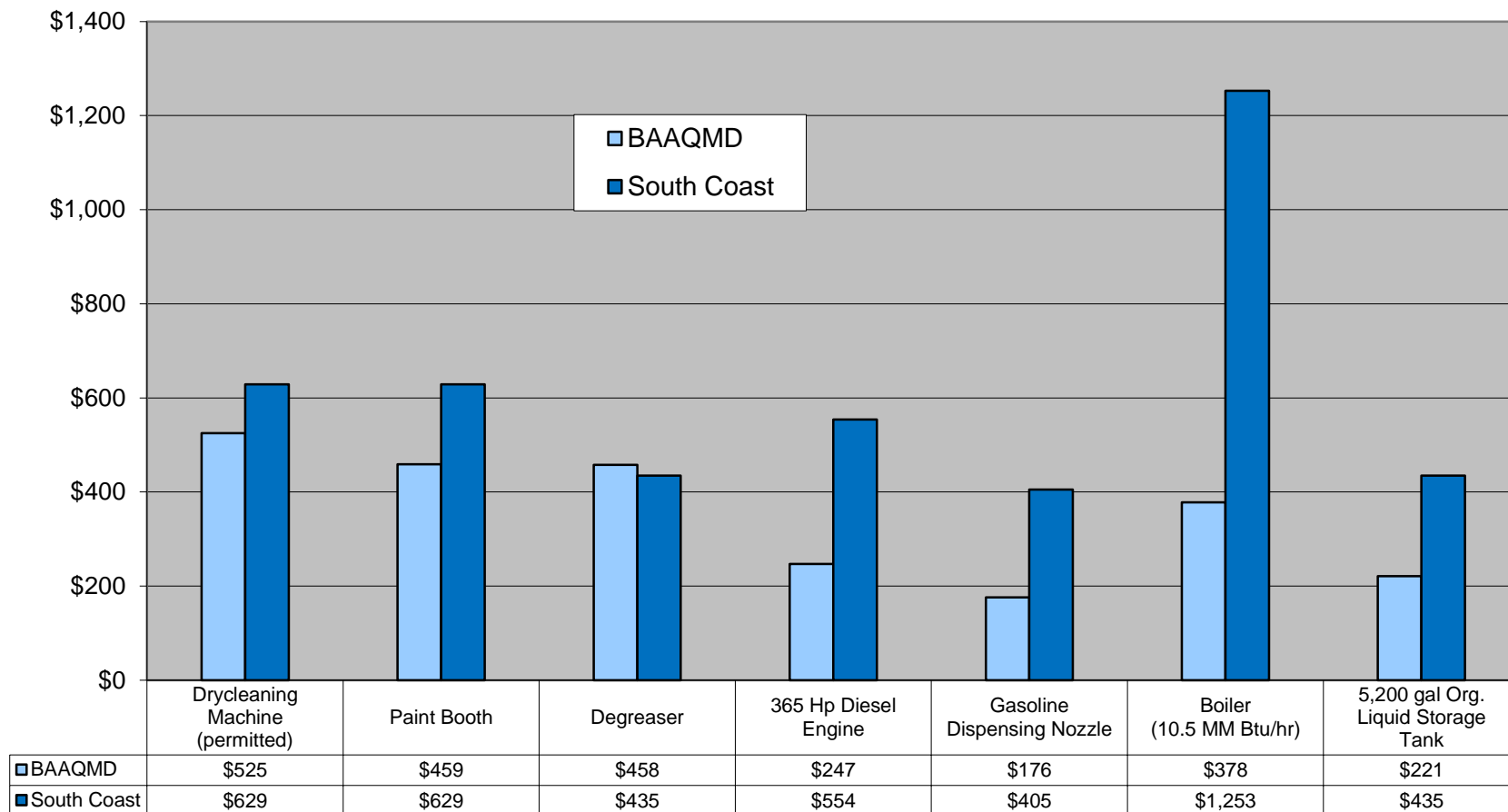
## ➤ Proposed FYE 2015 fee increases:

Facility Type	Facility Description	Fee Increase	Total Fee
Gas Station	10 multi-product gasoline nozzles	\$186	\$2,932
Dry Cleaner (permitted)	One machine: 1,400 lb/yr Perc emissions	\$31	\$556
Dry Cleaner (registered)	One machine: 800 lb/yr VOC emissions	\$14	\$173
Auto Body Shop	One spray booth: 400 gal/yr paint	\$37	\$495
Back-up Generator	One 300 hp engine	\$15	\$262





# Bay Area/South Coast AQMD Fee Comparison - FYE 2014



# Minor Language Changes

## Section 3-405, Fees Not Paid

- Language added to clarify that late fees are not additive

## Schedule P, Major Facility Review (MFR) Fees

- Language added to clarify MFR fee calculation







# Rule Development Schedule

- **February 18, 2014**
  - Public workshop
- **February 28, 2014**
  - Written comments due
- **March 26, 2014**
  - Budget & Finance Committee briefing
- **April 16, 2014**
  - Board of Directors first public hearing to receive testimony only
- **June 4, 2014**
  - Board of Directors second public hearing to consider adoption
- **July 1, 2014**
  - Proposed effective date of fee amendments





# Comments

➤ Please provide comments by **Friday, February 28th** to:

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