



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
REGULAR MEETING
JUNE 15, 2016

A regular meeting of the Bay Area Air Quality Management District Board of Directors will be held at 9:45 a.m. in the 1st Floor Board Room at the Air District Headquarters, 375 Beale Street, San Francisco, California 94105.

**Questions About
an Agenda Item**

The name, telephone number and e-mail of the appropriate staff Person to contact for additional information or to resolve concerns is listed for each agenda item.

Meeting Procedures

The public meeting of the Air District Board of Directors begins at 9:45 a.m. The Board of Directors generally will consider items in the order listed on the agenda. However, any item may be considered in any order.

After action on any agenda item not requiring a public hearing, the Board may reconsider or amend the item at any time during the meeting.

This meeting will be webcast. To see the webcast, please visit <http://www.baaqmd.gov/The-Air-District/Board-of-Directors/Agendas-and-Minutes.aspx> at the time of the meeting.

Public Comment Procedures

Persons wishing to make public comment must fill out a Public Comment Card indicating their name and the number of the agenda item on which they wish to speak, or that they intend to address the Board on matters not on the Agenda for the meeting.

Public Comment on Non-Agenda Matters, Pursuant to Government Code Section 54954.3 For the first round of public comment on non-agenda matters at the beginning of the agenda, ten persons selected by a drawing by the Clerk of the Boards from among the Public Comment Cards indicating they wish to speak on matters not on the agenda for the meeting will have three minutes each to address the Board on matters not on the agenda. For this first round of public comments on non-agenda matters, all Public Comment Cards must be submitted in person to the Clerk of the Boards at the location of the meeting and prior to commencement of the meeting. The remainder of the speakers wishing to address the Board on non-agenda matters will be heard at the end of the agenda, and each will be allowed three minutes to address the Board at that time.

Members of the Board may engage only in very brief dialogue regarding non-agenda matters, and may refer issues raised to District staff for handling. In addition, the Chairperson may refer issues raised to appropriate Board Committees to be placed on a future agenda for discussion.

Public Comment on Agenda Items After the initial public comment on non-agenda matters, the public may comment on each item on the agenda as the item is taken up. Public Comment Cards for items on the agenda must be submitted in person to the Clerk of the Boards at the location of the meeting and prior to the Board taking up the particular item. Where an item was moved from the Consent Calendar to an Action item, no speaker who has already spoken on that item will be entitled to speak to that item again.

Up to ten (10) speakers may speak for three minutes on each item on the Agenda. If there are more than ten persons interested in speaking on an item on the agenda, the Chairperson or other Board Member presiding at the meeting may limit the public comment for all speakers to fewer than three minutes per speaker, or make other rules to ensure that all speakers have an equal opportunity to be heard. Speakers are permitted to yield their time to one other speaker; however no one speaker shall have more than six minutes. The Chairperson or other Board Member presiding at the meeting may, with the consent of persons representing both sides of an issue, allocate a block of time (not to exceed six minutes) to each side to present their issue.

BOARD OF DIRECTORS REGULAR MEETING AGENDA

WEDNESDAY
JUNE 15, 2016
9:45 A.M.

BOARD ROOM
1st FLOOR

IMMEDIATELY FOLLOWING
9:45 A.M. BOARD OF DIRECTORS SPECIAL MEETING
AS THE SOLE MEMBER OF THE BAY AREA CLEAN AIR FOUNDATION

CALL TO ORDER

Chairperson, Eric Mar

1. **Opening Comments**
Roll Call
Pledge of Allegiance

The Chair shall call the meeting to order and make opening comments. The Clerk of the Boards shall take roll of the Board members. The Chair shall lead the Pledge of Allegiance.

PUBLIC COMMENT ON NON-AGENDA MATTERS

2. **Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3**

For the first round of public comment on non-agenda matters at the beginning of the agenda, ten persons selected by a drawing by the Clerk of the Boards from among the Public Comment Cards indicating they wish to speak on matters not on the agenda for the meeting will have three minutes each to address the Board on matters not on the agenda. For this first round of public comments on non-agenda matters, all Public Comment Cards must be submitted in person to the Clerk of the Board at the location of the meeting and prior to commencement of the meeting.

CONSENT CALENDAR (ITEMS 3 – 7)

Staff/Phone (415) 749-

3. Minutes of the Board of Directors Special Meeting Budget Hearing and Regular Meeting of May 18, 2016

Clerk of the Boards/5073

The Board of Directors will consider approving the draft minutes of the Board of Directors Special Meeting Budget Hearing and Regular Meeting of May 18, 2016.

4. Board Communications Received from May 18, 2016 through June 14, 2016

J. Broadbent/5052

jbroadbent@baaqmd.gov

A copy of communications directed to the Board of Directors received by the Air District from May 18, 2016 through June 14, 2016, if any, will be at each Board Member's place.

5. Air District Personnel on Out-of-State Business Travel J. Broadbent/5052
jbroadbent@baaqmd.gov

In accordance with Section 5.4 (b) of the Air District's Administrative Code, Fiscal Policies and Procedures Section, the Board is hereby notified that the attached memorandum lists Air District personnel who have traveled on out-of-state business in the preceding month.

6. Consider Authorization to Execute Contracts in Excess of \$70,000, Pursuant to Administrative Code Division II Fiscal Policies and Procedures Section 4.3 Contract Limitations, for Air Quality Research Activities J. Broadbent/5052
jbroadbent@baaqmd.gov

The Board of Directors will consider authorizing the Executive Officer/APCO to execute a contract with the Regents of the University of California for ozone measurements via an aircraft for an amount not to exceed \$100,000; and execute a contract with San Jose State University for ozone measurements via ozonesondes (balloon-based instruments) for an amount not to exceed \$75,000.

7. Consider Authorization to Execute a Contract and Issue a Purchase Order in Excess of \$70,000, Pursuant to Administrative Code Division II Fiscal Policies and Procedures Section 4.3 Contract Limitations, for Meteorology Measurements J. Broadbent/5052
jbroadbent@baaqmd.gov

The Board of Directors will consider authorizing the Executive Officer/APCO to execute a contract with, and issue a Purchase order to Sonoma Technology Inc. for meteorological measurements for an amount not to exceed \$286,000.

COMMITTEE REPORTS

8. Report of the **Stationary Source Committee** Meeting of June 1, 2016 J. Broadbent/5052
jbroadbent@baaqmd.gov
CHAIR: J. Gioia

The Committee received the following reports:

A) **Update on Regulation 12, Rule 16**

- 1) *None; receive and file.*

PUBLIC HEARINGS

9. Public Hearing to Consider Adoption of Proposed Amendments to Air District Regulation 3: Fees and Approval of the Filing of a Notice of Exemption from the California Environmental Quality Act J. Broadbent/5052
jbroadbent@baaqmd.gov

The Board of Directors will consider adoption of proposed amendments to Air District Regulation 3: Fees that would become effective on July 1, 2016, and approval of a Notice of Exemption from the California Environmental Quality Act.

10. Public Hearing to Consider Adoption of the Air District's Proposed Budget for Fiscal Year Ending (FYE) 2017

J. McKay/4629

jmckay@baaqmd.gov

The Board of Directors will hold a final Public Hearing and will consider the adoption of a resolution to approve the Proposed Budget for FYE 2017 and various budget related actions.

CLOSED SESSION

11. **EXISTING LITIGATION (Government Code Section 54956.9(a))**

Pursuant to Government Code Section 54956.9(a), a need exists to meet in closed session with legal counsel to consider the following case(s):

Western States Petroleum Association, Valero Refining Company – California, Tesoro Refining and Marketing Company, LLC, and Phillips 66 Company v. Bay Area AQMD,
Contra Costa County Superior Court, Case No. N16-0963

OPEN SESSION

PUBLIC COMMENT ON NON-AGENDA MATTERS

12. **Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3**

Speakers who did not have the opportunity to address the Board in the first round of comments on non-agenda matters will be allowed three minutes each to address the Board on non-agenda matters.

BOARD MEMBERS' COMMENTS

13. *Any member of the Board, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)*

OTHER BUSINESS

14. Report of the Executive Officer/APCO

15. Chairperson's Report

16. Time and Place of Next Meeting:

Wednesday, July 20, 2016, 375 Beale Street, San Francisco, California 94105 at 9:45 a.m.

17. Adjournment

The Board meeting shall be adjourned by the Board Chair.

CONTACT:

MANAGER, EXECUTIVE OPERATIONS
375 BEALE STREET, SAN FRANCISCO, CA 94105
mmartinez@baaqmd.gov

(415) 749-5016
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- To submit written comments on an agenda item in advance of the meeting. Please note that all correspondence must be addressed to the “Members of the Board of Directors” and received at least 24 hours prior, excluding weekends and holidays, in order to be presented at that Board meeting. Any correspondence received after that time will be presented to the Board at the following meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.

Accessibility and Non-Discrimination Policy

The Bay Area Air Quality Management District (Air District) does not discriminate on the basis of race, national origin, ethnic group identification, ancestry, religion, age, sex, sexual orientation, gender identity, gender expression, color, genetic information, medical condition, or mental or physical disability, or any other attribute or belief protected by law.

It is the Air District’s policy to provide fair and equal access to the benefits of a program or activity administered by Air District. The Air District will not tolerate discrimination against any person(s) seeking to participate in, or receive the benefits of, any program or activity offered or conducted by the Air District. Members of the public who believe they or others were unlawfully denied full and equal access to an Air District program or activity may file a discrimination complaint under this policy. This non-discrimination policy also applies to other people or entities affiliated with Air District, including contractors or grantees that the Air District utilizes to provide benefits and services to members of the public.

Auxiliary aids and services including, for example, qualified interpreters and/or listening devices, to individuals who are deaf or hard of hearing, and to other individuals as necessary to ensure effective communication or an equal opportunity to participate fully in the benefits, activities, programs and services will be provided by the Air District in a timely manner and in such a way as to protect the privacy and independence of the individual. Please contact the Non-Discrimination Coordinator identified below at least three days in advance of a meeting so that arrangements can be made accordingly.

If you believe discrimination has occurred with respect to an Air District program or activity, you may contact the Non-Discrimination Coordinator identified below or visit our website at www.baaqmd.gov/accessibility to learn how and where to file a complaint of discrimination.

Questions regarding this Policy should be directed to the Air District’s Non-Discrimination Coordinator, Rex Sanders, at (415) 749-4951 or by email at rsanders@baaqmd.gov.

Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the District’s offices at 375 Beale Street, Suite 600, San Francisco, CA 94105, at the time such writing is made available to all, or a majority of all, members of that body.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
375 BEALE STREET, SAN FRANCISCO, CALIFORNIA 94105
FOR QUESTIONS PLEASE CALL (415) 749-5016 or (415) 749-4941

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

JUNE 2016

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Special Meeting as the Sole Member of The Bay Area Clean Air Foundation	Wednesday	15	9:45 a.m.	1 st Floor Boardroom
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	15	9:45 a.m.	1 st Floor Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i> - CANCELLED	Monday	20	9:30 a.m.	1 st Floor Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i> - CANCELLED	Monday	20	10:30 a.m.	1 st Floor Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i> - CANCELLED	Wednesday	22	9:30 a.m.	1 st Floor Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i> - RESCHEDULED TO JUNE 30, 2016	Thursday	23	9:30 a.m.	1 st Floor Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	30	9:30 a.m.	1 st Floor Board Room

JULY 2016

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i> - CANCELLED	Wednesday	6	9:45 a.m.	1 st Floor Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i> - CANCELLED	Monday	18	9:30 a.m.	1 st Floor Board Room
Advisory Council Meeting <i>(Meets at the Call of the Chair)</i>	Monday	18	10:00 a.m.	1 st Floor Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i> - CANCELLED	Monday	18	10:30 a.m.	1 st Floor Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	20	9:45 a.m.	1 st Floor Board Room

JULY 2016

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Climate Protection Committee <i>(Meets on the 3rd Thursday of every other Month)</i>	Thursday	21	9:30 a.m.	1 st Floor Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i> - CANCELLED	Wednesday	27	9:30 a.m.	1 st Floor Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	28	9:30 a.m.	1 st Floor Board Room

AUGUST 2016

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	3	9:45 a.m.	1 st Floor Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	15	9:30 a.m.	1 st Floor Board Room
Board of Directors Stationary Source Committee <i>(Meets on the 3rd Monday of each Month)</i>	Monday	15	10:30 a.m.	1 st Floor Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	17	9:45 a.m.	1 st Floor Board Room
Board of Directors Budget & Finance Committee <i>(Meets on the 4th Wednesday of each Month)</i>	Wednesday	24	9:30 a.m.	1 st Floor Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	25	9:30 a.m.	1 st Floor Board Room

HL – 6/07/16 (9:40 a.m.)

G/Board/Executive Office/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Eric Mar and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: June 5, 2016

Re: Minutes of the Board of Directors Special Meeting Budget Hearing and Regular
Meeting of May 18, 2016

RECOMMENDED ACTION

Approve the attached draft minutes of the Board of Directors (Board) Special Meeting Budget Hearing and Regular Board Meeting of May 18, 2016.

DISCUSSION

Attached for your review and approval are the draft minutes of the Board Special Meeting Budget Hearing and Regular Board Meeting of May 18, 2016.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Heidi Kettler
Reviewed by: Maricela Martinez

Attachment A: Draft Minutes of the Board of Directors Special Meeting / Budget Hearing of
May 18, 2016

Attachment B: Draft Minutes of the Board of Directors Regular Meeting of May 18, 2016

AGENDA: 3A - ATTACHMENT

Draft Minutes - Board of Directors Special Meeting / Budget Hearing of May 18, 2016

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109
(415) 749-5073

Board of Directors Special Meeting / Budget Hearing
Wednesday, May 18, 2016

DRAFT MINUTES

Note: Audio and video recordings of the meeting are available on the website of the Bay Area Air Quality Management District at <http://www.baaqmd.gov/The-Air-District/Board-of-Directors/Agendas-and-Minutes.aspx>.

1. CALL TO ORDER

Chairperson Eric Mar called the meeting to order at 10:11 a.m.

Opening Comments: None.

Roll Call:

Present: Chairperson Eric Mar, Vice Chairperson Liz Kniss, Secretary David Hudson; and Directors John Avalos, Teresa Barrett, Tom Bates, David J. Canepa, Cindy Chavez, Osby Davis, Scott Haggerty, Rebecca Kaplan, Nate Miley, Jan Pepper, Katie Rice, Mark Ross, Rod Sinks, Warren Slocum, Jim Spering, Brad Wagenknecht, and Shirlee Zane.

Absent: Directors John Gioia, Carole Groom, Karen Mitchoff, and Deborah Raphael.

2. PUBLIC COMMENT ON NON-AGENDA MATTERS:

No requests received.

PUBLIC HEARING

3. Public Hearing to Consider Testimony on the Air District's Proposed Budget for Fiscal Year Ending (FYE) 2017. A Final Public Hearing is scheduled for Wednesday, June 15, 2016 to Consider Adoption of the Proposed Budget for FYE 2017.

Chairperson Mar opened the public hearing.

Jack Broadbent, Executive Officer/Air Pollution Control Officer, introduced Jeff McKay, Deputy Air Pollution Control Officer, who gave the staff presentation *Special Meeting of the Board of Directors Budget Hearing*, including projections for current fiscal year ending (FYE) 2016; District reserve funds - audited values excluding business proceeds; approved reserve transfers FYE 2016; proposed budget for FYE 2017; general fund revenue sources and expenditures - FYE 2017 proposed budget; services and supplies and capital; FYE 2017 proposed fees; FYE 2017 FTE staffing level; proposed

additional staffing for FYE 2017; FYE 2017 fund balance summary; FYE 2017 use of fund balance; fund balance policy; unfunded liabilities: Other Postemployment Benefits (OPEB); retirement medical OPEB liability; OPEB annual prefund contributions as of December 31, 2015; CalPERS pension; unfunded liabilities - CalPERS funding ratio and rate of return; proposed funding policies for CalPERS pension; proposed pension policy - 105% of Annual Required Contribution; office building obligations; 375 Beale Street financing terms; debt service with interest rate caps; 2017 proposed budget summary; and budget schedule.

Public Comments

Susan Gustofsen, Valero, addressed the Board regarding the Air District's Administrative Code, Division II: Fiscal Policies and Procedures, Section 4.3: Contract Limitations, to increase the Executive Officer's contract signing authority from \$70,000 to \$100,000. Ms. Gustofsen suggested that a list be compiled of contracts exceeding the current signing authority of \$70,000, stating the need for the contract, dollar value, contract duration, and frequency of review, to improve cost containment.

Board Comments:

The Board and staff discussed the need to better determine Air District CalPERS retirement and OPEB medical levels; the standard OPEB minimum target funding level for government agencies; how to calculate the increase of medical costs; whether or not the Capital Reserve Fund is separate from the Reserve Fund; whether or not increased staffing will be sufficient; the projected timeframe of when 90% of minimum funding target levels for CalPERS and OPEB would be reached; the potential leverage to be gained from the creation of a trust fund to address OPEB and CalPERS funding and interest rates; and the need for additional reserves to maintain state of the art equipment and additional enforcement staff.

Board Action:

None; receive and file.

OTHER BUSINESS

4. Board Members' Comments:

None.

5. Time and Place of Next Meeting

Wednesday, June 15, 2016, Bay Area Air Quality Management District Office, 1st Floor Board Room, 375 Beale Street, San Francisco, CA 94105 at 9:45 a.m.

6. Adjournment:

The Board meeting adjourned at 10:52 p.m.

Marcy Hiratzka
Clerk of the Boards

AGENDA: 3B – ATTACHMENT

Draft Minutes - Board of Directors Regular Meeting of May 18, 2016

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109
(415) 749-5073

Board of Directors Regular Meeting
Wednesday, May 18, 2016

DRAFT MINUTES

Note: Audio recordings of the meeting are available on the website of the Bay Area Air Quality Management District at <http://www.baaqmd.gov/about-the-air-district/board-of-directors/resolutionsagendasminutes>

CALL TO ORDER:

1. Opening Comments: Chairperson Eric Mar called the meeting to order at 10:59 a.m. He announced that an Ad Hoc Building Oversight Committee meeting and Budget Hearing for Fiscal Year Ending 2017 were held prior to the Board of Directors (Board) meeting, and as the Pledge of Allegiance was conducted at both previous meetings, it would not be recited a third time.

Roll Call:

Present: Chairperson Eric Mar; Vice-Chairperson Liz Kniss; Secretary David Hudson; and Directors John Avalos, Teresa Barrett, Tom Bates, David J. Canepa, Cindy Chavez, Osby Davis, Scott Haggerty, Rebecca Kaplan, Nate Miley, Jan Pepper, Katie Rice, Mark Ross, Rod Sinks, Warren Slocum, Jim Spering, Brad Wagenknecht, and Shirlee Zane.

Absent: Directors John Gioia, Carole Groom, Karen Mitchoff, and Deborah Raphael.

PUBLIC COMMENT ON NON-AGENDA MATTERS

2. Public Comment On Non-Agenda Matters, Pursuant to Government Code Section 54954.3 (Round 1 of 2)

NOTED PRESENT: Director Avalos noted present at 11:01 a.m.

Greg Karras, Communities for a Better Environment, addressed the Board regarding the adoption schedule for Rule 12-16, stating that he would like to see the Board make a decision on the rule this summer. Chair Mar invited staff to comment on this matter and Jack Broadbent, Executive Officer/Air Pollution Control Officer stated that staff is still on track to present four options for rule-making to the Stationary Source Committee on June 1, 2016, and to the Board on June 15, 2016.

Susan Gustofsen, Valero, addressed the Board regarding her concern that the Air District's upcoming budget is not discussed by the Board until May, while cost containment and proposed amendments to Regulation 3: Fees are discussed by the Board during the first calendar quarter of the year. She requested that the Air District's Administrative Code be altered to require that the budget, cost containment, and

annual Regulation 3: Fees amendments be discussed as connected items in the first calendar quarter of the year by the Board. Chair Mar invited staff to comment on this matter and Mr. Broadbent acknowledged Ms. Gustofsen's remarks, as well as the efforts of the staff ensure transparency when developing agendas and presentations for the Budget and Finance Committee.

Berkeley resident, L.A. Wood, addressed the Board regarding an addendum to comments on BAAQMD permit practices that he had written and submitted as Board Communication in May, to supplement what he submitted as Board Communication in April. The addendum further addresses Mr. Wood's formal request to the California Air Resources Board to investigate the Air District's permitting process of Pacific Steel Casting in Berkeley. Chair Mar invited staff to comment on this matter and Mr. Broadbent, stated that the Air District will be issuing a synthetic minor permit to Pacific Steel Casting, which can be explained to the Stationary Source Committee. Director Bates requested a written report from staff, capturing the Air District's activities relating to Pacific Steel Casting over the last decade.

COMMENDATIONS/PROCLAMATIONS/AWARDS

3. Recognition of Dr. Barry Wallerstein

Mr. Broadbent introduced his colleague, Dr. Barry Wallerstein, former South Coast Air Quality Management District Executive Officer for the past eighteen years. Chair Mar read Dr. Wallerstein's professional biography and accomplishments, also acknowledging Dr. Wallerstein's contributions to the Bay Area Air Quality Management District (BAAQMD), which included advances in mobile and stationary source technology. A proclamation was presented to Dr. Wallerstein for his service, leadership, partnership with the Air District, and dedication to protecting air quality. Dr. Wallerstein thanked the Board for the acknowledgement and remarked that the BAAQMD District has proven itself as a national leader in air quality management. He also praised the BAAQMD staff for being hard-working and demonstrating great expertise.

Public Comment:

Bill Quinn, California Council for Environmental and Economic Balance, addressed the Board to echo its appreciation of Dr. Wallerstein's accomplishments.

CONSENT CALENDAR (ITEMS 4 – 14)

- 4. Minutes of the Board of Directors Regular Meeting of April 20, 2016**
- 5. Board Communications Received from April 20, 2016 through May 17, 2016**
- 6. Notices of Violations Issued and Settlements in Excess of \$10,000 in the month of April 2016**
- 7. Air District Personnel on Out-of-State Business Travel**
- 8. Quarterly Report of the Executive Office and Division Activities for the Months of January 2016 – March 2016**
- 9. Authorize the Executive Officer/APCO to Enter into a Contract with Hogue Inc., for Additional Furniture and Ergonomic Equipment in an Amount not to Exceed \$200,000**
- 10. Consider Authorization of a Purchase Order in Excess of \$70,000 Pursuant to Administrative Code Division II Fiscal Policies and Procedures, Section 4.3 Contract Limitations for Purchase of Greenhouse Gas (GHG) Measurement Equipment**

11. **Transfer \$500,000 from the Building Proceeds Reserve to Retrofit Backup Generator at 375 Beale Street**
12. **Extension of Contracts for My Air Online Development Services**
13. **Extension of Contracts for Website Development and Maintenance**
14. **Consider Authorization to Issue a Purchase Order and Execute Contract in Excess of \$70,000 Pursuant to Administrative Code Division II Fiscal Policies and Procedures Section 4.3 Contract Limitations**

Public Comments:

Susan Gustofsen, Valero, addressed the Board regarding Item 11 on the Consent Calendar, Transfer \$500,000 from the Building Proceeds Reserve to Retrofit Backup Generator at 375 Beale Street, requesting a cost benefit analysis on the backup diesel generator usage and cost containment. Mr. Broadbent said that the Air District is working on a regulatory initiative regarding backup generators, including the one at 375 Beale Street that the Air District plans to retrofit in order to attain the highest level of PM reduction as possible.

Board Comments:

Item 13: Director Chavez thanked staff for integrating continuous language translation via the Website Development and Management Program, specifically, commuter benefits podcasts in Vietnamese.

Various Consent Calendar Items: Director Chavez thanked staff for increasing the amount of information that is being provided to the Board regarding new contracts.

Item 6: Director Avalos remarked on the lack of details regarding Chevron's eighteen Notices of Violation and requested that this item be agendized at a future Board meeting in a closed session.

Item 11: Director Zane commended staff for proactive sustainability efforts regarding the move to 375 Beale Street.

Board Action:

Director Wagenknecht made a motion, seconded by Director Chavez, to approve the Consent Calendar as submitted, and the motion **carried** by the following vote of the Board:

AYES: Avalos, Barrett, Bates, Canepa, Chavez, Davis, Haggerty, Hudson, Kaplan, Kniss, Mar, Miley, Pepper, Rice, Ross, Sinks, Slocum, Spering, Wagenknecht, and Zane.

NOES: None.

ABSTAIN: None.

ABSENT: Gioia, Groom, Mitchoff, and Raphael.

COMMITTEE REPORTS

15. Report of the Advisory Council Meeting of April 25, 2016

Advisory Council Ex-Officio Member Sinks read:

The Council met on Monday, April 25, 2016.

The Council received and discussed a presentation from Gordon Schremp, Senior Fuels Specialist of the California Energy Commission, titled *California Refinery Overview and San Francisco Bay Area Crude Oil Slate*, including transportation fuel infrastructure overview; western states more isolated than rest of United States.; California refineries; San Francisco Bay Area refineries and activity; crude oil sources; refineries and process units; refineries must maintain balance; crude oil variability poses challenges; annual and monthly crude oil slate properties; distillation profile- crude oil yields vary; variability of crude oil in the west coast; refiners blend crude oil; importance of blending; and crude oil carbon intensity non-California sources.

The Council then received and discussed a presentation from Sam Wade, Branch Chief of the California Air Resources Board's Transportation Fuels Branch, titled *Low Carbon Fuel Standard*, including Low Carbon Fuel Standard objectives; how does Low Carbon Fuel Standard work, over-compliance has created a large credit bank; volumes of low carbon fuels continue to grow; advanced fuels contributing a growing share of Low Carbon Fuel Standard credits; California average crude oil incremental deficit provision; California crude slate: 2010-2014; credits for producing crude using innovative methods; refinery investment credit; and renewable hydrogen refinery credit.

The Council then received and discussed two presentations from separate organizations regarding the topic of *Perspectives on Efficacy of Greenhouse Gas Caps for Local Refineries*. Greg Karras, Senior Scientist, representing Communities for a Better Environment, gave the presentation *Bay Area Refinery "Caps" Proposal: Rule 12-16*, including environmental setting, oil quality impact mechanisms and scale, and key trends. Gary Rubenstein of Sierra Research, representing both the Western States Petroleum Association and California Council for Environmental and Economic Balance, gave the presentation *The Efficacy of Greenhouse Gas Emissions Caps at Local Refineries*, including what problem are we trying to solve?, effective policy making; effect on fuel demand; fuel costs and local shortages; reduced efficiency of Cap and Trade; inefficiency example: combustion vs. refining of transportation fuels; no reduction in statewide greenhouse gas emissions; impact of a refinery outage on gasoline supply sources; no reductions in other/local pollutants; and conclusions.

Finally, the Council members deliberated over efficacy of greenhouse gas caps for local refineries, considering information provided to date. The discussion was publicly transcribed by the Clerk of the Boards and will be finalized by staff for the Council's review before it is submitted to the Board of Directors.

The next meeting of the Council is on Monday, July 18, 2016, at 10 a.m., at 375 Beale Street, San Francisco, CA 94105.

This concludes the Ex-Officio Member's Report of the Advisory Council.

Board Comments:

Director Sinks announced that Advisory Council Chair, Stan Hayes, will give an extended report on the April 25th Advisory Council meeting at the June 1st Stationary Source Committee, as Mr. Hayes could not attend the May 18th Board meeting.

