

SAN JOAQUIN VALLEY UNIFIED AIR POLLUTION CONTROL DISTRICT

DRAFT STAFF REPORT

Amendments to Regulation III – Fees

**Rules 3010, 3020, 3030, 3040, 3050, 3060, 3070, 3120, 3135, 3140, 3147, 3150, 3155,
3160, 3180, 3190, 3901**

Prepared by: Arnaud Marjollet, Director of Permit Services
David Warner, Deputy Air Pollution Control Officer
Reviewed by: Mehri Barati, Director of Administrative Services
Morgan Lambert, Deputy Air Pollution Control Officer
Samir Sheikh, Deputy Air Pollution Control Officer

February 6, 2018

I. BACKGROUND

To attain the state and federal air quality standards, the Federal and California Clean Air Acts require the San Joaquin Valley Air District to permit stationary sources, develop attainment plans, adopt rules and regulations, implement programs to reduce emissions, and ensure that permitted stationary sources of air pollutants are in compliance with all applicable federal, state, and District rules. The revenue to fund the District's annual operating budget for these programs generally comes from the following three sources: District Fees (Regulation III, Fees), funds from the Department of Motor Vehicles, and State and Federal Grants. While the District continues to lobby appropriate branches of the state and federal governments to maximize grant dollars and other revenues, the majority of the District's operating program is funded by fees collected under Regulation III.

Each year, significant cost and workload increases have been offset through implementation of streamlining and efficiency measures, and by productivity increases resulting from investment in advanced technologies. In fact, since its inception, the District has minimized the need for fee increases by adhering to fiscally-conservative principles aimed at maximizing efficiency and minimizing costs. These principles include things such as: leveraging the use of technology; developing innovative ways to streamline legally-required processes to improve service and reduce related operating costs; and identifying situations where fees charged for services do not cover the cost of those services and recommending adjustments to those fees rather than increasing overall fees. As a result of implementation of the above principles, the District has only required three across-the-board fee increases since its formation in 1992.

San Joaquin Valley Unified Air Pollution Control District

Draft Staff Report: Regulation III - Fees

February 6, 2018

In addition, the impacts of these streamlining and cost-cutting efforts have been validated through a number of audits by independent and outside entities. These audits have consistently been complementary of the District's operations in fulfilling and exceeding mandates, exercising fiduciary responsibilities, and public accountability and transparency.

Most recently, in 2016, a report by the State Auditor found that the District's fees are low compared to program costs and that the District lawfully uses supplemental sources of revenue to make up the difference. Specifically, this audit found, "The district's most recent fee increase will not cover all the costs – we estimated that the fee revenue will continue to be 15 percent to 86 percent below the costs of the respective regulatory activities. Therefore, the district will still need to use a portion of the other revenue it receives to supplement fee revenue."

Prior to the above report, an audit by environmental advocates showed that the District spent 76% less than other districts on salaries and benefits per ton of emissions reduced from stationary sources, and that the District's management and administrative cost as a percentage of operating budget was more than 20% below the average. This audit also found that the District's permitting, enforcement, grant administration, and public outreach programs were the most productive in comparison with other air districts.

Because the fee schedules have been adjusted across the board so rarely, the District's revenue stream from these fees has remained relatively stable over the 26 years since the District's inception. However, the number of programs implemented by the District, and their complexity, has grown tremendously over that same period. Where possible, for many of the new programs that the District implemented over the years, such as the state's oil and gas production methane rule, the District has arranged for direct reimbursement from the state of the District's implementation costs. For other programs, such as Title V permitting, Indirect Source Review, and registration of wood-burning heaters, new fees have generated the income to sustain the programs.

The District continues to make every effort to keep operating costs as low as possible while still meeting federal and state mandates. As one recent demonstration of this, the District's 2017/18 budget includes savings in operating costs of nearly \$2.9 million due to a commitment to extensive employee hiring control efforts, and, as of the time of this writing, with attrition and careful hiring only as necessary to meet District mandates, the District is on track to double that savings.

However, even with decades of intensive and pervasive efforts at minimizing costs, the District is currently operating in a deficit mode, in which costs are exceeding incoming

revenues. To address this deficit, this proposal includes increasing most fees by 4.8%¹ starting in fiscal year 2018/19 and an additional 4.6% starting in fiscal year 2019/20.

