

STAFF REPORT

Proposed Amendments to Rule 500 - *Stationary Source Permit Fees*

Date of Release: March 28, 2023
Proposed for Adoption: April 27, 2023

Schedule of Hearings

- Date of Board Adoption Hearing: Thursday, April 27, 2023 at 10:00 a.m., Butte County Association of Governments Board Room, 326 Huss Drive, Suite #100, Chico, CA 95928

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at 10:00 a.m., Butte County Association of Governments Board Room,
326 Huss Drive, Suite #100, Chico, CA 95928

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STAFF REPORT

Executive Summary

The federal Clean Air Act, California Health and Safety Code, and local Rules and Regulations of the Butte County Air Quality Management District (District) establish requirements on the District to develop, implement and enforce numerous programs designed to achieve and maintain ambient air quality standards and protect public health. These programs have primarily been funded from District fee sources, such as regulatory and/or user fees (including burn permit fees, stationary source permit fees and State subvention funding). The District does not utilize any County or City general funds.

The fees are collected as required by various rules contained in the District Rules and Regulations. A new fee for Retail Gas Dispensing Facilities (GDFs) is being proposed in response to the cost recovery deficit of the stationary source permit program for GDFs. This draft proposes authorizing a new emissions-based, Throughput Fee for Retail GDFs with annual throughputs of 30,000 gallons or more.

GDF facilities are unique in the fact that vapor recovery nozzles are the only District permitted equipment that is operated by the public with no prior training or protective equipment requirements. GDF nozzles are a critical source of criteria and toxics emissions requiring significant permitting, testing, and inspection oversight by District staff to assure State and local requirements of operation, maintenance and performance testing are met.

1.0 PROGRAM MANDATES AND REQUIREMENTS

The Butte County Air Quality Management District (District) regulates and enforces various State, local and federal air pollution regulations. The regulations are implemented through various programs, many of which are mandated by State and federal statute. Funding for these programs is primarily through permit fees, State subvention and surcharges on motor vehicle registrations. No local general funds are utilized.

Table 1
State and Federal Mandates and Authorities
Butte County Air Quality Management District

Program Element	Applicable Code
Control of air pollution shall be through cooperative efforts of State and local governments.	CAA ¹ Section 102
Federal requirement for a State Implementation Plan	CAA Section 110
Control of air pollution is to be an intensive State, regional and local effort.	HSC ² Section 39001
Air pollution is a mandated local and regional responsibility.	HSC Section 39002, 40000
State mandate for air district	HSC Section 40002
State mandate for office of Air Pollution Control Officer (APCO)	HSC Section 40750
Required duties of the APCO	HSC Section 40752 et seq
Requirement for local District Regulations	HSC Sections 40001, 40702
District program must achieve and maintain State and federal ambient air quality standards	CAA Section 110; HSC Section 41500
Stationary source permit systems and fees, including APCO authority to issue or deny permits, require information from an applicant, enforce permit conditions and suspend permits.	CAA Sections 110, 502; 40 CFR ³ Part 52, 40 CFR Part 60, 40 CFR Part 63; 40 CFR Part 70; HSC Section 42300 et seq.
Agricultural burning permit systems and fees, including requirement to allow agricultural burning.	HSC Sections 41852, 41865 and 42311; CCR ⁴ Section 80100 et seq.
State mandate for attainment plan(s)	HSC 40910 et seq
State mandate for District to supply State information related to air pollution control efforts	HSC 39605
Mandate to implement air toxic programs	CAA Section 300, 40 CFR 63; HSC Section 39665 et seq, 44300 et seq; CCR Section 90700 et seq.
Participation in environmental review process (CEQA)	PRC ⁵ Section 21000 et seq.
Provide access to public records while protecting from disclosure confidential and proprietary information.	Government Code Section 6254 et seq.

1. CAA refers to the federal Clean Air Act Amendments of 1990.
2. HSC refers to the California Health and Safety Code.
3. CFR refers to the Code of Federal Regulations.
4. CCR refers to the California Code of Regulations.
5. PRC refers to the California Public Resources Code.

