

**NOTICE OF PUBLIC HEARING
BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

**PROPOSED AMENDMENTS TO DISTRICT REGULATION 3: FEES AND
APPROVAL OF THE FILING OF A NOTICE OF EXEMPTION FROM CEQA**

Notice is hereby given that the Board of Directors of the Bay Area Air Quality Management District will conduct a public hearing on May 1, 2019, in the 1st floor Board Room, 375 Beale Street, San Francisco, California, at 9:30 a.m., or as soon thereafter as the matter may be heard, to receive testimony on proposed amendments to District Regulation 3: Fees.

Notice is also given that the Board of Directors will conduct a second public hearing on June 5, 2019, or as soon thereafter as the matter may be heard, to consider adoption of the proposed amendments to Regulation 3: Fees and to approve the filing of a Notice of Exemption from CEQA. California Health and Safety Code Section 41512.5 requires a district board, prior to adopting or revising fees applicable to emission sources that are not permitted, to hold a public hearing at least 30 days prior to the meeting of the district board at which the fees are adopted or revised. Fee Schedules L, Q, R, S, U, and V pertain to fees from these sources.

The proposed amendments to the District's fee regulation would be effective on July 1, 2019 and would increase fee revenue to allow the District to meet budgetary needs for the upcoming fiscal year ending (FYE) 2020.

The fee rates in the following Fee Schedules would be amended as follows: (1) 3.9% increase: Schedule B: Combustion of Fuels, Schedule F: Misc. Sources (storage silos, abrasive blasting), Schedule M: Major Stationary Source Fees, and Schedule V: Open Burning; (2) 6% increase: Schedule D: Gasoline Transfer at Gasoline Dispensing Facilities, Bulk Plants & Terminals; (3) 7% increase: Schedule G-3: Misc. Sources (metal melting, cracking units); (4) 8% increase: Schedule P: Major Facility Review Fees, and Schedule T: Greenhouse Gas Fees; (5) 9% increase: Schedule E: Solvent Evaporating Sources, Schedule H: Semiconductor and Related Operations, and Schedule W: Petroleum Refining Emissions Tracking Fees; (6) 15% increase: Schedule A: Hearing Board Fees, Schedule G-1: Misc. Sources (glass manufacturing, soil remediation), Schedule G-2: Misc. Sources (asphaltic concrete, furnaces), Schedule G-4: Misc. Sources (cement kilns, sulfur removal & coking units, acid manufacturing), Schedule K: Solid Waste Disposal Sites, and Schedule S: Naturally Occurring Asbestos Operations. The following specific fees in Regulation 3 would be increased by 3.9%: New and modified source filing fees, Emission banking fees, Regulation 2, Rule 9 Alternative Compliance Plan fees, School public notice fees, Toxic inventory maximum fees, Permit to operate renewal processing fees, Exemption fees, Fee for Risk Reduction Plan, and Fee for Facility-Wide Health Risk Assessment.

In addition, the following additional amendments are proposed: (1) Revise Section 3-302 to specify that for those applicants that qualify for both the Small Business Discount (50%) and Green Business Discount (10%), only the 50% higher discount shall be applied; (2) Revise Section 3-304, Alteration, to clarify that the risk assessment fee shall only be charged when the alteration required a health risk assessment; (3) Revise Section

3-311 to align the current rule language with established Air District practice for applying banking fees to emission reduction credit transactions; (4) Add Section 3-343, Fees for Air Dispersion Modeling, to recover the Air District's costs for conducting, reviewing, or approving air dispersion modeling done to meet a District regulatory requirement (e.g., for demonstrating compliance with Regulation 9 Inorganic Gaseous Pollutants, Rule 2 Hydrogen Sulfide requirements, Regulation 2-2-308 NAAQS Protection Requirement); (5) Revise Section 3-405.5 to reduce additional late fees charged to invoices for registration and other fees which are more than 30 days late. Historically, these delinquent fees have been assessed disproportionately often to small businesses such as gasoline dispensing facilities, dry cleaners, and auto body shops. To reduce this burden on small businesses, the proposed amendment lowers this delinquent fee from 50% to 25%; (6) Revise Fee Schedule E, Solvent Evaporating Sources, to clarify when the minimum and maximum fees apply for each source; (7) Revise Fee Schedule L, Asbestos Operations, to delete the fee specific to mastic removal by mechanical buffers so as to assess fees for such work at the same rate as for other regulated asbestos containing material removal work; (8) Revise Fee Schedule N, Toxics Inventory Fees, to recover the Air District's costs for AB2588 fees to be paid to the California Air Resources Board and for staff to conduct the Air District's AB2588 work; and (9) Revise Fee Schedule S, Naturally Occurring Asbestos Operation, to include a fee of \$325 to recover the costs for reviewing, processing, and approving amendments to existing Asbestos Dust Mitigation Plans (ADMPs). Also, revise Section 3-332 to clarify that persons required to amend ADMPs shall pay the fees set out in Fee Schedule S.

The District has determined that these amendments to Regulation 3 are exempt from provisions of the California Environmental Quality Act (Public Resources Code Section 21000 et seq.) pursuant to State CEQA Guidelines, Sections 15061, subd. (b)(3) and 15273. The amendments increase District fees that are used to meet District operating expenses. The amendments are administrative in nature, do not affect air emissions from any sources, and have no possibility of causing significant environmental effects. The District intends to file a Notice of Exemption pursuant to State CEQA Guidelines, Section 15062.

A copy of the proposed amendments may be viewed on the District's website at <http://www.baaqmd.gov/reg3>. Copies are also available by calling the Engineering Division at (415) 749-4990. Staff will accept written comments on the proposed amendments until May 9, 2019. Please direct comments or questions to Barry G. Young, Senior Advanced Projects Advisor, at (415) 749-4721, or electronically at byoung@baaqmd.gov.

Jack P. Broadbent
Executive Officer
Bay Area Air Quality Management District