II. DESCRIPTION OF REGULATION III - FEES

Regulation III – Fees, from the District’s Rules and Regulations, establishes the fee rates and schedules associated with the regulatory obligations of the District including permitting, annual renewals, air toxics, conservation management plans, hearing boards open burning permits, asbestos removal permitting, and other functions performed by the District. The fees generated from these rules fund in part the District’s annual operating budget. The following fee rules in Regulation III are proposed for amendment:

Regulation III Fee Rules Proposed for Amendment

- Rule 3010 Permit Fee
- Rule 3020 Permit Fee Schedules
- Rule 3030 Hearing Board Fees
- Rule 3040 Open Burning Fees
- Rule 3050 Asbestos Removal Fees
- Rule 3060 Emission Reduction Credit Banking Fee
- Rule 3070 Other Charges
- Rule 3120 Regulation VIII Alternative Compliance Plan Review Fee
- Rule 3135 Dust Control Plan Fee
- Rule 3140 Fees for Certification of Air Permitting Professionals
- Rule 3147 Fees for Certification of Gasoline Dispensing Facility Testers
- Rule 3150 Fees for Portable Equipment Registration
- Rule 3155 Permit-Exempt Equipment Registration Fees
- Rule 3160 Prescribed Burning Fees
- Rule 3180 Administrative Fees for Indirect Source Review
- Rule 3190 Conservation Management Practices Plan Fee
- Rule 3901 Fees for Registration of Wood Burning Heaters

The remainder of the Regulation III Fee rules, Rule 3100 (California Environmental Quality Act Fee), Rule 3110 (Air Toxics Fees), Rule 3156 (Fees for Equipment Subject to Rule 2260 Registration Requirements for Equipment Subject to California’s Oil and Gas Regulation) and Rule 3170 (Federally Mandated Ozone Nonattainment Fee) will not be included in the proposed rule amendments. Rule 3100 does not contain a

¹ While we reference increases of certain percentages throughout this staff report, the actual increases are generally rounded up to the nearest dollar.

San Joaquin Valley Unified Air Pollution Control District

specific fee, and therefore does not require updating². Rule 3110 was recently modified to significantly reduce the fees associated with the District's implementation of the state air toxics program. Rule 3156 was recently adopted so its fees are current and expected to adequately cover the costs of the associated program. Rule 3170 fees are linked to federal law and are thereby annually adjusted to the federal consumer price index. Therefore, no increase is proposed to Rule 3170.

III. DISCUSSION

California Health & Safety Code 42311(a) provides air districts the authority to adopt fee schedules to cover the costs of permitting stationary sources of air pollution. Since its inception in 1992, consistent with the District's core principle of effective and efficient use of public funds, the District has minimized the need for fee increases by adhering to the following fiscally-conservative principles:

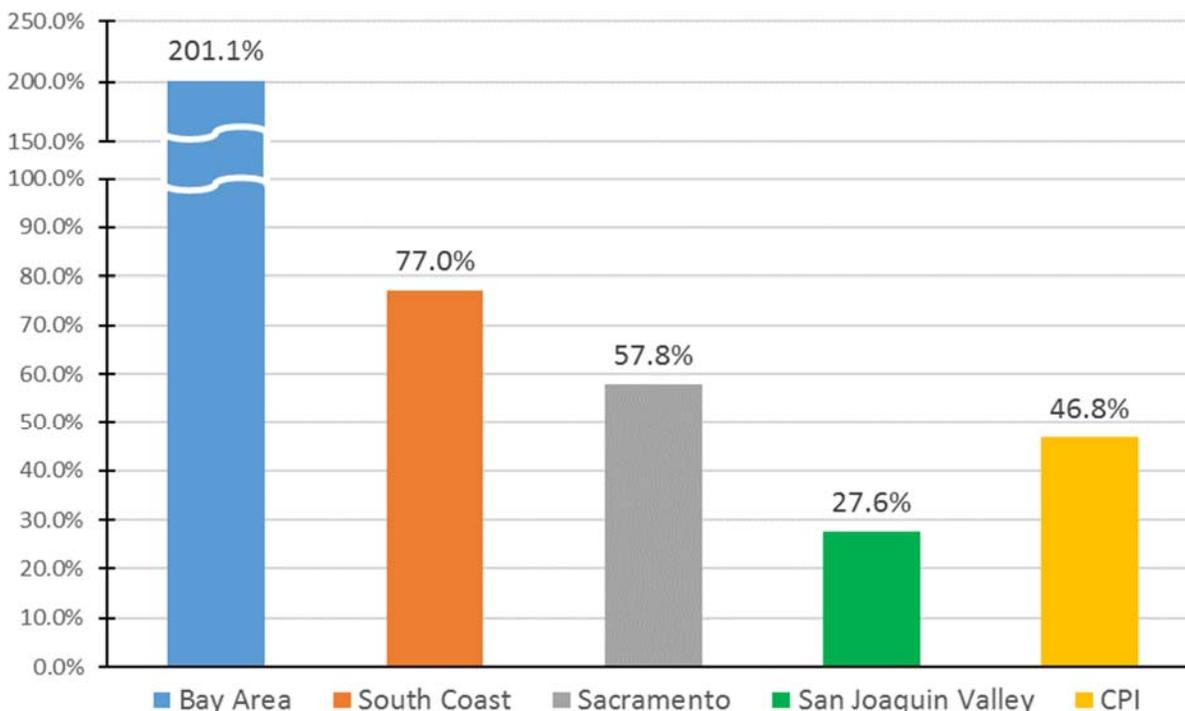
- Leveraging the use of technology to minimize the need for staffing resources.
- Finding innovative ways to streamline legally-required processes to improve service and reduce related operating costs.
- Identifying situations where fees charged for services do not cover the cost of those services and recommending adjustments to those fees rather than increasing all fees.