2.0 PROPOSITION 26 AND RATE SETTING

Proposition 26 was adopted by the voters in California on November 2, 2010 and restricts the ability of state and local agencies to raise revenues to fund government services, facilities, and programs. Proposition 26 generally defines all “fees” as “taxes” with noted exceptions including Regulatory Fees. For taxes proposed by local governments, if the tax is a general tax requires a majority vote of the electorate and if it is a special tax it requires a 2/3 voter approval. A Regulatory Fee is defined as “*A charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections and audits, enforcing agricultural marketing orders, and administrative enforcement and adjudication thereof.*” Proposition 26 also requires that fees must be imposed for a specific benefit conferred or privilege granted, not to exceed the reasonable cost of providing the benefit, privilege or service. The fees must be proportional to the benefits received and reduced fees may not be offered to a subgroup if the fees from other sources will be used to offset the costs. The stationary source permit fees identified in Rule 500 are regulatory fees and are not subject to approval by vote of the electorate.

3.0 RETAIL GDF STATIONARY SOURCE PERMIT PROGRAM

California Health and Safety Code, Section 42300 allows the District’s Governing Board to establish, by regulation, a permit system that requires a person to get a permit from the Air Pollution Control Officer prior to constructing or modifying any equipment which emits or may emit air contaminants. In Butte County, this has been implemented by requiring a permit to construct for each emissions unit operated at a stationary source. An “emissions unit” is defined as “*an identifiable operation or piece of process equipment such as an article, machine, or other contrivance which emits, may emit, or results in the emission of any affected pollutant directly or as fugitive emissions.*” Retail GDFs in the District are required to apply for and maintain a Permit to Operate for their facilities. Considering all stationary source categories permitted by the District, GDF facilities account for the largest amount of staff resources spent on a single source category. The most current (FY 21/22) analysis of program costs shows that the GDF program cost the District \$247,588.05 while revenue from permit fees totaled only \$64,156.60. Current District policies seek for at least 90% cost recovery for programs. Last year’s cost recovery was 23%.

4.0 PROPOSED RULE AMENDMENTS

The District is proposing to implement a new fee for Retail GDF’s with an annual throughput of 30,000 gallons or more. Table 2 below shows the proposed new fee structure:

Table 2 – Proposed New Retail GDF Fee

Retail Gasoline Storage Facility Throughput Fee	Multiplier Rate ¹	New Fee	Impacted Facilities
Annual Throughput of 30,000 to 600,000 gallons	5.5x	\$ 536.97	52
Annual Throughput of 600,000 to 1,000,000 gallons	20.5x	\$ 2,001.42	10
Annual Throughput of 1,000,001 to 5,000,000 gallons	51.5x	\$ 5,027.95	19
Annual Throughput of 5,000,001 gallons or more	103x	\$10,055.89	1

1. The current hourly rate is \$97.63.

5.0 PROGRAM ELEMENTS AND COSTS

The Stationary Source Permit Program consists of several distinct program elements that are mandated by state law which are collectively implemented through the issuance of a permit and the collection of information needed to verify compliance with the underlying state mandate. Examples of the program elements include the annual renewal of each sources Permit(s) to Operate, compliance inspections, and submittal of the Emissions Inventory to the California Air Resources Board (CARB).

In support of the District programs, staffing is currently as follows:

- One (1) Administrative Assistant
- One (1) Administrative Technician
- One (1) Accounting Technician
- One (1) Administrative Services Officer
- One (1) Air Quality Compliance Specialist II
- One (1) Senior Air Quality Compliance Specialist
- One (1) Air Quality Compliance Specialist I
- One (1) Air Quality Engineer I
- One (1) Senior Air Quality Planner
- One (1) Assistant Air Pollution Control Officer
- One (1) Director/Air Pollution Control Officer

District cost analysis shows that more than 1635 hours per year of staff time is spent on GDF's. In Fiscal Year 2021-2022, the District spent a total of 5338 hours on the stationary source permit program. This equates to 30% of staff time on stationary source permitting is spent solely on GDF's. The District is proposing to implement a new fee for Retail GDF's with an annual throughput of 30,000 gallons or more.

5.1 Current Program Costs and Revenues

The District has reviewed the total revenue associated with the Stationary Source Operating Permit Program and the total staff time required to implement specific core provisions of the program. Direct costs and indirect costs were used to determine the total program cost and that dollar amount was then compared to the revenue to determine the relative percent cost recovery. Fiscal year 2021-2022 was used for the analysis.

