



**BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT**

Proposed Amendments to Regulation 3: Fees

**Board of Directors Regular Meeting
April 16, 2014**

**Jeff McKay
Deputy Air Pollution Control Officer**



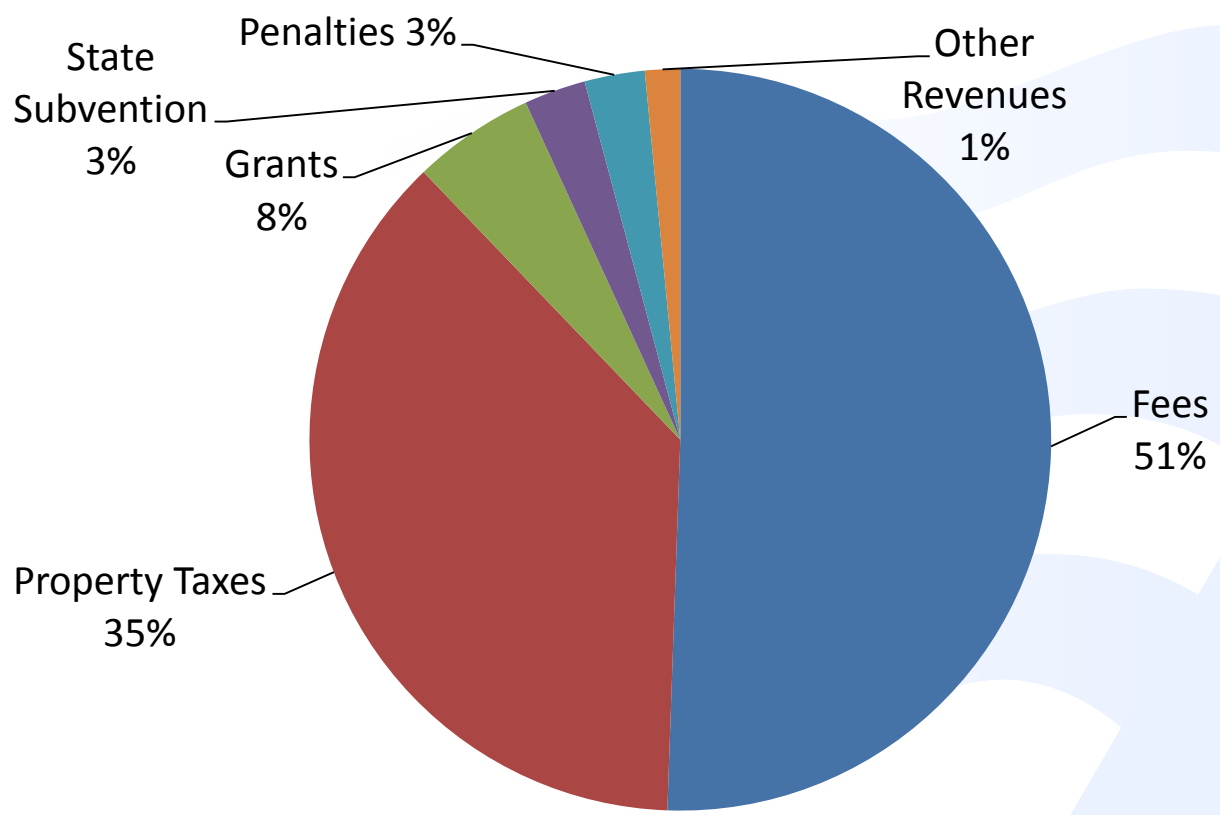
Presentation Outline

1. Cost Recovery Background
2. Draft Fee Amendments
3. Public Comments Received
4. Rule Development Schedule





Revenue Sources - FYE 2013





Cost Recovery Background

- Air District has authority to assess fees to recover the reasonable costs of regulating stationary sources
- Fee revenue falls short of overall full cost recovery
 - FYE 2010: Cost recovery = 64%
 - FYE 2011: Cost recovery = 67%
 - FYE 2012: Cost recovery = 76%
 - FYE 2013: Cost recovery = 80%
- Cost recovery gap is filled by county tax revenue





Cost Recovery Policy

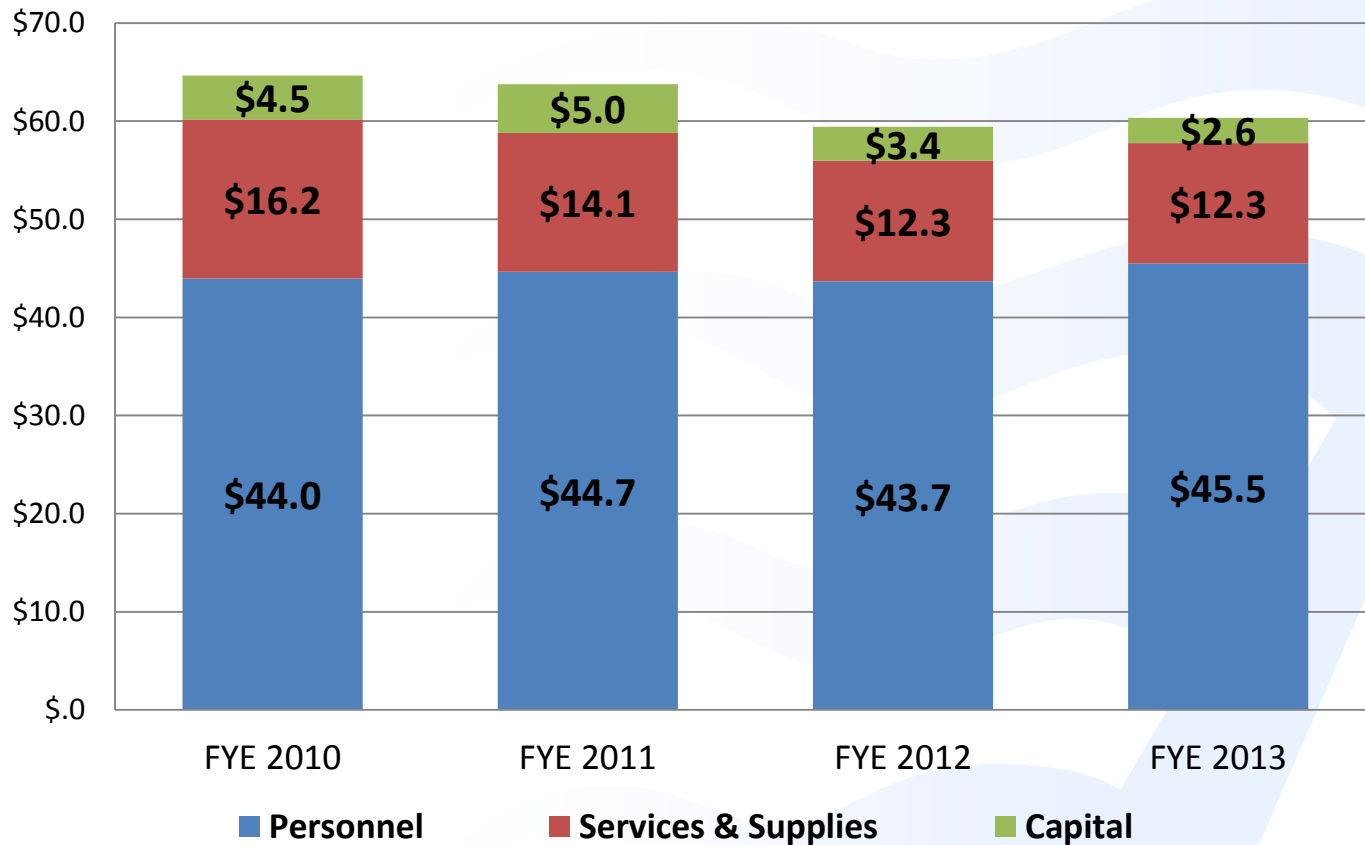
- Sets goal of increasing cost recovery to 85% by FYE 2016
- Fee amendments are made in consideration of cost recovery analyses conducted at the fee schedule-level
- Air District implements feasible cost containment measures





Trends in Cost Cutting

Audited General Fund Expenditures (millions)