Board Action:

None; receive and file.

16. Report of the Budget and Finance Committee Meeting of April 27, 2016

Budget and Finance Committee Chair Hudson read:

The Committee met on Wednesday, April 27, 2016. Lacking a quorum, a consensus of the Committee members present postponed the approval of the minutes of March 23, 2016.

The Committee reviewed and discussed the staff presentation, *Fiscal Year Ending 2017 -Proposed Air District Budget*, including projections for current fiscal year ending 2016; District reserve funds – audited values excluding building proceeds; approved reserve transfers for fiscal year ending 2016; overview and general fund reserve sources of proposed budget for fiscal year ending 2017; proposed budget and general fund expenditures for fiscal year ending 2017; services, supplies, and capital; proposed fees and full-time-equivalent staffing level for fiscal year ending 2017; fiscal year ending 2017 fund balances summary and use of fund balance; fund balance policy; unfunded liabilities; retirement medical other postemployment benefits liability; response for other postemployment benefits liability and CalPERS pension; CalPERS funding ratio versus rate of return; proposed funding policies for CalPERS pension; proposed pension policy; office building obligations; summary of budget fiscal year ending 2017; recommendations; and next steps. A consensus of the Committee members present supported the following staff recommendations to the Board of Directors:

1. Adopt the fiscal year ending 2017 Proposed Budget; and
2. Establish a funding policy for CalPERS Retirement Pension Plan.

The Committee then reviewed and discussed the staff presentation *Third Quarter Financial Report - Fiscal Year Ending 2016*, including overview; general fund revenues and revenue comparisons; general fund expenses and revenue comparisons; investments; general fund balance; purchasing reporting requirements; fiscal year ending 2016 vendor payments.

The next meeting of the Committee is on Wednesday, July 27, 2016, at 9:30 a.m., at 375 Beale Street, San Francisco, CA 94105.

I move that the Board approve the staff recommendations supported by the consensus of Budget and Finance Committee members present at the April 27, 2016 meeting.

This concludes the Chair Report of the Budget and Finance Committee.

Board Comments:

None.

Board Action:

Secretary Hudson made a motion, seconded by Director Wagenknecht, to approve the recommendations of the Budget and Finance Committee; and the motion **carried** by the following vote of the Board:

AYES: Avalos, Barrett, Bates, Canepa, Chavez, Davis, Haggerty, Hudson, Kaplan, Kniss, Mar, Miley, Pepper, Rice, Ross, Sinks, Slocum, Spering, Wagenknecht, and Zane.
NOES: None.
ABSTAIN: None.
ABSENT: Gioia, Groom, Mitchoff, and Raphael.

17. Report of the Public Engagement Committee Meeting of May 2, 2016

Public Engagement Committee Chair Ross read:

The Committee met on Thursday, May 2, 2016, and approved the minutes of March 24, 2016.

The Committee reviewed and discussed the staff presentation, *2016 Spare the Air Every Day Campaign*, including aspects of the advertising campaign; grassroots outreach; campaign websites; media relations; social media; Spare the Air Employer Program; employer pilot program; and Spare the Air summary.

The Committee then reviewed and discussed the staff presentation *Renewal of Contract for Spare the Air Advertising and Messaging Campaigns*, including background; contractor team; and staff recommendation. The Committee recommends the Board:

1. Authorize the Executive Officer/APCO to amend existing contract with O’Rorke, Inc. for the Fiscal Year Ending 2017 Spare the Air Campaigns’ Advertising, Communications & Evaluation Services in an amount not to exceed \$1,950,000.

The Committee finally reviewed and discussed the staff presentation *Climate Forward: Bay Area Leadership Forum*, including event location; sponsors and speakers; draft agenda; and conference logistics.

The next meeting is at the call of the Chair.

I move that the Board approve the Committee recommendations.

This concludes the Chair Report of the Public Engagement Committee.

Lisa Fasano, Director of Communications, gave staff presentation *Public Engagement Committee Update*, including advertising campaign for “Spare the Air” radio advertising; TV advertising; Climate Forward Bay Area Leadership Forum details; Confirmed Speakers, and conference logistics.

Board Comments:

The Board and staff discussed changes that were made to the original Spare the Air television commercial; changing the web link announced at the end of the Spare the Air radio ad so that it would be easier for listeners to remember; the Spare the Air recognition rate according to survey results; the Spare the Air campaign schedule; and the continued development and confirmation of speakers for the leadership forum.

Board Action:

Director Ross made a motion, seconded by Secretary Hudson, to approve the recommendations of the Public Engagement Committee; and the motion **carried** by the following vote of the Board:

AYES: Avalos, Barrett, Bates, Canepa, Chavez, Davis, Haggerty, Hudson, Kaplan, Kniss, Mar, Miley, Pepper, Rice, Ross, Sinks, Slocum, Spering, Wagenknecht, and Zane.
NOES: None.
ABSTAIN: None.
ABSENT: Gioia, Groom, Mitchoff, and Raphael.

18. Report of the Mobile Source Committee Meeting of May 5, 2016

Mobile Source Committee Chair Haggerty read:

The Committee met on Thursday, May 5, 2016. Lacking a quorum, a consensus of the Committee members present postponed the approval of the minutes of February 25, 2016.

The Committee reviewed and discussed the staff presentation, *Projects with Proposed Awards over \$100,000* including overview; Carl Moyer Program, Mobile Source Incentive Fund, and Transportation Fund for Clean Air; Carl Moyer Program Year 17; Carl Moyer Program and Mobile Source Incentive Fund funds awarded since 2009 and as of April 13, 2016; Transportation Fund for Clean Air fiscal year ending 2016, pilot trip reduction project via shared autonomous vehicles, funds by project category and county; resolution for Congestion Mitigation and Air Quality funds; and recommendations. A consensus of the Committee members present supported the following staff recommendations to the Board of Directors:

1. Approve Carl Moyer Program and Transportation Fund for Clean Air projects with proposed grant awards over \$100,000 as shown in Attachment 1; and
2. Authorize the Executive Officer/APCO to enter into agreements for the recommended projects; and
3. Adopt a resolution that authorizes the Executive Officer/APCO to accept, obligate, and expend Congestion Mitigation and Air Quality Improvement grant funding for electric vehicle signage and education.

The Committee then reviewed and discussed the staff presentation *Selection of Vehicle Buy Back Program Contractors*, including overview; background; vehicle buy back locations; request for proposals process; vehicle retirement request for proposals results; direct mail request for proposals

results; and recommendations. A consensus of the Committee members present supported the following staff recommendations to the Board of Directors:

1. Approve Environmental Engineering Studies, Inc. and Pick-N-Pull Auto Dismantlers as the vehicle retirement contractors and Direct Mail Center as the direct mail service contractor for the fiscal year ending 2017 Vehicle Buy Back Program.
2. Authorize the Executive Officer/APCO to execute contracts for:
 - a. Vehicle scrapping and related services with Environmental Engineering Studies, Inc. and Pick-N-Pull, for a combined amount up to \$7 million; and
 - b. Direct mail services for the Vehicle Buy Back Program with Direct Mail Center for up to \$129,698.
3. Authorize the Executive Officer/APCO to extend these services for an additional three years, at the Air District's discretion, based on contractor performance.

The Committee finally reviewed and discussed the staff presentation *Fiscal Year Ending 2017 Transportation Fund for Clean Air County Program Manager Expenditure Plans and Proposed Amendments to fiscal year ending 2017 Carl Moyer Program Policies*, including overview; Transportation Fund for Clean Air background; fiscal year ending 2017 funding for county program managers; proposed amendments to fiscal year ending 2017 Carl Moyer Program policies; and recommendations. A consensus of the Committee members present supported the following staff recommendations to the Board of Directors:

1. Approve the allocation of new fiscal year ending 2017 Transportation Fund for Clean Air County Program Manager Funds listed in Table 1;
2. Authorize the Executive Officer/APCO to enter into funding agreements with the County Program Managers for the total funds to be programmed in fiscal year ending 2017, listed in Table 1; and
3. Approve the proposed changes to the cost-effectiveness limits set in two fiscal year ending 2017 Transportation Fund for Clean Air County Program Manager Fund Policies (Ridesharing and Shuttle/Feeder Bus Services).

The next meeting of the Committee is on Wednesday, June 30, 2016, at 9:30 a.m., at 375 Beale Street, San Francisco, CA 94105.

I move that the Board approve the staff recommendations supported by the consensus of Mobile Source Committee members present at the May 5, 2016 meeting.

This concludes the Chair Report of the Mobile Source Committee.

Board Comments:

None.

Board Action:

Director Haggerty made a motion, seconded by Director Wagenknecht, to approve the recommendations of the Mobile Source Committee, and the motion **carried** by the following vote of the Board:

AYES: Avalos, Barrett, Bates, Canepa, Chavez, Davis, Haggerty, Hudson, Kaplan, Kniss, Mar, Miley, Pepper, Rice, Ross, Sinks, Slocum, Spering, Wagenknecht, and Zane.
NOES: None.
ABSTAIN: None.
ABSENT: Gioia, Groom, Mitchoff, and Raphael.

19. Report of the Executive Committee Meeting of May 16, 2016

Executive Committee Chair Mar read:

The Committee met on Monday, May 16, 2016, and approved the minutes of March 2, 2016.

The Committee reviewed and discussed the Hearing Board Quarterly Report from January through March 2016, which included a summary of the cases and fees collected.

The Committee then reviewed and discussed the presentation *Bay Area Regional Collaborative Report to Bay Area Air Quality Management District Executive Committee*, including administrative actions; Bay Area Regional Collaborative activities; and Plan Bay Area.

The Committee then considered and discussed proposed amendments to the Air District's Administrative Code, Division II: Fiscal Policies and Procedures, Section 4.3: Contract Limitations.

The Committee then reviewed and discussed the staff presentation *My Air Online Program Update*, including 2016 program deliverables; permit applications; permit renewals; inspections; online complaints; 2016 small source activities; 2016 compliance and enforcement activities; wood smoke complaint wizard; wood smoke investigation form; supervisor dashboard; complex facility plan; and refinery emissions inventory reporting integration.

The Committee finally reviewed and discussed staff presentation *2016 Planning and Rulemaking Calendar*, including 2016 calendar; and other projects.

The next meeting of the Committee is on Monday, July 18, 2016, at 9:30 a.m., at 375 Beale Street, San Francisco, California 94105.

This concludes the Chair Report of the Executive Committee.

Board Comments:

None.

Board Action:

None; received and filed.

20. Report of the Ad Hoc Building Oversight Committee Meeting of May 18, 2016

Ad Hoc Building Oversight Committee Chair Mar read:

The Committee met on Wednesday, May 18, 2016 and approved the minutes of April 20, 2016.

The Committee reviewed and discussed the staff presentation *Bay Area Metro Center (375 Beale Street) Project Status Report*, including construction move dates; decommission of 939 Ellis Street; streetscape/Rincon Place; driving directions and parking at 375 Beale Street; and next steps.

The next meeting is at the call of the Chair.

This concludes the Chair Report of the Ad Hoc Building Oversight Committee.

Board Comments:

The Board and staff discussed a handout that was provided regarding ways to get into the 375 Beale Street; badges with access to the new building for the Board members; and bicycle storage in the new building.

Board Action:

None; receive and file.

PUBLIC HEARING

21. Public Hearing to Consider Adoption of Proposed Revisions to the Bay Area Air Quality Management District Manual of Procedures

Jean Roggenkamp, Deputy Executive Officer, introduced William Saltz, Rule Developer, who gave the staff presentation *Public Hearing to Consider Adoption of Proposed Revisions to the Bay Area Air Quality Management District Manual of Procedures*, including Manual of Procedures, volume IV: ST-40 adapted modified El Paso Method; Volume IX: Procedure-1 Water Sampling; Manual of Procedures development process; conclusions; and recommendations.

Public Comments:

Kevin Buchan, Western States Petroleum Association, urged the Board to direct staff to delay the Rule 11-10 compliance deadline as the refineries are having difficulty meeting the July 2016 monitoring implementation date.

Steven Yang, Chevron, addressed the Board to request an extension to the Rule 11-10 compliance deadline of December 2016, as he said that six weeks is not enough time for refineries to comply with the Air District's sampling requirements in the proposed Manual of Procedures.

Kathy Wheeler, Shell, addressed the Board to request additional time to implement the requirements in the proposed Manual of Procedures concerning cooling water sampling. Ms. Wheeler added that there is no implementation plan process for Rule 11-10, as was anticipated in the rule-making, and that the proposed Manual of Procedures is complicated and confusing.

Chair Mar asked Mr. Broadbent to respond to all three public comments. Mr. Broadbent said that staff believes that the proposal is reasonable, and that refineries that need more time to comply could request a compliance agreement. Mr. Broadbent also stated that the Air District will reach out to the five refineries to assess if more time is needed to comply; refineries that would like more time may either approach staff directly or go through the Hearing Board to seek relief from rule requirements.

Board Comments:

The Board and staff discussed the cooling tower water implementation plan; the rule compliance schedule and how reasonable it was; whether or not the Air Pollution Control Officer has the authority to extend the July 2016 deadline; whether or not refineries that request more time will be penalized; the need for proof when a deadline extension is requested; and the Air District's responsibility to hold refineries accountable within a reasonable deadline extension timeframe.

Board Action:

Director Pepper made a motion, seconded by Director Kaplan, to adopt proposed new Manual of Procedures Volume IV Air Stripping Method ST-40 and Volume IX Water Sampling Procedure P-1; and the motion **carried** by the following vote of the Board:

AYES: Avalos, Barrett, Bates, Canepa, Chavez, Davis, Haggerty, Hudson, Kaplan, Kniss, Mar, Miley, Pepper, Rice, Ross, Sinks, Slocum, Spering, Wagenknecht, and Zane.
NOES: None.
ABSTAIN: None.
ABSENT: Gioia, Groom, Mitchoff, and Raphael.

PRESENTATION

22. Planning Healthy Places

Ms. Roggenkamp asked the Board if it would be willing to postpone this presentation until the next Board meeting, in the interest of time. The consensus of the Board agreed to this.

CLOSED SESSION

23. CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: one potential case. Brian Bunger, District Counsel, had nothing to report out following Closed Session.

OPEN SESSION

PUBLIC COMMENT ON NON-AGENDA MATTERS

24. Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3 (Round 2 of 2)

No requests received.

BOARD MEMBERS' COMMENTS

25. Board Members' Comments

Director Sinks announced that Director Pepper was hired as the inaugural CEO of the newly formed Peninsula Clean Energy Authority in San Mateo County.

Director Pepper announced that Director Sinks was appointed to be the new Chair of the Silicon Valley Clean Energy Authority.

Secretary Hudson said that the Board needs to be prepared to address fee increases at the second budget hearing.

Secretary Hudson emphasized the importance of the Reforestation Protocol of the California Climate Action Plan that California Air Resources Board Executive Director, Richard Corey, recently presented to the Air District.

Director Ross asked if the new lab at 375 Beale Street will have the Milton Feinstein signage from 939 Ellis Street and Mr. Broadbent confirmed that this will be happening.

Director Kaplan requested that the Air District considers including RVs and trucks for the Vehicle Buy Back Program.

OTHER BUSINESS

26. Report of the Executive Officer/APCO:

Mr. Broadbent's report included that there have been no exceedances of the federal standards during the current Spare the Air season; the Board's upcoming trip to New Orleans to attend the Air and Waste Management Association conference; and the Air District's ribbon-cutting at 375 Beale Street prior to the Board meeting on June 15, 2016.

27. Chairperson's Report:

Chair Mar had nothing to report.

28. Time and Place of Next Meeting:

Wednesday, June 15, 2016, 1st Floor Board Room, 375 Beale Street, San Francisco, California 94105 at 9:45 a.m.

29. Adjournment:

The Board meeting adjourned at 12:57 p.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Eric Mar and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: June 9, 2016

Re: Board Communications Received from May 18, 2016 through June 14, 2016

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Copies of communications directed to the Board of Directors received by the Air District from May 18, 2016, through June 14, 2016, if any, will be at each Board Member's place at the June 15, 2016, Board meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Heidi Kettler
Reviewed by: Maricela Martinez

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Eric Mar and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: June 7, 2016

Re: Air District Personnel on Out-of-State Business Travel

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

In accordance with Section 5.4 (b) of the District's Administrative Code, Fiscal Policies and Procedures Section, the Board is hereby notified of District personnel who have traveled on out-of-state business.

The report covers the out-of-state business travel for the month of May 2016. The monthly out-of-state business travel report is presented in the month following travel completion.

DISCUSSION

The following out-of-state business travel activities occurred in the month of May 2016:

- Damian Breen, Deputy Air Pollution Control Officer, attended the National Association of Clean Air Agencies Spring Membership Meeting in Santa Fe, New Mexico, May 15, 2016 – May 18, 2016.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Stephanie Osaze
Reviewed by: Jeff McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Eric Mar and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: June 15, 2016

Re: Consider Authorization to Execute Contracts in Excess of \$70,000, Pursuant to
Administrative Code Division II Fiscal Policies and Procedures Section 4.3 Contract
Limitations, for Air Quality Research Activities

RECOMMENDED ACTION

The Board of Directors will consider authorizing the Executive Officer/APCO to:

- 1) Execute a contract with the Regents of the University of California for ozone measurements via an aircraft for an amount not to exceed \$100,000, and;
- 2) Execute a contract with San Jose State University for ozone measurements via ozonesondes (balloon-based instruments) for an amount not to exceed \$75,000.

BACKGROUND

A comprehensive air monitoring program has been established and named the California Baseline Ozone Transport Study (CABOTS). Participating agencies include the U.S. EPA, California Air Resources Board (CARB), the National Oceanic and Atmospheric Administration (NOAA), the National Aeronautics and Space Administration (NASA), the San Joaquin Valley Air Pollution Control District (SJVAPCD), and the Air District. Ozone measurements are planned via ozonesondes (balloon-borne instruments) at Bodega Bay, via an aircraft in the San Joaquin Valley and via an ozonelidar (ground-based laser instrument) at Visalia. The Regents of the University of California and San Jose State University have been selected to be contractors to CARB for making aircraft and ozonesonde measurements, respectively. The measurements are scheduled for the summer of 2016.

One goal of this program is to measure ozone in aloft layers (up to 10 km) and estimate its contribution to surface ozone. A significant portion of ozone aloft may be transported from Asia. The analysis of captured data and use of air quality models will allow the study participants to better estimate the contribution of local emissions compared to transported ozone and its precursors.

DISCUSSION

The Air District, working with the U.S. EPA's Region 9 office, plans to make additional ozonesonde and aircraft measurements in the Bay Area during CABOTS to increase spatial coverage of coastal measurements. Daily ozonesonde measurements at Half Moon Bay Airport and additional aircraft measurements between the San Joaquin Valley and one of the coastal ozonesonde stations will be made.

These measurements will provide information on gradients in ozone concentrations near the ground as well as in aloft layers along the Pacific coastline. Aircraft measurements between the San Joaquin Valley and one of the ozonesonde stations will provide information on how ozone concentrations are linked along a trajectory between those locations, across the Bay Area.

Air District staff will analyze the data, simulate high ozone days of 2016, and estimate the contribution of ozone aloft to surface ozone in the Bay Area. This will improve estimates of local emissions' contribution to ozone as well as benefits of proposed or adopted emission controls in the Bay Area.

The same contractors to CARB, San Jose State University and the Regents of the University of California will be selected to make ozonesonde measurements at Half Moon Bay Airport and aircraft measurements between the San Joaquin Valley and one of the coastal ozonesonde stations, respectively. These contractors have extensive experience in making these types of measurements cost effectively. The cost of these contracts will be fully reimbursed by the U.S. EPA via a special grant, which needs to be administered by a local air quality agency. The Air District will provide scientific and administrative support in collaborating with the U.S. EPA to make these important measurements.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Cost of these contracts will be fully reimbursed by the U.S. EPA via a special grant. Air District anticipates also contributing up to \$25,000 for instrumentation to support the study.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Saffet Tanrikulu
Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Eric Mar and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: June 3, 2016

Re: Consider Authorization to Execute a Contract and Issue a Purchase Order in Excess of
\$70,000 Pursuant to Administrative Code Division II Fiscal Policies and Procedures
Section 4.3 Contract Limitations, for Meteorology Measurements

RECOMMENDED ACTION

The Board of Directors will consider authorizing the Executive Officer/APCO to execute a contract with, and issue a Purchase order to Sonoma Technology, Inc. (STI) for meteorological measurements for an amount not to exceed \$286,000.

BACKGROUND

Upper-air wind and mixing height meteorological measurements help to ensure accurate air quality forecasts, provide information to the public and emergency responders during accidental releases, perform meteorological and air quality modeling, aid in rule development and assist with climate change analysis and air quality transport. While the Air District has an extensive ground level meteorological measurement network of over 20 sites, this network does not include upper air-wind and mixing height measurements. Funds for these kinds of special measurements are included in a Reserve Account of \$417,100.

DISCUSSION

Upper air meteorological measurements are helpful in many air quality assessment tasks. Instruments necessary to perform these measurements are extremely expensive to purchase, on the order of \$200,000 per instrument, and require significant resources to operate, both in consumables and staff time. As a result, few air districts operate this type of equipment and rely on the relatively few measurements supplied by other agencies whose focus is not air quality evaluation.

The Air District would have to make significant investments to purchase appropriate equipment and develop the expertise to operate and maintain it. In addition, because this equipment uses sound to make measurements, finding appropriate locations sited away from residents to avoid noise complaints is difficult. As a result, staff has been investigating methods to obtain these measurements in a cost effective way, especially along the bay shoreline from Richmond to Benicia/Martinez where the refineries and other heavy industry is located.

STI is a recognized expert in upper air meteorological measurements, with the equipment and operational experience to effectively and efficiently provide these services to the Air District. In addition, STI recently completed a short term upper air meteorological measurement study for another client at a location in Benicia. However, since the project has been completed, the location will be closed and the equipment moved in the coming months.

Staff have worked with STI to develop a two-year upper air measurement study designed to leverage available siting in Benicia in addition to developing another location in the Richmond area to provide an understanding of upper air conditions in this important industrial corridor. By utilizing this existing Benicia location, which is ideal for measurements near the eastern end of the Bay Area industrial corridor, the Air District can realize significant cost savings, on the order of more than 15% of the total project costs.

Staff believes that by leveraging the current site in Benicia, along with STI's extensive experience operating this equipment, there is a unique opportunity to obtain data needed for air quality forecasting, modeling, rule development, and support for climate change analysis at significant cost savings.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funds for this purchase were included in a Reserve Account in the FYE 2014 budget and \$286,000 must be moved from this account to Program 805 in the FYE 2016 budget to allow for execution of this contract.

Respectfully Submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Eric Stevenson
Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Eric Mar and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: June 3, 2016

Re: Report of the Stationary Source Committee Meeting of June 1, 2016

RECOMMENDED ACTION

A) None; receive and file.

BACKGROUND

The Committee met on Wednesday, June 1, 2016, and received only informational items and has no recommendations of approval by the Board of Directors (Board).

A) Update on Regulation 12, Rule 16: Evaluation of Options for Reducing Combustion Emissions from Refineries.

Chairperson John Gioia will provide an oral report of the Committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

A) None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Maricela Martinez

Attachment A: 06/01/16 – Stationary Source Committee Meeting Agenda #4

Attachment B: Draft Options for Reducing Refinery Combustion Emissions Evaluation Report

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John Gioia and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 18, 2016

Re: Update on Regulation 12, Rule 16: Evaluation of Options for Reducing Combustion
Emissions from Refineries

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

On October 15, 2014, the Board of Directors approved Resolution Number 2014-07 directing staff to develop strategies to reduce emissions from petroleum refineries. Specifically, the resolution directed staff to continue development of Regulation 12, Rule 15: Petroleum Refining Emissions Tracking (“Rule 12-15”) to track and monitor refinery emissions; to develop Regulation 12, Rule 16 (“Rule 12-16”) to set emissions thresholds and mitigate potential emissions increases; and to develop additional rules to reduce emissions from refineries by 20% by 2020, or as much as feasible.

Staff worked with interested stakeholders and released proposed regulatory language and staff reports for four refinery emission reduction rules, Rule 12-15 and Rule 12-16 in October of 2015. In December of 2015, the Board of Directors adopted three refinery emission reduction rules/rule amendments (Regulation 6, Rule 5: Fluid Catalytic Cracking Units; Regulation 8, Rule 18: Equipment Leaks; and Regulation 11, Rule 10: Cooling Towers). Regulation 12, Rule 15 along with an additional refinery emission reduction measure, Regulation 9, Rule 14, Coke Calcining were adopted by the Board on April 20, 2016. Together, these rules are estimated to reduce criteria pollutants by more than 15%. Staff received a significant number of comments on proposed Rule 12-16, and determined that a different approach was necessary in order to address the concerns of stakeholders, including affected industry and interested community groups. In addition to these efforts, staff continues to work on other rules that will affect refineries dealing with permitting requirements and with reducing health risks from toxic air contaminants.

As a result of these rule development processes, criteria pollutants are being significantly reduced and health risks from toxic air contaminants will be significantly reduced in a proposed regulation expected to be brought to the Board for consideration in early 2017. These actions will build upon well-established Air District regulations and programs that improve public

health. However, further action is needed to address refinery GHG emissions and further reduce emissions of criteria pollutants and toxic air contaminants.

The Air District is concerned about the environmental and public health impacts of combustion emissions from refinery sources. Combustion emissions contribute significantly to carbon dioxide (CO₂) emissions (the primary driver of anthropogenic climate change), criteria pollutants emissions, including nitrogen oxides (NO_x), sulfur dioxide (SO₂), and particulate matter (PM) emissions and can exacerbate community health risks. While refineries are expected to contribute to the reduction of GHG emissions as part of California's Cap-and-Trade program that was developed in response to AB 32, Global Warming Solutions Act of 2006, the Cap-and-Trade program does not require individual facilities to reduce their emissions. In the Bay Area, refineries are some of the largest industrial combustion sources and contributors to climate, criteria and toxic pollutants.

DISCUSSION

The Air District has been regulating criteria and toxic pollutants from stationary sources for decades. Consequently, there are fewer opportunities for significant reductions in pollutants such as nitrogen oxides (NO_x) and fine particulate matter (PM_{2.5}). In order to continue to achieve reductions of criteria and toxic pollutants, and better incorporate greenhouse gas reductions opportunities into rule making, the Air District is focusing on fuel-burning (combustion) systems as a multiple pollutant emissions reduction approach.

Most modern combustion systems produce low concentrations of criteria and toxic pollutants at individual emission points while emitting large volumes of air and the end-products of combustion (CO₂ and water). This makes traditional "end-of-pipe" air pollution controls very expensive due to the relatively small mass of NO_x or PM_{2.5} when compared to the large mass of air, water and CO₂. While the concentrations may be low at each emission point, the high volume and large number of sources can add up to significant criteria pollution, and to a lesser extent toxic air contaminants, in the atmosphere. Any reduction of fuel use will result in emission reductions of these compounds. Therefore, by increasing efficiency and reducing fuel consumption, all of the air pollution by-products of fuel burning are also reduced: criteria, climate and toxic pollutants. Since this approach results in fuel cost savings, the changes should pay for themselves over time. Reducing combustion emissions would help the Air District attain and maintain compliance with state and federal air quality standards, reduce local contributions to anthropogenic climate change, and minimize emissions of many toxic pollutants.