Table 3 FY 21-22 Program Costs and Revenues

Program	State Mandate	Federal Mandate	Direct Revenue	Program Costs¹	Percent Cost Recovery
GDF	Yes	Yes	\$64,156.60	\$247,588.05	26%

1. Program costs include direct staff hours spent implementing the program elements along with fully-loaded overhead costs.

5.2 Estimated Cost Impacts

Using \$5.08 for the average cost for a gallon of gasoline (AAA posted average for Butte County on August 30, 2022), facilities subject to the proposed new Retail GDF Throughput Fee will pay between 0.019% and 0.347% of sales of each gallon dispensed annually. The proposed new Retail GDF Throughput Fee is estimated to bring an additional \$153,000 in revenue for the District annually. This will increase cost recovery from 26% to 88% which gets close to the District policy goal of at least 90% cost recovery. Table 4 below shows the estimated cost recovery of the program including this proposed additional revenue.

Table 4 Projected Cost and Revenues for GDFs

Program	State Mandate	Federal Mandate	Direct Revenue	Program Costs¹	Percent Cost Recovery
GDF	Yes	Yes	\$217,156.60	\$247,588.05	88%

1. Projected Program costs include direct staff hours spent implementing the program elements along with fully loaded overhead costs.

6.0 ALTERNATIVES

The Governing Board may choose to:

- a) Approve the amendments as proposed; or
- b) Modify the proposed amendments after receiving public comments during the hearing; or
- c) Take no action or deny the proposed amendments.

7.0 SOCIOECONOMIC IMPACTS

The provisions of Section 40728.5 of the California Health and Safety Code, requiring an assessment of the socioeconomic impacts of the adoption, amendment, or repeal of any District rule or regulation does not apply to air districts in the Northern Sacramento Valley Air Basin. Section 40728.5(c) exempts districts with a population of less than 500,000 persons from the required socioeconomic impact analysis. Since the Butte County population is less than 500,000 persons, a socioeconomic analysis is not required.

8.0 ENVIRONMENTAL REVIEW AND COMPLIANCE

Proposed Amendments are administrative in nature. Pursuant to state CEQA Guidelines, (General Exemption, Section 15061(b)(3)) the District finds that the adoption of proposed amendments are exempt from CEQA. This exemption is allowed when it can be seen with certainty that there is no possibility that the rule will have a significant effect on the environment.

California Public Resources Code (Section 21159) requires an environmental analysis of the reasonably foreseeable methods of compliance. The District has concluded that no reasonably foreseeable adverse environmental impacts will be caused by adoption of the proposed rule amendments.

9.0 REQUIRED FINDINGS

Findings required by Division 26 of the California Health and Safety Code requires local districts to comply with a rule adoption protocol as set forth in Section 40727 of the Code. This section has been revised through legislative mandate to contain six findings that the District must make when developing, amending, or repealing a rule or regulation. These findings, and their definitions are included in Table 5.

Table 5 Required Findings

FINDING	DEFINITION	REFERENCE
Authority	A district shall adopt rules and regulations and do such acts as may be necessary or proper to execute the powers and duties granted to, and imposed upon, the district by this division and other statutory provisions	California Health and Safety Code, Sections 40000, 40001, 40701, 40702, 41512, 41865, 41866, 42311, 42364, and 44380 are provisions of law that provide the District with the authority to adopt these proposed rules.
Necessity	The District has demonstrated that a need for the rule, or for rule amendment or repeal.	It is necessary for the District to adopt these amendments to reduce fees for certain types of Permit Categories.
Clarity	The rule is written or displayed so that its meaning can easily be understood by the persons directly affected by it.	There is no indication, at this time, that the proposed rules are written in such a manner that they can not be easily understood by persons affected by the rules.
Consistency	This rule is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or State or federal regulations.	The District has found that these rules are consistent with applicable statutory requirements.
Non-Duplication	The rule does not impose the same requirements as an existing State or federal regulation, unless the District finds that the requirements are necessary and proper to execute the powers and duties granted to, and imposed upon, the district.	The proposed rules do not impose requirements that duplicate existing laws or regulations.
Reference	Any statute, court decision, or other provision of law that the district implements, interprets, or makes specific by adopting, amending, or repealing a regulation.	California Health and Safety Code, Sections 40701, 40702, 41512, 41865, 41866, 42311, 42362, and 44380.