Proposed Changes to Fee Schedules

Revenue from Fee Schedule	Change in Fees	Fee Schedules
Exceeds 95% of costs	2% increase (CPI)	C, G-5, M, N, Q,U,V
85 – 95% of costs	7% increase	B, D, I
75 – 84% of costs	8% increase	F, G-4
Less than 75% of costs	9% increase	A, E, G-1, G-2, G-3, H, K, L, P, R, S



Proposed Changes to Fee Schedules

➤ Fee Schedules with 2% increase

- Schedule C: Stationary Containers for the Storage of Organic Liquids
- Schedule G-5: Petroleum Refinery Flares
- Schedule M: Major Stationary Source Fees
- Schedule N: Toxic Inventory Fees
- Schedule Q: Contaminated Soil & Removal of Underground Storage Tanks
- Schedule U: Indirect Source Fees
- Schedule V: Open Burning Fees





Proposed Changes to Fee Schedules

➤ Fee Schedules with 7% increase

- Schedule B: Combustion of Fuel
- Schedule D: Gasoline Transfer at Gasoline Dispensing Facilities, Bulk Plants & Terminals
- Schedule I: Dry Cleaners

➤ Fee Schedules with 8% increase

- Schedule F: Misc. Sources (storage silos, abrasive blasting)
- Schedule G-4: Misc. Sources (cement kilns, sulfur removal & coking units, acid manufacturing)



Proposed Changes to Fee Schedules

➤ Fee Schedules with 9% increase

- Schedule A: Hearing Board Fees
- Schedule E: Solvent Evaporating Sources
- Schedule G-1: Misc. Sources (glass manufacturing, soil remediation)
- Schedule G-2: Misc. Sources (asphaltic concrete, furnaces)
- Schedule G-3: Misc. Sources (metal melting, cracking units)
- Schedule H: Semiconductor and Related Operations
- Schedule K: Solid Waste Disposal Sites
- Schedule L: Asbestos Operations
- Schedule P: Major Facility Review Fees
- Schedule R: Equipment Registration Fees
- Schedule S: Naturally Occurring Asbestos Operations





Greenhouse Gas Fees

- Increase from \$0.048 to \$0.09 per metric ton of carbon dioxide equivalent emissions
- Necessary to implement Board's Climate Protection Resolution
- Increase in revenue expected to be \$800,000
- 4 to 15% overall increase in permit fees
- 500 facilities impacted



Impact on Small Businesses

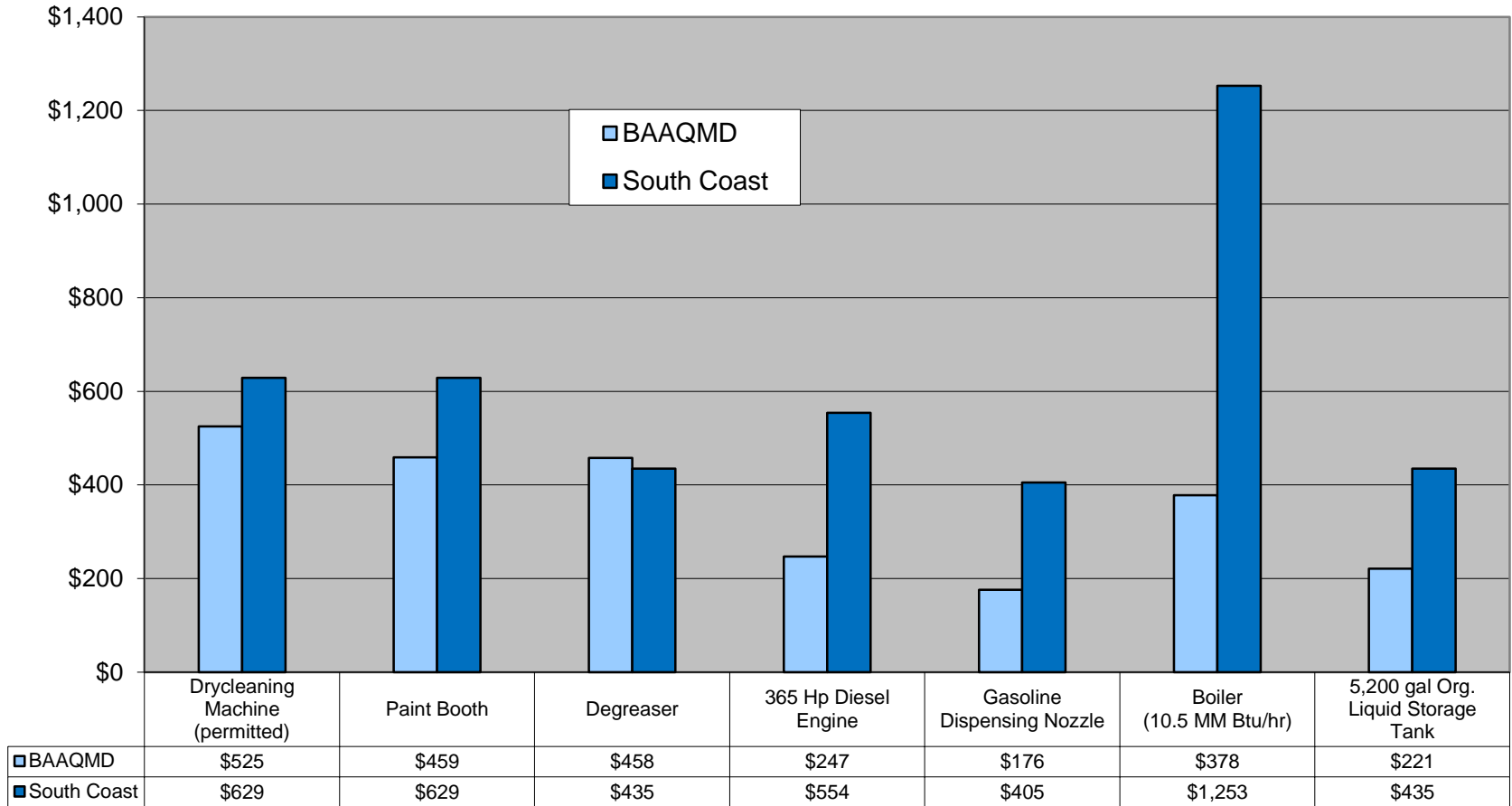
➤ Proposed FYE 2015 fee increases:

Facility Type	Facility Description	Fee Increase	Total Fee
Gas Station	10 multi-product gasoline nozzles	\$186	\$2,932
Dry Cleaner (permitted)	One machine: 1,400 lb/yr Perc emissions	\$31	\$556
Dry Cleaner (registered)	One machine: 800 lb/yr VOC emissions	\$14	\$173
Auto Body Shop	One spray booth: 400 gal/yr paint	\$37	\$495
Back-up Generator	One 300 hp engine	\$15	\$262





Bay Area/South Coast AQMD Fee Comparison - FYE 2014





Public Comments

- Feb. 18, 2014 Public workshop
 - Two attendees plus webcast audience

- No written comments received to date





Rule Development Schedule

- **February 18, 2014**
 - Public workshop
- **April 16, 2014**
 - Board of Directors first public hearing to receive testimony only
- **June 4, 2014**
 - Board of Directors second public hearing to consider adoption
- **July 1, 2014**
 - Proposed effective date of fee amendments





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Report on the Community Air Risk Evaluation (CARE) Program

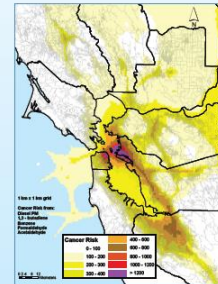
Board of Directors Regular Meeting
April 16, 2014

Phil Martien, Ph.D.
Air Quality Engineering Manager

Community Air Risk Evaluation (CARE) Program

- Background
- Goals
- Accomplishments
- Key Findings
- Next steps

IMPROVING AIR QUALITY & HEALTH IN BAY AREA COMMUNITIES



Community Air Risk Evaluation Program Retrospective & Path Forward (2004 - 2013)