A strategy to reduce combustion emissions would be cost-effective and would reduce criteria, climate and toxic pollution in the Bay Area. Since petroleum refineries are among the largest stationary sources of combustion emissions and also among the largest sources of climate, criteria and toxic air pollutants, this approach is beginning with these sources.

Staff has been meeting with stakeholders from community groups and industry, as well as ARB staff to discuss and evaluate three options that could potentially reduce combustion emissions from refineries, as well as an option to reduce methane emissions. These options include the following:

1. Refinery-Wide Combustion Emissions Reductions

Under this option, refineries would have a choice between –

- a) meeting an efficiency-target (such as a limit on GHG emissions per barrel of product)
- or,
- b) meeting a facility-wide mass emissions reduction target.

2. Combustion Emissions BARCT on Refinery Processes

Under this option, refinery processes would be evaluated for combustion emissions and energy efficiency in order to identify cost-effective and technically feasible improvements that would lead to reductions in fuel use and, therefore, combustion emissions.

3. Enforceable Numeric Caps

Several community and environmental organizations have suggested the Air District adopt a refinery-wide (and associated facilities) enforceable emissions cap set at recent levels of actual emissions.

4. Focus on Methane

Under this approach, the Air District would focus its the regulatory action on methane instead of combustion systems. Methane is a potent climate forcer that is 20 to 80 times more potent than CO₂ and is second to CO₂ in contributing to anthropogenic climate change. In addition, methane usually is stored with other organic compounds, many of which can be toxic. By reducing methane emissions, there will be both toxic and climate pollutant emission reductions.

The attached draft evaluation report includes information on these potential options for reducing combustion emissions from Bay Area refineries, the evaluation criteria used to compare them and a summary of staff's evaluation. Staff's preliminary recommendation is to pursue a hybrid approach that uses both Options 1 and 2. This approach provides the benefits of limiting refinery-wide combustion emissions included in Option 1 with the continued improvements over time provided in Option 2. Staff proposes to refine this approach through further discussions with the Committee, stakeholders and ARB.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

None at this time.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Victor Douglas/Greg Nudd/Eric Stevenson
Reviewed by: Jean Roggenkamp

Attachment: Draft Options for Reducing Refinery Combustion Emissions Evaluation Report



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

DRAFT
**Options for Reducing Refinery
Combustion Emissions
Evaluation Report**

Prepared by the staff of the
Bay Area Air Quality Management District

May 2016

This page intentionally left blank

Table of Contents

INTRODUCTION	1
BACKGROUND	1
Regulatory Context	1
Climate Pollutant Emissions Reduction Goals	3
Refinery Emissions and Emission Reduction	4
<i>Climate Pollutants: AB 32—Cap & Trade</i>	5
<i>Existing Criteria Pollutants</i>	5
<i>Toxic Pollutants and Community Risk</i>	6
Petroleum Refining Processes	6
OPTIONS UNDER EVALUATION	7
Refinery-Wide Combustion Emissions Reductions	7
Combustion Emissions BARCT on Refinery Processes	8
<i>Refinery Energy Efficiency Analysis</i>	8
<i>Carbon Capture and Sequestration</i>	9
Enforceable Numeric Caps	9
Focus on Methane	10
CRITERIA FOR COMPARING OPTIONS	12
Leveraging GHG Reduction Goals	12
<i>AB 32 / Cap-and-Trade</i>	12
<i>Air District GHG Reduction Goal</i>	12
<i>Net Reduction of GHGs</i>	12
Simultaneous Reduction of Other Pollutants	12
<i>Reduction of Criteria Pollutants Emissions</i>	12
<i>Reduction of Toxic Pollutants Emissions</i>	13
<i>Reduction of Health Impacts on Neighboring Communities (Including PM_{2.5})</i>	13
Within Air District Authority	13
<i>Air District Authority to Control Climate Pollutants</i>	13
<i>Health and Safety Code Compliance</i>	13
<i>Emissions Reductions and Economic Considerations</i>	14
CEQA Implications / Impacts	14
Process Transparency	14
Implementation Speed/Complexity	14
Technology Benefits / Innovation	15

EVALUATION OF OPTIONS	15
Refinery-wide Combustion Emission Reductions	16
BARCT Approach	17
Enforceable Numeric Caps	18
Focus on Methane	20
REFERENCES	22

INTRODUCTION

The Air District is a non-attainment area for State and federal fine particulate matter (PM_{2.5}) and ozone ambient air quality standards (AAQS). The Air District has been regulating criteria and toxic pollutants from stationary sources for decades. Consequently, there are fewer opportunities for significant reductions in pollutants such as nitrogen oxides (NO_x) and PM_{2.5}. In order to continue to achieve reductions of criteria and toxic pollutants, and better incorporate greenhouse gas reductions opportunities into rule making, the Air District is focusing on fuel-burning (combustion) systems as a multiple pollutant emissions reduction approach.

Most modern combustion systems produce low concentrations of criteria and toxic pollutants at individual emission points while emitting large volumes of air and the end-products of combustion (carbon dioxide (CO₂) and water). This makes traditional “end-of-pipe” air pollution controls very expensive due the relatively small mass of NO_x or PM_{2.5} when compared to the large mass of air, water and CO₂. While the concentrations may be low at each emission point, the high volume and large number of sources can add up to significant criteria pollution, and to a lesser extent toxic air contaminants, in the atmosphere. Any reduction of fuel use will result in emission reductions of these compounds. Therefore, by increasing efficiency and reducing fuel consumption, all of the air pollution by-products of fuel burning are also reduced: criteria, climate and toxic pollutants. Since this approach results in fuel cost savings, the changes should pay for themselves over time. Reducing combustion emissions would help the Air District attain and maintain compliance with state and federal air quality standards, reduce local contributions to anthropogenic climate change, and minimize emissions of many toxic pollutants.

A strategy to reduce combustion emissions would be cost-effective and would reduce criteria, climate and toxic pollution in the Bay Area. Bay Area petroleum refineries are some of the largest industrial sources of toxic, PM_{2.5}, and other criteria pollutants. They are also the largest industrial sources of climate pollutants in the region. Refineries emissions of PM and toxic compounds may disparately impact local communities. Further, changes in crude (or product) slates could change the emissions profiles of refinery sources due to increases in combustion needed to process different crude slates to finished products, possibly resulting in increasing toxic, criteria and climate pollutant emissions. Therefore, refineries are a top priority for reducing all pollutants to help the region achieve the AAQS and Air District goals for healthy air and climate protection.

BACKGROUND

Regulatory Context

The Air District has primary authority to regulate pollutants from stationary sources and has a long history of developing and enforcing rules and regulations that reduce criteria and toxic pollutants from Bay Area industries, including petroleum refineries. Currently, over two dozen Air District rules and regulations are aimed at reducing the emissions of criteria and toxic pollutants at refineries with a recently adopted regulations that further

reduce emissions from Bay Area petroleum refineries. This strategy stems from a Board of Directors' resolution (2014-17) adopted on October 15, 2014 directing staff to develop strategies to reduce emissions from petroleum refineries. Specifically, the resolution directed staff to continue development of Regulation 12, Rule 15: Petroleum Refining Emissions Tracking ("Rule 12-15") to track and monitor refinery emissions; to develop Regulation 12, Rule 16 ("Rule 12-16") to set emissions thresholds and mitigate potential emissions increases; and to develop additional rules to reduce emissions from refineries by 20 percent by 2020, or as much as feasible.

Staff worked with interested stakeholders and released proposed regulatory language and staff reports for four refinery emission reduction rules, Rule 12-15 and Rule 12-16 in October of 2015. In December of 2015, the Board of Directors adopted three refinery emission reduction rules/rule amendments (Regulation 6, Rule 5: Fluid Catalytic Cracking Units; Regulation 8, Rule 18: Equipment Leaks; and Regulation 11, Rule 10: Cooling Towers). Regulation 12, Rule 15 along with an additional refinery emission reduction measure, Regulation 9, Rule 14, Coke Calcining were adopted by the Board on April 20, 2016. Together, these rules are estimated to reduce criteria pollutants by more than 15 percent. Staff received a significant number of comments on proposed Rule 12-16, and determined that a different approach was necessary in order to address the concerns of stakeholders, including affected industry and interested community groups. In addition to these efforts, staff continues to work on developing other rules, such as those addressing requirements and with reducing health risks from toxic air contaminants that will affect refineries along with other source categories.

As a result of these rule development processes, criteria pollutants are being significantly reduced and health risks from toxic air contaminants will be significantly reduced in a proposed regulation expected to be brought to the Board for consideration in early 2017. These actions will build upon well-established Air District regulations and programs that improve public health. However, further action is needed to address refinery GHG emissions and further reduce emissions of criteria pollutants and toxic air contaminants.

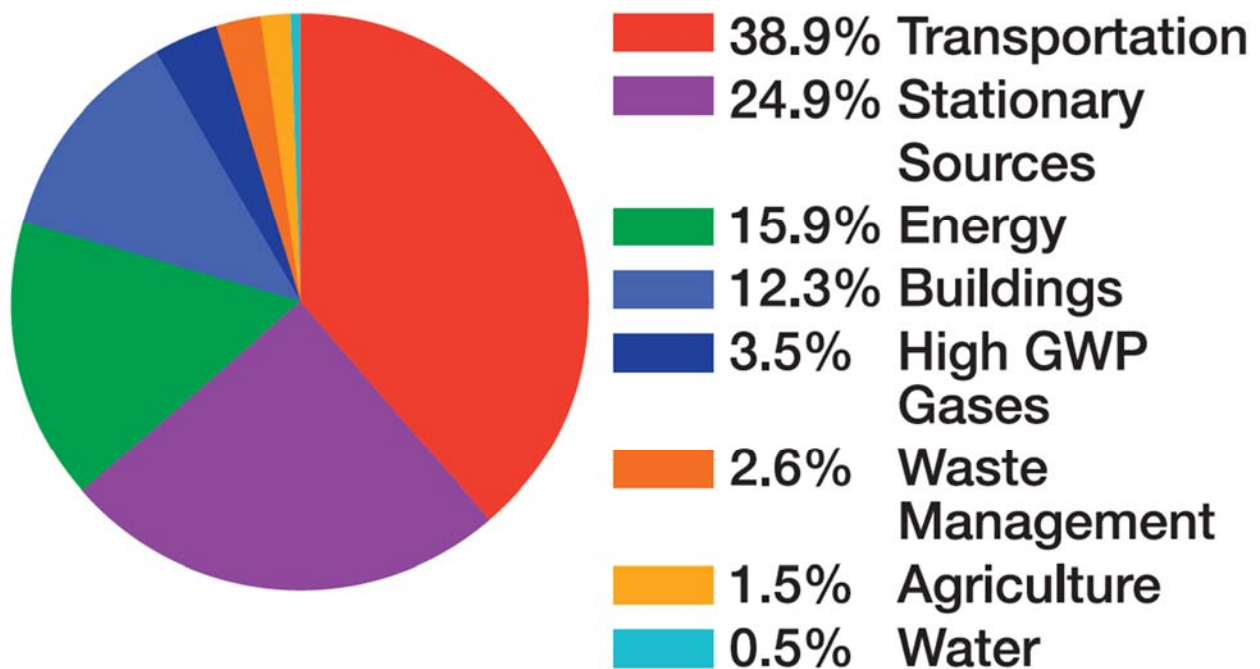
The Air District is concerned about the environmental and public health impacts of combustion emissions from refinery sources. Combustion emissions contribute significantly to CO₂ emissions (the primary driver of anthropogenic climate change), criteria pollutants emissions, including NO_x, sulfur dioxide (SO₂), and particulate matter (PM) emissions and can exacerbate community health risks. While refineries are expected to contribute to the reduction of GHG emissions as part of California's Cap-and-Trade program that was developed in response to AB 32, Global Warming Solutions Act of 2006, the Cap-and-Trade program does not require individual facilities to reduce their emissions. In the Bay Area, refineries are some of the largest industrial combustion sources and contributors to climate, criteria and toxic pollutants. By limiting combustion system emissions, the Air District will be able to simultaneously reduce climate and criteria and pollutants and, to a less extent, toxic air contaminants.

A brief description of the Air District’s goals and recent regulatory activities dealing with climate pollutants, criteria pollutants, toxic air contaminants and how potential crude slate change might affect combustion system emissions is presented below.

Climate Pollutant Emissions Reduction Goals

The Air District has established near-term, mid-term, and long-term climate protection goals. This began in the 2010 Clean Air Plan, where the Air District set performance objectives to reduce emissions of greenhouse gases by specific targets by 2020, 2035 and 2050. In 2013, the Board of Directors adopted resolution 2013-11, which set “...a goal for the Bay Area region of reducing GHG emissions to 80 percent below 1990 levels by 2050, and developing specific performance objectives to track progress in achieving that goal.” In the upcoming draft 2016 Clean Air Plan/Regional Climate Protection Strategy, the Air District intends to update its climate protection goals to align with Governor Brown’s Executive Order B-30-15 which sets a GHG reduction goal of 20 percent below 1990 levels by 2020, 40 percent below 1990 levels by 2030 and 80 percent below 1990 levels by 2050. In addition, staff has identified economic sectors that collectively emit over 80.3 million metric tons of climate pollutants in 2015: transportation; stationary sources; energy; buildings; high global warming potential (GWP) gases (methane, black carbon, hydrofluorocarbons); waste management; agriculture; and water. Figure 1 illustrates the relative contribution of each sector to the regions climate pollutant inventory.

Figure 1
2015 Bay Area GHG Emissions by Economic Sector



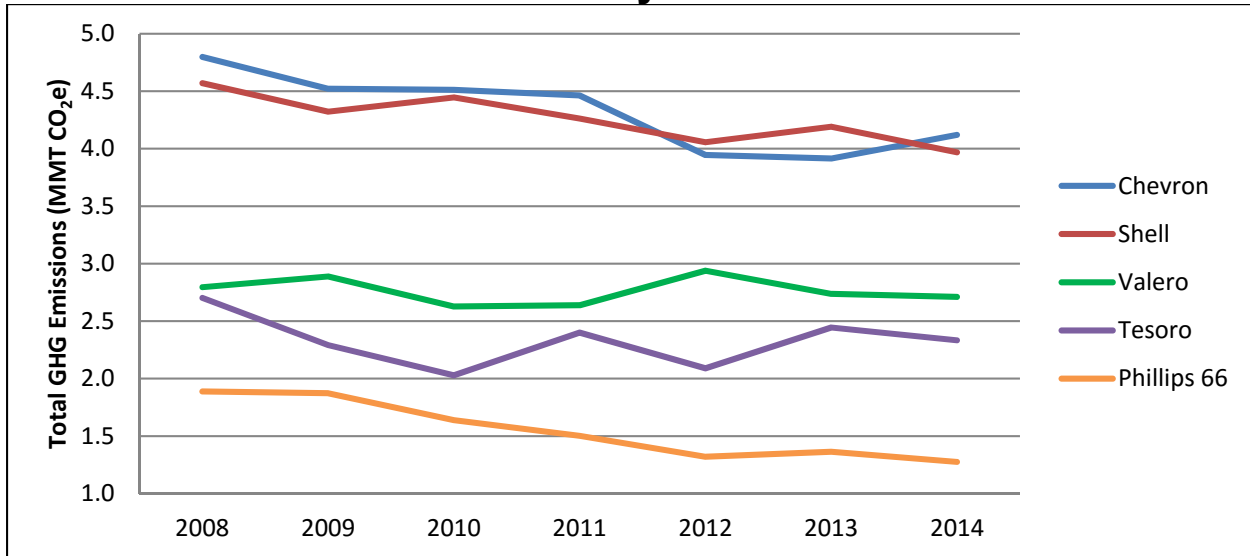
Although these sectors are targeted for reductions in climate pollutants, specific emission reduction goals for each of these sectors have not been identified. While the transportation sector is by far the largest contributor to climate pollutants – with a contribution of 38.9 percent – the Air District does not have authority to regulate emissions from these sources; this authority lies with the California Air Resources Board (ARB) and federal agencies. The Air District uses non-regulatory means to reduce GHGs from this sector. The stationary source sector is the second largest contributor and includes petroleum refining facilities. The Air District uses rulemaking as well as other strategies to reduce criteria pollutants (including particulate matter), toxic air contaminants, and climate pollutants from stationary sources in the Region, including refineries and other industrial sources. Bay Area petroleum refineries are some of the largest industrial sources of toxic air contaminants, PM_{2.5}, and other criteria pollutants. They are also the largest industrial sources of climate pollutants in the region. For these reasons, refineries are a top priority for reducing emissions of air pollutants, including climate pollutants.

Air District staff anticipates working closely with the refiners and other interested stakeholders to determine the most appropriate GHG emissions reduction targets for this industrial sector to help achieve the near-term, mid-term, and long-term climate protection goals. Focusing on combustion emissions is an appropriate strategy since almost all climate pollution from refineries is due to combustion.

Refinery Emissions and Emission Reduction

Bay Area refineries are the largest industrial sources of climate pollutants. In 2011, refineries were responsible for over 45 percent of the Industrial / Commercial Sector GHG emissions in the Bay Area.ⁱ Over the past several years individual refinery GHG emissions have varied and all refineries have had some degree of GHG reductions, as shown in Figure 2.

Figure 2
ARB Data: Refinery GHG Emissions



Furthermore, refinery GHG emissions in total have generally trended downward. In 2008, refinery emissions total 17.6 MMT CO₂e and in 2014 that total was 14.4 MMT.

Climate Pollutants: AB 32—Cap & Trade

Under AB 32, Global Warming Solutions Act of 2006, ARB developed its market-based Cap-and-Trade program which, along with other programs and regulations, aims to reduce climate pollutants to 1990 levels by the year 2020 from several economic sectors, including petroleum refining. However, the Cap-and-Trade program does not require individual facilities to reduce their emissions. ARB is in the process of developing amendments to the regulations to chart post-2020 implementation of the Cap-and-Trade program.

Existing Criteria Pollutants

Refinery emissions of criteria (including PM_{2.5}) and toxic pollutants have traditionally been addressed through permitting and rule development approaches, including new source review (for both criteria and toxic pollutants) for new and modified sources and Best Available Retrofit Control Technology (BARCT) rules for specific refinery sources. Air District staff conducts BARCT analyses to identify emission reduction opportunities and then initiates rule development efforts. Such analyses and rule development have achieved a consistent lowering of emissions over time. Recent rule making will result in estimated reductions of over 15 percent at refineries. However, new criteria pollution emission reduction opportunities are increasingly more difficult to achieve, and by using a combustion emission reduction approach, emissions of criteria pollutants will be reduced throughout the Bay Area by increasing efficiency and minimizing fuel consumption.

Toxic Pollutants and Community Risk

Toxic pollutants are addressed by one of three mechanisms: 1) Toxic New Source Review (NSR) for new and modified sources, 2) AB 2588 Toxic “Hot Spots” Program for existing sources, and 3) Airborne Toxic Control Measures (ATCMs) developed by the Air District and/or ARB.¹ The Air District is currently in the process of updating the toxics NSR program by incorporating new health risk values and protocols adopted by the California Office of Environmental Health Hazard Assessment (OEHHA). These more protective health risk values and protocols may result in a two- to five-fold increase in health risks for the same amount of toxic emissions due to the use of more conservative methods and assumptions.

The Air District is currently investigating the most effective way to reduce facility-wide emissions of toxic pollutants and their associated risk. Action is expected in 2017. Additional reductions can also be achieved by reducing combustion of fuels.

Petroleum Refining Processes

A petroleum refinery is a highly complex industrial facility that processes crude oil into a variety product such as gasoline, aviation fuel, diesel and other fuel oils, lubricating oils, asphalt base, heating oil, kerosene, liquefied petroleum gas (LPG), and feedstocks for the petrochemical industry. Oil refineries are typically large industrial complexes that are composed of process units that use large amounts of fuel to heat and process crude oil with extensive piping throughout the facility. The process units are highly integrated, with materials passing through and among the various units as the materials are processed. In addition, heat and process by-products are recovered and re-used throughout the refinery in an attempt to utilize “waste” heat and by-products to improve efficiency.

No two refineries are identical in design or operation. Each refinery is designed to efficiently process a specific range of crude oil feedstock (i.e., crude slate). The crude slate options available to a given refinery are further limited by the chemical compatibilities among the crude oils (which affects the propensity for fouling during the refining process) and the compatibility of the crude oils with the metals composition of the refinery equipment and the reactor catalysts. The composition and properties of the crude slate processed by each refinery are dictated both by the desired product slate and by the available processing units at the refinery. As a result, significant changes in crude or product slates can result in significant changes in combustion needs, as process units must produce more or less output in response to the change in crude slate or desired products.

These primary process units and auxiliary equipment (boilers, turbines, heat exchangers, etc.), use heat from combustion to process crude oil into a variety of fuels and other products, emitting a variety of criteria pollutants, toxic air contaminants, and greenhouse gases. Other sources of emissions include truck, rail and ship loading

¹ The Air District has the authority to adopt ATCMs independent of the ARB pursuant to H&SC Sections 39013 and 39659.

activities, waste water treatment, storage tanks for feedstocks and products, leaking equipment, pressure release devices, which are collectively subject to at least ten different Air District regulations.

OPTIONS UNDER EVALUATION

- Refinery-Wide Combustion Emission Reductions
- Combustion Emissions BARCT Rule Development for Specific Refinery Processes
- Enforceable Numeric Caps
- Focus on Methane

Refinery-Wide Combustion Emissions Reductions

Under this option, refineries would have a choice between meeting an efficiency target (carbon intensity or energy) that minimizes the amount of CO₂ emitted per-unit of production (such as a limit on GHG emissions per barrel of product) or meet a facility-wide mass emissions reduction target. Reductions of CO₂ emitted translates into a reduction of fuel burned with a similar reduction of criteria and toxic pollutants generated.

This approach was taken by the State of Washington in their rule - Chapter 173-485 WAC, Petroleum Refinery Greenhouse Gas Emission Requirements. This rule required Washington refineries to either improve energy efficiency or directly reduce GHGs. By October 1, 2025, Washington State Refinery GHG Rule requires refineries to either:

- Meet energy efficiency requirements - Meet an energy efficiency standard established as the Solomon Associates Energy Intensity Index (EII) representing the 50th percentile (median level) for similar refineries; or
- Achieve GHG reductions - Achieve annual GHG emissions reductions that total ten percent of the facility's baseline GHG emissions (either 2010 or 2011 GHG emissions reported to the EPA).

An Air District rule along these lines would not necessarily need to be based on the proprietary Solomon Energy Intensity Index. A comparable index could be developed, but it would likely have some confidential component, because of the need to take annual production rates into account. Similarly, an Air District rule would not need to set 10 percent as the emission reduction target, a different target could be selected. The core of this concept is that the refineries would have a choice between meeting the efficiency target or the mass emission reductions with a likely reduction in fuel usage and the emissions associated with combustion. The efficiency approach could be structured to require that less efficient facilities provide more GHG emissions reductions than more efficient facilities, leveling the playing field for all refineries. Should a refinery not be able to achieve the efficiency targets, it could reduce overall GHG emissions directly by a given percentage. The overall reductions realized by this approach would be dependent on the method used to determine efficiency, the baseline chosen as the efficiency target, and the percentage required for GHG and associated criteria and toxic pollutant emissions reduction.

Combustion Emissions BARCT on Refinery Processes

Under this option refinery processes would be evaluated for emissions and efficiency in order to identify cost-effective and technically feasible improvements that would lead to reductions in fuel use and, therefore, GHG and other combustion emissions. These improvements would be implemented through new rules on a source-type by source-type basis. This is the Air District's traditional rulemaking approach for criteria pollutants. The implementation timeframe should consider planned refinery maintenance schedules to avoid forcing shutdowns that could result in increased pollution. General areas that may be considered for BARCT rulemaking include:

- Energy Efficiency Optimization – near-term approach,
- Carbon Capture and Sequestration – long-term approach.

Near-term approaches are those for which the technology or methodology is readily available, can be implemented now or relatively quickly, and does not require additional development except for implementation. These approaches could potentially be used to help work towards reaching the near-term goal of 1990 GHG emissions levels by the year 2020 as well as reductions in criteria and climate pollutants.

Long-term approaches are those that would rely on nascent or as-of-yet undeveloped technologies and processes that could be leveraged to further reduce emissions of GHGs to help achieve the Air District's mid-term and long-term climate protection goals.

Refinery Energy Efficiency Analysis

Continuous improvement in energy efficiency is an ongoing endeavor at all refineries. Increased energy efficiency results in less fuel being burned and a decrease in GHG, criteria and toxic emissions. There is a complimentary business purpose related to improved energy efficiency, which is to improve the economic performance of refinery operations by realizing a capital return from the implementation of energy efficiency measures. Not all energy efficiency measures are pursued by refineries for business purposes, because some do not generate sufficient return on capital in the timeframes industry may desire. However, efficiencies gains will result in some cost savings over time.

For complex industrial process plants such as oil refineries, there are four general categories for energy efficiency improvement:

- Improved operating practices, including process control and variability reduction
- Equipment upgrade
- Process integration
- Process modification

Air District staff, through literature research and consultation with experts in energy efficiency, has identified the following areas that could offer the best improvements in energy efficiency:

- Steam System Optimization,
- Heat Exchanger Train Optimization,
- Monitoring and Process Control Improvements,
- Furnace Efficiency Improvements,
- Combined Heat and Power,
- Fuel Gas System Optimization,
- Lighting System Efficiency Improvements.

Carbon Capture and Sequestration

There are several emerging post-combustion technologies designed to reduce CO₂ emissions from a number of different processes and exhaust stacks. The consideration of CO₂ capture and control at a refinery would be limited to large CO₂ sources, such as the FCCU, the fluid coking unit, the hydrogen plant, and large boilers or process heaters.ⁱⁱ

One carbon capture technology of interest is oxy-combustion. Which is the process of burning a fuel in the presence of pure or nearly pure oxygen instead of air. Fuel requirements are reduced because there is no nitrogen component to be heated, and the resulting flue gas volumes are significantly reduced. The process uses an air separation unit to remove the nitrogen component from air. The oxygen-rich stream is then fed to the combustion unit so the resulting exhaust gas contains a higher concentration of CO₂, which can reach as high as 80 percent. A portion of the exhaust stream is discharged to a CO₂ separation, purification, and compression facility. The higher concentration of CO₂ in the flue gas directly impacts size of the adsorber (or other separation technique), and the power requirements for CO₂ compression. This technology is still in the research stage.

The Petroleum Environmental Research Forum (PERF) is focusing on potentially applying this technique to large refinery combustion sources, particularly the FCCU and crude oil process heaters. Because this process greatly reduces the nitrogen concentration during the combustion process, the formation of NO_x and secondary formation of fine PM will also be reduced.ⁱⁱⁱ

Enforceable Numeric Caps

Several community and environmental organizations have suggested the Air District adopt a refinery-wide (and associated facilities) enforceable emissions cap using an emissions baseline year (2011–2013) and a buffer to account for normal variations in year to year emissions. This suggestion is presented below in an excerpt from a September 2015 comment letter on the originally proposed Rule 12-16 from Communities for a Better Environment:

DESCRIPTION OF THE PROPOSED LIMITS

The proposed limits are shown in Table 1. A numeric limit on the annual mass emission rate of each air pollutant specified is applied to each facility specified in the table. The limit is equal to the maximum-year actual emissions reported in 2011–2013 *plus* the additional numeric allowance calculated previously by Air District Staff. (These additional allowances, or ‘threshold factors,’ are +10,000 metric tons for GHG, +7% for PM, and +7% for each of the PM precursors, NOx and SO₂.)