10.0 REFERENCES

Attachment A. Proposed Amended Rule 500 – *Stationary Source Permit Fees*

Attachment B. Notice of Public Hearing

Attachment C. Resolution of Adoption

Attachment A
Proposed Amended Rule 500 – *Stationary Source Permit Fees*

RULE 500 Stationary Source Permit Fees

*(Adopted January 4, 1972; Amended August 8, 1982; Amended and Recodified August 6, 1985;
Amended December 16, 1986, December 13, 1988; Amended and Recodified June 24, 1999;
Amended May 24, 2001; Recodified August 22, 2002; Amended July 27, 2006, Amended August 23, 2012,
Proposed April 27, 2023)*

RULE 500 CONTENTS

1. PERMIT TO OPERATE
2. AUTHORITY TO CONSTRUCT
3. TRANSFER OF OWNERSHIP
4. PERMIT ISSUED BY HEARING BOARD
5. INDEMNIFICATION

RULE 500

- 1 PERMIT TO OPERATE:** Each applicant for a permit required by Regulation IV of these Rules and Regulations shall pay the Permit to Operate annual permit fee of \$75.00 and pay an additional renewal fee and toxic fee, as specified in Table I of this Rule, on an annual basis due by the permit anniversary date for each permit issued by permit category. These fees are based on the estimated cost of issuance, services rendered, surveillance, evaluation and inspections pertaining to such permits. All fees collected shall be deposited in the Butte County Air Quality Management District's (DISTRICT) Account.

1.1 Limitation to Permit to Operate Fees

- 1.1.1** Notwithstanding the above, fees assessed herein shall not result in an increase, on an annual basis, more than allowed by the California Health and Safety Code.
- 1.1.2** If the permit holder certifies in writing that the permitted equipment was not operated during the previous calendar year, the toxic fee shall not be assessed, and the renewal fee shall be assessed at 50% of the amount determined from Table I.
- 1.1.3** If the permit holder certifies in writing that the permitted equipment does not result in the release of a toxic air contaminant, as determined by the California Air Resources Board (CARB), or a hazardous air pollutant, as determined by the United States Environmental Protection Agency (EPA), the toxic fee from Table I shall not be assessed.

- 2 AUTHORITY TO CONSTRUCT:** Each applicant for an Authority to Construct permit shall pay an application filing fee of \$75.00 due at the time the application is filed. In addition, an authority to construct fee and toxic fee shall be due and payable at the time of permit issuance as determined from Table I. All fees collected shall be deposited in the DISTRICT's Account.

2.1 Limitation to Authority to Construct Fees

- 2.1.1** Notwithstanding the fees specified in Table I, if the actual costs of processing an Authority to Construct permit application substantially differ from the fees assessed pursuant to this Section, the applicant may be assessed the actual costs, as determined by the Air Pollution Control Officer.
- 2.1.2** Notwithstanding the fees specified in Table I, modifications to less than 50% of the existing facility capacity shall be assessed an authority to construct and toxic fee at 50% of the values listed.
- 2.1.3** If the permit holder certifies in writing that the permitted equipment does not result in the release of a toxic air contaminant, as determined by CARB, or a hazardous air pollutant, as determined by EPA, the toxic fee from Table I shall not be assessed.

- 3 **TRANSFER OF OWNERSHIP:** Each applicant for a permit Transfer of Ownership shall pay a fee of \$60.00 to cover the administrative costs of transferring the permit to the new owner.
- 4 **PERMIT ISSUED BY HEARING BOARD:** A Permit to Operate or Authority to Construct permit issued by the DISTRICT Hearing Board shall be subject to the fees pursuant to this Rule.
- 5 **INDEMNIFICATION:** Each applicant for, and recipient of, an Authority to Construct Permit or Permit to Operate agrees to indemnify, defend and hold the DISTRICT (including its Board Members, officers, directors, managers, employees and agents) harmless and free and clear from and against any liability, debt, obligation, claim, judgment, action, cause of action or cost or expense, of any amount or nature whatsoever incurred by or imposed upon the DISTRICT arising out of, as a result of, related to or in any way in connection with the denial, issuance, modification or renewal of a permit, including a permit by the Hearing Board. Such costs or expenses shall include, but not be limited to, reasonable attorney’s fees, expert witness fees and all other litigation expenses.