April 2014

HEALTHY NEIGHBORHOODS | EXPOSURE ASSESSMENTS | SCIENTIFIC STUDIES



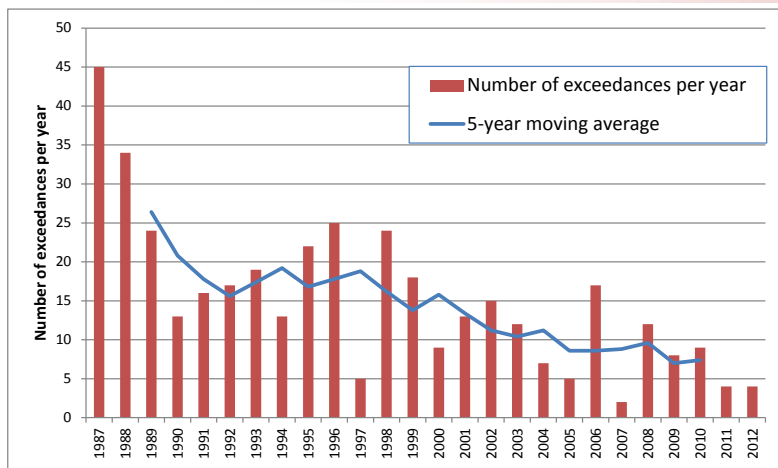
Collaborations with the Public, Researchers, and Health & Planning Departments



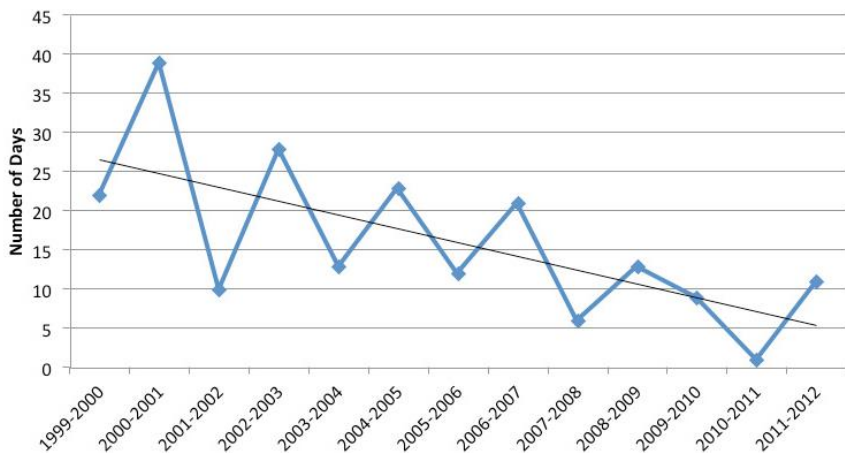
BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Slide 2

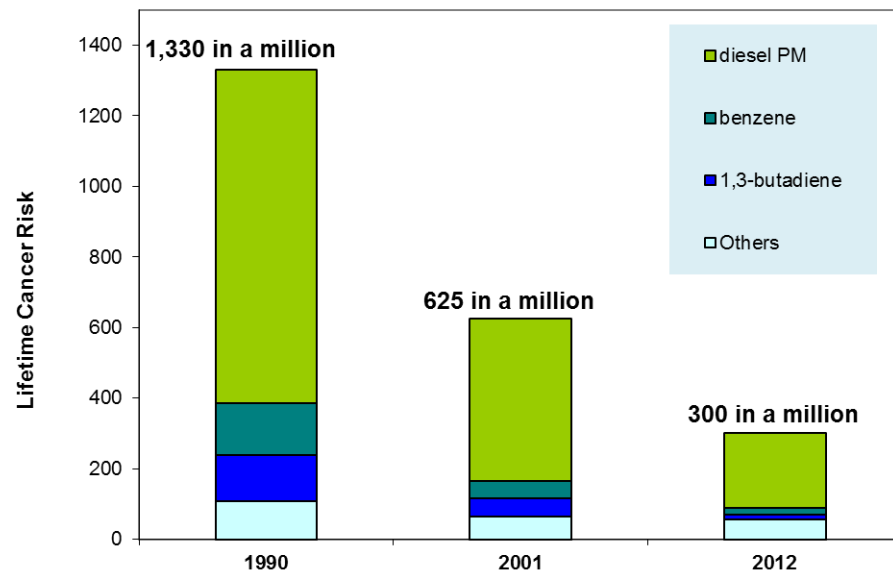
Air Quality is Improving in the Bay Area



Days/year over national 8-hour ozone standard

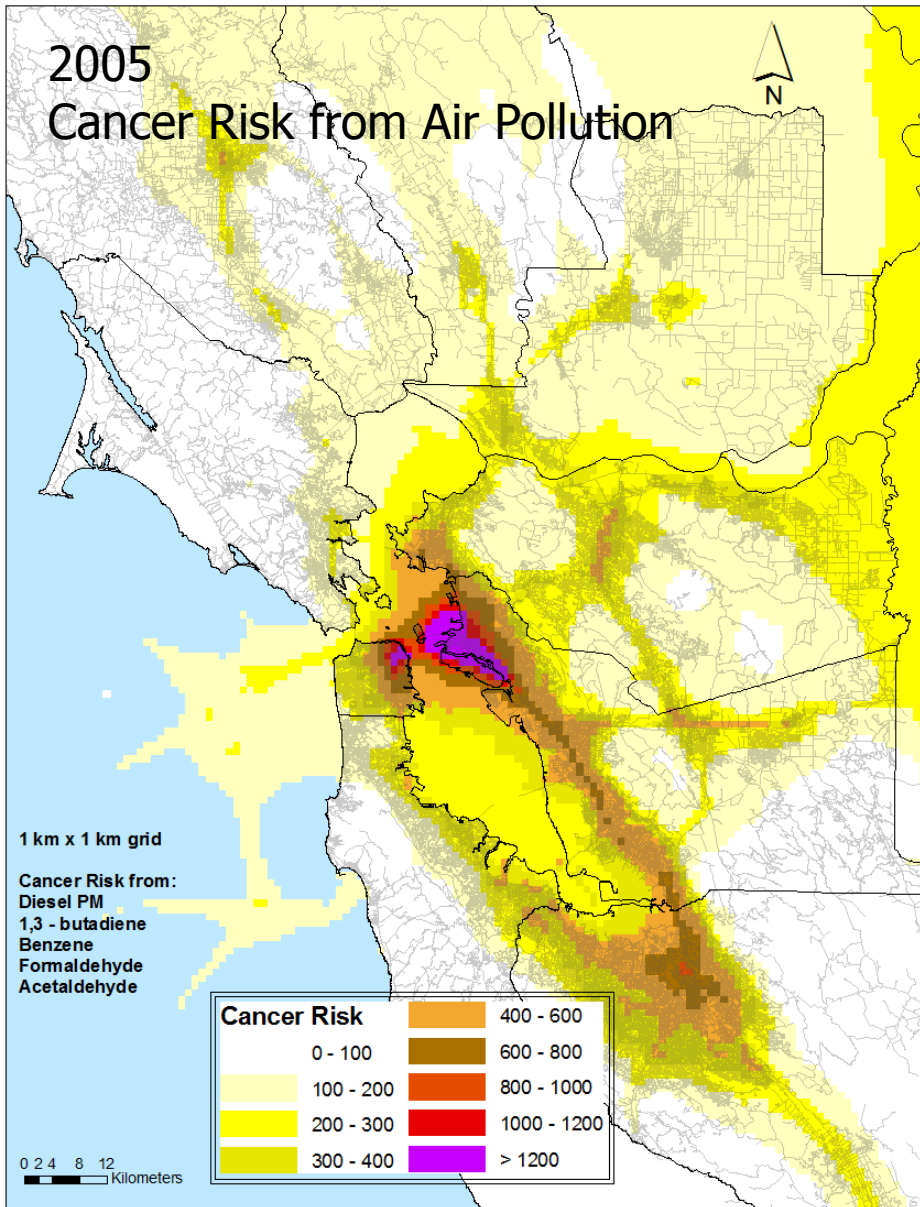


Winter days over national 24-hour PM_{2.5} standard



Lifetime cancer risk from air pollutants

But Air Quality Challenges Remain



- Some communities have higher air pollution exposures and health impacts
- Near-source exposures, especially particles and toxic air contaminants
- Episodes with higher levels of fine particles and ozone