Table 1. The enforceable numeric limits on refinery-wide emissions proposed^a

Facility	GHG (metric tons/yr)	PM (tons/yr)	NOx (tons/yr)	SO ₂ (tons/yr)
Chevron Refinery, Plt. A-0010	4,473,000	529	974	400
Shell Refinery, Plt. A-0011	4,272,000	569	1,040	1,340
Phillips 66 Refinery, Plt. A-0016	1,512,000	56.0	275	433
Tesoro Refinery, Plt. B-2758/2759	2,456,000	180	1,080	707
Valero Refinery, Plt. B-2626	2,950,000	134	1,410	138
Martinez Cogen LP, ^b Plt. A-1820	431,000	18.8	119	2.30
Air Liquide H ₂ Plant, ^b Plt. B-7419	855,000	17.3	12.9	2.48
Air Products H ₂ Plant, ^b Plt. B-0295	281,000	10.4	3.40	2.31

^a Annual facility-wide emission limits. GHG: greenhouse gas emissions (CO_{2e}) as reported under Air Resources Board Mandatory Reporting; PM: filterable and condensable particulate matter; NOx: oxides of nitrogen; SO₂: sulfur dioxide. PM, NOx and SO₂ as reported in the Facility’s annual emission inventory.

^b The Martinez Cogen and Air Products facilities support Tesoro; Air Liquide supports Phillips 66.

These limits are thus specific, numeric, transparent, and enforceable upon adoption.

These organizations assert that a cap such as this is necessary to ensure refinery emissions do not increase as refineries move to different crude oil compositions. It has been asserted that lower quality crude slates require greater processing, which could lead to greater emissions of all pollutants, including climate pollutants. If a refinery annual emissions inventory indicated that the refinery’s annual emissions exceeded the cap and the buffer allowance, the refinery would be in violation of the emissions limit requirement and subject to enforcement, including appropriate penalties, based on the year the emissions inventory covered.

Focus on Methane

Under this approach, the Air District would focus its the regulatory action on methane instead of CO₂ and would apply this to all regulated sources. Methane is a potent climate forcer that is 20 to 80 times more potent than CO₂ and is second to CO₂ in contributing to anthropogenic climate change. In focusing on methane, the Air District would rely upon other climate protection strategies, such as AB 32, to ultimately

address emissions of CO₂. To-date, Air District efforts to control organic compounds have excluded methane, because it does not lead to ozone formation. As a result, methane is under-controlled in many stationary sources. Under this option, the Air District's focus would be on identifying cost-effective and technically feasible regulations for methane and/or other non-CO₂ GHG compound reductions. By addressing emissions of methane, there will likely be a decrease in organic compounds – many of which may be toxic - that are stored or associated with methane.

While refineries are one of several significant sources of methane under Air District regulatory authority there are a number of similar sources in other industries. Historically, sources of methane emissions can be classified under three general categories: 1) fugitive; 2) vented; and 3) combusted. Some examples of methane control rules that might impact these sources are discussed below.

Fugitive emissions sources of methane include various components, such as valves, flanges, pump or compressors seals. Regulation 11, Rule 10: Cooling Towers was recently amended to address the potential of hydrocarbons, including methane, leaking into the cooling water system and then released to the atmosphere from leaks in heat exchangers. Particular to refineries, fuel gas system generally contains significant concentrations of methane; certain process units may either generate methane or use methane and other light ends as part of the process operations (e.g., steam methane reforming [SMR] hydrogen production). Regulation 8, Rule 18: Equipment Leaks currently addresses fugitive emissions from these sources and could be tailored to include a greater focus on the equipment more likely to emit methane.

Vented emissions are releases by design or operational practice. These include emissions from continuous process vents, such as dehydrator reboiler vents; maintenance practices, such as blowdowns; and small individual sources, such as gas-operated pneumatic device vents and pressure release devices (PRD), and waste water treatment operations.^{iv} Under Regulation 8, Rule 2: Miscellaneous Operations, the definition of "Total Carbon" could be amended in to include methane. This would result in methane being included in the 15-pound limit for total carbon. Further, Regulation 8, Rule 28: Episodic Releases from Pressure Relief Devices at Petroleum Refineries and Chemical Plants, which currently addresses non-methane emissions of organic compounds, could be amended to account for methane under the definition of a "Release Event."

Combustion emissions are exhaust emissions of unburned methane fuel from combustion sources such as compressor engines, burners, and flares. Incomplete combustion of methane fuel in compressor engine exhaust is the only significant source of methane in this category. Regulation 12, Rule 12: Flares at Petroleum Refineries could be amended to include a minimum combustion efficiency component or best practices to ensure maximum flare combustion efficiency. According to engineering estimates, combustion efficiency for flares typically can range between 70 and 99 percent, with some combustion efficiencies being as low as 20 percent, depending on various combustion conditions.^v

Given the historical focus on organic pollutants that lead to ozone formation, it is possible that methane emissions from stationary sources may be underestimated. A systematic effort to update methane emissions estimates could be helpful in identifying cost-effective opportunities for methane control. This effort could include additional aerial surveillance, onsite optical imaging for fugitive and vented organic emissions and more refined analyses of process and refinery fuel gas streams to better understand their methane content.

CRITERIA FOR COMPARING OPTIONS

The criteria for comparing the various options are presented below. It is important to recognize that since the options have not been fully developed, the criteria are based on some assumptions and a limited level of specific detail. As a result, there are not yet specific emission reduction numbers associated with any given option.

Leveraging GHG Reduction Goals

AB 32 / Cap-and-Trade

AB 32 requires the ARB to develop regulations and market mechanisms to reduce California's GHG emissions to 1990 levels by the year of 2020. This is the equivalent of approximately a 30 percent reduction in GHGs from 2006 levels. This criterion evaluates whether a given approach would likely provide additional GHG emissions reductions to Cap-and-Trade.

Air District GHG Reduction Goal

The upcoming draft of the 2016 Clean Air Plan/Regional Climate Protection Strategy will include GHG reduction goals of 20% of 1990 levels by 2020, 40% of 1990 levels by 2030 and 80% of 1990 levels by 2050. This criterion evaluates how effective an approach is likely to be toward helping to reach these goals.

Net Reduction of GHGs

This criterion compares the relative ability of each approach to likely reduce GHGs. It also considers whether an approach is likely to result in a net overall reduction of GHG emissions in excess of all of the systems in place to address GHGs in California, including the statewide Cap-and-Trade program and other climate protection regulations adopted by the ARB.

Simultaneous Reduction of Other Pollutants

Reduction of Criteria Pollutants Emissions

“Criteria pollutants” are pollutants for which either California or federal air quality standards have been established. These also include precursors for criteria pollutants. Since the Bay Area does not meet current standards for ozone or PM_{2.5}, this criterion focuses particularly on how well a given approach will also likely reduce emissions of the following pollutants: particulate matter (PM) including PM_{2.5}, oxides of nitrogen (NO_x), reactive organic gases (ROG), and oxides of sulfur (SO_x).

Reduction of Toxic Pollutants Emissions

Toxic air contaminants can impact health for people exposed to them. For this criterion, staff will consider how likely the given approach would reduce the total health risk from emissions of toxic air contaminants from the refineries.

Reduction of Health Impacts on Neighboring Communities (Including PM_{2.5})

Certain air pollutants can have disproportionate impacts to the health of communities near the source of where they are emitted. This includes toxic air contaminants, but also PM emissions, which cause both acute and chronic health affects including mortality and respiratory illnesses, like asthma. This criterion will be used to evaluate each approach for its potential to reduce both toxic and criteria pollutants that may impact neighboring communities.

Within Air District Authority

Air District Authority to Control Climate Pollutants

The California Health and Safety Code (H&SC) provides air districts authority to regulate GHGs as air pollutants. H&SC Section 40000 states that air districts “have the primary responsibility for control air pollution from all sources, other than emissions from motor vehicles.” H&SC §39013 defines “air pollutants” to include, among other things, “carbon” and “gases”; thereby including greenhouse gases. H&SC §39002 expressly allows air districts to adopt measures more stringent than the State. AB 32 specifically included a provision preserving the Air Districts’ preexisting authority over GHGs; H&SC §38594 which states “Nothing in [The California Global Warming Solutions Act of 2006] shall limit or expand the existing authority of any [air] district...” This criterion will be used to evaluate each approach to determine how well it likely aligns with Air District authority to regulate climate pollutants.

Health and Safety Code Compliance

The H&SC requires the Air District to make “...findings of necessity, authority, clarity, consistency, non-duplication and reference” before adopting, amending, or repealing a rule (H&SC §40727). “Consistency” is defined to mean:

“The regulation is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations.”

Consistency, as defined, is particularly important in light of AB 32 and the Cap-and-Trade Program. The stated goal of the Cap-and-Trade program is the reduce economy-wide GHGs emissions by explicit amounts by 2020. This does not necessarily equate to GHG emissions reductions from individual facilities underneath the cap. In fact, individual facilities could potentially increase GHG emissions and meet their Cap-and-Trade targets through offsets or credits. However, an Air District rule that caps or reduces GHG emissions from a specific facility or sector has the potential to be considered in conflict with the existing Cap-and-Trade program.

Emissions Reductions and Economic Considerations

The H&SC Section 40728.5 requires the Board of Directors to consider socioeconomic impacts of a proposed regulatory action (adoption, amendment, or repeal of a rule or regulation). The socioeconomic impacts that must be considered include:

1. The type of industries or business, including small business, affected by the rule or regulation.
2. The impact of the rule or regulation on employment and the economy of the region affected by the adoption of the rule or regulation.
3. The range of probable costs, including costs to industry or business, including small business, of the rule or regulation.
4. The availability and cost-effectiveness of alternatives to the rule or regulation being proposed or amended.
5. The emission reduction potential of the rule or regulation.

The Board of Directors must weigh each of the listed items against the environmental benefits of adoption of any proposed regulatory action.

CEQA Implications / Impacts

All regulatory actions by the Air District must comply with the California Environmental Quality Act (CEQA). It is possible that requiring reductions of combustion emissions, including GHGs, would lead to some undesirable environmental impacts. Some control options are easier to assess because the environmental impacts are easier to predict. These options are less likely to be successfully challenged.

This criterion will be used to evaluate the potential CEQA implications and impacts of each options and rank those results with the other options being considered.

Approaches that have lower environmental impacts or have impacts that are easier to predict would be ranked higher under this criterion.

Process Transparency

Transparent regulatory development and rules ensure all stakeholders, including the affected industry and the impacted community, are aware of what to expect during the rule development process and the implementation of the final rule. Transparency means rules are written in a manner that is easily understood, especially by the affected industry and by those impacted by its implementation and their advocates. It also means that when the rules are implemented, stakeholders can determine if they are working as expected. A transparent process provides regulatory certainty for industry and ensures emission reductions for the impacted communities. This criterion will be used to assess how transparent a given option is likely to be.

Implementation Speed/Complexity

It is important that rules are implemented in an expeditious manner such that the benefits can be achieved sooner, rather than later. This criterion considers how quickly an option can likely be implemented. Additionally, approaches that would require many more Air District staff to implement will not score as well as those that do not require additional staff.

Technology Benefits / Innovation

Although this is not required under the H&SC, this criterion will evaluate the potential approaches for their likely ability to encourage innovation in reducing both emissions and the cost associated with the emission reductions. For example, by promoting research into new emission control technologies the rules may not only benefit the Bay Area, but also create new technologies or approaches that could be replicated elsewhere and hasten the reduction of GHG emissions globally.

EVALUATION OF OPTIONS

This evaluation of options is based on the likelihood that a given approach will result in a specific outcome. Since these options are at the beginning of the rule development process, staff has estimated how a given approach might be rated using the above metrics.

Criteria	Refinery-Wide Combustion Emissions Reductions	BARCT Approach	Emissions Cap	Focus on Methane
Leveraging GHG reduction goals	High	High	Low	Low
Simultaneous reduction of other pollutants	High	Medium	Low	Medium
Within Air District authority	Medium	High	Medium	High
CEQA Implications / Impacts	Medium	Medium	Medium	Medium
Process Transparency	Low	High	High	High
Implementation Speed / Complexity	Medium	Low	High	Medium
Technology Benefits / Innovation	Medium	High	Low	Medium

Refinery-wide Combustion Emission Reductions

Criteria	Rating	Discussion
Leveraging GHG reduction goals	High	As discussed previously, the Air District has adopted near-term, mid-term, and long-term GHG performance objectives. Since this approach has the flexibility to set specific combustion emission reduction targets, a target could be set to reach a particular goal. For this reason, this approach has been rated as high.
Simultaneous reduction of other pollutants	High	The methods that would be used to meet the requirements of this option would most-likely reduce fuel consumption through reducing energy demand in refinery processes. Reducing fuel consumption reduces combustion exhaust products, such as NOx and PM. While there is the potential for refiners to implement other measures that have not been identified by this initial assessment, staff believes that any additional efficiency improvement would not likely result in adverse impacts.
Within Air District authority	Medium	In the State of Washington, the rule fit clearly into the GHG strategy set by the legislature of that state. In California, AB 32, provided the ARB direct authority to regulate GHGs, through an economy-wide Cap-and-Trade program. An Air District program that sets targets for efficiency or emissions for a particular sector or facility could be more stringent than the statewide program. Determining the cost-effectiveness of this option may prove difficult because the Air District would not know which measures refiners would choose to improve efficiency or reduce combustion emissions. Since requiring a reduction in fuel usage is likely to result in an overall cost reduction over time, it is assumed that this option would result in cost effective measures being taken. Since there are positive air quality benefits to this option that would result in attaining and/or maintaining compliance with applicable standards, this option is likely to fit within the Air District authority.
CEQA Implications / Impacts	Medium	This proposal contains a list of efficiency measures that could potentially be implemented to improve the energy intensity at refineries. The potential adverse environmental impacts associated with these measure are believed to be both low and easily determined. The majority of the measures would likely reduce fuel consumption, the need for combustion, and reduce the emissions of other pollutants, such as NOx and PM.
Process Transparency	Low	Staff expects that most of the refineries would opt for an efficiency-based standard to ensure production flexibility. This efficiency-based standard would almost certainly require submission of confidential business information in order for the Air District to confirm compliance.
Implementation Speed / Complexity	Medium	Since significant changes to the refineries may be needed to meet efficiency targets, those changes would likely be made as part of planned turn-arounds, to minimize the need for process shut-downs. Otherwise, significant emissions could result from forcing system shut-downs in order to install new equipment. As a result, it is likely that this option would take 5-10 years to meet target efficiency levels.

Criteria	Rating	Discussion
Technology Benefits / Innovation	Medium	Depending on how aggressive the efficiency goals are, there may not be much need to develop new technologies that could be used elsewhere. The technologies necessary to achieve the goals of the Washington State Rule or the Air District's potential near-term goals are currently available and could readily be implemented at Bay Area refineries. However, this regulatory approach could be a model for other jurisdictions.

BARCT Approach

Criteria	Rating	Discussion
Leveraging GHG reduction goals	High	Development of a suite of BARCT rules that would reduce combustion emissions of CO ₂ and associated criteria and toxic pollutants aligns very well with the Air Districts goals. The Air District would first leverage the most cost-effective and technologically feasible retrofit control technologies. Each BARCT measure would be analyzed for expected emissions reductions and those reductions summed against the needed emissions reductions that would be necessary to meet the overall emissions reduction goals.
Simultaneous reduction of other pollutants	Medium	BARCT rules historically target specific pollutants. This approach would focus on reducing all emissions associated with combustion, resulting in a much more holistic approach to emissions reduction. Approaches like improved efficiency would also likely result in reductions in combustion pollutants like NO _x and therefore ozone and PM.
Within Air District authority	High	This approach is the most consistent with the traditional Air District approach to regulation, which has been upheld as a legitimate exercise of legislative authority. The BARCT approach is readily evaluated within the traditional H&SC requirements of necessity, non-duplication, and cost-effectiveness. Since this approach focuses on pieces of individual equipment, cost-effectiveness varies with BARCT measures for the various pieces of equipment. Near-term and mid-term BARCT measures would most likely rely on readily available efficiency measures, which likely be cost effective. Since this approach will require continued improvement of combustion efficiency over time, long-term BARCT measure would likely rely upon emergent technologies that may require large capital expenditures and operating cost, resulting in large cost-effectiveness values. However, the cost of reducing GHG emissions, in particular, is anticipated to increase in general as the "low-hanging fruit" of current technology is exhausted and more innovative and potentially expensive means of reduction become a necessity to achieve adopted goals. The cost-effectiveness of these emerging technologies would be determined as rule development relying upon their utilization moves forward.

Criteria	Rating	Discussion
CEQA Implications / Impacts	Medium	Each BARCT approach would require a CEQA analysis. The environmental impacts of each approach would vary; some may have the potential for adverse environmental impacts. This determination cannot be made until the potential control approaches are determined and analyzed for their impacts. However, because the BARCT approach relies on the evaluation of specific reductions technologies and measures, the ability to determine the environmental impacts of the candidate measures would be highly likely.
Process Transparency	High	The BARCT approach is the Air District's traditional approach to regulating criteria pollutants. This relies on a transparent process, in which emissions and compliance would be a matter of public record and interested stakeholders made aware of emission limits. Interested parties could easily determine where the refineries are in terms of those limits.
Implementation Speed / Complexity	Low	This approach would follow the Air District normal process of rulemaking of individual sources of pollutants. This would entail analyses of emissions, control technologies and opportunities, and economic and environmental impacts for each rule development effort. Further, each rule would have its own unique implementation schedule and compliance program likely resulting in emissions reductions over a longer period.
Technology Benefits / Innovation	High	This approach will require continued improvement of combustion emissions over time. As the Air District investigates how to meet mid-term and long-term combustion emissions reduction goals, the BARCT approach would likely need to begin relying on nascent technology and set limits that would force the development of, and rely on, emerging technology to meet those limits. Currently, there are no technologies that are demonstrated to allow refineries to reduce emissions to levels consistent with mid-term and long-term GHG goals of 40 and 80 percent reduction over 1990 without reductions in productions. Hence, to maintain current production levels, technologies would need to be developed to accomplish these emissions reduction goals.

Enforceable Numeric Caps

Criteria	Rating	Discussion
Leveraging GHG reduction goals	Low	A GHG emissions cap would not provide any means of actually reducing GHG and associated emissions from Bay Area refineries. The cap would merely set a maximum on the amount of GHG emissions a refinery would be allowed, but not achieve any emission reductions.
Simultaneous reduction of other pollutants	Low	Because a cap would not result in emissions reduction, there is likely no opportunity for the approach to reduce the emissions of other pollutants.

Criteria	Rating	Discussion
Within Air District authority	Medium	<p>The record supporting caps on GHG and other pollutants will need to demonstrate quantitatively why the level at which the caps are set is rationally related to alleviating a problem. The support record will also have to demonstrate how setting GHG caps is consistent with, and not contradictory to, the State Cap-and-Trade system.</p> <p>Looking only at cost-effectiveness as a criterion, if a refinery were to increase production while complying with the emissions cap, additional controls would likely be required. Any evaluation of these potential controls would need to include emission reductions and associated economic impacts, including cost effectiveness, although this option does not mandate any specific emissions reductions.</p>
CEQA Implications / Impacts	Medium	<p>An emissions cap does not necessarily require the installation of any specific control technology. However, a cap could impact a refinery's ability to meet market demands which could result in that demand being met elsewhere in the state, resulting in the emissions of pollutants or other environmental impacts occurring in other locations. This is also known as "leakage". The impacts of this potential leakage would be difficult to assess because it would be virtually impossible to determine which refineries would meet this shifted demand and how that may impact emissions elsewhere.</p>
Process Transparency	High	<p>This approach is highly transparent. Emissions inventories, which are readily available to the public, are published by the Air District annually. As a result, anyone would easily be able to determine if a refinery was in compliance with the cap.</p>
Implementation Speed / Complexity	High	<p>This option could be easily implemented and could become effective upon adoption or initiated with the next calendar year inventory – as a result, implementation would likely take up to two years. Because the option relies upon a simple comparison of a refinery's GHG emissions inventory against the cap value, it is very straight forward.</p>
Technology Benefits / Innovation	Low	<p>The opportunity for this option to promote technological benefits and foster innovation is likely to be extremely low. Refiners attempts to increase production without exceeding their cap may result in the implementation of efficiency measures; however, it is unlikely new technology would develop as a result.</p>

Focus on Methane

Criteria	Rating	Discussion
Leveraging GHG reduction goals	Low	The opportunity for this measure [alone] to contribute significantly to the Air District goals for climate protection is likely relatively low. This is largely because the methane component is a small portion of the overall GHG inventory – about 3 percent. ¹ The refinery-specific sources are primarily waste water treatment and fugitive emissions from refinery fuel gas and possibly coking operations.
Simultaneous reduction of other pollutants	Medium	In the case of refineries, reducing methane from waste water treatment, fugitive leaks, and coking operations, etc. would have the added benefit of reducing the emission of other pollutants such as VOCs, toxic pollutants, and odorous compounds. There are similar examples for other industries. However, because these pollutants are already being addressed, typically, by the very means that could be used to reduce methane, the opportunity for this option to deliver substantial emission reductions is likely to be less than some of the other options presented.
Within Air District authority	High	This option is in line with the Air District authority. Any measure developed to address methane emissions would utilize a regulatory framework and technologies already employed for the control of the emissions of other pollutants, such as criteria and toxic emissions. This regulatory framework includes the traditional H&SC requirements of necessity, non-duplication, and cost effectiveness. Since this approach focuses on pieces of individual equipment, cost-effectiveness varies with BARCT measures for the various pieces of equipment. Near-term and mid-term BARCT measures would most likely rely on readily available efficiency measures, which would provide a basis for evaluating cost-effectiveness.
CEQA Implications / Impacts	Medium	As mentioned above, the measures that would be employed to reduce methane emissions are the ones that are currently employed to reduce emissions of other related pollutants. Because these measure have been vetted in a regulatory development process, their environmental impacts are understood and, if adverse, easily addressed.
Process Transparency	High	This option would likely rely on the Air District's traditional approach to regulating criteria pollutants. This relies on a transparent process, in which emissions and compliance would be a matter of public record and all interested stakeholders made aware of emission limits. Interested parties could easily determine where industries are in terms of those limits.
Implementation Speed / Complexity	Medium	Methane emissions are not typically reported separately from VOCs and estimation methods will likely need to be refined to better quantify these emissions. Further, many of the measures that could be used to reduce methane emission may already be employed. This could lead to large incremental costs to control methane over the methane emissions that are mitigated as a result of other regulatory measures such as VOC control. In addition, there are other regulatory agencies involved in regulation of methane sources (e.g. the California Public Utilities Commission and the natural gas distribution network) that would likely increase complexity and timelines as agencies determine regulatory responsibilities.

Criteria	Rating	Discussion
Technology Benefits / Innovation	Medium	The means for reducing methane leaks are well understood and have been used to reduce other organic pollutants for many years. It is unlikely that an innovative technology for methane control would be developed. However, there is much to be learned in improving the methane inventory. That knowledge would likely be easily reused in other jurisdictions.

REFERENCES

- ⁱ “Bay Area Emissions Inventory Summary Report: Greenhouse Gases Base Year 2011,” Updated 2015, Bay Area Air Quality Management District, 2015.
- ⁱⁱ “Available and Emerging Technologies for Reducing Greenhouse Gas Emissions from the Petroleum Refining Industry,” US EPA, October 2010.
- ⁱⁱⁱ “CO₂ Capture Technologies Oxy Combustion with CO₂ Capture,” Global CCS Institute, January 2012.
- ^{iv} “Methane Emissions from the U.S. Petroleum Industry, Final Report” Radian International LLC, February 1999, EPA-600 / R-99-010. <https://www3.epa.gov/climatechange/pdfs/radian-petroleum-1999.pdf>
- ^v TCEQ 2010 Flare Study Final Report, Texas Commission on Environmental Quality, PGA No. 582-8-862-45-FY09-04, August 1, 2011.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Eric Mar and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: June 1, 2016

Re: Public Hearing to Consider Adoption of Proposed Amendments to Air District
Regulation 3: Fees and Approval of the Filing of a Notice of Exemption from the
California Environmental Quality Act

RECOMMENDED ACTION

The Board of Directors will consider adoption of proposed amendments to Air District Regulation 3: Fees that would become effective on July 1, 2016 and approval of a Notice of Exemption from the California Environmental Quality Act.

BACKGROUND

Staff develops amendments to the Air District's fee regulation as a part of the annual budget preparation process. On March 7, 2012, the Board of Directors adopted a Cost Recovery Policy that established a goal of increasing fee revenue sufficient to achieve 85 percent recovery of regulatory program costs by FYE 2016. The first of two public hearings necessary to adopt amendments to Regulation 3: Fees was conducted on April 20, 2016.

DISCUSSION

Consistent with the Cost Recovery Policy, draft amendments to specific fee schedules were made in consideration of cost recovery analyses conducted at the fee schedule-level, with larger increases being proposed for the schedules that have larger cost recovery gaps. Existing fee rates would be increased by 2.2, 7, 8, or 9 percent. Several fees that are administrative in nature, such as permit application filing fees and permit renewal processing fees would be increased by 2.2 percent, which is the annual increase in the Bay Area Consumer Price Index.

In addition, the following additional amendments are proposed: (1) Create a new Schedule W: Petroleum Refining Emissions Tracking Fees that would apply to the five Bay Area petroleum refineries and to five petroleum refinery support facilities. The proposed refinery Annual Emissions Inventory Report submittal fees are \$54,000 initially and \$27,000 for subsequent annual submittals. The proposed refinery support facility Annual Emissions Inventory Report submittal fees are \$3,300 initially and \$1,650 for subsequent annual submittals. Also, a one-time fee of \$7,500 is proposed for each Air Monitoring Plan submitted; (2) Create a new Schedule X: Major Stationary Source Community Air Monitoring Fees that would apply to Major Stationary

Sources with emissions above 35 tons per year within the vicinity of the community air monitors. The proposed fees are: \$60.61 per ton of organic compounds, sulfur oxides, nitrogen oxides, PM10 and/or carbon monoxide emissions; (3) Update the Global Warming Potential Values in Schedule T (Greenhouse Gas Fees) and references; (4) Set the maximum fee for abatement device only permit applications at \$10,000; and (5) Set the alteration fee for gasoline dispensing facilities at 1.75 times the filing fee.

