

PUBLIC HEARING NOTICE

March 22, 2004

TO: INTERESTED PARTIES
FROM: AIR POLLUTION CONTROL OFFICER
SUBJECT: **PROPOSED AMENDMENTS TO REGULATION 3: FEES**

On **Wednesday, April 21, 2004**, the Board of Directors of the Bay Area Air Quality Management District will conduct a public hearing to consider proposed amendments to Regulation 3: Fees and approval of a Notice of Exemption from the California Environmental Quality Act (CEQA). The Board of Directors will also conduct a second public hearing on **Wednesday, June 2, 2004** pursuant to California Health and Safety Code Section 41512.5 to consider any further testimony regarding proposed amendments to Regulation 3, Schedule L: Asbestos Operations, and Schedule Q: Aeration of Contaminated Soil and Removal of Underground Storage Tanks. The hearings on both dates will be held in the 7th floor Board Room at the District Office, located at 939 Ellis Street, San Francisco. The Board meetings will commence at 9:45 a.m.

The proposed amendments will increase most District fees in Regulation 3 by 1.9 percent. This proposed increase is equal to the increase in the Consumer Price Index (CPI) for the California Bay Area (San Francisco, Oakland, San Jose) for 2003, as reported by the California Department of Industrial Relations, Division of Labor Statistics and Research. Major Facility Review (Title V) and Synthetic Minor Annual fees are proposed to be increased by a greater amount, 20 percent, to more accurately reflect the District's costs of implementing and enforcing the Title V permit program. The proposed amendments are authorized by Health & Safety Code Sections 42311, 42311.5, 41512.5 and 42364. The new fees would become effective July 1, 2004.

The proposed amendments are being made in accordance with the KPMG Cost Recovery Study, dated February 16, 1999, which recommended that the District begin a program to increase District fee revenues to more closely cover the actual costs of the associated activities. This program includes an annual review of fee revenue and program costs and, at a minimum, a CPI adjustment of fees at the beginning of each fiscal year to account for inflation.

The following additional amendments to the District's fee regulation are proposed:

- a. Add new Filing Fees of \$259 for Major Facility Review and synthetic minor operating permit applications in Schedule P: Major Facility Review Fees. Fees for minor and significant permit revisions at major facilities would be set at \$274 and \$364 per source, respectively, instead of the current \$152 per source. Permit Shield fees would be reduced to \$182 per source, or group of sources.
- b. Eliminate fees for transferring permits to operate due to owner/operator changes.
- c. Raise the minimum up-front fee for Waters Bill public notifications from \$914 to \$2000 per application. Add a provision to refund any portion of this fee that exceeds the actual costs to prepare and distribute the public notice.
- d. Require that third party appellants of Hearing Board decisions pay court reporter fees of \$114 or the cost per day if the hearing is solely dedicated to one Docket. The cost to have a court reporter present at the hearings is currently \$200 for a half-day and \$300 for a full day.
- e. Change the fees for decorative chrome plating operations that have a permitted capacity of less

than 500,000 amp-hours per year from Schedule G-1 to Schedule F, thereby reducing permit to operate fees for affected sources from \$543 to \$130.

- f. Add a specific fee of \$179 for mechanical removal of asbestos-containing flooring mastic subject to District Regulation 11, Rule 2: Asbestos Demolition, Renovation, and Manufacturing.
- g. Set the fees for identical source replacements to be the same as the fees required for installing a new source. Clarify that the fee for source alterations that do not increase emissions is only a filing fee.
- h. Clarify that sources that are modified without a required authority to construct are subject to late fees.

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. In addition, 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.

The proposed changes to Regulation 3 are available on the District's web site at www.baaqmd.gov. Copies are also available by calling Bob Comstock at (415) 749-4767. Interested persons are invited to send written comments regarding this proposed rulemaking to Brian Bateman, Bay Area Air Quality Management District, 939 Ellis Street, San Francisco, California 91409, telephone (415) 749-4653, or electronically to bbateman@baaqmd.gov. Written comments must be received by the District prior to 5:00 p.m. on Monday, April 12, 2004.