CARE Program Goals

- Evaluate regional and community health impacts from outdoor air pollution
- Identify sensitive populations
- Focus health risk mitigation measures on locations with higher impacts and sensitive populations



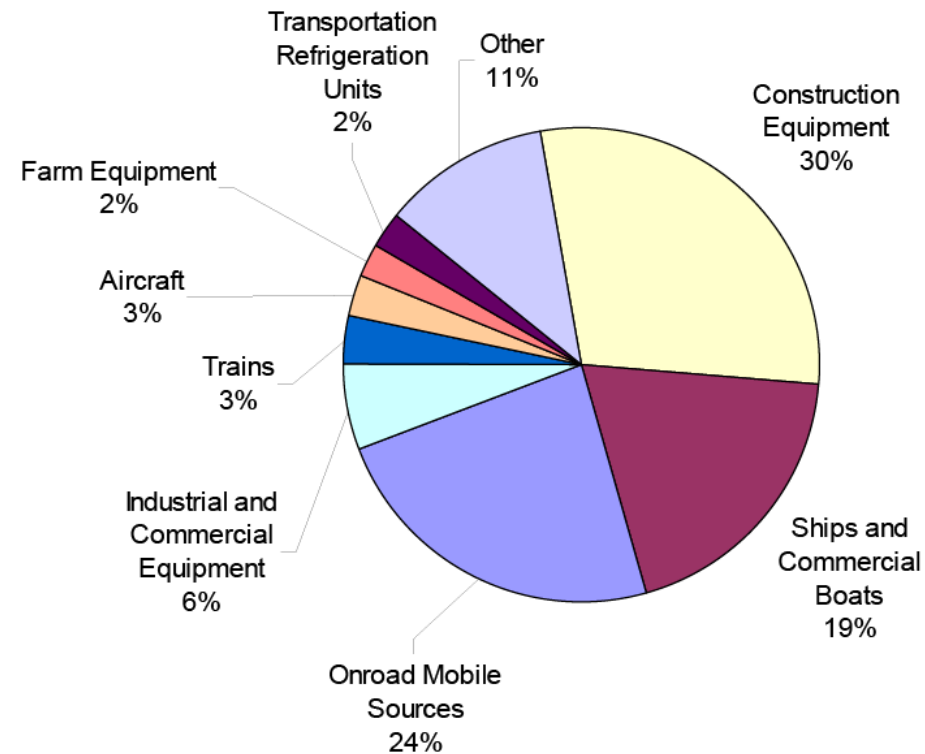
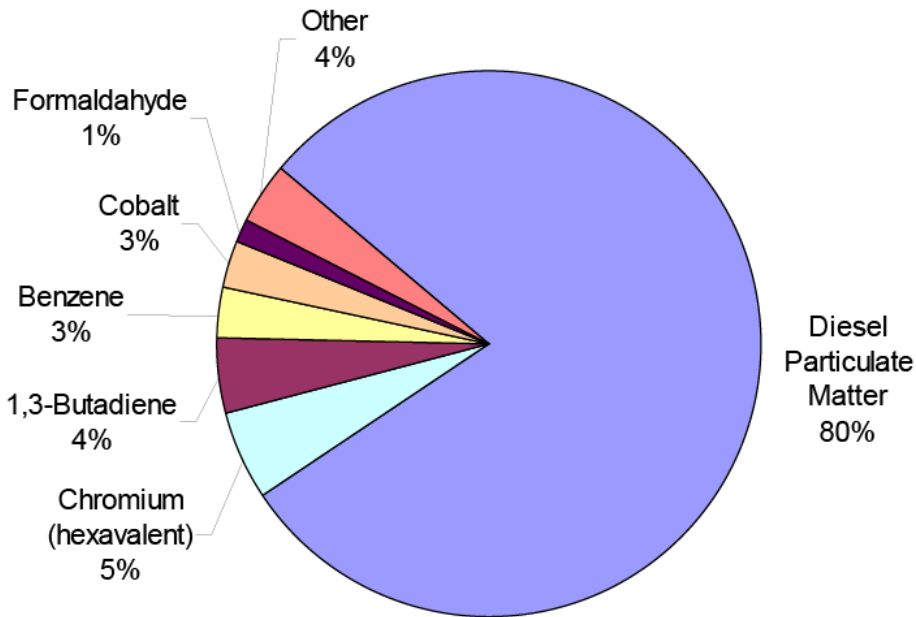
CARE Program Accomplishments

- Regional-scale studies
- Mapping impacted areas
- Local-scale studies
- Helping to prioritize Air District actions to support healthy communities
- Productive CARE Task Force meetings
- CARE Summary Report documents program accomplishments and future direction

Cancer Toxicity-Weighted Emissions: Bay Area (2015)

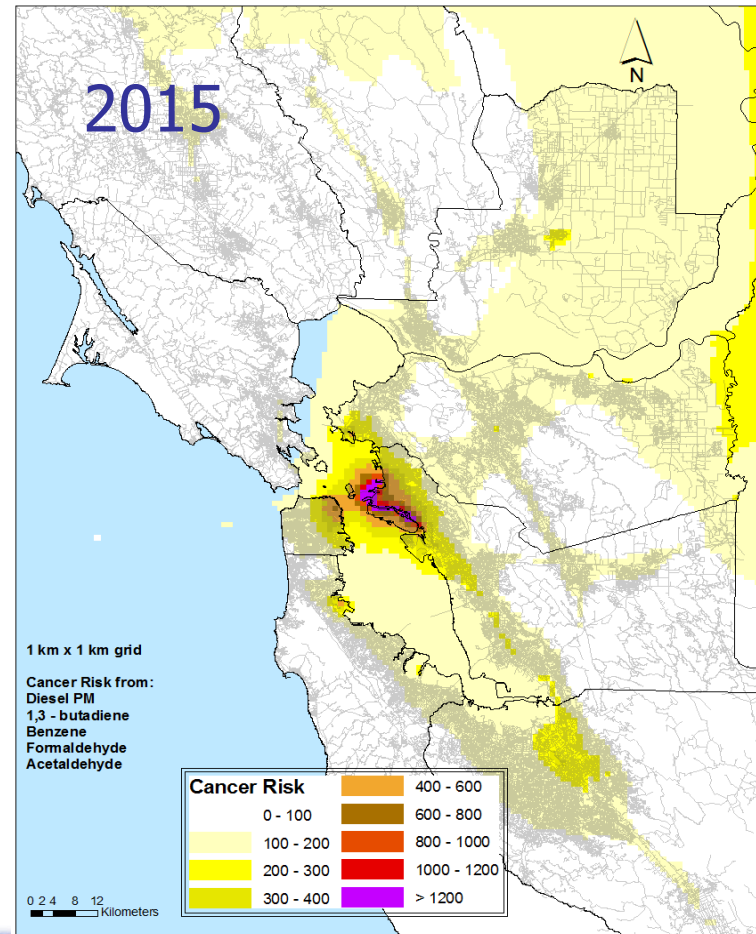
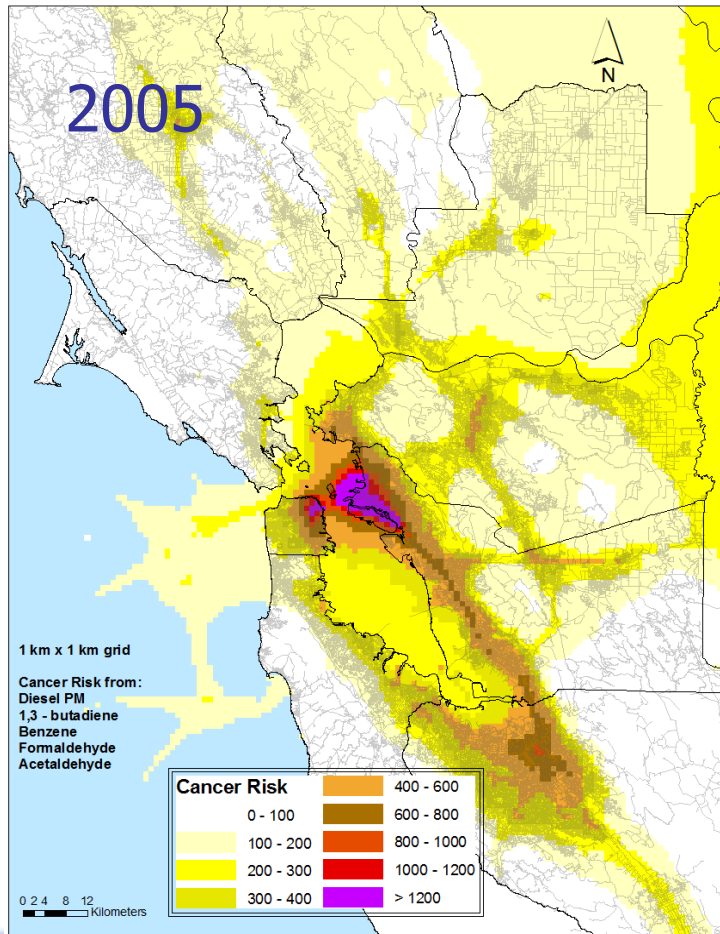
By Pollutant