A final Staff Report that is enclosed with this memorandum provides additional details regarding the proposed fee amendments.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The proposed fee amendments are expected to increase fee revenue in FYE 2017 by approximately \$3.6 million relative to fee revenue that would be expected without the amendments.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Barry Young
Reviewed by: Jaime Williams

Attachment A: Staff Report Proposed Amendments to BAAQMD Regulation 3: Fees –
May 31, 2016
Attachment B: Draft Regulation 3: Fees with Amendments
Attachment C: California Environmental Quality Act - Notice of Exemption



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

STAFF REPORT

PROPOSED AMENDMENTS TO BAAQMD REGULATION 3: FEES

May 31, 2016

TABLE OF CONTENTS

1.	EXECUTIVE SUMMARY.....	1
2.	BACKGROUND.....	2
3.	PROPOSED FEE AMENDMENTS FOR FYE 2017	
	3.1 OVERVIEW OF PROPOSED AMENDMENTS.....	4
	3.2 PROPOSED RULE AMENDMENTS.....	9
4.	FEE REVENUE AND COSTS OF PROGRAM ACTIVITIES	14
5.	STATUTORY AUTHORITY FOR PROPOSED FEE INCREASES.....	15
6.	ASSOCIATED IMPACTS/RULE DEVELOPMENT REQUIREMENTS	
	6.1 EMISSIONS IMPACTS.....	17
	6.2 ECONOMIC IMPACTS.....	17
	6.3 ENVIRONMENTAL IMPACTS.....	21
	6.4 STATUTORY FINDINGS.....	22
7.	RULE DEVELOPMENT PROCESS.....	22
8.	PUBLIC COMMENTS.....	23
9.	CONCLUSIONS.....	31
	Appendix A – Cost Recovery Policy.....	A-1
	Appendix B – Proposed Regulatory Language - Regulation 3: Fees.....	B-1

1. EXECUTIVE SUMMARY

Air District staff has prepared proposed amendments to Air District Regulation 3: Fees for Fiscal Year Ending (FYE) 2017 (i.e., July 1, 2016 to June 30, 2017) that would increase revenue to enable the Bay Area Air Quality Management District (Air District) to continue to effectively implement and enforce regulatory programs for stationary sources of air pollution. The proposed fee amendments for FYE 2017 are consistent with the Air District's Cost Recovery Policy, which was adopted on March 7, 2012 by the Air District's Board of Directors (see Appendix A). This policy states that the Air District should amend its fee regulation, in conjunction with the adoption of budgets for FYE 2013 through FYE 2016, in a manner sufficient to increase overall recovery of regulatory program activity costs to 85 percent. The policy also indicates that amendments to specific fee schedules should continue to be made in consideration of cost recovery analyses conducted at the fee schedule level, with larger increases being adopted for the schedules that have the larger cost recovery gaps.

A recently completed 2016 Cost Recovery Study (a copy of which is available on request) shows that for the most recently completed fiscal year (FYE 2015), fee revenue recovered 83 percent of program activity costs.

Over the past several years, the Air District has implemented aggressive cost containment measures including maintaining historically high staff vacancy rates and reducing capital expenditures.

The projected cost recovery percentage for FYE 2016 is expected to be approximately 80%. This is based on the FYE 2016 permit fees expected to be collected compared to the salary and other expenditures budgeted (plus 11 new positions). This projected drop of cost recovery 83% to 80% between FYE 2015 and FYE 2016 is primarily due to filling vacancies and adding new positions in order to support mandated stationary source programs, ensure that core functions will be maintained at levels necessary to adequately service the regulated community, and address key policy initiatives such as the Refinery Emissions Reduction Strategy and the Climate Action Work Program.

The drop in cost recovery percentage for FYE 2016 is less than originally projected (approximately 76%), as the Air District planned to fill 19 additional positions to support air quality permitting and compliance programs in FYE 2016. However, the Air District has only ended up filling 11 of these positions to date.

The results of the 2016 Cost Recovery Study were used to establish proposed fee amendments for each existing fee schedule based on the degree to which existing fee revenue recovers the regulatory program activity costs associated with the schedule. Based on this approach, the fee rates in certain fee schedules would be raised by the annual increase in the Bay Area Consumer Price Index (2.2%), while other fee schedules would be increased by 7, 8, or 9 percent. Several fees that are administrative in nature (e.g. permit application filing fees and permit renewal processing fees) would be increased by 2.2 percent.

The proposed fee amendments would increase annual permit renewal fees for most small businesses that require Air District permits by less than \$100, with the exception of gas stations with more than four, three-product gasoline dispensing nozzles, which would have larger fee increases (e.g., a typical gas station with 10, three-product gasoline dispensing nozzles would have an increase of \$272 in annual permit renewal fees). For larger facilities, increases in annual permit renewal fees would range between 7 and 15 percent due to differences in the facility's size, type of emission sources, pollutant emission rates and applicable fee schedules. In accordance with State law, the Air District's amendments to Regulation 3 cannot cause an increase in overall permit fees by more than 15 percent in any calendar year. The proposed fee amendments would increase overall Air District fee revenue in FYE 2017 by approximately \$3.6 million relative to fee revenue that would be expected without the amendments.

Air District staff recommends that the Board of Directors adopt the proposed amendments to Regulation 3: Fees with an effective date of July 1, 2016, and approve the filing of a CEQA Notice of Exemption following the 2nd public hearing scheduled to consider this matter on June 15, 2016.

2. BACKGROUND

State law authorizes the Air District to assess fees to generate revenue to recover the reasonable costs of regulatory program activities for stationary sources of air pollution. The largest portion of Air District fees is collected under provisions that allow the Air District to impose permit fees sufficient to recover the costs of program activities related to permitted sources. The Air District is also authorized to assess fees for: (1) area-wide or indirect sources of emissions which are regulated, but for which permits are not issued by the Air District, (2) sources subject to the requirements of the State Air Toxics Hot Spots Program (Assembly Bill 2588), and (3) activities related to the Air District's Hearing Board involving variances or appeals from Air District decisions on the issuance of permits. The Air District has established, and regularly updates, a fee regulation (Air District Regulation 3: Fees) under these authorities.

The Air District has analyzed whether fees result in the collection of a sufficient and appropriate amount of revenue in comparison to the costs of related program activities. In 1999, a comprehensive review of the Air District's fee structure and revenue was completed by the firm KPMG Peat Marwick LLP (*Bay Area Air Quality Management District Cost Recovery Study, Final Report: Phase One – Evaluation of Fee Revenues and Activity Costs*, KPMG Peat Marwick LLP, February 16, 1999). This 1999 Cost Recovery Study indicated that fee revenue did not nearly offset the full costs of program activities associated with sources subject to fees as authorized by State law. Property tax revenue (and in some years, reserve funds) had been used to close this cost recovery gap.

The Air District Board of Directors adopted an across-the-board fee increase of 15

percent, the maximum allowed by State law for permit fees, for FYE 2000 as a step toward more complete cost recovery. The Air District also implemented a detailed employee time accounting system to improve the ability to track costs by program activities moving forward. In each of the next five years, the Air District adjusted fees only to account for inflation (with the exception of FYE 2005, in which the Air District also approved further increases in Title V permit fees and a new permit renewal processing fee).

In 2004, the Air District funded an updated Cost Recovery Study. The accounting firm Stonefield Josephson, Inc. completed this study in March 2005 (*Bay Area Air Quality Management District Cost Recovery Study, Final Report*, Stonefield Josephson, Inc., March 30, 2005). This 2005 Cost Recovery Study indicated that a significant cost recovery gap continued to exist. The study also provided cost recovery results at the level of each individual fee schedule based on detailed time accounting data. Finally, the contractor provided a model that could be used by Air District staff to update the analysis of cost recovery on an annual basis using a consistent methodology.

For the five years following the completion of the 2005 Cost Recovery Study (i.e., FYE 2006 through 2010), the Air District adopted fee amendments that increased overall projected fee revenue by an average of 8.9 percent per year. In order to address fee equity issues, the various fees were not all increased in a uniform manner. Rather, individual fee schedules were amended based on the magnitude of the cost recovery gap for that schedule, with the schedules with the more significant cost recovery gaps receiving more significant fee increases. In FYE 2009, the Air District's fee amendments also included a new greenhouse gas (GHG) fee schedule. The GHG fee schedule recovers costs from stationary source activities related to the Air District's Climate Protection Program. In FYE 2011, the Air District adopted an across-the-board 5 percent fee increase, except for the Title V fee schedule (Schedule P) which was increased by 10 percent (the Air District's 2010 Cost Recovery Study indicated that Fee Schedule P recovered only 46 percent of program activity costs).

In September 2010, the Air District contracted with the firm Matrix Consulting Group to complete an updated analysis of cost recovery that could be used in developing fee amendments for FYE 2012 and beyond. This study also included a review of the Air District's current cost containment strategies, and provided recommendations to improve the management of the Air District's costs and the quality of services provided to stakeholders. The study was completed in March 2011 (*Cost Recovery and Containment Study, Bay Area Air Quality Management District, Final Report*, Matrix Consulting Group, March 9, 2011). The 2011 Cost Recovery and Containment Study concluded that, for FYE 2010, overall fee revenue recovered 64 percent of related program activity costs. The study also provided cost recovery results at the level of each individual fee schedule based on detailed time accounting data, and provided a methodology for Air District staff to update the analysis of cost recovery on an annual basis using a consistent methodology.

The results of the 2011 Cost Recovery and Containment Study were used to establish fee amendments for FYE 2012 that were designed to increase overall fee revenue by 10

percent (relative to fee revenue that would result without the fee amendments). In order to address fee equity issues, the various fees were not all increased in a uniform manner. Rather, existing fee schedules were amended based on the magnitude of the cost recovery gap for that schedule, with the schedules with the more significant cost recovery gaps receiving more significant fee increases. Based on this approach, the fee rates in several fee schedules were not increased, while the fee rates in other fee schedules were increased by 10, 12, or 14 percent.

One of the recommendations made by Matrix Consulting Group in their 2011 Cost Recovery and Containment Study indicated that the Air District should consider the adoption of a Cost Recovery Policy to guide future fee amendments. Air District staff initiated a process to develop such a Policy in May 2011, and a Stakeholder Advisory Group was convened to provide input in this regard. A Cost Recovery Policy was adopted by the Air District's Board of Directors on March 7, 2012 (see Appendix A). This policy specifies that the Air District should amend its fee regulation, in conjunction with the adoption of budgets for FYE 2013 through FYE 2016, in a manner sufficient to increase overall recovery of regulatory program activity costs to 85 percent. The policy also indicates that amendments to specific fee schedules should continue to be made in consideration of cost recovery analyses conducted at the fee schedule-level, with larger increases being adopted for the schedules that have the larger cost recovery gaps.

Staff has updated the cost recovery analysis for the most recently completed fiscal year (FYE 2015) using the methodology established by Matrix Consulting Group. The 2016 Cost Recovery Study indicates that overall cost recovery rate in FYE 2015 was 83 percent.

3. PROPOSED FEE AMENDMENTS FOR FYE 2016

3.1 OVERVIEW OF PROPOSED AMENDMENTS

The results of the 2016 Cost Recovery Study (a copy of which is available on request) were used to establish proposed fee amendments for existing fee schedules based on the degree to which existing fee revenue recovers the activity costs associated with the schedule. Based on this approach, the fee rates in certain fee schedules would be increased by 7, 8, or 9 percent. Other fee schedules would be raised by 2.2%, the annual increase from 2014 to 2015 in the Bay Area Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) as reported by the United States Bureau of Labor Statistics. The specific basis for these proposed fee amendments is summarized in Table 1 as follows:

Table 1. Proposed Fee Changes Based on Cost Recovery by Fee Schedule

Revenue from Fee Schedule as a Percentage of Program Activity Costs	Fee Increase	Affected Fee Schedules
Revenue exceeds 95% of costs	2.2%	B, C, G-5, L, M, N, Q, U
Revenue is 85 to 95% of costs	7%	T
Revenue is 75 to 84% of costs	8%	F, G-3, P
Revenue is less than 75% of costs	9%	A, D, E, G-1, G-2, G-4, H, I, K,R, S, V

In addition to the proposed amendments to fee schedules, Air District staff is proposing to increase several administrative fees that appear in the Standards section of Regulation 3 by 2.2 percent. This includes permit application filing fees and permit renewal processing fees. Existing permit fees are well below the point of full cost recovery, and these fee increases are proposed to help the Air District reduce its cost recovery gap.

Change to Schedule T: Greenhouse Gas Fees

The purpose of Schedule T: Greenhouse Gas Fees is to recover the Air District’s costs of its Climate Protection Program activities related to stationary sources. Schedule T fees are assessed to permitted facilities in proportion to the annual emissions of Greenhouse Gases (GHGs) expressed on a carbon dioxide equivalent (CDE) basis, excluding any emitted biogenic carbon dioxide. The GHG emissions are calculated based on data reported to the Air District for the most recent 12-month period prior to billing.

For the proposed amendments for FYE 2017, the Air District proposes to update the Global Warming Potentials for the GHGs listed in Schedule T to the most recent values reported in the Intergovernmental Panel on Climate Change (IPCC), 5th Assessment Report, 2014. This is expected to result in a negligible effect on the Schedule T fees charged.

Also, the Air District proposes to update the GHG compound list in Schedule T to be consistent with the GHGs for which California Air Resources Board (CARB) reporting is required. To do this, the Air District is adding HFC-245fa, HFC-365mfc, and nitrogen trifluoride. CARB does not require reporting for HCFCs, but HCFCs are not yet phased out and several of the HCFCs are in the Air District’s current fee schedule. The Air District currently inventories (HCFC-141b, HCFC-225ca, and HCFC-225cb), so these three GHGs will be added for cost recovery.

New Schedule W – Petroleum Refining Emissions Tracking Fees

This new fee schedule would apply to five Bay Area petroleum refineries that will be subject to the annual emissions inventory, crude slate reporting and air monitoring plan submittals of proposed Air District's Regulation 12, Rule 15 that is scheduled for adoption consideration on April 20, 2016. This new fee schedule would also apply to the following five Regulation 12, Rule 15 support facilities:

- Chemtrade West sulfuric acid plant (BAAQMD Plant No. 23)
- Eco Services sulfuric acid plant (BAAQMD Plant No. 22789)
- Air Products and Chemicals hydrogen plant (BAAQMD Plant No. 10295)
- Air Liquide hydrogen plant (BAAQMD Plant No. 17419)
- Phillips 66 coke calcining plant (BAAQMD Plant No. 21360)

These fees are intended to recover the Air District's costs associated with reviewing the required reports and plan submittals of proposed Regulation 12, Rule 15.

Engineering Division staff estimates for reviewing the initial emissions inventory and crude slate reports associated with Regulation 12, Rule 15 are shown below in Table 2. Costs include the detailed review by senior engineering and technical staff and approval by management of each refinery's: annual emissions inventory (criteria and toxic pollutants) and air monitoring plans. This work also involves getting the emissions inventory into the Air District database and reviewing crude slate reports upon request. Each year after the initial report submittals, it is assumed that about half of those engineering resources will be required to review each annual report submitted by each refinery.

The Meteorology, Measurement, and Rules Division estimates that the Air District's costs to review the Regulation 12, Rule 15 air monitoring plans would be \$7,500 each.

Table 2. Proposed Schedule W – Estimated Cost for Engineering Review

<i>Role</i>	<i>Hourly Rate</i>	<i>+80% Benefits, Leave, Indirect Costs</i>	<i>Hours</i>	<i>Estimated Cost</i>
<i>Senior Air Quality Engineer</i>	\$57.19	\$102.94	450	\$46,323.90
<i>Supervising Air Quality Engineer</i>	\$63.05	\$113.49	80	\$ 9,079.20
<i>Air Quality Engineering Manager</i>	\$71.60	\$128.88	20	\$ 2,577.60
<i>Air Quality Engineering Director</i>	\$86.45	\$155.61	10	\$ 1,556.10
<i>Totals</i>			560	\$59,536.80

Engineering staff estimates for review of the initial emissions inventory reports from Rule 12-15 support facilities are calculated below based on the Engineering Division cost estimate for reviewing Rule 12-15 annual emissions inventory reports and crude slate reports (\$60,000) and using a ratio of total sources at the support facilities divided by total sources subject to Rule 12-15.

- Number of sources at support facilities = 100
- Number of sources at refineries = 1711

Rule 12-15 Support Facility Fee: Initial emissions inventory report review:

- $\$60,000 \times (100/1811) = \$3,313$ (or about \$3,300)

Refinery Fee: Initial emissions inventory report review:

- $\$60,000 \times (1711/1811) = \$56,687$ (or about \$57,000)
- A recent revision to the Rule 12-15 that will no longer require crude slate report submittals will result in less reviews. Assuming crude slate report review would cost 5% less (equivalent to 28 hours less), the refinery fee is about \$54,000.

Each year after the initial report submittals, it is assumed that about half of those engineering resources will be required to review each annual report submitted by each support facility.

New Schedule X – Major Stationary Source Community Air Monitoring Fees

This new fee schedule would recover the costs associated with the proposed Air District Community Air Monitoring Program.

The goal of the Community Air Monitoring Program is to establish air monitoring stations in areas where major stationary sources may contribute to impacts in local communities not fully represented by the Air District's current air monitoring network. Data from these newly established monitoring locations would be used to compare air quality in potentially impacted communities with air quality measurements at other Air District sites.

Schedule X would apply to facilities that emit 35 tons per year or more of Organics, Sulfur Oxides, Nitrogen Oxides, Carbon Monoxide, and/or PM₁₀ within an area representative of air quality measured by a proposed Air District community air monitoring location. Proposed locations will utilize EPA protocols established in 40 Code of Federal Regulations part 58 to specify representativeness of air quality near stationary sources included in Schedule X. For the purposes of Schedule X, facilities within the scale of representativeness that represents air quality of communities impacted by nearby stationary sources are those facilities the Air District identifies as the largest stationary source contributors to potential impacts in the local communities to be monitored as defined by the above-referenced EPA monitoring

regulations.

The first communities to have air monitoring stations established will be those in the vicinity of the five petroleum refineries. At this time, the Air District identifies the following five primary potential stationary source contributors (shown in **bold** below) and the other significant facilities in the area, each of which would be subject to the proposed fee in Schedule X:

- **Chevron Richmond Refinery**, Levin Richmond, Chemtrade West US LLC, and West Contra Costa County Landfill
- **Phillips 66 Rodeo Refinery**, Phillips 66 Carbon Plant, Air Liquide, and Crockett Cogeneration
- **Shell Martinez Refinery** and Eco Services
- **Tesoro Avon Refinery**, Martinez Cogen, Plains Products Terminals LLC, Air Products and Chemical, and Central Contra Costa County Sanitary
- **Valero Benicia Refinery**

Later, other communities with major stationary sources will have monitoring stations installed in their communities. The Air District will continue operation of these stations for a minimum of three years in order to ensure representative data is collected, but may determine that monitoring resources are better utilized in other applications.

The January 2016 report titled “Socio-Economic Analysis of Proposed Regulation 12, Rule 15: Petroleum Refining Emissions Tracking” provides an installed cost estimate of \$1,450,000 for a community air monitoring station.

Table 3. Proposed Schedule X – Community Air Monitoring Cost Model

Proposed Schedule X - Community Air Monitoring Cost Model				
Installed Cost Per Monitor	\$1,450,000			
Number of Monitors	5			
Following the methodology of the District's BACT/TBACT Workbook to annualize the total installed capital costs,				
Interest Rate	4%			
Years (n)	10			
		Per Monitor	Total	
Capital Recovery Factor	0.123	\$178,350	\$891,750	
Tax	0.01	\$14,500	\$72,500	
Insurance	0.01	\$14,500	\$72,500	
General & Administrative	0.02	\$29,000	\$145,000	
Operations & Maintenance	0.05	\$72,500	\$362,500	
Annualized Cost	\$1,544,250			

As shown in the above table, the total annualized cost is about \$1.5 million for five monitors over 10 years.

The Schedule X fee rate of \$60.61/ton was calculated by weighting the criteria pollutant emissions of all 62 Bay Area facilities that emit 35 tons per year or more to recover the total annualized cost for the proposed community air monitoring stations.

Only major facilities located within the vicinity, meaning within an area intended to be representative, as defined by EPA monitoring regulations, of air quality measured by a proposed community air monitor location, would be subject to the Schedule X fees. The fees charged under Schedule X to the five refineries and the other major facilities identified above will recover only about \$1 million of the \$1.5 million of the annual costs for the proposed community air monitoring stations.

3.2 PROPOSED RULE AMENDMENTS

The complete text of the proposed changes to Air District Regulation 3: Fees, has been prepared in strikethrough (deletion of existing text) and underline (new text) format, and is included in Appendix B. Proposed fee increases have been rounded to the nearest whole dollar. Additional details on the proposed fee amendments follow.

- Section 3-302: Fees for New and Modified Sources

The proposed amendment to Section 3-302 is a 2.2 percent increase in the filing fee for permit applications for new/modified sources and abatement devices, from \$452 to \$462.

- Section 3-302.3: Fees for Abatement Devices

The proposed amendment to Section 3-302.3 is a 2.2 percent increase in the filing fee, from \$452 to \$462. Also, a maximum cap of \$10,000 is proposed, since this is sufficient to recover costs for these applications.

- Section 3-304: Alteration

The proposed amendment to Section 3-304 would require that an existing gasoline dispensing facility would pay a fee of 1.75 times the filing fee; from \$452 to \$800. A considerable level of effort is required by Air District staff to review these alteration applications. The proposed fee would help recover the costs of permit activity, source test verification, and compliance/enforcement activities related to gasoline dispensing facility alterations.

- Section 3-309: Duplicate Permit or Registration

The proposed amendment to Section 3-309 is a 2.2 percent increase in the duplicate permit or registration fee, from \$76 to \$78.

- Section 3-311: Banking

The proposed amendment to Section 3-311 is a 2.2 percent increase in the filing fee for banking applications, from \$452 to \$462.

- Section 3-312: Emission Caps and Alternative Compliance Plans

No change in regulatory language is proposed for subsection 3-312.1, which requires an additional annual fee equal to fifteen percent of the facility's Permit to Operate fee for facilities that elect to use an Alternative Compliance Plan (ACP) for compliance with Regulation 8, or Regulation 2, Rule 2. These ACP fees would change along with the proposed changes in Permit to Operate renewal fees listed in Table 1 for sources in Schedules B, C, D, E, F, G-1, G-2, G-3, G-4, G-5, H, I, and K.

The proposed amendment to subsection 3-312.2 is a 2.2 percent increase in the annual fee for a facility that elects to use an ACP contained in Regulation 2, Rule 9: Interchangeable Emission Reduction Credits. The fee for each source included in the ACP would be increased from \$1,144 to \$1,169 and the maximum fee would be increased from \$11,445 to \$11,692.

- Section 3-318: Public Notice Fee, Schools

The proposed amendment to Section 3-318.1 and 3-318.2 is a 2.2 percent increase in the fee, from \$2,100 to \$2,146 per application.

- Section 3-327: Permit to Operate, Renewal Fees

The processing fees for renewal of Permits to Operate specified in subsections 3-327.1 through 3-327.6 would be increased by 2.2 percent.

- Section 3-329: Fee for Risk Screening

No change in regulatory language is proposed for Section 3-329: Fee for Risk Screening. Increases in risk screening fees are instead specified in Schedules B, C, D, E, F, G-1, G-2, G-3, G-4, G-5, H, I, and K. For each applicable fee schedule, the base fee for each application that requires a Health Risk Screening Analysis would be increased by 2.2 percent from \$441 to \$452. The portion of the risk screening fee that is based on the type of source involved would be changed along with the proposed changes in Permit to Operate renewal fees listed in Table 1 for sources in Schedules B, C, D, E, F, G-1, G-2, G-3, G-4, G-5, H, I, and K.

- Section 3-337: Exemption Fee

The proposed amendment to Section 3-337 is a 2.2 percent increase in the filing fee for a certificate of exemption, from \$452 to \$462.

Fee Schedules:

Schedule A: Hearing Board Fees

Based on the cost recovery methodology listed in Table 1, the fees in Schedule A would be increased by 9 percent. The schedules of fees for excess emissions (Schedule A: Table I) and visible emissions (Schedule A: Table II) would also be increased by 9 percent.

Schedule B: Combustion of Fuel

Based on the cost recovery methodology listed in Table 1, the fees in Schedule B would be increased by 2.2 percent. The base fee for a health risk screening analysis for a source covered by Schedule B would be increased by 2.2 percent from \$452 to \$462.

Schedule C: Stationary Containers for the Storage of Organic Liquids

Based on the cost recovery methodology listed in Table 1, the fees in Schedule C would be increased by 2.2 percent. The base fee for a health risk screening analysis for a source covered by Schedule C would be increased by 2.2 percent from \$452 to \$462.

Schedule D: Gasoline Transfer at Gasoline Dispensing Facilities, Bulk Plants and Terminals

Based on the cost recovery methodology listed in Table 1, the fees in Schedule D would be increased by 9 percent, except for the base fee for a health risk screening analysis for a source covered by Schedule D, which would be increased by 2.2 percent from \$452 to \$462. For bulk plants, terminals or other facilities subject to Schedule D, Part B., the base fee for a health risk screening analysis is included in the Risk Screening Fee (RSF) for the first TAC source in the application.

Schedule E: Solvent Evaporating Sources

Based on the cost recovery methodology listed in Table 1, the fees in Schedule E would be increased by 9 percent, except for the base fee for a health risk screening analysis for a source covered by Schedule E, which would be increased by 2.2 percent from \$452 to \$462.

Schedule F: Miscellaneous Sources

Based on the cost recovery methodology listed in Table 1, the fees in Schedule F would be increased by 8 percent. The base fee for a health risk screening analysis for a source covered by Schedule F would be increased by 2.2 percent, from \$452 to \$462. The base fee for a health risk screening analysis in Schedule F is included in the RSF for the first TAC source in the application.

Schedule G-1: Miscellaneous Sources

Based on the cost recovery methodology listed in Table 1, the fees in Schedule G-1 would be increased by 9 percent, except for the base fee for a health risk screening analysis for a source covered by Schedule G-1, which would be increased by 2.2 percent from \$452 to \$462. The base fee for a health risk screening analysis in Schedule G-1 is included in the RSF for the first TAC source in the application.

Schedule G-2: Miscellaneous Sources

Based on the cost recovery methodology listed in Table 1, the fees in Schedule G-2 would be increased by 9 percent, except for the base fee for a health risk screening analysis for a source covered by Schedule G-2 which would be increased by 2.2 percent from \$452 to \$462. The base fee for a health risk screening analysis in Schedule G-2 is included in the RSF for the first TAC source in the application.

Schedule G-3: Miscellaneous Sources

Based on the cost recovery methodology listed in Table 1, the fees in Schedule G-3 would be increased by 8 percent, except for the base fee for a health risk screening analysis for a source covered by Schedule G-3, which would be increased by 2.2 percent from \$452 to \$462. The base fee for a health risk screening analysis in Schedule G-3 is included in the RSF for the first TAC source in the application.

Schedule G-4: Miscellaneous Sources

Based on the cost recovery methodology listed in Table 1, the fees in Schedule G-4 would be increased by 9 percent, except for the base fee for a health risk screening analysis for a source covered by Schedule G-4, which would be increased by 2.2 percent from \$452 to \$462. The base fee for a health risk screening analysis in Schedule G-4 is included in the RSF for the first TAC source in the application.

Schedule G-5: Miscellaneous Sources

Based on the cost recovery methodology listed in Table 1, the fees in Schedule G-5 would be increased by 2.2 percent. The base fee for a health risk screening analysis for a source covered by Schedule G-5 (included in the RSF for the first TAC source in the application), would be increased by 2.2 percent from \$452 to \$462. The base fee for a health risk screening analysis in Schedule G-5 is included in the RSF for the first TAC source in the application.

Schedule H: Semiconductor and Related Sources

Based on the cost recovery methodology listed in Table 1, the fees in Schedule H would be increased by 9 percent, except for the base fee for a health risk screening analysis for a source covered by Schedule H, which would be increased by 2.2 percent from \$452 to \$462.