Table 4I

PERMIT CATEGORY	<u>Through-put Fee</u>	Renewal Fee (Fee/Unit) *	Toxic Fee (Fee/Unit)	A/C Fee
Abrasive Blasting:				
a. Confined	0	1x	0	2x
b. Unconfined	0	4x	0	8x
Adhesives and Sealants, Graphic Arts, and Printing:				
a. 50 gallons per year or less	0	3x	1x	6x
b. Greater than 50 but less than or equal to 200 gallons per year	0	4x	1x	8x
c. Greater than 200 gallons per year	0	5x	2x	10x
Asphalt Concrete Plant				
a. 100,000 tons per year or less	0	3x	1x	6x
b. Greater than 100,000 but less than or equal to 250,000 tons per year	0	4x	2x	8x
c. Greater than 250,000 tons per year	0	5x	2x	10x
Cabinet Shops	0	3x	1x	6x
Cement Handling Equipment	0	3x	0	6x
Chemical Manufacturing Process Unit	0	4x	0	8x
Concrete Batch Plants				
a. 10,000 yd3 per year or less	0	3x	0	6x
b. Greater than 10,000 but less than or equal to 25,000 yd3				

PERMIT CATEGORY	<u>Through-put Fee</u>	Renewal Fee (Fee/Unit) <i>*</i>	Toxic Fee (Fee/Unit)	A/C Fee
per year	<u>0</u>	4x	0	8x
c. Greater than 25,000 yd ³ per year	<u>0</u>	5x	0	10x
Confined Animal Facilities	<u>0</u>	10x	2x	20x
Degreasers				
a. Vapor	<u>0</u>	3x	1x	6x
b. Solvent	<u>0</u>	2x	1x	5x
Drycleaning Operations				
a. Perchloroethylene	<u>0</u>	2x	2x	3x
b. Petroleum-Based Solvents (Multiple Machines)	<u>0</u>	2x	0	3x
Dryer/Kiln	<u>0</u>	2x	0	4x
Electrolytic Plating Operations	<u>0</u>	5x	3x	10x
Ethylene Oxide Sterilizers	<u>0</u>	4x	3x	8x
External Combustion Devices, power Power:				
a. 5 million British thermal units per hour (mmBTU/hr) or less	<u>0</u>	3x	0	6x
b. Greater than 5 mmBTU/hr but less than or equal to 10 mmBTU/hr	<u>0</u>	4x	2x	8x
c. Greater than 10 mmBTU/hr	<u>0</u>	5x	3x	10x
Feed and Grain Facilities	<u>0</u>	4x	0	10x
Fiberglass and Polyester Resin Products Manufacturing	<u>0</u>	4x	2x	8x
Fiberboard Manufacturing	<u>0</u>	20x	5x	40x
Fluid Evaporator	<u>0</u>	2x	0	4x
Gasoline Dispensing Facility and associated vapor recovery system (Non Retail)	<u>0</u>	1x	0	2x
Gasoline Dispensing Facility, loading rack and associated vapor recovery system(s) – Bulk Plant	<u>0</u>	4x	2x	8x
Gasoline Storage, loading rack and associated vapor recovery system(s) - Bulk Terminal	<u>0</u>	10x	5x	20x
Gasoline Storage-Dispensing Facility and associated vapor recovery system- (Retail and Consumer Accounts) —(Retail and Consumer Account)	<u>0</u>	1x	2x	3x
Gasoline Dispensing Phase II Vapor Recovery Nozzle	<u>0</u>	0.4x	<u>0</u>	0.4x
<u>Retail Gasoline Storage Facility Throughput Fee:</u>				
<u>Annual Throughput of 30,000 to 600,000 gallons</u>	<u>5.5x</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Annual Throughput of 600,000 to 1,000,000 gallons</u>	<u>20.5x</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Annual Throughput of 1,000,001 to 5,000,000 gallons</u>	<u>51.5x</u>	<u>0</u>	<u>0</u>	<u>0</u>
<u>Annual Throughput of 5,000,001 gallons or more</u>	<u>103x</u>	<u>0</u>	<u>0</u>	<u>0</u>