By Source Category



Regional-Scale Studies

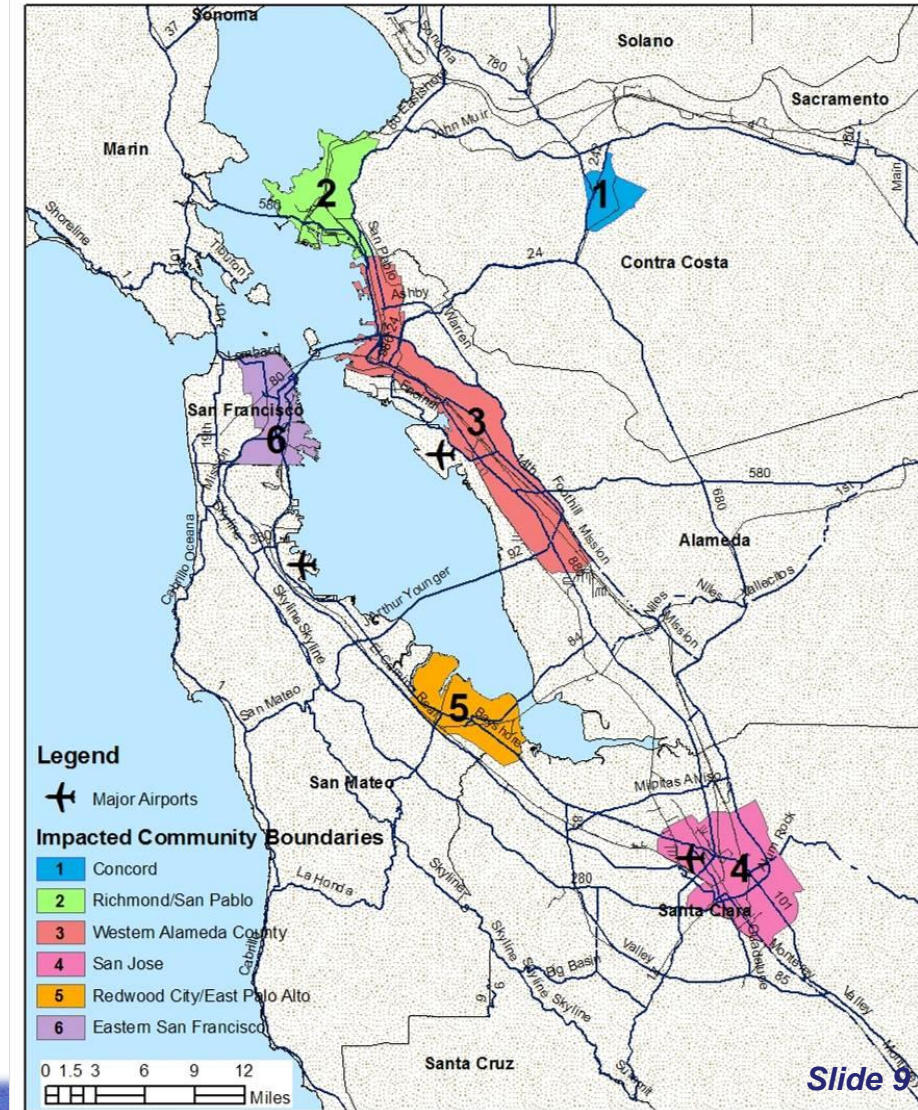
Developed regional toxics modeling:
emissions, concentrations, risk



First Identified Cumulative Impact Areas (2009)

Based on

- Elevated cancer risk
- High emissions of toxic air contaminants (TAC)
- Vulnerable populations
 - Youth
 - Seniors
 - Low-income families

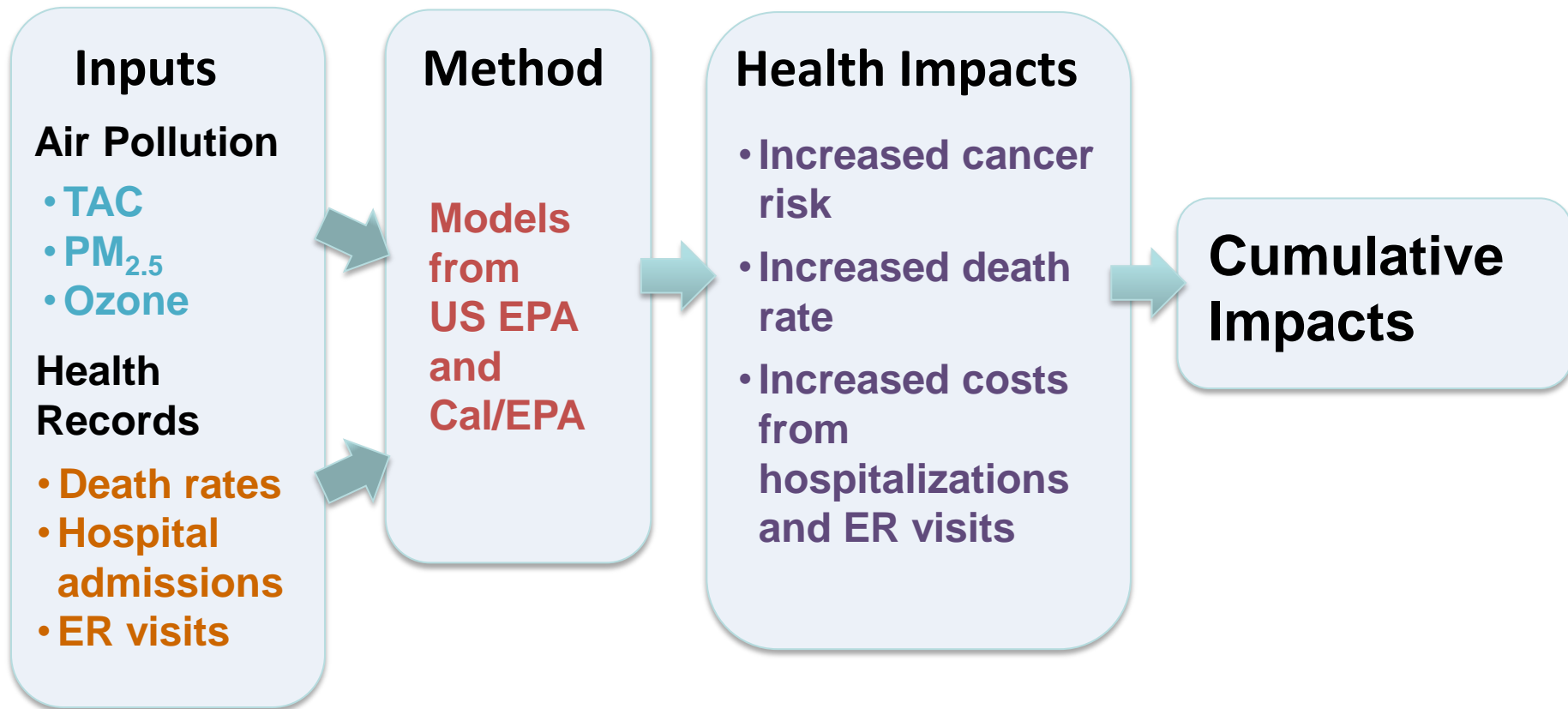


Why Update Maps?