Schedule I: Dry Cleaners

Based on the cost recovery methodology listed in Table 1, the fees in Schedule I would be increased by 9 percent, except for the base fee for a health risk screening analysis for a source covered by Schedule I, which would be increased by 2.2 percent from \$452 to \$462.

Schedule K: Solid Waste Disposal Sites

Based on the cost recovery methodology listed in Table 1, the fees in Schedule K would be increased by 9 percent, except for the base fee for a health risk screening analysis for a source covered by Schedule K, which would be increased by 2.2 percent from \$452 to \$462.

Schedule L: Asbestos Operations

Based on the cost recovery methodology listed in Table 1, the fees in Schedule L would be increased by 2.2 percent.

Schedule M: Major Stationary Source Fees

Schedule M is an emissions-based fee schedule that applies to various permitted facilities emitting 50 tons per year or more of organic compounds, sulfur oxides, nitrogen oxides, and/or PM₁₀. Air District staff is proposing a 2.2 percent increase in the Schedule M fee rate based on the annual increase in the Bay Area Consumer Price Index.

Schedule N: Toxic Inventory Fees

Based on the cost recovery methodology listed in Table 1, the base fee in Sections 2 and 3 would be increased by 2.2% from \$86 to \$88. The value of the variable F_T , the total amount of fees to be collected, used to calculate fees for Schedule N is proposed to be remain unchanged for FYE 2017.

Schedule P: Major Facility Review Fees

Based on the cost recovery methodology listed in Table 1, the fees in Schedule P would be increased by 8 percent.

Schedule Q: Excavation of Contaminated Soil and Removal of Underground Storage

Tanks

Based on the cost recovery methodology listed in Table 1, the fees in Schedule T would be increased by 2.2 percent, from \$164 to \$168.

Schedule R: Equipment Registration Fees

Based on the cost recovery methodology listed in Table 1, the fees in Schedule R would be increased by 9 percent.

Schedule S: Naturally Occurring Asbestos Operations

Based on the cost recovery methodology listed in Table 1, the fees in Schedule S would be increased by 9 percent.

Schedule U: Indirect Source Review Fees

Based on the cost recovery methodology listed in Table 1, the fees in Schedule U would be increased by 2.2 percent.

Schedule V: Open Burning

Based on the cost recovery methodology listed in Table 1, the fees in Schedule V would be increased by 9 percent.

4. FEE REVENUE AND COSTS OF PROGRAM ACTIVITIES

On an overall basis, the 2016 Cost Recovery Study (a copy of which is available on request) concluded that, for FYE 2015, fee revenue recovered 80 percent of regulatory program activity costs, with revenue of \$32.6 million and costs of \$41 million. This resulted in a shortfall, or cost recovery gap, of \$8.4 million which was filled by county tax revenue. The proposed fee amendments for FYE 2017 are projected to increase overall Air District fee revenue by approximately \$3.6 million relative to fee revenue levels that would be expected without the amendments. Revenue in FYE 2017 is expected to remain below the Air District's regulatory program costs for both permitted and non-permitted sources.

Over the past several years, the Air District has implemented aggressive cost containment measures including maintaining historically high staff vacancy rates and reducing capital expenditures.

The projected cost recovery percentage for FYE 2016 is expected to be approximately 80%. This is based on the FYE 2016 permit fees expected to be collected compared to the salary and other expenditures budgeted (plus 11 new positions). This projected drop of cost recovery 83% to 80% between FYE 2015 and FYE 2016 is primarily due to filling

vacancies and adding new positions in order to support mandated stationary source programs, ensure that core functions will be maintained at levels necessary to adequately service the regulated community, and address key policy initiatives such as the Refinery Emissions Reduction Strategy and the Climate Action Work Program.

The drop in cost recovery percentage for FYE 2016 is less than originally projected (approximately 76%), as the Air District planned to fill 19 additional positions to support air quality permitting and compliance programs in FYE 2016. However, the Air District has only ended up filling 11 of these positions to date.

In FYE 2017, the Air District is proposing to fill more of these vacancies in order to support mandated stationary source programs, ensure that core functions will be maintained at levels necessary to adequately service the regulated community, and to further address key policy initiatives such as the Refinery Emissions Reduction Strategy and the Climate Action Work Program. In order to improve program efficiency, the Air District has recently initiated an on-line permitting system for high-volume source categories including gas stations, dry cleaners, and auto-body shops, and is expanding this system for additional source categories. Staff will continue to identify and maintain a level of effort to achieve Air District mandates and continually monitor the pattern of revenues versus expenditures.

5. STATUTORY AUTHORITY FOR PROPOSED FEE INCREASES

The Air District is a regional regulatory agency, and its fees are used to recover the costs of issuing permits, performing inspections, and other associated regulatory activities. The Air District's fees fall into the category specified in Section 1(e) of Article XIII C of the California Constitution which specifies that charges of this type assessed to regulated entities to recover regulatory program activity costs are not taxes. The amount of fee revenue collected by the Air District has been clearly shown to be much less than the costs of the Air District's regulatory program activities both for permitted and non-permitted sources.

The Air District's fee regulation, with its various fee schedules, is used to allocate regulatory program costs to fee payers in a manner which bears a fair or reasonable relationship to the payer's burden on, or benefits received from, regulatory activities. Permit fees are based on the type and size of the source being regulated, with minimum and maximum fees being set in recognition of the practical limits to regulatory costs that exist based on source size. Add-on fees are used to allocate costs of specific regulatory requirements that apply to some sources but not others (e.g., health risk screening fees, public notification fees, alternative compliance plan fees). Emissions-based fees are used to allocate costs of regulatory activities not reasonably identifiable with specific fee payers.

Since 2006, the Air District has used annual analyses of cost recovery performed at the fee-schedule level, which is based on data collected from a labor-tracking system, to

adjust fees. These adjustments are needed as the Air District's regulatory program activities change over time based on changes in statutes, rules and regulations, enforcement priorities, and other factors.

State law authorizes air districts to adopt fee schedules to cover the costs of various air pollution programs. California Health and Safety Code (H&S Code) section 42311(a) provides authority for an air district to collect permit fees to cover the costs of air district programs related to permitted stationary sources. H&S Code section 42311(f) further authorizes the Air District to assess additional permit fees to cover the costs of programs related to toxic air contaminants. H&S Code section 41512.7(b) limits the allowable percentage increase in fees for authorities to construct and permits to operate to 15 percent per year.

H&S Code section 44380(a) authorizes air districts to adopt a fee schedule that recovers the costs to the air district and State agencies of the Air Toxics Hot Spots Program (AB 2588). The section provides the authority for the Air District to collect toxic inventory fees under Schedule N.

H&S Code section 42311(h) authorizes air districts to adopt a schedule of fees to cover the reasonable costs of the Hearing Board incurred as a result of appeals from air district decisions on the issuance of permits. Section 42364(a) provides similar authority to collect fees for the filing of applications for variances or to revoke or modify variances. These sections provide the authority for the Air District to collect Hearing Board fees under Schedule A.

H&S Code section 42311(g) authorizes air districts to adopt a schedule of fees to be assessed on area-wide or indirect sources of emissions, which are regulated but for which permits are not issued by the air district, to recover the costs of air district programs related to these sources. This section provides the authority for the Air District to collect asbestos fees (including fees for Naturally Occurring Asbestos operations), soil excavation reporting fees, registration fees for various types of regulated equipment, for Indirect Source Review, and fees for open burning.

The proposed fee amendments are in accordance with all applicable authorities. Based on the results of the 2016 Cost Recovery Study (a copy of which is available on request), the Air District fees subject to this rulemaking are in amounts no more than necessary to cover the reasonable costs of the Air District's regulatory activities, and the manner in which the Air District fees allocate those costs to a payer bear a fair and reasonable relationship to the payer's burdens on the Air District regulatory activities and benefits received from those activities. Permit fee revenue (after adoption of the proposed amendments) would still be well below the Air District's regulatory program activity costs associated with permitted sources. Similarly, fee revenue for non-permitted area wide sources would be below the Air District's costs of regulatory programs related to these sources. Hearing Board fee revenue would be below the Air District's costs associated with Hearing Board activities related to variances and permit appeals. Fee increases for authorities to construct and permits to operate would be less than 15 percent per year.

6. ASSOCIATED IMPACTS AND OTHER RULE DEVELOPMENT REQUIREMENTS

6.1 EMISSIONS IMPACTS

There will be no direct change in air emissions as a result of the proposed amendments.

6.2 ECONOMIC IMPACTS

The Air District must, in some cases, consider the socioeconomic impacts and incremental costs of proposed rules or amendments. Section 40728.5(a) of the California H&S Code requires that socioeconomic impacts be analyzed whenever an air district proposes the adoption, amendment, or repeal of a rule or regulation that will significantly affect air quality or emissions limitations. The proposed fee amendments will not significantly affect air quality or emissions limitations, and so a socioeconomic impact analysis is not required.

Section 40920.6 of the H&S Code specifies that an air district is required to perform an incremental cost analysis for a proposed rule, if the purpose of the rule is to meet the requirement for best available retrofit control technology or for a feasible measure. The proposed fee amendments are not best available retrofit control technology requirements, nor are they a feasible measure required under the California Clean Air Act; therefore, an incremental cost analysis is not required.

The financial impact of the proposed fee amendments on small businesses is expected to be minor. Many small businesses operate only one or two permitted sources, and generally pay only the minimum permit renewal fees. For the facilities shown in Table 4, increases in annual permit and registration renewal fees would be under \$100, with the exception of a typical service station with ten, multiproduct gasoline nozzles.

Table 4. Changes in Annual Permit/Registration Renewal Fees for Typical Small Businesses

Facility Type	Facility Description	Fee Increase	Total Fee
Gas Station	10 multi-product gasoline nozzles	\$272	\$3,402
Dry Cleaner (permitted)	One machine: 1,400 lb/yr Perc emissions	\$42	\$627
Dry Cleaner (registered)	One machine: 800 lb/yr VOC emissions	\$17	\$206
Auto Body Shop	one spray booth: 400 gal/yr paint 100 gal/yr cleanup solvent	\$42	\$576
Back-up Generator	One 365 hp engine	\$7	\$330

For reference, Air District permit fees are generally well below that of the South Coast AQMD, the other major metropolitan air district in the state with a cost of living similar to that of the Bay Area. South Coast AQMD staff have indicated that their fee revenue recovers a much higher percentage of associated program activity costs (i.e., over 90 percent) relative to the Bay Area AQMD.

A comparison of permit renewal fees recently completed by Air District staff for twelve different categories of small and medium-sized sources are provided in Figures 1 and 2 as follows:

Figure 1. Comparison of FYE 2016 Bay Area AQMD and South Coast AQMD Permit Renewal Fees for Various Small Sources

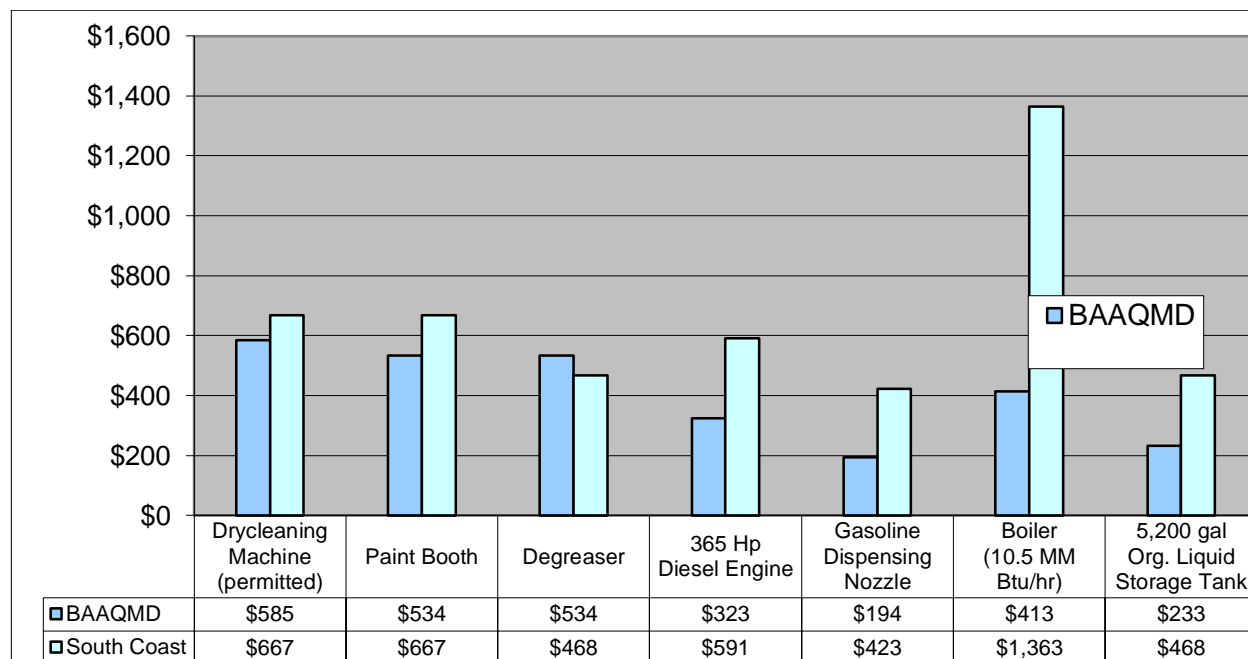
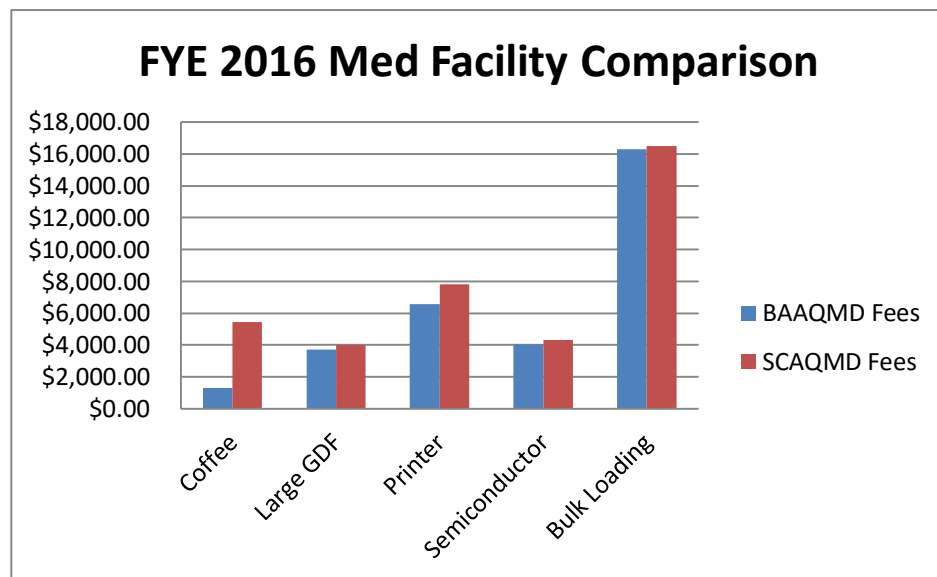


Figure 2. Comparison of FYE 2016 Bay Area AQMD and South Coast AQMD Permit Renewal Fees for Various Medium Sources



For larger facilities such as refineries and power plants, increases in annual permit renewal fees would cover a considerable range due to differences in the facility's size, mix of emission sources, pollutant emission rates and applicable fee schedules. As shown in Table 5, the FYE 2017 annual permit fee increase for the five Bay Area refineries would range from approximately 7 to 10 percent, excluding Schedule X. The annual permit fee increase for the power generating facilities shown in Table 6 would range from

approximately 4 to 8 percent. Projected FYE 2017 fee increases are based on FYE 2016 material throughput data. Tables 5 and 6 also include current Permit to Operate fees paid and historical annual fee increases.

Table 5. Refinery Permit to Operate Fee Comparison

	Annual % Permit Fee Increase (Fiscal Year Ending)					Current Permit Fee (in millions)
	2014	2015	2016	2017 Projected Without Schedule X	2017 Projected With Schedule X	
Chevron	3.4	12.1	9.3	7.2	14.7	\$2.90
Shell	1.2	12.4	5.8	7.6	15.0	\$2.51
Phillips 66	1.2	9.3	3.4	10.1	15.0	\$1.34
Valero	7.2	8.4	11.9	9.4	15.0	\$1.38
Tesoro	5.5	13.0	21.7	7.9	15.0	\$1.76

Table 6. Power Plant Permit to Operate Fee Comparison

	Annual % Fee Increase (Fiscal Year Ending)					Current Permit to Operate Fee
	2013	2014	2015	2016	2017 <i>Projected</i>	
Delta Energy	4.3	13.5	16.9	12.6	4.8	\$ 411,400
Los Medanos	-0.4	11.3	15.0	15.0	4.8	\$ 302,400
Gateway	-0.5	3.3	15.0	19.8	4.5	\$ 246,400
Crockett Cogen	1.6	2.1	15.0	11.5	7.9	\$ 196,800

6.3 ENVIRONMENTAL IMPACTS

The California Environmental Quality Act (CEQA), Public Resources Code section 21000 et seq., and the CEQA Guidelines, 14 CCR 15000 et seq., require a government agency that undertakes or approves a discretionary project to prepare documentation addressing the potential impacts of that project on all environmental media. Certain types of agency actions are, however, exempt from CEQA requirements. The proposed fee amendments are exempt from the requirements of the CEQA under Section 15273 of the CEQA Guidelines, which state: "CEQA does not apply to the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares, and other charges by public agencies...." (See also Public Resources Code Section 21080(b) (8)).

Section 40727.2 of the H&S Code imposes requirements on the adoption, amendment, or repeal of air district regulations. It requires an air district to identify existing federal and air district air pollution control requirements for the equipment or source type affected by the proposed change in air district rules. The air district must then note any differences between these existing requirements and the requirements imposed by the proposed change. This fee proposal does not impose a new standard, make an existing standard more stringent, or impose new or more stringent administrative requirements. Therefore, section 40727.2 of the H&S Code does not apply.

6.4 STATUTORY FINDINGS

Pursuant to H&S Code section 40727, regulatory amendments must meet findings of necessity, authority, clarity, consistency, non-duplication, and reference. The proposed amendments to Regulation 3:

- Are necessary to fund the Air District's efforts to attain and maintain federal and state air quality standards, and to reduce public exposure to toxic air contaminants;
- Are authorized by H&S Code sections 42311, 42311.2, 41512.7, 42364, 44380 and 40 CFR Part 70.9;
- Are clear, in that the amendments are written so that the meaning can be understood by the affected parties;
- Are consistent with other Air District rules, and not in conflict with any state or federal law;
- Are not duplicative of other statutes, rules or regulations; and
- Reference H&S Code sections 42311, 42311.2, 41512.7, 42364, 44380 and 40 CFR Part 70.9.

7. RULE DEVELOPMENT PROCESS

On January 22, 2016, the Air District issued a notice for a public workshop to discuss with interested parties an initial proposal to amend Regulation 3, Fees. Distribution of this notice included all Air District-permitted and registered facilities, asbestos contractors, and a number of other potentially interested stakeholders. The notice was also posted on the Air District website. On February 11, 2016, the Air District issued a revised notice and posted it on the Air District website. A public workshop and simultaneous webcast was held on February 18, 2016 to discuss the initial Regulation 3 fee proposal.

On March 23, 2016 Air District staff is scheduled to provide a briefing on the proposed fee amendments to the Air District Board of Directors' Budget and Finance Committee.

Under H&S Code section 41512.5, the adoption or revision of fees for non-permitted sources requires two public hearings that are held at least 30 days apart from one another. This provision applies to Schedule L: Asbestos Operations, Schedule Q: Excavation of Contaminated Soil and Removal of Underground Storage Tanks, Schedule R: Equipment Registration Fees, Schedule S: Naturally Occurring Asbestos Operations, Schedule U: Indirect Source Fees, and Schedule V: Open Burning. A Public Hearing Notice for the proposed Regulation 3 will be published on March 18, 2016. An initial public hearing to consider testimony on the proposed amendments has been scheduled for April 20, 2016. A second public hearing, to consider adoption of the proposed fee amendments, has been scheduled for June 15, 2016. If adopted, the amendments would be made effective on July 1, 2016.

8. PUBLIC COMMENTS

8.1 Public Workshop Comments - Regulation 3, Fees

The District held a public workshop on February 18, 2016 to discuss draft amendments to Regulation 3, Fees. Written comments were received on the Regulation 3, Fees proposal as follows: 1) Steven Yang of Chevron Richmond Refinery, and 2) Janet Whittick of the California Council for Environmental and Economic Balance (CCEEB).

Workshop Comment 1: Steven Yang (Chevron Richmond Refinery):

- Requested more time to provide comments.
- Requested more background details on Schedule X and the proposed Community Air Monitoring Program.

Response to Comment 1:

- Extended the comment period to May 11, 2016.
- The staff report and the Community Air Monitoring Program description posted on the Air District website provided the additional background details.

Workshop Comment 2: Janet Whittick (California Council for Environmental and Economic Balance):

- Requested more time to provide comments.
- Requested more background details on Schedule X and the proposed Community Air Monitoring Program.
- Requested the cost recovery report and more background on cost containment.

Response to Comment 2:

- Extended the comment period to May 11, 2016.
- The staff report and the Community Air Monitoring Program description posted on the Air District website provided the additional background details.
- The 2016 Cost Recovery Report was posted on the Air District website. The staff report, the 2016 Cost Recovery Report, and the 2016 Budget provided background on cost containment as well.

8.2 Public Hearing Comments - Regulation 3, Fees

The District's Board of Directors held a public hearing on April 20, 2016 to consider testimony on the proposed amendments to Regulation 3, Fees. Written comments were received on the Regulation 3, Fees proposal as follows: 1) Bill Quinn of the California Council for Environmental and Economic Balance (CCEEB), (2) Berman Obaldia of the Western States Petroleum Association (WSPA), and (3) Eric Kleinschmidt of Air Liquide US (Air Liquide).

CCEEB Comment 1: CCEEB comments that cost recovery efforts should be matched with cost containment measures, particularly in relation to the permitting system and rule development. CCEEB asks the District to renew efforts to contain costs through efforts that enhance and streamline permitting processes and increase the efficacy of rule development processes.

Response: The Air District remains committed to its cost containment efforts, as well as to its ongoing efforts to increase the efficiency of its operations.

Over the years, the District has implemented a number of cost containment measures, such as reducing expenditures on services and supplies, as well as maintaining vacant staff positions. While the Air District is no longer maintaining a 10% staff position vacancy rate, the District has been judicious in filling staff vacancies. Approximately 70% of District expenditures are related to personnel costs. Between FYE 2010 and FYE 2015 the number of filled positions decreased from 340 FTE to 317 FTE, representing a substantial cost savings. The District is re-evaluating the level of service it provides to ensure stakeholder needs and expectations are met.

The FYE 2016 Budget projects filling some, but not all, of the District's personnel vacancies bringing filled seats to 334 FTE. The FYE 2016 Budget also includes modifications to District positions that recognize increased organizational efficiencies and staffing needs into the future.

In addition, the Air District has implemented a number of measures to increase the efficiency of its permitting processes. For instance, District staff found efficiencies in evaluating permit applications for high volume source categories, such as gas stations, in order to free up resources to handle projects with higher emissions impacts. The District is also actively transitioning to the Production System, which includes an online permitting system for the regulated community. These tools will increase efficiency and accuracy by allowing customers to submit applications, report data for the emissions inventory, pay invoices and have access to permit documents. The Division will also work to design, test and deploy the next phase that will incorporate additional device types and functionality.

The District's online permitting system (<http://www.baaqmd.gov/permits/apply-for-a-permit/online-permitting-system>) provides the regulated industry with the ability to submit permit applications, renew permits, update some facility information and access permit documents. Currently, the District plans to expand this system to a greater portion of the regulated industry in the next few years. Additional functionality and improvements will follow. Our goal with this system is to improve efficiency, accuracy and the customer experience.

CCEEB Comment 2: CCEEB recommends that public workshops and Board of Directors' consideration of future Reg. 3 amendments be held in conjunction with consideration of the District's annual budget.

Response: The District's annual budget process is currently closely intertwined with the

District's annual proposed amendments to Regulation 3: Fees. Each year, these parallel and related processes are presented to the Budget & Finance Committee and Board of Directors on either an identical or closely following schedule to ensure their inter-relatedness is understood by the Board of Directors. Proposed Regulation 3 amendments are also considered at the workshops and by the Board in relation to the District's annual budget.

CCEEB Comment 3: CCEEB comments that fee increases should reflect when an individual schedule reaches the 85 percent cost recovery goal; schedules at or above full cost recovery should not be increased. CCEEB asserts that total revenue collected under Schedule T (GHG Fees) is proposed to increase an additional 26.9% this year and Schedule P (Major Facility Review Fees) is proposed to increase an additional 11.8% this year.

Response: The 85 percent cost recovery goal pertains to the District's cost recovery as a whole, not to specific fee schedules. Even upon achieving an overall 85% cost recovery rate from District fees, certain fee schedules will yield a cost recovery above 85% while the cost recovery from other fees schedules will be below 85%. District staff disagrees with the commenter's stated values for the proposed increases to Schedule T (GHG Fees) and Schedule P (Major Facility Review Fees). Proposed Schedule T is increasing by 7% and proposed Schedule P is increasing by 8%. Both of these schedules called out have cost recovery gaps.

CCEEB Comment 4: In regard to Schedule T, CCEEB requests information on how these fees are being allocated to District programs, and the degree to which county property tax revenue is being used to cover costs for GHG activities not directly related to regulated stationary sources.

Response: Total GHG activities cost the District \$2.2 million in 2015, while fee revenue recovered was \$2.0 million. County property tax made up the difference. During 2015, the District's Climate Change Program (Program #608) devoted 1/3 of its staff time to regulated stationary sources at a cost of \$0.8 million. The rest of the GHG-related activity occurred in enforcement, source testing and permitting.

CCEEB Comment 5: CCEEB comments that Reg. 3 proposes a new Fee Schedule X for a program that has not yet been fully developed and has not been adopted.

Response: Schedule X fees are intended to recover the District's costs associated with the proposed District Community Air Monitoring Program, which was described in the April 14, 2016, Staff Report for this regulation. The District staff believes that the community air monitors are needed and the program has been adequately developed at this time to start setting up monitoring stations to collect data that would be used to compare air quality in potentially impacted communities with air quality measurements at other District sites.

CCEEB Comment 6: CCEEB comments that some facilities in the communities currently

identified for community air monitoring were not part of the Regulation 12-15 rule development process, and as such, did not participate in District discussions about the community air monitoring program.

Response: The District believes it has adequately noticed regulated facilities of this fee based on the fact that it distributed a notice of the January 22, 2016, public workshop to discuss the proposal to amend Regulation 3 (Fees) to all District-permitted facilities. A legal notice announcing the April 20, 2016, Public Hearing amendments to Regulation 3, including proposed Schedule X was also published in the newspapers of general circulation in the Bay Area. In addition, all of the fee amendment public hearing materials, including the staff report, draft regulation, cost recovery report, and community air monitoring program description were posted online on the District website and announced to the rule development interested parties list.