PERMIT CATEGORY	<u>Through- put Fee</u>	Renewal Fee (Fee/Unit) *	Toxic Fee (Fee/Unit)	A/C Fee
Gasoline Dispensing Phase II Vapor Recovery Nozzle		0.4x	0	0.4x
Incinerators:				
a. Pathological Waste	0	4x	2x	8x
b. Crematory	0	4x	0	8x
c. Other	0	4x	2x	8x
Internal Combustion Engine – Diesel-Fueled				
a. First Prime Emissions Unit	0	4x	2x	8x
b. Each Additional Prime Emissions Unit	0	3x	2x	6x
c. Emergency Backup Generator	0	1x	1x	2x
Internal Combustion Engine – Natural Gas or LPG-Fired				
a. First Prime Emissions Unit	0	4x	0	8x
b. Each Additional Prime Emissions Unit	0	3x	0	6x
c. Emergency Backup Generator	0	1x	0	2x
Malt Beverage Production	0	5x	0	10x
Metal Melting Crucibles	0	3x	0	6x
Miscellaneous:	0	5x	0	10x
a. Potential to Emit Less than 2 TPY	0	1x	1x	2x
b. Potential to Emit Equal to 2 TPY to Less than 5 TPY	0	2x	1x	4x
c. Potential to Emit Equal to or Greater than 5 TPY	0	4x	2x	8x
Motor Vehicle and Mobile Equipment Coating				
a. First Spray Paint Booth (including prep station and heater)	0	3x	2x	4x
b. Each Additional Spray Paint Booth (including prep station and heater)	0	1x	0	4x
Municipal Waste Landfill	0	5x	2x	10x
Non-Metallic Mineral Processing Operations (in terms of the annual production rate)				
a. 10,000 tons per year or less	0	5x	0	9x
b. Greater than 10,000 but less than or equal to 100,000 tons per year	0	7x	0	13x
c. Greater than 100,000 tons per year	0	9x	0	17x
Nut Processing Operations				
a. Cleaning, Hulling/Shelling and Drying	0	4x	0	6x
b. Sorting and Packaging	0	3x	0	5x
Oily Water Treatment Systems	0	3x	0	6x
Paint Formulation Facility	0	4x	0	8x
Paint Bake Oven	0	3x	0	6x
Public and Private Waste Water Treatment Works	0	5x	2x	10x
Reclaiming Furnace	0	3x	2x	6x

PERMIT CATEGORY	<u>Through- put Fee</u>	Renewal Fee (Fee/Unit) *	Toxic Fee (Fee/Unit)	A/C Fee
Rendering Plant	<u>0</u>	3x	0	6x
Rice Drying and Milling Operations	<u>0</u>	6x	0	6x
Rice Storage Operations	<u>0</u>	2x	0	4x
Soil Remediation - Aeration	<u>0</u>	N/A	1x	3x
Soil and Groundwater Remediation Process Unit	<u>0</u>	4x	2x	8x
Storage Tank – Petroleum – Fixed or Internal Floating Roof	<u>0</u>	3x	1x	6x
Storage Tank – Petroleum – External Floating Roof	<u>0</u>	4x	1x	8x
Storage Tank – Organic Liquid	<u>0</u>	3x	0	6x
Surface Coating Operations				
a. First Spray Paint Booth (including prep booth and heater)	<u>0</u>	3x	0	4x
b. Each Additional Spray Paint Booth (including heater)	<u>0</u>	1x	0	4x
c. Powdercoating Operations (including blasting/prep booth and curing oven)	<u>0</u>	3x	0	4x
Underground Petroleum Storage Tank Purge and Excavation	<u>0</u>	N/A	0	4x
Underground Petroleum Storage Tank Purge and Relining	<u>0</u>	N/A	0	4x
Wood Products Manufacturing	<u>0</u>	3x	1x	6x
Wood Sawing and Milling Operations	<u>0</u>	5x	0	10x
Wood Treatment Dip Tank	<u>0</u>	3x	0	6x
Wood Pressure Treatment Operations	<u>0</u>	10x	4x	20x