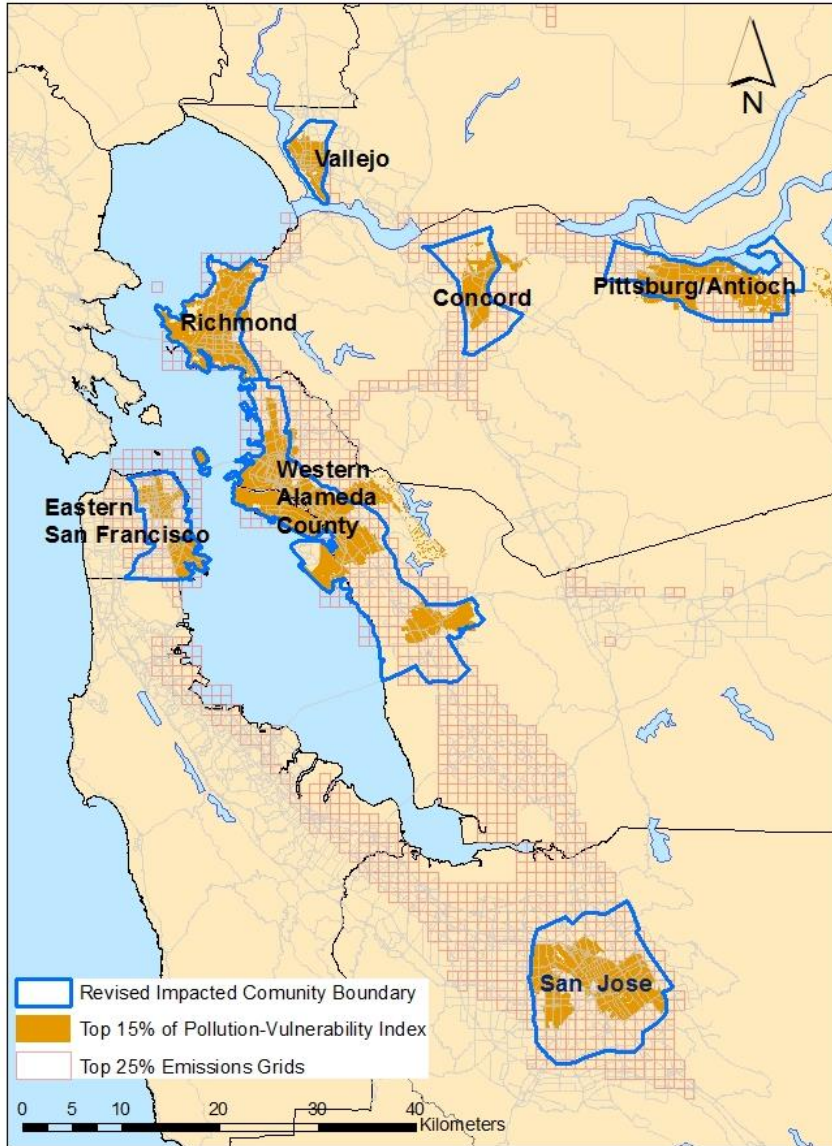
- Same goal as current maps:
 - Focus actions/engagement where most needed
- Use latest data
- Consider additional air pollutants
 - In addition to toxics: fine particles and ozone
- Use new methods
 - Estimate health outcomes from air pollution
 - Use health records to reflect vulnerability
- Consider different types of impacts
 - Cumulative impacts: multi-pollutant, vulnerable populations
 - Exceedances: particles, ozone above standards

New Method for Identifying Cumulative Impacts

- Considers air pollution levels and community health

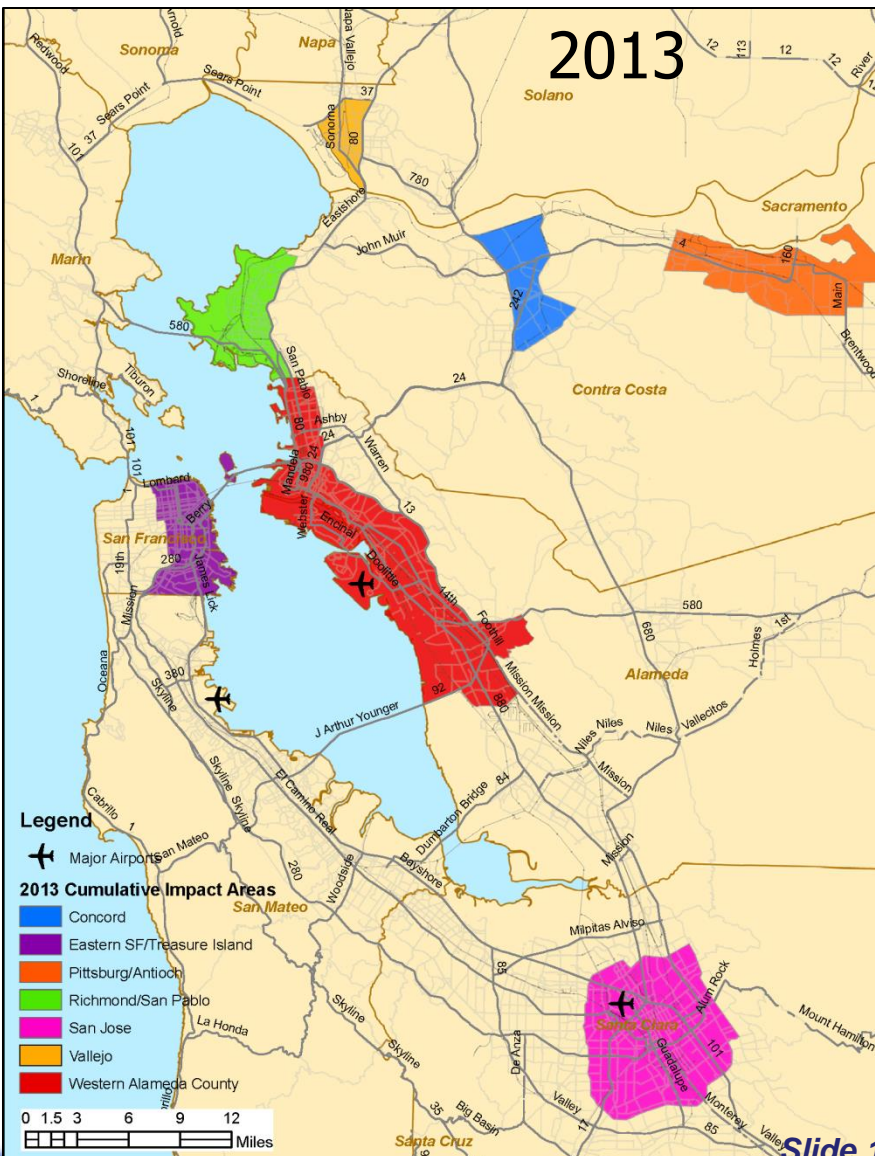
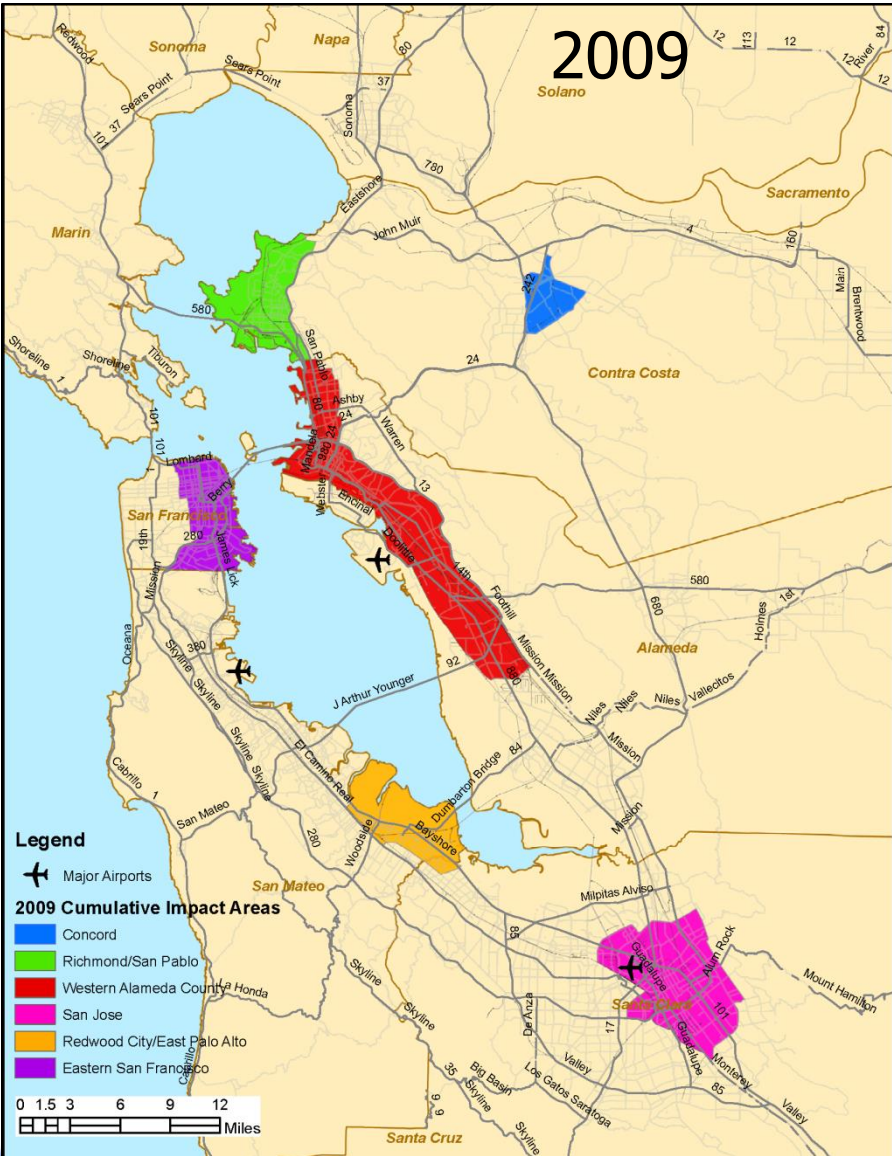


