



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 3

Proposed Amendments to Regulation 3, Fees

**Budget and Finance Committee Meeting
April 29, 2020**

**Damian Breen
Deputy Air Pollution Control Officer**

Outline



1. Fee Proposal History
2. Select Fees Analysis
3. Staff Proposal – April 22, 2020
4. Additional Fee Options
5. Rule Development Schedule
6. Recommendations

Fee Proposal History



- April 15, 2020 – Staff Presented Original Pre-Pandemic Fees Proposal to Board of Directors:
 - 4.8% Fee Increase
 - New Proposed Fees for Assembly Bill (AB) 617 & Criteria Pollutants and Toxic Emissions Reporting (CTR) Work
 - 11.1% Total Increase over Current Fees
- Staff Recommends Foregoing Fee Changes until later in 2020, based on Impacts of Shelter-in-Place on Facility Activity
- Board Requests Select Fee Analysis:
 - Goal: Ensure Essential Facilities Continue Cost Recovery

Select Fees Analysis



Fee Schedule	Fee Schedule Title	Amount of Increase
Schedule A	Hearing Board Fees	\$ 4,973
Schedule G3	Miscellaneous Sources	\$ 49,050
Schedule M	Major Stationary Source Fees	\$ 69,432
Schedule N	Toxic Inventory Fees	\$ 61,589
Schedule P	Major Facility Review Fees (Title V)	\$ 430,760
Schedule W	Reg 12-15	\$ 22,882
	TOTAL	\$638,686

Staff Proposal – April 22, 2020



Enact modified AB 617 Fee for Title V Facilities:

- Fee: 5.7% per facility with a \$100,000 cap
- Generates ~ **\$1 million** which equals shortfall in California Air Resources Board allocation to Air District in 2019
- Excludes small businesses
- Proposal in line with Board of Directors request to ensure continued cost recovery from essential facilities
- Supports efforts to get matching funding in Sacramento

Additional Fee Options



Options	Fee Schedules	Increase Over Current Fees	Projected 2021 Revenue Increase	Projected Revenue FYE 2021
Pre-pandemic proposal 1	Increases to all, AB 617 & CTR	11.1%	\$5,776,745	\$57,886,492
Pre-pandemic proposal 2	Increases to all, no AB 617 & CTR	4.8%	\$2,517,916	\$54,627,663
3.1% increase across the Board	Increases to all, no AB 617 & CTR	3.1%	\$1,615,402	\$53,725,149
0% increase to small businesses	No increases to schedules D, E, I, R & no AB 617 & CTR	4.1%	\$2,160,898	\$54,270,644
0% increase across the board	No increases to schedules	0.0%	\$0	\$52,109,747
April 15, 2020 - Board Request	Increase to A, G3, M, N, P, W, no AB 617 & CTR	1.2%	\$638,686	\$52,748,432
April 22, 2020 – Staff Proposal	AB 617 Title V fee only, no increases to other schedules, no CTR	2.0%	\$1,055,791	\$53,165,538
Combined April 15 & 22 Proposals	Increase to A, G3, M, P, W & AB 617 Title V fee, no increases to other schedules, no CTR	3.1%	\$1,632,888	\$53,742,635

Rule Development Schedule



- April 15, 2020
 - ✓ Board of Directors first public hearing to receive testimony only
- April 22, 2020
 - ✓ Budget and Finance Committee meeting
- April 29, 2020
 - ✓ Budget and Finance Committee meeting
- May 8, 2020
 - ✓ Written public hearing comments due
- June 3, 2020
 - ✓ Board of Directors second public hearing to consider adoption
- July 1, 2020
 - ✓ Proposed effective date of fee amendments

Recommendations



Recommend the Board of Directors:

- Adopt a new fee for implementation of AB 617 on Title V Facilities
- Revisit imposition of additional fees later in 2020, as the economic and facility activity level picture become clearer