



PUBLIC HEARING NOTICE

April 4, 2011

TO: INTERESTED PARTIES
FROM: EXECUTIVE OFFICER / APCO
SUBJECT: **PUBLIC HEARINGS: PROPOSED AMENDMENTS TO REGULATION 3: FEES**

On **Wednesday, May 4, 2011**, the Board of Directors of the Bay Area Air Quality Management District will conduct a public hearing to: (1) Consider adoption of proposed amendments to District Regulation 3: Fees, with the exception of proposed amendments to Fee Schedules L, Q, R, and S (for which a second public is required prior to adoption pursuant to California Health and Safety Code Section 41512.5), (2) receive testimony on proposed amendments to Fee Schedules L, Q, R, and S, and (3) approve the filing of a Notice of Exemption from the California Environmental Quality Act (CEQA).

Notice is also given that the Board of Directors will conduct a second public hearing on **Wednesday, June 15, 2011**, to: (1) Consider adoption of the proposed amendments to Fee Schedules L, Q, R, and S of District Regulation 3: Fees, and (2) approve the filing of a Notice of Exemption from CEQA. Both the May 4, 2011 and June 15, 2011 hearings will be held in the 7th floor Board Room of the District Office, 939 Ellis Street, San Francisco. **District Board meetings commence at 9:45 a.m.**

The proposed amendments to the District's fee regulation would be effective on July 1, 2011, and would increase fee revenue in order to allow the District to meet budgetary needs for the upcoming fiscal year ending (FYE) 2012, and to continue to effectively implement and enforce regulatory programs for stationary sources of air pollution. The proposed amendments would increase overall fee revenue by approximately 5% from fee revenue projections included in the District's current FYE 2011 budget. Due to a decrease in facility activity levels and associated fee revenue observed in FYE 2011 (and expected to continue through FYE 2012), the fee rates in Regulation 3 are proposed to be increased by an average of 10% in order to meet FYE 2012 fee revenue targets.

The proposed fee amendments were developed in consideration of the results of a Cost Recovery and Containment Study recently completed for the District by the firm Matrix Consulting Group. This study indicates that, on an overall basis for FYE 2010, fee revenue recovered 62% of the District's regulatory program activity costs.

The fee rates in the following Fee Schedules would be amended as follows: (1) No change: Fee Schedule C: Stationary Containers for the Storage of Organic Liquids,

Schedule G4: Miscellaneous Sources, Schedule M: Major Stationary Source Fees, Schedule T: Greenhouse Gas Fees, and Schedule U: Indirect Source Review Fees; (2) 2% increase: Fee Schedule Q: Excavation of Contaminated Soil and Removal of Underground Storage Tanks, and Schedule R: Equipment Registration Fees; (3) 10% increase: Fee Schedule B: Combustion of Fuels, Schedule F: Miscellaneous Sources, Schedule G5: Miscellaneous Sources, and Schedule N: Toxic Inventory Fees; (4) 12% increase: Fee Schedule G1: Miscellaneous Sources, and Schedule L: Asbestos Operations; and, (5) 14% increase: Fee Schedule A: Hearing Board Fees, Schedule D: Gasoline Transfer at Gasoline Dispensing Facilities, Bulk Plants and Terminals, E: Solvent Evaporative Sources, Schedule G2: Miscellaneous Sources, Schedule G3: Miscellaneous Sources, Schedule H: Semiconductor and Related Operations, Schedule I: Dry Cleaners, Schedule K: Solid Waste Disposal Sites, Schedule P: Major Facility Review Fees, and Schedule S: Naturally Occurring Asbestos Operations. The following additional fees in Regulation 3 would be increased by 10%: Section 3-302 and 3-311 filing fees, Section 3-312.2 Alternative Compliance Plan fees, and Section 3-327 permit renewal processing fees. In addition, a new fee of \$129 would be created in Schedule R for low use agricultural diesel engines that elect to comply under an Alternative Compliance Plan. Finally, a provision for excusing fees required under Schedule A: Hearing Board Fees, based on unreasonable hardship, would be amended to specify that such a fee waiver must be requested pursuant to Hearing Board Rules.

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 can be seen with certainty to have no possibility of causing significant environmental effects. The District intends to file a Notice of Exemption pursuant to State CEQA Guidelines, Section 15062 for each Board action.

The proposed regulatory language is available on the District's website at <http://www.baaqmd.gov/Divisions/Planning-and-Research/Rule-Development/Current-Regulatory-Public-Hearings.aspx>. Copies are also available by calling the Engineering Division at (415) 749-4990. Staff will accept written comments on the proposed amendments until **Wednesday, April 20, 2011**. Please direct comments or questions to Brian Bateman, the District's Director of Engineering, at (415) 749-4653, or electronically at bbateman@baaqmd.gov.

PUBLIC TRANSPORTATION

MUNI -- #47 AND 49 NORTH AND SOUTH ON VAN NESS AVENUE

BART -- CIVIC CENTER STATION 8TH AND MARKET STREETS

Attendees are encouraged to ride public transit, rideshare, bicycle, walk or use other non-motorized modes to and from the District.