Revised Cumulative Impact Areas



- Map areas with greatest impact
- Develop boundaries to encompass areas with highest impacts
- Consider where emissions are also high
- Use major roadways, geographical features to form boundaries

Update to Cumulative Impact Areas



Episodic PM_{2.5} and Ozone Exceedance Areas

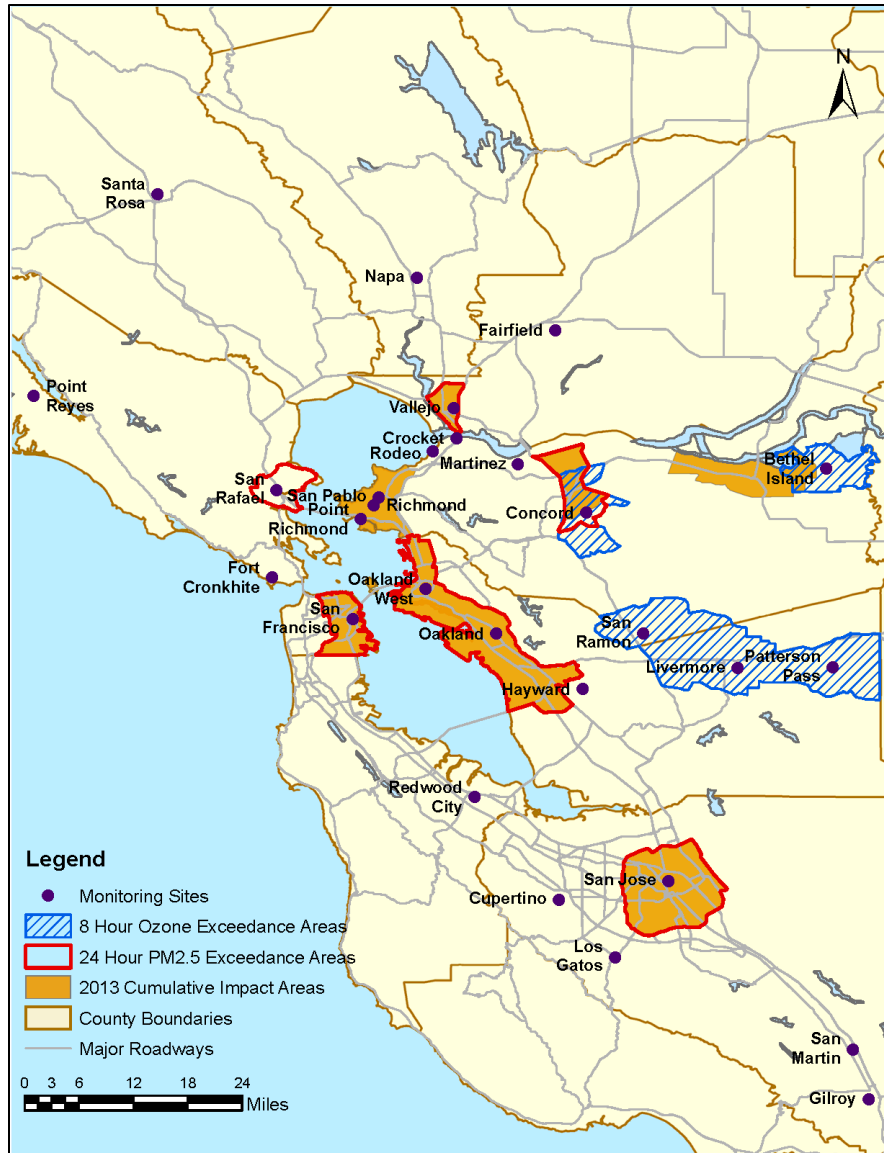
PM_{2.5} Exceedance Areas



Ozone Exceedance Areas



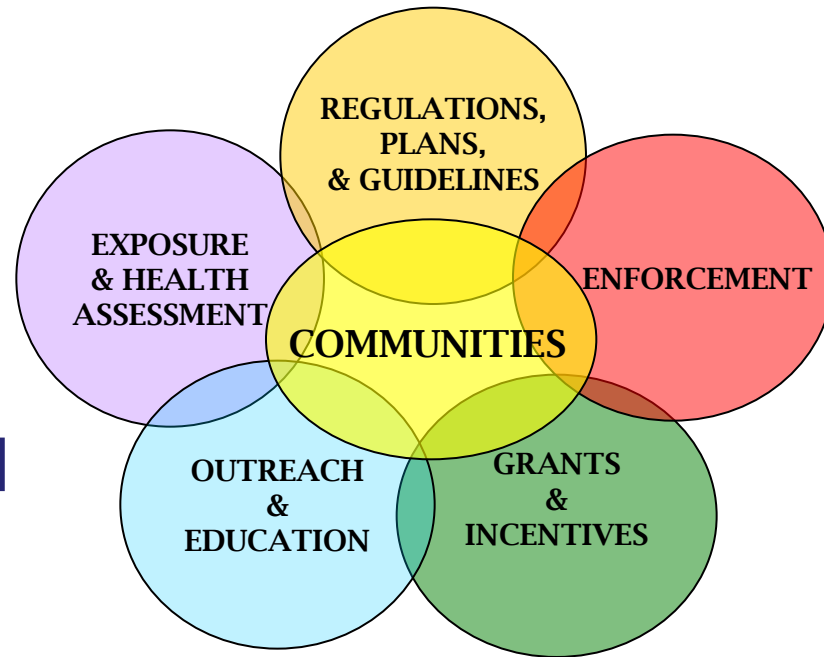
Uses of Maps



- Cumulative impact maps support and focus localized mitigation activities
 - Clean Air Communities Initiative
- Exceedance maps support and focus regional mitigation activities
 - Clean Air Plan policies and programs
 - Identify and reduce upwind sources of precursor emissions
 - Public outreach

