

**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 (Air District) conducted a public hearing on April 7, 2021 via Zoom, 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 16, 2021, 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 Air District's fee regulation would be effective on July 1, 2021 and would increase fee revenue to allow the Air District to meet budgetary needs for the upcoming fiscal year ending (FYE) 2022.

The fee rates in the following Fee Schedules would be amended as follows: (1) 1.5% increase: Schedule B: Combustion of Fuels, Schedule D: Gasoline Transfer at Gasoline Dispensing Facilities, Bulk Plants & Terminals, and Schedule M: Major Stationary Source Fees; (2) 7% increase: Schedule F: Misc. Sources (storage silos, abrasive blasting) and Schedule P: Major Facility Review Fees; (3) 8% increase: Schedule E: Solvent Evaporating Sources and Schedule H: Semiconductor and Related Operations; (4) 9% increase: Schedule G-2: Misc. Sources (asphaltic concrete, furnaces), Schedule G-3: Misc. Sources (metal melting, cracking units), Schedule G-4: Misc. Sources (cement kilns, sulfur removal & coking units, acid manufacturing), Schedule T: Greenhouse Gas Fees, and Schedule V: Open Burning; (5) 15% increase: Schedule A: Hearing Board Fees, Schedule G-1: Misc. Sources (glass manufacturing, soil remediation), Schedule K: Solid Waste Disposal Sites, Schedule N: Toxic Inventory Fees, Schedule S: Naturally Occurring Asbestos Operations, and Schedule W: Petroleum Refining Emissions Tracking Fees.

The following specific fees in Regulation 3 would be increased by 1.5%: New and modified source filing fees, Emission Banking Fees, Regulation 2, Rule 9 Alternative Compliance Plan fee, Toxic Inventory maximum fee, Permit to Operate renewal processing fee, Exemption Fee, Fee for Risk Reduction Plan, Fee for Facility-Wide Health Risk Assessment, and Fees for Air Dispersion Modeling.

In addition, the following additional amendments are proposed: Revise Section 3-327, Permit to Operate, Renewal Fees as follows: (1) A renumbering of the Renewal Processing Fee and the Assembly Bill 617 (AB 617) Community Health Impact Fee and (2) A new fee for each permitted facility during permit renewal to implement California Air Resource Board's (CARB's) Criteria Pollutant and Toxics Emissions Reporting (CTR) Regulation. As part of AB 617, CARB recently adopted the CTR Regulation for the reporting of criteria

air pollutants and toxic air contaminants for stationary sources. The Air District is tasked with implementing the CTR Regulation in the Bay Area and estimates costs of \$1.5 million per year. Staff is proposing a fee equal to 4.4% of the annual total permit renewal fee. The maximum would be capped at \$50,000 per year.

Other changes: (1) To recover costs from when a health risk assessment is required for new and modified Gas Dispensing Facilities (GDF), revise the Risk Assessment Fee in Schedule D, Section A to \$584 per application for an existing GDF and \$3,827 for a new GDF, (2) Clarify the language in Section 305 on when fees can be reapplied from a previously withdrawn or canceled application and (3) Formatting and text clean-up.

The Air 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 Air District fees that are used to meet Air 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 Air 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 Air 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 April 30, 2021. Please direct comments or questions to Barry G. Young, Senior Advanced Projects Advisor, at (415) 749-4721, or electronically at byoung@baaqmd.gov.

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Bay Area Air Quality Management District