*Where x is the hourly labor rate set forth in Rule 509

A/C = Authority to Construct Permit

Attachment B
Notice of Public Hearing

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the Butte County Air Quality Management District (DISTRICT) Governing Board will hold a public hearing to consider amendments to proposed Rule 500—*Stationary Source Permit Fees*. A new fee for Retail Gas Dispensing Facilities (GDFs) is being proposed in response to the cost recovery deficit of the stationary source permit program for GDFs. The amendments to Rule 500 propose to authorize a new emissions-based, Throughput Fee for Retail GDFs with annual throughputs of 30,000 gallons or more.

The time, date, and location of the hearing is:

Public Hearing to Consider Adoption: Thursday, April 27, 2023, at 10:00 a.m., Butte County Association of Governments, 326 Huss Ln, Suite 100, Chico, CA and via Zoom.

The Staff Report and proposed Rule may be reviewed at the District office at the address below or on the District website: www.bcaqmd.org. For additional information, including Zoom instructions, please contact Patrick Lucey at (530) 332-9400, ext. 106 or plucey@bcaqmd.org. Written comments on the proposed rule must be submitted by April 26, 2023 to: Board Clerk, Butte County Air Quality Management District, 629 Entler Avenue, Suite 15, Chico, CA 95928.

DATED: March 28, 2023

By: Stephen Ertle
AIR POLLUTION CONTROL OFFICER

Attachment C
Proposed Resolution of Adoption

**RESOLUTION 2023-02
BEFORE THE BOARD OF DIRECTORS OF
BUTTE COUNTY AIR QUALITY MANAGEMENT DISTRICT
STATE OF CALIFORNIA
AMENDMENTS TO RULE 500 – STATIONARY SOURCE PERMIT FEES**

Resolution 2023-02)
Adopt Proposed Amended Rule 500)
Stationary Source Permit Fees)

WHEREAS, the Butte County Air Quality Management District Board obtains its authority to adopt, amend, or repeal rules and regulations from California Health and Safety Code Sections 40000, 40001, 40701, 40702;

AND WHEREAS, the Butte County Air Quality Management District Board has determined that the proposed rules are written such that the meaning can be understood by the persons directly affected by it (Health and Safety Code Section 40727(b)(3));

AND WHEREAS, the Butte County Air Quality Management District Board has determined that the proposed rules adopted herein are in harmony with, and not in conflict with or contradictory to existing statutes, court decisions, or state or federal regulations (Health and Safety Code Section 40727(b)(4));

AND WHEREAS, the Butte County Air Quality Management District Board has determined that the adoption of amended Rule 500, Stationary Source Permit Fees, is necessary to improve cost recovery on retail gas dispensing facilities by authorizing a new emissions-based Throughput Fee for retail facilities dispensing more than 30,000 gallons annually;

AND WHEREAS, the Butte County Air Quality Management District Board has determined that the proposed amended Rule 500 does not duplicate local, state or federal rules or regulations for permitting programs;

AND WHEREAS, the District staff has made notice of and held public workshop meetings on the proposed amended rules and received comments as included in the Board report, which are included herein as a record of those proceedings;

Remove ?
AND WHEREAS, the Butte County Air Quality Management District Board conducted public hearings on October 20, 2022 and November 17, 2022 concerning the proposed amended rule herein;

THEREFORE, BE IT RESOLVED, that the Butte County Air Quality Management District Board hereby adopts, with an effective date of April 28, 2023, amended Rule 500 – *Stationary Source Permit Fees*, as proposed in the attachments to the March 27, 2023 Staff Report.

On Motion of _____, Seconded by _____, the foregoing resolution is hereby PASSED AND ADOPTED by the Air Quality Management District Board of Directors on this 27th of April 2023 by the following:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

 Stephen Ertle, Air Pollution Control Officer
 Butte County Air Quality Management District

I hereby attest that this is a true and correct copy of the action taken by the Butte County Air Quality Management District Board of Directors on April 27, 2023.

ATTEST: _____
 Cora Collins, Clerk of the Governing Board