Reducing Health Impacts

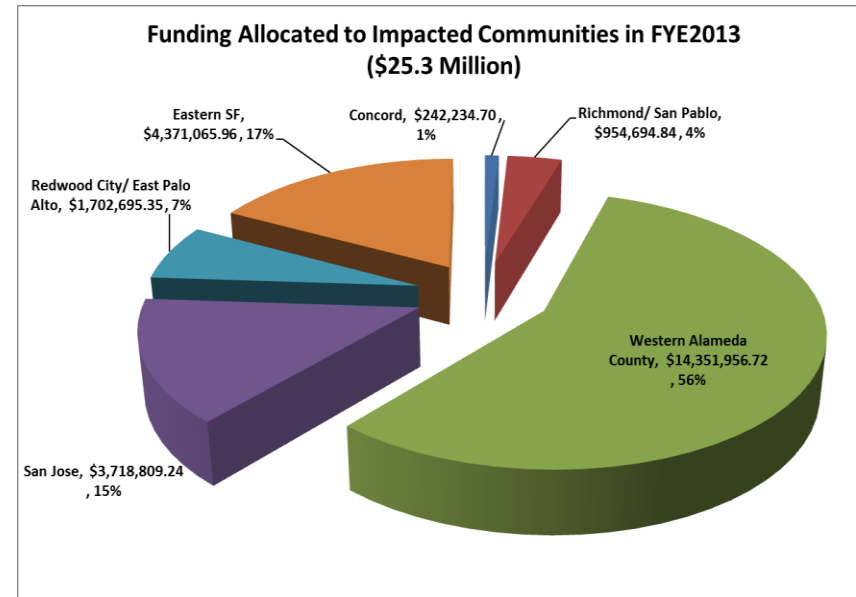
- Prioritize grant funding
- Focus outreach and education
- Focus enforcement activities
- Coordinate planning efforts
- Develop regulations targeted to source categories
- Prioritize local-scale measurement and modeling studies



Clean Air Communities Initiative

Clean Air Communities Initiative: Examples

- Grants
Prioritize grant funding to reduce emissions in impacted areas
- Enforcement
Focus enforcement of CARB's diesel rules for sources in impacted areas



Clean Air Communities Initiative: Examples

- Regulations

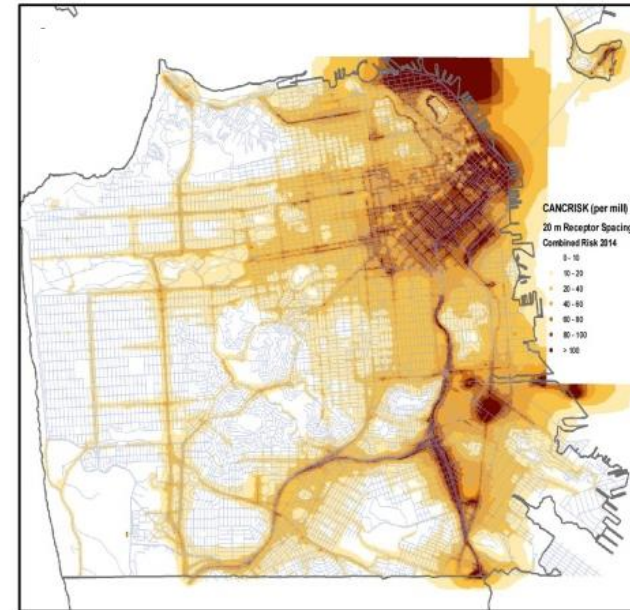
Develop regulations targeting pollutants and sources of concern in impacted areas

- New Source Review
- Source-specific regulations

- Planning

Support infill development and minimize exposure to air pollution

- CEQA guidelines
- Technical assistance to local staff
- Community Risk Reduction Plans



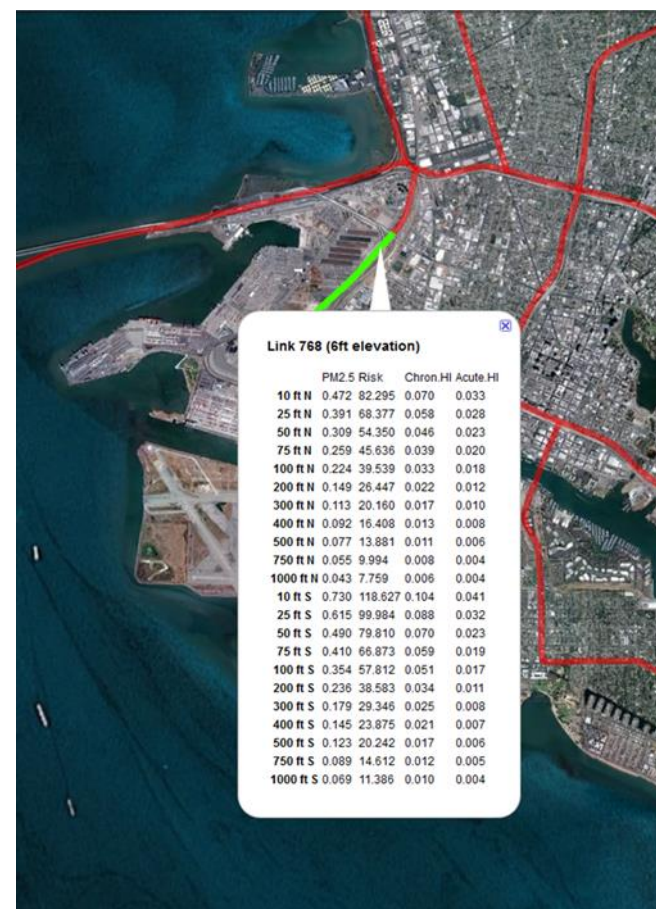
Local-Scale Studies

- Goal: Develop information to understand and reduce health impacts from exposure to local sources of air pollution
- West Oakland Case Studies
 - *Diesel Particulate Matter Health Risk Assessment*
 - *West Oakland Truck Survey*
 - *Drayage Truck Plume Measurements*
 - *West Oakland Monitoring Study*
- Measurement studies Near Industrial Facilities and Near Roadways
- Studies indicate that grant funding, new regulations, focused enforcement have been effective
- But higher air pollution continues along freeways, near diesel activity



Technical Assistance to Local Government

- Assist local staff in reducing exposures and health impacts
- Stationary source screening tool
 - Locates permitted sources
 - Estimates of risk and PM levels
- Roadway screening for highways and surface streets
 - Estimates of risk and PM levels
- Technical guidance
- Community Risk Reduction Plans



Key Findings of the CARE Program

- Diesel PM is a significant contributor to cancer risk from toxic air contaminants
- Fine PM of all types is linked to poor health outcomes and mortality
- The updated method for identifying cumulative impact areas did not use socio-economic information. But, high impact areas have
 - lower household incomes
 - lower education levels
 - higher percentages of non-white residents

Key Findings of the CARE Program

- Grants, regulatory programs, and enforcement efforts are resulting in significant health benefits
- Exposures to local air pollution sources are important factors in determining health risks, even in impacted areas
- Infill development can safely proceed in areas identified as impacted, if localized air pollution sources are avoided or mitigated
- Maps of episodic exceedance areas complement maps of cumulative impact areas
- Collaboration is a key element of success

Next Steps, Near-Term

- Use updated cumulative impact maps to prioritize Air District local-source measures
- Use exceedance maps to inform regional programs and policies
- Continue to engage other agencies, build cooperative relations to support communities
- Prioritize the development of improved datasets, tools, and guidance to support healthy infill development

Next Steps, Longer-Term

- Conduct studies to assess mitigations for near-roadway exposures
 - Filtration, tightening building envelopes, vegetation and sound walls
- Track personal exposures to air pollution
- Consider climate change in
 - Assessing community impacts
 - Identifying locations of impacted areas
 - Evaluating co-benefits of reducing pollutants