As a result of applying the above principles, and in spite of complying with multiple new state and federal mandates, the District has only required three across-the-board fee increases in the past twenty-five years. Other air districts have adjusted their fees upwards multiple times over the last several years, resulting in a significant cumulative

² It should be noted that the District's CEQA program has been identified by District staff as an area which is not entirely self-supporting. Specifically, acting as a Commenting Agency, the District assists lead agencies by providing technical expertise in characterizing project related impacts on air quality and identifying potential mitigation measures. When commenting on a Lead Agency's environmental analysis, the District reviews the air quality section of the analysis and other sections relevant to assessing potential impacts on air quality, i.e. sections assessing traffic and public health impacts. At the conclusion of its review, the District may submit comments to the Lead Agency that identify deficiencies in the air quality analysis with possible approaches to correct these deficiencies, and when appropriate, the District will recommend feasible mitigation measures. As a commenting Agency under CEQA, the District has no discretionary approval over the project and does not issue permits. Under such circumstances, the hours spent by District staff reviewing the project and providing the Lead agencies with comments is not billable. The District has found no legal mechanism to collect fees for this service, yet believes that such commenting is important and instrumental to minimizing growth in emissions from new developments. Therefore, the District is not proposing any fee at this time for this service. The District has, instead, focused on working with Lead Agencies to find opportunities to streamline CEQA commenting processes, such as the implementation of the District's new "CEQA Connected" online CEQA commenting tool developed by the District for use by the Valley's Lead Agencies.

difference in fees and fee increases amongst air districts, as shown in the following comparison table for the period 2000-2017:

Comparison of Fee Increases 2000-2017



Note that for comparison purposes, we have included in the above graph the U.S. Department of Labor’s Consumer Price Index, or CPI, over the same 2000-2017 time-period.

Examples of Recent State and Federal Mandates and Additional Workload

- Address AB 617 requirements (analysis of emissions inventory, selecting communities to receive incentive funding, air monitoring resources, processing grant funding, BARCT rule analysis, etc.)
- Five new ozone and PM attainment plans in the next two years
- More permitting and enforcement work for federal Title V and PSD permits
- Reassess 14,000 District facilities under AB 2588 (Air Toxics Hot Spots)
- Implement Oil and Gas Facility Greenhouse Gas Regulation for CARB
- Implement Inspection Program for CARB Refrigerant Management Program
- New state enhanced vapor recovery requirements for gas tanks – over 800 facilities
- Significant increase in grant funding (affects grant and inspections workload)
- Address SB 32 in CEQA, new 2030 GHG target (40% below 1990 levels)