CCEEB Comment 7: CCEEB requests to better understand staff assumptions for calculating Schedule W, which it characterizes as a high cost estimate. CCEEB wants the opportunity to adjust Schedule W in the future based on actual staff time needed to perform inventory work. CCEEB also asks the District to track and report actual staff hours needed, as well as to recommend ways to streamline this process in subsequent years.

Response: District staff estimated the initial review costs for the Annual Emissions Inventory Reports from each refinery based on District engineering staff's experience with similar processes (flare minimization rule, etc.). The District will track and report actual staff hours spent for the reviews of the annual emissions inventory reports and monthly crude slate reports, so that Schedule W fees may be adjusted in the future, if needed. The District also encourages CCEEB to submit any recommendations it may have on ways to streamline this review process.

WSPA Comment 1: WSPA comments that the new fee schedules and fee increases imposed on the refineries over the past 10 years have been excessive compared to other sectors.

Response: The Air District's fee increases since 2005 have been part of the District's effort to address a very large deficit between the District's fee revenue and its program costs. The Air District's goal has been to decrease the cost recovery gap in existing fees and programs and to adequately fund new programs as the Air District undertakes them. Significant Air District expenditures stem from the regulation of large industrial facilities, the Bay Area refineries in particular. The District has worked over the past few years to close pre-existing large cost recovery gaps in many of the fee schedules to which the refineries are subject. For example, the 2005 Cost Recovery Study prepared by Stonefield Josephson, Inc., Schedule P, "Major Facility Review Fees," shows the District collected approximately 29% of associated District costs for work in that area in 2004. Last fiscal year, Schedule P collected about 83% of costs, which is still below the overall 85% cost recovery goal established for 2016 by the Air District Board of Directors.

Moreover, the amount by which refinery fees have increased is not out of step with fee increases for other large facilities. For example, Section 6.2 of this Staff Report, Economic Impacts, has a comparison of the refinery sector's fee increases versus the power plant sector. The fee increases proposed for the refineries are similar to those for the power plant sector, particularly considering the increased amount of staff resources being devoted to address and provide service to the refinery sector regulatory programs.

WSPA Comment 2: WSPA comments that it is inappropriate to request any cost increases for fee schedules that currently have stand-alone cost recovery greater than 100% cost recovery.

Response: The District staff anticipates our costs increasing again to meet or exceed the revenue we collected under some of the schedules in the previous budget year. In order to meet our Board-mandated target, fees are being requested to increase based on projected workload and costs.

WSPA Comment 3: WSPA comments that the District can do a better job of controlling costs by streamlining District work processes.

Response: See response to CCEEB Comment 1 above.

WSPA Comment 4: WSPA comments that its members have implemented a substantial amount of one-time capital costs to prepare to comply with the regulations associated with certain fee increases (Schedules W and X) and recent regulation amendments that have been enacted on the refinery sector (Regulation 8-18 Heavy Liquid Fugitives, Regulation 11-10 Cooling Tower Emissions, Regulation 12-15 Petroleum Refining Emissions Tracking), as well as substantial ongoing operating and maintenance costs to maintain compliance.

Response: District staff acknowledges the refinery sector's substantial costs to comply and to maintain compliance, but we believe that the proposed fees and fee increases are needed to maintain core regulatory programs and to support District refinery services.

WSPA Comment 5: WSPA comments that District services for WSPA members have declined. For example, WSPA claims that the time required to approve and renew a variety of facility permits have lengthened.

Response: The District is filling positions to improve our level of service, this increases gaps in cost recovery. Also the District is implementing measures to streamline and improve its Title V program and the timeliness of permits. District staff gives high priority to the timely review of permit applications and renewal of permits.

The District is actively transitioning to the Production System including an online permitting system for the regulated community. These tools will increase efficiency and accuracy by allowing customers to submit applications, report data for the emissions inventory, pay invoices and have access to permit documents. The District will also work

to design, test and deploy the next phase that will incorporate additional device types and functionality.

The District's online permitting system (<http://www.baaqmd.gov/permits/apply-for-a-permit/online-permitting-system>) provides the regulated industry with the ability to submit permit applications, renew permits, update some facility information and access permit documents. Currently, the District plans to expand this system to a greater portion of the regulated industry, including the refineries, in the next few years. Additional functionality and improvements will follow. Our goal with this system is to improve efficiency, accuracy and the customer experience.

Staff continuously updates policies, procedures, permit manuals and permit templates. Additional high priorities include auditing permit conditions for consistency, streamlining permitting/registration programs and training to implement current and new regulations.

WSPA Comment 6: WSPA requests for more details and examples of cost containment measures to provide more assurance that feasible cost containment measures have been explored and are being addressed.

Response: See response to CCEEB Comment 1 above.

WSPA Comment 7: WSPA asks how cost containment is addressed in the District's offer to pay for retirement incentives for long term employees and for the rehiring phase.

Response: District staff continually looks at existing positions with an eye to avoiding redundancy and maximizing efficiency in staff allocation among the District operating units.

WSPA Comment 8: WSPA supports the District's ownership and operation of community monitoring equipment to better assess impacts in various locations in the Bay Area.

Response: Thank you for supporting this concept.

WSPA Comment 9: WSPA comments that the assessment of Schedule X fees is premature. The District has not fully identified program structure, capital costs, or ongoing maintenance costs to fund this program. WSPA asks that Schedule X fee assessment be postponed until a full program assessment has been completed.

Response: See response to CCEEB Comment 5 above.

WSPA Comment 10: WSPA comments that ARB regulates non-stationary source emissions. With diesel trucks operating on all Bay Area roadways, WSPA asserts that one cannot assume those toxics are originating from refineries. WSPA believes that locating, funding, and maintaining community monitoring equipment and reporting coordinated results should be shared with CARB.

Response: CARB has primary regulatory authority for non-stationary sources in the California. The District's permit fee authority is limited to cost recovery for regulating stationary sources. If CARB provided a specific source of funding to the air districts for the purpose of recovering costs of activities related to non-stationary sources, District staff will re-examine the fee rate in Schedule X to avoid over-collection of fee revenue.

WSPA Comment 11: WSPA comments that since the District is interested in initially examining air quality near refineries and that air quality in these communities can be assessed compared to other communities, it is also important to monitor and compare the air in communities that are primarily comprised of non-stationary sources such as near airports, freeways, major ports, and railyards.

Response: The Community Air Monitoring Program will supplement, not replace, the District's other existing programs, including the Community Air Risk Evaluation (CARE) Program. While overall air pollution continues to decrease in the Bay Area, some communities still experience higher pollution levels than others. These communities are generally near pollution sources (such as freeways, busy distribution centers, and large industrial facilities) and negative impacts on public health in these areas are greater. The CARE Program aims to reduce these health impacts linked to local air quality. As part of the CARE Program, monitoring is used to determine pollution levels in impacted communities.

WSPA Comment 12: WSPA comments that because the initial Schedule X fee is primarily to procure and place community monitors over a 10-year period, that it should include a written provision for reduced ongoing maintenance fees, and a sunset date no later than year 10.

Response: The District will monitor and track the Schedule X fees collected and how the fees are spent and allocated so that the fee can be revised in the future to approximately meet program costs.

WSPA Comment 13: WSPA asserts that the BAAQMD is duplicating the efforts of the California Air Resources Board (CARB), who regulates GHG's under AB 32. WSPA states that refineries are regulated under the state's cap-and-trade program, which requires sources to purchase allowances and offsets to mitigate their emissions.

Response: District greenhouse gas fees are intended to recover District costs for Climate Protection Program activities related to stationary sources including the implementation of District Board directives, regulations, and federal/state regulatory requirements. Other District Climate Change mitigation efforts are funded by non-Schedule T sources such as General Fund county revenues.

Specific District GHG activities include the development of GHG emissions factors and

inventory, rule development, CEQA analyses, offset protocols, emissions banking, sources testing, and inspection of GHG emitting sources. In addition, the District engages in permitting and enforcement activities related to AB 32 Early Action Measures such as Semiconductor Operations, Municipal Solid Waste Landfills, and Refrigerants.

District staff is working closely with CARB to coordinate and complement climate protection efforts, and is tracking the implementation of AB 32, in order to avoid any conflicts, duplication, or inconsistencies in program requirements. For example, If CARB provides a specific source of funding to the air districts for the purpose of recovering costs of activities related to AB 32 implementation, District staff will re-examine the fee rate in Schedule T to avoid over-collection of fee revenue.

The State's AB-32 Greenhouse Gas Program and the District's Climate Action Work Program are two distinct and separate endeavors. The Board of Director's Climate Protection Resolution No. 2013-11 directs staff to lead a regional climate protection planning process that is complementary and consistent with state and local efforts.

The proposed GHG Fee Schedule is intended to recover the costs of climate protection activities related to stationary sources. The District has and will continue to use General Fund revenue to fund the portion of GHG programs not related to stationary sources. In the future, if CARB provides a specific source of funding to air districts for the purpose of recovering costs of activities related to AB 32 implementation, District staff will reexamine the fee rate in Schedule T to avoid the "double counting" of fee revenue.

WSPA Comment 14: WSPA questions the amount of fee increases over the past 10 years for Schedule A – Hearing Board Fees, stating that the Hearing Board members' compensation has not increased commensurately.

Response: Schedule A fees are charged to recover the District's costs associated with Hearing Board activities. The District's costs are incurred by the staff, primarily the District Counsel & Legal Office, Compliance & Enforcement, Engineering, and Meteorology, Measurement, & Rules for preparation, handling, and processing these activities. Schedule A fees apply to applicants for variances, appeals, or those seeking to revoke or modify variances or abatement orders or to rehear a Hearing Board decision. Based on the 2016 Cost Recovery Study, Schedule A's three-year average cost recovery for FYE 2013-2015, was only 5.0 percent, which is far below full cost recovery for this service.

WSPA Comment 15: WSPA requests that its comments on Schedule A are addressed in the cost containment report.

Response: WSPA references a document that they call "cost containment report". The District produces reports each year that are available for public review that provide revenue and expense information to the public. The annual District Budget, annual Cost Recovery Study, and annual Amendments to Regulation 3 (Fees) Staff Report contain all of the key information on the District's cost containment measures.

Air Liquide Comment 1: Air Liquide commented that, due to recent changes to Regulation 12-15, each petroleum refinery support facility will now be required to submit its own annual emissions inventory report to the Air District. The proposed fees for submitted annual emissions inventories and crude slate reports were estimated based on the review required on the petroleum refineries' reports, not for the support facilities' reports, so Air Liquide asked the District to consider reducing the fees in Schedule W for support facilities.

Response: The District has revised Schedule W based on its evaluation of the review required for the annual emissions inventory report from the support facilities. The support facility initial submittal fee in Regulation 3, Schedule W is \$3,300, and \$1,650 for subsequent years.

9. CONCLUSIONS

Air District staff finds that the proposed fee amendments meet the findings of necessity, authority, clarity, consistency, non-duplication and reference specified in H&S Code section 40727. The proposed amendments:

- Are necessary to fund the Air District's efforts to attain and maintain federal and state air quality standards, and to reduce public exposure to toxic air contaminants;
- Are authorized by H&S Code sections 42311, 42311.2, 41512.7, 42364, 44380 and 40 CFR Part 70.9;
- Are clear, in that the amendments are written so that the meaning can be understood by the affected parties;
- Are consistent with other Air District rules, and not in conflict with any state or federal law;
- Are not duplicative of other statutes, rules or regulations; and
- Reference H&S Code sections 42311, 42311.2, 41512.7, 42364, 44380 and 40 CFR Part 70.9.

The proposed fee amendments will be used by the Air District to recover the costs of issuing permits, performing inspections, and other associated regulatory activities. Based on the results of the 2016 Cost Recovery Study (a copy of which is available on request), the Air District fees subject to this rulemaking are in amounts no more than necessary to cover the reasonable costs of the Air District's regulatory activities, and the manner in which the Air District fees allocate those costs to a payer bear a fair and reasonable relationship to the payer's burdens on the Air District regulatory activities and benefits received from those activities. After adoption of the proposed amendments, permit fee revenue would still be below the Air District's regulatory program activity costs associated with permitted sources. Similarly, fee revenue for non-permitted sources would be below the Air District's costs of regulatory programs related to these sources. Fee increases for authorities to construct and permits to operate would not exceed 15 percent per year as required under H&S Code section 41512.7. The proposed amendments to Regulation 3 are exempt from the requirements of the CEQA under Section 15273 of the CEQA Guidelines.

Air District staff recommends that the Board of Directors adopt the proposed amendments to Regulation 3: Fees with an effective date of July 1, 2016, and approve the filing of a CEQA Notice of Exemption, following the 2nd public hearing scheduled to consider this matter on June 15, 2016.



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

STAFF REPORT

PROPOSED AMENDMENTS TO BAAQMD REGULATION 3: FEES

APPENDIX A COST RECOVERY POLICY (Adopted March 7, 2012)

COST RECOVERY POLICY FOR BAY AREA AIR QUALITY MANAGEMENT DISTRICT REGULATORY PROGRAMS

PURPOSE

WHEREAS, the District has the primary authority for the control of air pollution from all sources of air emissions located in the San Francisco Bay Area, other than emissions from motor vehicles, in accordance with the provisions of Health & Safety Code sections 39002 and 40000.

WHEREAS, the District is responsible for implementing and enforcing various District, State, and federal air quality regulatory requirements that apply to non-vehicular sources.

WHEREAS, the District's regulatory programs involve issuing permits, performing inspections, and other associated activities.

WHEREAS, the District is authorized to assess fees to regulated entities for the purpose of recovering the reasonable costs of regulatory program activities, and these authorities include those provided for in California Health and Safety Code sections 42311, 42364, and 44380.

WHEREAS, the District's fees fall within the categories provided in Section 1(e) of Article XIII C of the California Constitution, which indicates that charges assessed to regulated entities to recover regulatory program activity costs, and charges assessed to cover the cost of conferring a privilege or providing a service, are not taxes.

WHEREAS, the District has adopted, and periodically amends, a fee regulation for the purpose of recovering regulatory program activity costs, and this regulation with its various fee schedules, is used to allocate costs to fee payers in a manner which bears a fair or reasonable relationship to the payer's burden on, or benefits received from, regulatory activities.

WHEREAS, the District analyzes whether assessed fees result in the collection of sufficient revenue to recover the costs of related program activities; these analyses have included contractor-conducted fee studies completed in 1999, 2005, and 2011, and annual District staff-conducted cost recovery updates completed in 2006 through 2010. Each fee study and cost recovery update completed revealed that District fee revenue falls significantly short of recovering the costs of related program activities.

WHEREAS, the District's most recently completed fee study (*Cost Recovery and Containment Study, Bay Area Air Quality Management District, Final Report, Matrix Consulting Group, March 9, 2011*) concluded that in Fiscal Year Ending (FYE) 2010, the District recovered approximately 62 percent of its fee-related activity costs, resulting in an under-recovery of costs (i.e., a cost recovery gap), and a subsidy to fee payers, of approximately \$16.8 million, and that this cost recovery gap resulted despite the

implementation of a number of strategies to contain costs.

WHEREAS, cost recovery analyses have indicated that the District's Fee Schedule P: Major Facility Review Fees, which establishes fees for program activities associated with the Title V permit program, has under-recovered costs by an average of \$3.4 million per year over the period FYE 2004 through FYE 2010.

WHEREAS, the District's Board of Directors has recognized since 1999 that the District's cost recovery gap has been an issue that needs to be addressed, and since that time has adopted annual fee amendments in order to increase fee revenue.

WHEREAS, in addition to fee revenue, the District receives revenue from Bay Area counties that is derived from property taxes, and a large portion of this tax revenue has historically been used on an annual basis to fill the cost recovery gap.

WHEREAS, the tax revenue that the District receives varies on a year-to-year basis, and cannot necessarily be relied on to fill the cost recovery gap and also cover other District expenses necessitating, in certain years, the use of reserve funds.

WHEREAS, tax revenue that the District receives, to the extent that it is not needed to fill the cost recovery gap, can be used to fund initiatives or programs that may further the District's mission but that lack a dedicated funding source.

WHEREAS, it may be appropriate as a matter of policy to establish specific fee discounts for small businesses, green businesses, or other regulated entities or members of the public, where tax revenue is used to cover a portion of regulatory program activity costs, and the District's existing fee regulation contains several fee discounts of this type.

POLICY

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Bay Area Air Quality Management District that:

(1) Cost Containment –In order to ensure that the costs of its regulatory programs remain reasonable, the District should continue to implement feasible cost containment measures, including the use of appropriate best management practices, without compromising the District's effective implementation and enforcement of applicable regulatory requirements. The District's annual budget documents should include a summary of cost containment measures that are being implemented.

(2) Analysis of Cost Recovery – The District should continue to analyze the extent to which fees recover regulatory program activity costs, both on an overall basis, and at the level of individual fee schedules. These cost recovery analyses should be periodically completed by a qualified District contractor, and should be updated on an annual basis by District staff using a consistent methodology.

(3) Cost Recovery Goals – It is the general policy of the District, except as otherwise noted below, that the costs of regulatory program activities be fully recovered by assessing fees to regulated entities. In order to move towards this goal, the District should amend its fee regulation over the next four years, in conjunction with the adoption of budgets for Fiscal Year Ending (FYE) 2013 through FYE 2016, in a manner sufficient to increase overall recovery of regulatory program activity costs to 85 percent. Amendments to specific fee schedules should also be made in consideration of cost recovery analyses conducted at the fee schedule-level, with larger increases being adopted for the schedules that have the larger cost recovery gaps. This includes Fee Schedule P: Major Facility Review Fees, which has been determined to under-recover costs by a significant amount. Newly adopted regulatory measures should include fees that are designed to recover increased regulatory program activity costs associated with the measure, unless the Board of Directors determines that a portion of those costs should be covered by tax revenue. Tax revenue should also continue to be used to subsidize existing fee discounts that the District provides (e.g., for small businesses, green businesses, and third-party permit appeals), and to cover the cost of the District's wood smoke enforcement program.

BE IT FURTHER RESOLVED that this resolution is non-binding in the case of unforeseen financial circumstances, and may also be reconsidered or updated by the District's Board of Directors.



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

STAFF REPORT

PROPOSED AMENDMENTS TO BAAQMD REGULATION 3: FEES

APPENDIX B PROPOSED REGULATORY LANGUAGE REGULATION 3: FEES

**REGULATION 3
FEES
INDEX**

3-100 GENERAL

- 3-101 Description
- 3-102 Deleted July 12, 1989
- 3-103 Exemption, Abatement Devices
- 3-104 Deleted August 2, 1995
- 3-105 Exemption, Excavation of Contaminated Soil and Removal of Underground Storage Tank
Operation Fees
- 3-106 Deleted December 2, 1998
- 3-107 Exemption, Sources Exempt from Permit Requirements

3-200 DEFINITIONS

- 3-201 Cancelled Application
- 3-202 Gasoline Dispensing Facility
- 3-203 Filing Fee
- 3-204 Initial Fee
- 3-205 Authority to Construct
- 3-206 Modification
- 3-207 Permit to Operate Fee
- 3-208 Deleted June 4, 1986
- 3-209 Small Business
- 3-210 Solvent Evaporating Source
- 3-211 Source
- 3-212 Deleted August 2, 1995
- 3-213 Major Stationary Source
- 3-214 Deleted effective March 1, 2000
- 3-215 Deleted effective March 1, 2000
- 3-216 Deleted effective March 1, 2000
- 3-217 Deleted effective March 1, 2000
- 3-218 Deleted effective March 1, 2000
- 3-219 Deleted effective March 1, 2000
- 3-220 Deleted effective March 1, 2000
- 3-321 Deleted effective March 1, 2000
- 3-222 Deleted effective March 1, 2000
- 3-223 Start-up Date
- 3-224 Permit to Operate
- 3-225 Deleted June 3, 2015
- 3-226 Air Toxics "Hot Spots" Information and Assessment Act of 1987
- 3-227 Toxic Air Contaminant, or TAC
- 3-228 Deleted December 2, 1998
- 3-229 Deleted December 2, 1998
- 3-230 Deleted December 2, 1998
- 3-231 Deleted December 2, 1998
- 3-232 Deleted December 2, 1998
- 3-233 Deleted December 2, 1998
- 3-234 Deleted December 2, 1998
- 3-235 Deleted December 2, 1998
- 3-236 Deleted December 2, 1998
- 3-237 PM₁₀
- 3-238 Risk Screening Fee
- 3-239 Toxic Surcharge

- 3-240 Biogenic Carbon Dioxide
- 3-241 Green Business
- 3-242 Incident
- 3-243 Incident Response
- 3-244 Permit to Operate Renewal Date
- 3-245 Permit Renewal Period

3-300 STANDARDS

- 3-301 Hearing Board Fees
- 3-302 Fees for New and Modified Sources
- 3-303 Back Fees
- 3-304 Alteration
- 3-305 Cancellation or Withdrawal
- 3-306 Change in Conditions
- 3-307 Transfers
- 3-308 Change of Location
- 3-309 Duplicate Permit
- 3-310 Fee for Constructing Without a Permit
- 3-311 Banking
- 3-312 Emission Caps and Alternative Compliance Plans
- 3-313 Deleted May 19, 1999
- 3-314 Deleted August 2, 1995
- 3-315 Costs of Environmental Documentation
- 3-316 Deleted June 6, 1990
- 3-317 Asbestos Operation Fee
- 3-318 Public Notice Fee, Schools
- 3-319 Major Stationary Source Fees
- 3-320 Toxic Inventory Fees
- 3-321 Deleted December 2, 1998
- 3-322 Excavation of Contaminated Soil and Removal of Underground Storage Tank Operation Fees
- 3-323 Pre-Certification Fees
- 3-324 Deleted June 7, 2000
- 3-325 Deleted December 2, 1998
- 3-326 Deleted December 2, 1998
- 3-327 Permit to Operate, Renewal Fees
- 3-328 Fee for OEHHA Risk Assessment Reviews
- 3-329 Fee for Risk Screening
- 3-330 Fee for Renewing an Authority to Construct
- 3-331 Registration Fees
- 3-332 Naturally Occurring Asbestos Fees
- 3-333 Major Facility Review (MFR) and Synthetic Minor Application Fees
- 3-334 Greenhouse Gas Fees
- 3-335 Indirect Source Review Fees
- 3-336 Open Burning Operation Fees
- 3-337 Exemption Fees
- 3-338 Incident Response Fees
- [3-339 Petroleum Refining Emissions Tracking Fees](#)
- [3-340 Major Stationary Source Community Air Monitoring Fees](#)

3-400 ADMINISTRATIVE REQUIREMENTS

- 3-401 Permits
- 3-402 Single Anniversary Date
- 3-403 Change in Operating Parameters
- 3-404 Deleted June 7, 2000
- 3-405 Fees Not Paid

- 3-406 Deleted June 4, 1986
- 3-407 Deleted August 2, 1995
- 3-408 Permit to Operate Valid for 12 Months
- 3-409 Deleted June 7, 2000
- 3-410 Deleted August 2, 1995
- 3-411 Advance Deposit of Funds
- 3-412 Deleted December 2, 1998
- 3-413 Toxic "Hot Spots" Information and Assessment Act Revenues
- 3-414 Deleted December 2, 1998
- 3-415 Failure to Pay - Further Actions
- 3-416 Adjustment of Fees
- 3-417 Temporary Amnesty for Unpermitted and Unregistered Sources

3-500 MONITORING AND RECORDS (None Included)

3-600 MANUAL OF PROCEDURES (None Included)

FEE SCHEDULES

- SCHEDULE A HEARING BOARD FEES
- SCHEDULE B COMBUSTION OF FUEL
- SCHEDULE C STATIONARY CONTAINERS FOR THE STORAGE OF ORGANIC LIQUIDS
- SCHEDULE D GASOLINE TRANSFER AT GASOLINE DISPENSING FACILITIES, BULK PLANTS AND TERMINALS
- SCHEDULE E SOLVENT EVAPORATING SOURCES
- SCHEDULE F MISCELLANEOUS SOURCES
- SCHEDULE H SEMICONDUCTOR AND RELATED OPERATIONS
- SCHEDULE I DRY CLEANERS
- SCHEDULE J DELETED February 19, 1992
- SCHEDULE K SOLID WASTE DISPOSAL SITES
- SCHEDULE L ASBESTOS OPERATIONS
- SCHEDULE M MAJOR STATIONARY SOURCE FEES
- SCHEDULE N TOXIC INVENTORY FEES
- SCHEDULE O DELETED May 19, 1999
- SCHEDULE P MAJOR FACILITY REVIEW FEES
- SCHEDULE Q EXCAVATION OF CONTAMINATED SOIL AND REMOVAL OF UNDERGROUND STORAGE TANKS
- SCHEDULE R EQUIPMENT REGISTRATION FEES
- SCHEDULE S NATURALLY OCCURRING ASBESTOS OPERATIONS
- SCHEDULE T GREENHOUSE GAS FEES
- SCHEDULE U INDIRECT SOURCE REVIEW FEES
- SCHEDULE V OPEN BURNING
- [SCHEDULE W PETROLEUM REFINING EMISSIONS TRACKING FEES](#)
- [SCHEDULE X MAJOR STATIONARY SOURCE COMMUNITY AIR MONITORING FEES](#)

**REGULATION 3
FEES**

(Adopted June 18, 1980)

3-100 GENERAL

3-101 Description: This regulation establishes the regulatory fees charged by the District.
(Amended 7/6/83; 11/2/83; 2/21/90; 12/16/92; 8/2/95; 12/2/98; 5/21/03; 5/21/08; 5/20/09; 6/19/13)

3-102 Deleted July 12, 1989

3-103 Exemption, Abatement Devices: Installation, modification, or replacement of abatement devices on existing sources are subject to fees pursuant to Section 3-302.3. All abatement devices are exempt from annual permit renewal fees. However, emissions from abatement devices, including any secondary emissions, shall be included in facility-wide emissions calculations when determining the applicability of and the fees associated with Schedules M, N, P, and T.

(Amended 6/4/86; 7/1/98; 6/7/00; 5/21/08)

3-104 Deleted August 2, 1995

3-105 Exemption, Excavation of Contaminated Soil and Removal of Underground Storage Tank Operation Fees: Fees shall not be required, pursuant to Section 3-322, for operations associated with the excavation of contaminated soil and the removal of underground storage tanks if one of the following is met:

105.1 The tank removal operation is being conducted within a jurisdiction where the APCO has determined that a public authority has a program equivalent to the District program and persons conducting the operations have met all the requirements of the public authority.

105.2 Persons submitting a written notification for a given site have obtained an Authority to Construct or Permit to Operate in accordance with Regulation 2, Rule 1, Section 301 or 302. Evidence of the Authority to Construct or the Permit to Operate must be provided with any notification required by Regulation 8, Rule 40.

(Adopted 1/5/94; Amended 5/21/03)

3-106 Deleted December 2, 1998

3-107 Exemption, Sources Exempt from Permit Requirements: Any source that is exempt from permit requirements pursuant to Regulation 2, Rule 1, Sections 103 through 128 is exempt from permit fees. However, emissions from exempt sources shall be included in facility-wide emissions calculations when determining the applicability of and the fees associated with Schedules M, N, and P.

(Adopted June 7, 2000)

3-200 DEFINITIONS

3-201 Cancelled Application: Any application which has been withdrawn by the applicant or cancelled by the APCO for failure to pay fees or to provide the information requested to make an application complete.

