

BUSINESS IMPACT STATEMENT

The following business impact statement was prepared pursuant to NRS 237.090 to address the proposed impact of the revision to the DBOH Regulations Governing Air Quality Management, CHAPTER 030 (Source Permitting)

1. The following constitutes a description of the manner in which comments were solicited from affected businesses and citizens, a summary of their response and an explanation of the manner in which other interested persons may obtain a copy of the summary. *(List all trade association or owners and officers of businesses likely to be affected by the proposed rule that have been consulted).*

In August of 2021, the Air Quality Management Division (AQMD) conducted two (2) listening sessions giving residents the opportunity to help shape the requirements and regulations governing air quality permitting in Washoe County. Specifically, the AQMD was looking for input from the regulated community on what was working and not working with the current regulations specified in CHAPTER 030. This input was critical as began the effort in developing what the proposed revision to CHAPTER 030 was to become.

The AQMD provided notice of two (2) public workshops with the issuance of a press release on June 12, 2024. The public workshops were held on the following dates and times.

- *Monday, July 8, 2024, from 2:00 – 3:30 p.m.*
- *Thursday, August 8, 2024, from 10:30 – 12:00 p.m.*

The workshops were scheduled for dates and times that would maximize participation. The public workshops were additionally noticed by posting the information on the division website (OurCleanAir.com) and provided to all subscribers on the AQMD email subscription list. The list of valid email addresses is comprised of nearly one thousand (1,000) email addresses. A recording of both public workshops was also made available on the division website for later viewing. A Business Impact Survey was made available on the Northern Nevada Public Health webpage to provide the public, businesses, and individuals affected by the proposed changes additional information and an opportunity for input. Survey results and all public comments received have been addressed and included in the rule revision submittal package to the DBOH.

The Association of General Contractors, National Association for Industrial and Office Parks, Economic Development Authority of Western Nevada, Reno + Sparks Chamber of Commerce, and the Nevada Petroleum Marketers Association were provided an opportunity to individually meet with AQMD staff to discuss any concerns or questions. Any questions brought forward were answered and none of the organizations listed above provided concerns regarding significant impact on business and industry. Comments submitted by the organizations, along with AQMD responses, have been included in the DBOH packet.

The AQMD made all materials available for review two weeks prior to the August 22, 2024, DBOH meeting. Notice was sent out via press release, AQMD email subscription list, and social media posts. All materials were posted on the division website with hard copies available upon request.

The estimated economic effect of the proposed rule on businesses and citizens, including, without limitation, both adverse and beneficial effects, and both direct and indirect effects:

Adverse effects: Changes to the fee structure as a result of the revision to CHAPTER 030 are being proposed to align the division staff activities and facility risk levels with the appropriate fee. Annual fees for sources with a potential to emit greater than sixty (60) tons per year may increase depending on the rate of historical actual emissions for the facility.

Permitting authorities with approved permit programs under 40 CFR part 70 must comply with minimum permit program requirements, which includes collecting fees sufficient to fund the program. These fees must cover all “reasonable (direct and indirect) costs” of the permit program.

Beneficial effects: Changes to the fee structure as a result of revision to CHAPTER 030 are being proposed to align the division staff activities and facility risk levels with the appropriate fee. This restructuring of fees for small businesses and sources with a potential to emit less than a of sixty (60) tons per year will have decreased costs.

Ensuring cost recovery will allow the organization to maintain current staffing levels. Maintaining staffing levels will ensure that air quality services are provided in a timely and quality manner and the health and welfare of the public will continue to be protected.

Direct effects: Approval of the fee structure and increases will allow for cost recovery for the identified programs and services in addition to improving program efficiencies and addressing inequities in permit cost.

Indirect effects: No indirect effects are anticipated at this time.

2. The following constitutes a description of the methods the local government considered to reduce the impact of the proposed rule on businesses and citizens and a statement regarding whether any, and if so, which of these methods were used: (Include whether the following was considered: simplifying the proposed rule; establishing different standards of compliance for a business or citizen; and if applicable, modifying a fee or fine set forth in the rule so that business could pay a lower fee or fine).

The AQMD has conducted an internal SWOT analysis of the organization in order to help develop an awareness of business practices and systems, grant requirements, and expectations. This analysis has led to tremendous streamlining of many systems and processes while still providing the same level of protection of public health. As an example, specific minor sources have historically been inspected on an annual basis. As a result of the SWOT analysis, it was determined that these minor sources present little risk to air quality and public health and an annual inspection is not required. In addition, with the proposed revisions to CHAPTER 030, the minimum threshold for an air quality permit will be increased from 0.365 tons per year to five (5) tons per year. This will remove the requirement for an air quality permit for many small businesses. With the actions described above, the division has introduced additional capacity for air quality staff and allowed for increased quality in other services.

3. The governing body estimates the annual cost to the local government for enforcement of the proposed rule is:

There is no anticipated increase in annual cost to the local government for enforcement of the proposed rule.

4. The proposed rule provides for a new fee or increases, and existing fee and the total annual amount expected to be collected is:

The projected revenue brought in by the new fee structure is estimated at approximately \$200,000 based on FY22-23 service volume.

5. The money generated by the new fee or increase in existing fee will be used by the local government to:

Recover expenses associated with providing the service.

6. The proposed rule includes provisions that duplicate or are more stringent than federal, state or local standards regulating the same activity. The following explains when such duplicative or more stringent provisions are necessary:

The proposed change is not duplicative, or more stringent than existing federal, state or local standards.

7. The following constitutes an explanation of the reasons for the conclusions regarding the impact of the proposed rule on businesses:

The AQMD provides a critical environmental conservation and public health service for the region that is not provided by any other organization locally. It is expected that any increase in fees for small businesses that emit less than sixty (60) tons per year will be negligible, while the increase for sources with a potential to emit greater than sixty (60) tons per year may increase depending on the rate of actual emissions historically for the facility. Any increase is representative of the expense of providing the service and facility risk levels. In addition, the AQMD has removed any non-value adding systems and streamlined many of its processes to align with the associated public health risk.

As described previously, the Code of Federal Regulations requires that the regulating agency must comply with minimum permit program requirements, which includes collecting fees sufficient to fund the program. If the AQMD failed to meet this requirement or ceased to exist, air quality management for Washoe County business and industry would be overseen by the Federal Environmental Protection Agency and be subject to federal permitting fees.

After reviewing the comments, arguments, and data provided, the proposed fee increases do not impose a direct and significant economic burden upon a business, nor does it directly restrict the formation, operation, or expansion of a business. The proposed fees are necessary to recover costs associated with the regulation and oversight of these permits which promote public health and safety.

To the best of my knowledge or belief, the information contained in this statement is prepared properly and is accurate.

Chad Kingsley, MD/MBA, District Health Officer

Date