San Joaquin Valley Unified Air Pollution Control District

Draft Staff Report: Regulation III - Fees

February 6, 2018

- SB 4 - Reviewing Oil and Gas well stimulation permit applications from the Division of Oil Gas and Geothermal Resources
- Develop major rules (Residential Wood Burning, Commercial Charbroiling, Residential Furnaces, Permit Exemptions, New Source Review, Boilers/Steam Generators/Process Heaters, Internal Combustion Engines, Conservation Management Practices, Flares, Wine Fermentation and Storage)
- Drive Clean in San Joaquin (EFMP) portal development
- Increased work (+50%) associated with CEQA and ISR programs as land development economy improves
- Update guidance documents for land use agencies (GAMAQI, Air Quality Guidelines for General Plans)
- Implementation of enhancements to District's outreach program for Burn Cleaner and Check Before You Burn
- Design and oversee execution of four key area research studies
- Develop new web and mobile applications for further enhanced service and outreach
- Develop and grow in-house capacity for air quality modeling
- Additional outreach to Valley schools to encourage participation in Real-time Air Advisory Network (RAAN)
- Expansion of the RAAN system to provide real-time neighborhood-level air quality information
- Implement work plan to engage schools and community stakeholders to solicit ideas for developing District's strategy for reducing vehicle emissions at schools
- Implement action plan for deployment of cleaner vehicles throughout the Valley
- Local jurisdiction energy efficiency education and assistance
- Regional energy efficiency measure leveraging (e.g. solar project aggregation/streamlining)
- Energy efficiency/weatherization in environmental justice communities
- Small business energy efficiency education/outreach
- Agricultural energy efficiency program/incentives (e.g. ag pump efficiency)
- Work with Land Management Agencies to appropriately increase prescribed burning to assist with tree mortality emergency and reduce pollution from wildfires
- Hosted "Alternatives to Agricultural Burning Summit" to develop ideas and spark support for alternative to burning biomass in the field
- Implemented "Stipulated Order of Abatement" process for orchard removal burning
- Re-examination of "Emission Fee Option" for non-compliant space heaters
- Work with CARB on Inter Agency Refinery Task Force
- Development, design and installation of automated systems in air monitoring
- Implement changes to the District's Risk Management Policy
- Implement mandates of Affordable Health Care Act (health care for temporary employees)
- Solicit and manage new groundbreaking emission reduction demonstration projects through Technology Advancement Program
- Provide assistance to CARB for their Study of Neighborhood Air near Pollution Sources (SNAPS) program to monitor oilfield emissions near communities

- Developed permitting and inspection program for newly non-exempt wineries
- Implemented Small Claims Court actions to settle previously unresolved violations
- In-house development of state of the art Real-Time Electronic Air-quality Display (READ) for public schools to display real time air quality information at schools.

Examples of Efficiency and Cost-cutting Measures Implemented

- Employee STAR suggestion program (1000s of efficiency and improvement suggestions)
- Implementing Electronic Document Management Systems (paperless) for all District programs
- Advanced training and cross training throughout District departments allows efficient and flexible workload distribution
- On-line complaint portal system, allows photo and video submittal, auto-receives inspection reports
- Tablet computers and web based inspection forms for streamlined, paperless workflow for field inspectors
- GPS in field vehicles to improve efficiency, accountability and safety
- Automation for submittal and review of facility reports
- Electronic handling of public information requests
- More public information on District web site
- Worked with stakeholders to streamline permitting – quarterly meetings
- Streamlined registration in lieu of permitting for some equipment
- Migration to virtual computer servers
- Automation for grants program – computerized internal grant management system
- Use of web to collect emission inventory data
- Web-based employment application system
- Changes to accounting structure to provide more accurate and timely information, and streamlined grant reporting
- Implemented enhanced online payment options
- Implemented new labor information system to better track and account for labor hours expended, and streamline payroll processing
- Strategic use of temporary staffing to reduce costs, minimize overtime, address fluctuating workloads
- Internally-developed budget program significantly reduces budget development time
- Internally-developed Human Resources Management Program improves speed and accuracy of performance evaluation processes, hiring and promotional processes and tracking, open enrollment, much more
- Reorganization of air monitoring team to better coordinate with air quality analysis team
- Reorganization of grants program to streamline and coordinate with finance team
- Reorganization of gas station permitting, Conservation Management Program, Permit-Exempt Equipment Registration and other permit processes, to enable permit processing by inspection team

