

# California Environmental Quality Act

## NOTICE OF EXEMPTION

**TO:** **FROM: Bay Area Air Quality Management District**  
**375 Beale Street, Suite 600**  
**San Francisco, CA 94105**

**Lead Agency: Bay Area Air Quality Management District**  
**Contact: Barry G. Young Phone: (415) 749-4721**

**SUBJECT: FILING OF NOTICE OF EXEMPTION PURSUANT TO SECTION 21152 OF THE PUBLIC RESOURCES CODE AND CEQA GUIDELINES SECTION 15061(b)(3)**

**Project Title:** Amendments to Regulation 3: Fees

**Project Location:** The regulation applies within the Bay Area Air Quality Management District ("Air District"), which includes all of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, and Santa Clara counties, and the southern portions of Solano and Sonoma counties.

**Project Description:** The project consists of amendments to an existing Air District regulation that establishes fees for source operations and other activities. The amendments become effective on July 1, 2019. The amendments increase fee revenue in order to allow the Air District to meet budgetary needs for the upcoming fiscal year ending (FYE) 2020, and to continue to effectively implement and enforce regulatory programs for stationary sources of air pollution.

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, 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 an Air 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

On June 5, 2019, the Board of Directors of the Bay Area Air Quality Management District conducted a public hearing in accordance with California Health and Safety Code Section 41512.5 and approved the project described above and determined that the project was exempt from CEQA.

**Finding of Exemption:** This project is found to be exempt pursuant to Public Resources Code Section 21080, subd. (b)(8) and CEQA Guidelines Section 15273.

**Basis for Exemption:** The regulatory amendments which constitute this project modify charges by the BAAQMD for sources of air pollution. The fees and modifications are for the purpose of meeting Air District operating expenses associated with the regulation of these sources. The amendments are administrative in nature, do not affect air emissions from any sources, and have no possibility of causing significant environmental effects. As such, they fall within the statutory and Guidelines exemptions cited above.

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Date Received for Filing

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Pamela Leong  
Director of Engineering  
Bay Area Air Quality Management District

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Date