San Joaquin Valley Unified Air Pollution Control District

Draft Staff Report: Regulation III - Fees

February 6, 2018

- Implementation of new air quality data management system, remote calibration processes, design of automated gas filter exchange unit, automated data collection and validation for the air monitoring network
- Purchase of new vehicles to enhance fleet efficiency balanced with ruggedness required for field usage
- Implemented vehicle purchase policy to replace only those needed and only when needed
- New smart phone implementation for inspectors to speed field processes and eliminate other hardware (camera, navigation units, wireless air-cards)
- Grant Application Web Portal to allow applicants to submit and track grant applications
- New finance electronic document system for viewing and handling invoices and contracts
- New paperless workflow systems (permit and incentive grant processing)
- Streamlining of Title V Minor Modification evaluation procedure to leverage work already done in the engineering evaluation for the ATC permit
- Template Title V permit evaluation for air curtain incinerators
- Streamlined implementation of new state methane emission reduction rule for oil and gas facilities through electronic, on-line submittal of applications and issuance of registrations, and by combining new inspections with existing, on-going inspections
- Streamlined implementation of the air toxics Hot Spots reassessment processes through multiple new and improved electronic processes and resources, including facility-specific document templates, industry surveys, and support documentation posted on the District website
- Improvements to new online “Facility Permit Portal” to allow permitted facilities to submit applications and compliance reports electronically, and to review and retrieve more information related to their permitted facilities, permit applications, equipment registrations, and Conservation Management Practices plans (CMPP), and to apply for a Variance, arrange for Source Testing, and submit all required reports
- Will soon add Portal-based Dust Control Plan and Conservation Management Plan application and modification ability
- Developed web-based application allowing Land-Use agencies to log in and immediately receive District CEQA comments in an electronic form
- Improved the Gasoline Dispensing Facility Source Test Portal to allow submittal of 24-hour pass/fail notification, including a report listing facilities that had failed to submit the notification
- Improved Continuous Emission Monitoring System Polling software which allows quicker identification of emission problems and Compliance response
- Developed Asbestos NESHAP Database to efficiently track program and to replace aging federal software that is no longer supported
- Enhanced complaints program to including mapping feature to further decrease response time
- Improved On-Call Inspector complaint notification to automatically update with inspector rotation

San Joaquin Valley Unified Air Pollution Control District

Draft Staff Report: Regulation III - Fees

February 6, 2018

- Developed inspection protocol to enter data directly into the CARB website for District Inspections of State-Registered Portable Equipment
- Efforts to identify, acquire, and improve usage of new inspection technology including FLIR Camera for VOC Inspections
- Repurposed former GC/MS Laboratory to enhance inspection equipment calibration efficiency
- Local Modeling Center has allowed an independent verification/modification of ARB air quality modeling to fine-tune District Plans
- New streamlined computer programming systems implemented, using upgraded software platform, program modules, staff training
- Data transfer speed enhanced internally and externally via Hardware and software updates
- Enhanced District software programs to allow “Drag and Drop” handling of electronic documents, thereby increasing filing efficiency and reducing paper usage
- Significant automation of Air Quality Index and Agricultural Burn Allocation daily updates
- Developed and utilized grant program guidelines with pre-specified eligibility and cost-effectiveness selection criteria to minimize post-application processing work
- Enhanced both Stationary Source and GDF Source Testing Programs to provide advisory of upcoming tests, and test reports due
- Completed the conversion of Electronic Documents Management System to On-Base which improved processes and provided efficiencies.
- Upgraded Wi-Fi at the Central office providing the faster network service to the public and the District staff.
- Developed District first in-house mobile application for iPhones that provides public the air quality information related to one or more locations of their choosing.
- Upgraded software and OS on many of the District’s server infrastructure and all the workstations to ensure efficient and secure IT devices are in place.
- Upgraded District’s main server backup system, upgraded door security system software, upgraded conference rooms to provide improved audio, video capabilities.
- Partnered with the City of Fresno and PG&E, the District retrofitted over 600 of its light fixtures in the Fresno Office building, at no cost to the District, which results in annual energy savings of more than 10% for this facility.
- The District recently redesigned the Fresno office exterior landscape to a more environmentally friendly and drought tolerant design, which reduces landscaping maintenance costs, as well as water usage going forward.
- Implementation of Computerized Maintenance Management System (CMMS) for more efficient scheduling, task management, and asset/parts management for operation and maintenance of expansive air monitoring network
- New smart phone implementation for air monitoring field staff, using the CMMS to respond to tasks more efficiently and provide better organization of the myriad of tasks that must be completed each week

San Joaquin Valley Unified Air Pollution Control District

Draft Staff Report: Regulation III - Fees

February 6, 2018

- Development of shared District/ARB ftp site for easier transmittal of very large modeling files, avoiding the need to mail hard drives back and forth, where files can be easily corrupted
- Continued automation and streamlining of processes for issuing daily Air Quality Index forecasts, Agricultural Burning allocations, Hazard Reduction burn declarations, Residential Wood-Burning declarations, and Prescribed Burning allowances
- Enhanced mass email system to list serves to be more user-friendly and increase efficiency

While we have implemented a large number of streamlining and efficiency efforts, as listed above, state and federal mandates continue to directly and indirectly increase workload. Where possible, we have sought and acquired funding from the state and federal governments to partially or fully fund the District's implementation of these programs, such as for the state's oil and gas methane emissions reduction rule and the upcoming implementation of the community monitoring and emission reduction requirements of AB 617.

As stated earlier, the ongoing efficiency and streamlining efforts have enabled the District to maintain active and effective air quality management programs with low fees and low administrative overhead. It is estimated that with the increase in workload associated with new mandates, combined with a general cost increase associated with rising Consumer Price Index, the District budgeted costs may exceed revenues by as much as \$2.9 million in 2018/19. However, in assessing the need for a fee increase, the District expects to replicate its past experience in reducing actual costs through continued implementation of efficiency and streamlining measures as well as optimum utilization of eligible grant revenues. The District anticipates that such cost-cutting efforts will reduce the projected deficit by 50%, to approximately \$1.45 million. Furthermore, the District is proposing to phase in the necessary revenue enhancements. To address this remaining shortfall, the District is proposing to increase the fees identified above by 4.8% starting in fiscal year 2018/19 and an additional 4.6% starting in fiscal year 2019/20. These adjustments are expected to result in additional annual revenue of approximately \$732,000 in 2018/19 and an additional \$732,000 in 2019/20.

After these fee increases, the District will continue to have the lowest fees of any major air district in the state (see table below for permit fee comparisons), and we will continue to follow our commitment to cutting operating costs through the utilization of technology (Permit Administration System, on-line permit facility and grant portals, in-field tablet computer access for enforcement, Electronic Document Management System, inter-region permit processing, etc.), process streamlining (Guidelines for Expedited Application Review, permit stakeholder meetings, application review templates for specific source categories, grant process streamlining), and much more.

San Joaquin Valley Unified Air Pollution Control District

Draft Staff Report: Regulation III - Fees

February 6, 2018

Comparison of Annual Permit Renewal Fees for Typical Permitted Equipment

Air District	150 hp IC Emergency Engine	550 hp IC Prime Engine	2 Nozzle Gas Station	16 Nozzle Gas Station	Paint Booth w/ 15 hp motor
San Joaquin Valley APCD (current)	\$129	\$525	\$76	\$608	\$97
San Joaquin Valley APCD (effective 7/1/18)	\$135	\$550	\$80	\$640	\$102
San Joaquin Valley APCD (effective 7/1/19)	\$141	\$575	\$84	\$672	\$107
Bay Area AQMD*	\$576	\$1285	\$235	\$1958	\$1468
South Coast AQMD*	\$865	\$865	\$224	\$1789	\$865
Sacramento Metro AQMD*	\$466	\$1864	\$874	\$1984	\$932

* Estimates based on typical installations, may be somewhat higher or lower depending on whether equipment is located at a major source, how many permitted units at a facility, and other equipment-specific variables. BAAQMD, SCAQMD and SMAQMD also charge additional criteria emissions-based permit renewal fees. The San Joaquin Valley Air District does not charge an emissions-based fee for permit renewals.

As discussed above, these proposed fee increases are needed to reduce the District's annual operating deficit, but will not completely eliminate it. Continued implementation of the District's intensive operational streamlining is expected to achieve sufficient additional efficiencies to balance costs and revenues. Finally, as noted in the table above, even after the proposed fee increases, the costs for permittees will continue to be the lowest in the state, when compared to those charged by other air districts.

Finally, it should be noted that the District expects the 2018/19 budget to include approximately \$390 million in emission reduction incentive grant funding for investment in the local economy by helping Valley residents and businesses implement the following types of clean-air projects:

- Heavy-duty emergency vehicle replacement with diesel or natural gas technology
- Medium and heavy-duty on-road truck replacement with zero/near-zero technology
- Agricultural irrigation pump replacement/electrification and associated infrastructure
- Agricultural zero-emission utility vehicle deployment/replacement
- Alternative fuel infrastructure (fueling stations)
- Locomotive (line-haul, short haul, switcher) replacement with cleaner diesel/hybrid/zero-emission technology
- Yard truck replacement with zero-emission technology

San Joaquin Valley Unified Air Pollution Control District

- Forklift/cargo handling equipment replacement with zero/near-zero emission technology
- School bus replacement with zero/near-zero emission technology

While the District has operated a robust emission reduction incentive grant program for decades, this level of grant funding represents a doubling of available funding over the prior year, underwritten almost entirely by grant dollars the District is acquiring from the state and federal governments.

IV. PROPOSED RULE AMENDMENTS

A. **Rule 3100 (California Environmental Quality Act Fee), Rule 3110 (Air Toxics Fees), Rule 3156 (Fees for Equipment Subject to Rule 2260 Registration Requirements for Equipment Subject to California's Oil and Gas Regulation), and Rule 3170 (Federally Mandated Ozone Nonattainment Fee):**

Rule 3100, Rule 3110, Rule 3156, and Rule 3170 will not be included in the proposed rule amendments. Rule 3100 does not contain a specific fee, and therefore does not require updating. Rule 3110 was recently modified to significantly reduce the fees associated with the District's implementation of the state air toxics program, and no change is necessary. Rule 3156 fees were recently adopted. Because of this, its fees are current and expected to adequately cover the costs of the associated program, and no update is necessary. Rule 3170 is linked to federal law and its fees are already annually adjusted to the consumer price index. Therefore, no increase is proposed to Rule 3170.

B. **Rules 3010, 3020, 3030, 3040, 3050, 3060, 3070, 3120, 3135, 3140, 3147, 3150, 3155, 3160, 3180, 3190, 3901:**

Increase each of the fees associated with these rules by 4.8%, effective July 1, 2018, and again by 4.6%, effective July 1, 2019. Hourly fees associated with compensating the District for time spent, such as for the processing of permit applications, are not being increased by this action.

V. PROPOSITION 26 ANALYSIS

Proposition 26, approved by California voters in 2010, requires increases in taxes to be approved by a vote of impacted residents. However, under the definitions in Proposition 26, this proposed fee increase is not a tax, as the increases are all charges imposed for reasonable regulatory costs.

VI. RULE DEVELOPMENT PROCESS

The District will hold a public workshop at 2:00 PM on February 6, 2018, to present, discuss, and receive comments on the proposed amendments. At the public workshop, District staff will present the objectives of the rule-amending project, explain the District's rule development process for this project, solicit feedback from affected stakeholders, and inform all interested parties of the comment period and project milestones. A two week comment period will follow the public workshop. District staff currently intend to present the proposed amendments to the Board for their consideration prior to July 1, 2018.

V. COST EFFECTIVENESS AND SOCIOECONOMIC IMPACT ANALYSIS

Pursuant to State law, the District is required to analyze the cost effectiveness of any proposed rule amendment that implements Best Available Retrofit Control Technology (BARCT). The draft amendments do not add BARCT requirements and therefore are not subject to the cost effectiveness analysis mandate.

Additionally, state law requires the District to analyze the socioeconomic impacts of any proposed rule amendment that significantly affects air quality or strengthens an emission limitation. The draft amendments will have neither effect, and are therefore not subject to the socioeconomic analysis mandate.

VI. RULE CONSISTENCY ANALYSIS

Pursuant to CH&SC Section 40727.2 (g) a rule consistency analysis of the draft rule is not required. The draft rules do not strengthen emission limits or impose more stringent monitoring, reporting, or recordkeeping requirements.

VII. ENVIRONMENTAL EFFECTS

Pursuant to the California Environmental Quality Act, staff investigated the possible environmental impacts of the proposed amendments. District staff have concluded that the proposed amendments will not have any significant adverse effect on the environment since they will not alter the environmental status quo. Staff will prepare a Notice of Exemption under the provisions of Public Resource Code 15061(b)(3) for this project.