(Amended 6/4/86; 4/6/88)

3-202 Gasoline Dispensing Facility: Any stationary facility which dispenses gasoline directly into the fuel tanks of vehicles, such as motor vehicles, aircraft or boats. The facility shall be treated as a single source which includes all necessary equipment for the exclusive use of the facility, such as nozzles, dispensers, pumps, vapor return lines, plumbing and storage tanks.

(Amended February 20, 1985)

3-203 Filing Fee: A fixed fee for each source in an authority to construct.

(Amended June 4, 1986)

3-204 Initial Fee: The fee required for each new or modified source based on the type and size of the source. The fee is applicable to new and modified sources seeking to obtain an authority to construct. Operation of a new or modified source is not allowed until the permit to operate fee is paid.

(Amended June 4, 1986)

AGENDA: 9 – ATTACHMENT B

- 3-205 Authority to Construct:** Written authorization from the APCO, pursuant to Section 2-1-301, for a source to be constructed or modified or for a source whose emissions will be reduced by the construction or modification of an abatement device.
(Amended June 4, 1986)
- 3-206 Modification:** See Section 1-217 of Regulation 1.
- 3-207 Permit to Operate Fee:** The fee required for the annual renewal of a permit to operate or for the first year of operation (or prorated portion thereof) of a new or modified source which received an authority to construct.
(Amended 6/4/86; 7/15/87; 12/2/98; 6/7/00)
- 3-208 Deleted June 4, 1986**
- 3-209 Small Business:** A business with no more than 10 employees and gross annual income of no more than \$750,000 that is not an affiliate of a non-small business.
(Amended 6/4/86; 6/6/90; 6/7/00; 6/15/05; 6/16/10)
- 3-210 Solvent Evaporating Source:** Any source utilizing organic solvent, as part of a process in which evaporation of the solvent is a necessary step. Such processes include, but are not limited to, solvent cleaning operations, painting and surface coating, rotogravure coating and printing, flexographic printing, adhesive laminating, etc. Manufacture or mixing of solvents or surface coatings is not included.
(Amended July 3, 1991)
- 3-211 Source:** See Section 1-227 of Regulation 1.
- 3-212 Deleted August 2, 1995**
- 3-213 Major Stationary Source:** For the purpose of Schedule M, a major stationary source shall be any District permitted plant, building, structure, stationary facility or group of facilities under the same ownership, leasehold, or operator which, in the base calendar year, emitted to the atmosphere organic compounds, oxides of nitrogen (expressed as nitrogen dioxide), oxides of sulfur (expressed as sulfur dioxide), or PM₁₀ in an amount calculated by the APCO equal to or exceeding 50 tons per year.
(Adopted 11/2/83; Amended 2/21/90; 6/6/90; 8/2/95; 6/7/00)
- 3-214 Deleted October 20, 1999, effective March 1, 2000**
- 3-215 Deleted October 20, 1999, effective March 1, 2000**
- 3-216 Deleted October 20, 1999, effective March 1, 2000**
- 3-217 Deleted October 20, 1999, effective March 1, 2000**
- 3-218 Deleted October 20, 1999, effective March 1, 2000**
- 3-219 Deleted October 20, 1999, effective March 1, 2000**
- 3-220 Deleted October 20, 1999, effective March 1, 2000**
- 3-221 Deleted October 20, 1999, effective March 1, 2000**
- 3-222 Deleted October 20, 1999, effective March 1, 2000**
- 3-223 Start-up Date:** Date when new or modified equipment under an authority to construct begins operating. The holder of an authority to construct is required to notify the APCO of this date at least 3 days in advance. For new sources, or modified sources whose authorities to construct have expired, operating fees are charged from the startup date.
(Adopted 6/4/86; Amended 6/6/90)
- 3-224 Permit to Operate:** Written authorization from the APCO pursuant to Section 2-1-302.
(Adopted 6/4/86; Amended 6/7/00)
- 3-225 Deleted June 3, 2015**
- 3-226 Air Toxics "Hot Spots" Information and Assessment Act of 1987:** The Air Toxics "Hot Spots" Information and Assessment Act of 1987 directs the California Air Resources Board and the Air Quality Management Districts to collect information from industry on emissions of potentially toxic air contaminants and to inform the public about such emissions and their impact on public health. It also directs the Air Quality Management District to collect fees sufficient to cover the necessary state and District costs of implementing the program.
(Adopted 10/21/92; Amended 6/15/05)
- 3-227 Toxic Air Contaminant, or TAC:** An air pollutant that may cause or contribute to an increase in mortality or in serious illness or that may pose a present or potential hazard to human health. For the purposes of this rule, TACs consist of the substances listed in Table 2-5-1 of Regulation 2, Rule 5.
(Adopted 10/21/92; Amended 6/15/05)
- 3-228 Deleted December 2, 1998**

- 3-229 Deleted December 2, 1998
 3-230 Deleted December 2, 1998
 3-231 Deleted December 2, 1998
 3-232 Deleted December 2, 1998
 3-233 Deleted December 2, 1998
 3-234 Deleted December 2, 1998
 3-235 Deleted December 2, 1998
 3-236 Deleted December 2, 1998
 3-237 **PM₁₀**: See Section 2-1-229 of Regulation 2, Rule 1.
(Adopted June 7, 2000)
- 3-238 **Risk Screening Fee**: Fee for a new or modified source of toxic air contaminants for which a health risk screening analysis (HRSA) is required under Regulation 2-5-401, or for an HRSA prepared for other purposes (e.g., for determination of permit exemption in accordance with Regulations 2-1-316, 2-5-301 and 2-5-302; or for determination of exemption from emission control requirements pursuant to Regulation 8-47-113 and 8-47-402).
(Adopted June 15, 2005)
- 3-239 **Toxic Surcharge**: Fee paid in addition to the permit to operate fee for a source that emits one or more toxic air contaminants at a rate which exceeds a chronic trigger level listed in Table 2-5-1.
(Adopted June 15, 2005)
- 3-240 **Biogenic Carbon Dioxide**: Carbon dioxide emissions resulting from materials that are derived from living cells, excluding fossil fuels, limestone and other materials that have been transformed by geological processes. Biogenic carbon dioxide originates from carbon (released in the form of emissions) that is present in materials that include, but are not limited to, wood, paper, vegetable oils, animal fat, and food, animal and yard waste.
(Adopted May 21, 2008)
- 3-241 **Green Business**: A business or government agency that has been certified under the Bay Area Green Business Program coordinated by the Association of Bay Area Governments and implemented by participating counties.
(Adopted June 16, 2010)
- 3-242 **Incident**: A non-routine release of an air contaminant that may cause adverse health consequences to the public or to emergency personnel responding to the release, or that may cause a public nuisance or off-site environmental damage.
(Adopted June 19, 2013)
- 3-243 **Incident Response**: The District's response to an incident. The District's incident response may include the following activities: i) inspection of the incident-emitting equipment and facility records associated with operation of the equipment; ii) identification and analysis of air quality impacts, including without limitation, identifying areas impacted by the incident, modeling, air monitoring, and source sampling; iii) engineering analysis of the specifications or operation of the equipment; and iv) administrative tasks associated with processing complaints and reports.
(Adopted June 19, 2013)
- 3-244 **Permit to Operate Renewal Date**: The first day of a Permit to Operate's Permit Renewal Period.
(Adopted June 19, 2013)
- 3-245 **Permit Renewal Period**: The length of time the source is authorized to operate pursuant to a Permit to Operate.
(Adopted June 19, 2013)
- 3-300 **STANDARDS**
- 3-301 **Hearing Board Fees**: Applicants for variances or appeals or those seeking to revoke or modify variances or abatement orders or to rehear a Hearing Board decision shall pay the applicable fees, including excess emission fees, set forth in Schedule A.
(Amended June 7, 2000)
- 3-302 **Fees for New and Modified Sources**: Applicants for authorities to construct and permits to operate new sources shall pay for each new source: a filing fee of ~~\$462452~~, the initial fee, the risk screening fee, the permit to operate fee, and toxic surcharge (given in Schedules B, C, D, E, F, H, I or K). Applicants for authorities to construct and permits to operate modified sources shall pay for each modified source, a filing fee of ~~\$462452~~, the initial fee, the risk screening

fee, and any incremental increase in permit to operate and toxic surcharge fees. Where more than one of the schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules. Except for gasoline dispensing facilities (Schedule D) and semiconductor facilities (Schedule H), the size to be used for a source when applying the schedules shall be the maximum size the source will have after the construction or modification. Where applicable, fees for new or modified sources shall be based on maximum permitted usage levels or maximum potential to emit including any secondary emissions from abatement equipment. The APCO may reduce the fees for new and modified sources by an amount deemed appropriate if the owner or operator of the source attends an Industry Compliance School sponsored by the District.

302.1 Small Business Discount: If an applicant qualifies as a small business and the source falls under schedules B, C, D (excluding gasoline dispensing facilities), E, F, H, I or K, the filing fee, initial fee, and risk screening fee shall be reduced by 50%. All other applicable fees shall be paid in full.

302.2 Deleted July 3, 1991

302.3 Fees for Abatement Devices: Applicants for an authority to construct and permit to operate abatement devices where there is no other modification to the source shall pay a ~~\$462452~~ filing fee and initial and risk screening fees that are equivalent to 50% of the initial and risk screening fees for the source being abated, not to exceed a total of \$10,000. For abatement devices abating more than one source, the initial fee shall be 50% of the initial fee for the source having the highest initial fee.

302.4 Fees for Reactivated Sources: Applicants for a Permit to Operate reactivated, previously permitted equipment shall pay the full filing, initial, risk screening, permit, and toxic surcharge fees.

302.5 Deleted June 3, 2015

302.6 Green Business Discount: If an applicant qualifies as a green business, the filing fee, initial fee, and risk screening fee shall be reduced by 10%. All other applicable fees shall be paid in full.

(Amended 5/19/82; 7/6/83; 6/4/86; 7/15/87; 6/6/90; 7/3/91; 6/15/94; 10/8/97; 7/1/98; 5/19/99; 6/7/00; 6/6/01; 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, TBD)

3-303

Back Fees: An applicant required to obtain a permit to operate existing equipment in accordance with District regulations shall pay back fees equal to the permit to operate fees and toxic surcharges given in the appropriate Schedule (B, C, D, E, F, H, I or K) prorated from the effective date of permit requirements. Where more than one of these schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules. The applicant shall also pay back fees equal to toxic inventory fees pursuant to Section 3-320 and Schedule N. The maximum back fee shall not exceed a total of five years' permit, toxic surcharge, and toxic inventory fees. An owner/operator required to register existing equipment in accordance with District regulations shall pay back fees equal to the annual renewal fee given in Schedule R prorated from the effective date of registration requirements, up to a maximum of five years.

(Amended 5/19/82; 7/6/83; 6/4/86; 7/15/87; 6/6/90; 7/3/91; 10/8/97; 6/15/05; 5/20/09)

3-304

Alteration: Except for gasoline dispensing facilities subject to Schedule D, aAn applicant to alter an existing permitted source shall pay the filing fee and 50% of the initial fee for the source, provided that the alteration does not result in an increase in emissions of any regulated air pollutant. For gasoline dispensing facilities subject to Schedule D, an applicant for an alteration shall pay a fee of 1.75 times the filing fee.

(Amended 6/4/86; 11/15/00; 6/2/04; 6/3/15, TBD)

3-305

Cancellation or Withdrawal: There will be no refund of initial, risk screening, and filing fees if an application is cancelled or withdrawn. However, if an application for identical equipment is submitted within six months of the date of cancellation or withdrawal, the initial fee will be credited in full against the fee for the new application.

(Amended 7/6/83; 4/6/88; 10/8/97; 6/15/05)

3-306

Change in Conditions: If an applicant applies to change the conditions on an existing authority to construct or permit to operate, the applicant will pay the following fees. There will be no change in anniversary date.

306.1 Administrative Condition Changes: An applicant applying for an administrative change in permit conditions shall pay a fee equal to the filing fee for a single source, provided the following criteria are met:

- 1.1 The condition change applies to a single source or a group of sources with shared permit conditions.
 - 1.2 The condition change does not subject the source(s) to any District Regulations or requirements that were not previously applicable.
 - 1.3 The condition change does not result in any increase in emissions of POC, NPOC, NO_x, CO, SO₂, or PM₁₀ at any source or the emission of a toxic air contaminant above the trigger levels identified in Table 2-5-1
 - 1.4 The condition change does not require a public notice.
- 306.2 Other Condition Changes: Applicant shall pay the filing, initial, and risk screening fees required for new and modified equipment under Section 3-302. If the condition change will result in higher permit to operate fees, the applicant shall also pay any incremental increases in permit to operate fees and toxic surcharges.

(Amended 7/6/83; 6/4/86; 6/6/90; 10/8/97; 6/7/00; 6/15/05)

3-307 Transfers: The owner/operator of record is the person to whom a permit is issued or, if no permit has yet been issued to a facility, the person who applied for a permit. Permits are valid only for the owner/operator of record. Upon submittal of a ~~\$102400~~ transfer of ownership fee, permits are re-issued to the new owner/operator of record with no change in expiration dates.

(Amended 2/20/85; 6/4/86; 11/5/86; 4/6/88; 10/8/97, 5/1/02; 5/21/03; 6/02/04; 6/19/13; 6/4/14, TBD)

3-308 Change of Location: An applicant who wishes to move an existing source, which has a permit to operate, shall pay no fee if the move is on the same facility. If the move is not on the same facility, the source shall be considered a new source and subject to Section 3-302. This section does not apply to portable permits meeting the requirements of Regulation 2-1-220 and 413.

(Amended 7/6/83; 6/4/86; 6/15/05)

3-309 Duplicate Permit or Registration: An applicant for a duplicate permit to operate or registration shall pay a fee of ~~\$7876~~ per permit or registration.

(Amended 5/19/99; 5/1/02; 5/21/03; 6/02/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 6/19/13; 6/4/14; 6/3/15, TBD)

3-310 Fee for Constructing Without a Permit: An applicant for an authority to construct and a permit to operate a source, which has been constructed or modified without an authority to construct, shall pay the following fees:

- 310.1 Sources subject to permit requirements on the date of initial operation shall pay fees for new construction pursuant to Section 3-302, any back fees pursuant to Section 3-303, and a late fee equal to 100% of the initial fee. A modified gasoline dispensing facility subject to Schedule D that is not required to pay an initial fee shall pay fees for a modified source pursuant to Section 3-302, back fees, and a late fee equal to 100% of the filing fee.
- 310.2 Sources previously exempt from permit requirements that lose their exemption due to changes in District, state, or federal regulations shall pay a permit to operate fee and toxic surcharge for the coming year and any back fees pursuant to Section 3-303.
- 310.3 Sources previously exempt from permit requirements that lose their exemption due to a change in the manner or mode of operation, such as an increased throughput, shall pay fees for new construction pursuant to Section 3-302. In addition, sources applying for permits after commencing operation in a non-exempt mode shall also pay a late fee equal to 100% of the initial fee and any back fees pursuant to Section 3-303.
- 310.4 Sources modified without a required authority to construct shall pay fees for modification pursuant to Section 3-302 and a late fee equal to 100% of the initial fee.

(Amended 7/6/83; 4/18/84; 6/4/86; 6/6/90; 7/3/91; 8/2/95; 10/8/97; 6/02/04; 6/15/05; 6/6/12)

3-311 Banking: Any applicant who wishes to bank emissions for future use, or convert an ERC into an IERC, shall pay a filing fee of ~~\$462452~~ per source plus the initial fee given in Schedules B, C, D, E, F, H, I or K. Where more than one of these schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules. Any applicant for the withdrawal of banked emissions shall pay a fee of ~~\$462452~~.

(Amended 7/6/83; 6/4/86; 7/15/87; 7/3/91; 6/15/94; 7/1/98; 5/19/99; 6/7/00; 6/6/01; 5/1/02; 5/21/03; 6/02/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, TBD)

3-312 Emission Caps and Alternative Compliance Plans: Any facility which elects to use an alternative compliance plan contained in:

- 312.1 Regulation 8 ("bubble") to comply with a District emission limitation or to use an annual or monthly emission limit to acquire a permit in accordance with the provisions of Regulation 2, Rule 2, shall pay an additional annual fee equal to fifteen percent of the total plant permit to operate fee.

AGENDA: 9 – ATTACHMENT B

312.2 Regulation 2, Rule 9, or Regulation 9, Rule 10 shall pay an annual fee of \$~~1,1691,144~~ for each source included in the alternative compliance plan, not to exceed \$~~11,69211,445~~.

(Adopted 5/19/82; Amended 6/4/86; 5/19/99; 6/7/00; 6/6/01; 5/1/02; 5/23/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, TBD)

3-313 Deleted May 19, 1999

3-314 Deleted August 2, 1995

3-315 Costs of Environmental Documentation: An applicant for an Authority to Construct shall pay, in addition to the fees required under Section 3-302 and in any applicable schedule, the District's costs of performing any environmental evaluation and preparing and filing any documents pursuant to the California Environmental Quality Act (Public Resources Code, Section 21000, et seq), including the costs of any outside consulting assistance which the District may employ in connection with the preparation of any such evaluation or documentation, as well as the District's reasonable internal costs (including overhead) of processing, reviewing, or filing any environmental evaluation or documentation.

(Adopted 12/18/85; Amended 5/1/02; 6/3/15)

3-316 Deleted June 6, 1990

3-317 Asbestos Operation Fees: After July 1, 1988, persons submitting a written plan, as required by Regulation 11, Rule 2, Section 401, to conduct an asbestos operation shall pay the fee given in Schedule L.

(Adopted 7/6/88; Renumbered 9/7/88; Amended 8/2/95)

3-318 Public Notice Fee, Schools: Pursuant to Section 42301.6(b) of the Health and Safety Code, an applicant for an authority to construct or permit to operate subject to the public notice requirements of Regulation 2-1-412 shall pay, in addition to the fees required under Section 3-302 and in any applicable schedule, a fee to cover the expense of preparing and distributing the public notices to the affected persons specified in Regulation 2-1-412 as follows:

318.1 A fee of \$~~2,1462,400~~ per application, and

318.2 The District's cost exceeding \$~~2,1462,400~~ of preparing and distributing the public notice.

318.3 The District shall refund to the applicant the portion of any fee paid under this Section that exceeds the District's cost of preparing and distributing the public notice.

(Adopted 11/1/89; Amended 10/8/97; 7/1/98; 5/19/99; 6/7/00; 5/21/03; 6/2/04; 6/16/10, TBD)

3-319 Major Stationary Source Fees: Any major stationary source emitting 50 tons per year of organic compounds, sulfur oxides, nitrogen oxides, or PM₁₀ shall pay a fee based on Schedule M. This fee is in addition to permit and other fees otherwise authorized to be collected from such facilities and shall be included as part of the annual permit renewal fees.

(Adopted 6/6/90; Amended 8/2/95; 6/7/00)

3-320 Toxic Inventory Fees: Any facility that emits one or more toxic air contaminants in quantities above a minimum threshold level shall pay an annual fee based on Schedule N. This fee will be in addition to permit to operate, toxic surcharge, and other fees otherwise authorized to be collected from such facilities.

320.1 An applicant who qualifies as a small business under Regulation 3-209 shall pay a Toxic Inventory Fee as set out in Schedule N up to a maximum fee of \$~~9,1418,944~~ per year.

(Adopted 10/21/92; Amended 5/19/99; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/20/09; 6/16/10; 5/4/11, TBD)

3-321 Deleted December 2, 1998

3-322 Excavation of Contaminated Soil and Removal of Underground Storage Tank Operation Fees: Persons submitting a written notification for a given site to conduct either excavation of contaminated soil or removal of underground storage tanks as required by Regulation 8, Rule 40, Section 401, 402, 403 or 405 shall pay a fee based on Schedule Q.

(Adopted 1/5/94; Amended 8/2/95; 5/21/03)

3-323 Pre-Certification Fees: An applicant seeking to pre-certify a source, in accordance with Regulation 2, Rule 1, Section 415, shall pay the filing fee, initial fee and permit to operate fee given in the appropriate schedule.

(Adopted June 7, 1995)

3-324 Deleted June 7, 2000

3-325 Deleted December 2, 1998

3-326 Deleted December 2, 1998

3-327 Permit to Operate, Renewal Fees: After the expiration of the initial permit to operate, the

AGENDA: 9 – ATTACHMENT B

permit to operate shall be renewed on an annual basis or other time period as approved by the APCO. The fee required for the renewal of a permit to operate is the permit to operate fee and toxic surcharge listed in Schedules B, C, D, E, F, H, I, and K, prorated for the period of coverage. When more than one of the schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules. This renewal fee is applicable to all sources required to obtain permits to operate in accordance with District regulations. The permit renewal invoice shall also specify any applicable major stationary source fees based on Schedule M, toxic inventory fees based on Schedule N, major facility review fees based on Schedule P, and greenhouse gas fees based on Schedule T. Where applicable, renewal fees shall be based on actual usage or emission levels that have been reported to or calculated by the District. In addition to these renewal fees for the sources at a facility, the facility shall also pay a processing fee at the time of renewal that covers each Permit Renewal Period as follows:

- 327.1 ~~\$9189~~ for facilities with one permitted source, including gasoline dispensing facilities,
- 327.2 ~~\$180476~~ for facilities with 2 to 5 permitted sources,
- 327.3 ~~\$359354~~ for facilities with 6 to 10 permitted sources,
- 327.4 ~~\$539527~~ for facilities with 11 to 15 permitted sources,
- 327.5 ~~\$715700~~ for facilities with 16 to 20 permitted sources,
- 327.6 ~~\$895876~~ for facilities with more than 20 permitted sources.

(Adopted 6/7/00; Amended 6/2/04; 6/16/04; 6/15/05; 6/7/06; 5/2/07; 5/2/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, TBD)

3-328 Fee for OEHHA Risk Assessment Reviews: Any facility that submits a health risk assessment to the District in accordance with Section 44361 of the California Health and Safety Code shall pay any fee requested by the State Office of Environmental Health Hazard Assessment (OEHHA) for reimbursement of that agency's costs incurred in reviewing the risk assessment.

(Adopted June 7, 2000)

3-329 Fee for Risk Screening: A health risk screening analysis (HRSA) required pursuant to Regulation 2, Rule 5 shall be subject to an appropriate Risk Screening Fee pursuant to Regulation 3-302 and Schedules B, C, D, E, F, H, I or K. In addition, any person that requests that the District prepare or review an HRSA (e.g., for determination of permit exemption in accordance with Regulations 2-1-316, 2-5-301 and 2-5-302; or for determination of exemption from emission control requirements pursuant to Regulation 8-47-113 and 8-47-402) shall pay a Risk Screening Fee.

(Adopted June 15, 2005)

3-330 Fee for Renewing an Authority to Construct: An applicant seeking to renew an authority to construct in accordance with Regulation 2-1-407 shall pay a fee of 50% of the initial fee in effect at the time of the renewal. If the District determines that an authority to construct cannot be renewed, any fees paid under this section shall be credited in full against the fee for a new authority to construct for functionally equivalent equipment submitted within six months of the date the original authority to construct expires.

(Adopted June 15, 2005)

3-331 Registration Fees: Any person who is required to register equipment under District rules shall submit a registration fee, and any annual fee thereafter, as set out in Schedule R. The APCO may reduce registration fees by an amount deemed appropriate if the owner or operator of the equipment attends an Industry Compliance School sponsored by the District.

(Adopted June 6, 2007; Amended 6/16/10)

3-332 Naturally Occurring Asbestos Fees: After July 1, 2007, any person required to submit an Asbestos Dust Mitigation Plan (ADMP) pursuant to Title 17 of the California Code of Regulations, Section 93105, Asbestos Air Toxic Control Measure for Construction, Grading, Quarrying, and Surface Mining Operations shall pay the fee(s) set out in Schedule S.

(Adopted June 6, 2007)

3-333 Major Facility Review (MFR) and Synthetic Minor Application Fees: Any facility that applies for, or is required to undergo, an initial MFR permit, an amendment to an MFR permit, a minor or significant revision to an MFR permit, a reopening of an MFR permit, a renewal of an MFR permit, an initial synthetic minor operating permit, or a revision to a synthetic minor operating permit, shall pay the applicable fees set forth in Schedule P.

(Adopted May 21, 2008)

3-334 Greenhouse Gas Fees: Any permitted facility with greenhouse gas emissions shall pay a fee based on Schedule T. This fee is in addition to permit and other fees otherwise authorized to

AGENDA: 9 – ATTACHMENT B

be collected from such facilities, and shall be included as part of the annual permit renewal fees.

(Adopted May 21, 2008)

3-335 Indirect Source Review Fees: Applicants that must file an Air Quality Impact Assessment pursuant to District rules for a project that is deemed to be an indirect source shall pay a fee based on Schedule U.

(Adopted May 20, 2009)

3-336 Open Burning Operation Fees: Effective July 1, 2013, any person required to provide notification to the District prior to burning; submit a petition to conduct a Filmmaking or Public Exhibition fire; receive an acreage burning allocation to conduct a Stubble fire; or submit a smoke management plan and receive an acreage burning allocation to conduct a Wildland Vegetation Management fire or Marsh Management fire shall pay the fee given in Schedule V.

(Adopted June 19, 2013)

3-337 Exemption Fee: An applicant who wishes to receive a certificate of exemption shall pay a filing fee of \$~~462452~~ per exempt source.

(Adopted June 19, 2013; Amended 6/4/14; 6/3/15)

3-338 Incident Response Fee: Any facility required to obtain a District permit, and any District-regulated area-wide or indirect source, that is the site where an incident occurs to which the District responds, shall pay a fee equal to the District's actual costs in conducting the incident response as defined in Section 3-243, including without limitation, the actual time and salaries, plus overhead, of the District staff involved in conducting the incident response and the cost of any materials.

(Adopted June 19, 2013)

3-339 Petroleum Refining Emissions Tracking Fees: Any person required to submit an Annual Emissions Inventory, Monthly Crude Slate Report, or air monitoring plan in accordance with Regulation 12, Rule 15 shall pay the applicable fees set forth in Schedule W.

(Adopted TBD)

3-340 Major Stationary Source Community Air Monitoring Fees: Any major stationary source emitting 35 tons per year of organic compounds, sulfur oxides, nitrogen oxides, carbon monoxide or PM₁₀ shall pay a community air monitoring fee based on Schedule X. This fee is in addition to permit and other fees otherwise authorized to be collected from such facilities and shall be included as part of the annual permit renewal fees.

(Adopted TBD)

3-400 ADMINISTRATIVE REQUIREMENTS

3-401 Permits: Definitions, standards, and conditions contained in Regulation 2, Permits, are applicable to this regulation.

3-402 Single Anniversary Date: The APCO may assign a single anniversary date to a facility on which all its renewable permits to operate expire and will require renewal. Fees will be prorated to compensate for different time periods resulting from change in anniversary date.

3-403 Change in Operating Parameters: See Section 2-1-404 of Regulation 2, Rule 1.

3-404 Deleted June 7, 2000

3-405 Fees Not Paid: If an applicant or owner/operator fails to pay the fees specified on the invoice by the due date, the following procedure(s) shall apply:

405.1 Authority to Construct: The application will be cancelled, but can be reactivated upon payment of fees.

405.2 New Permit to Operate: The Permit to Operate shall not be issued, and the facility will be notified that operation, including startup, is not authorized.

2.1 Fees received during the first 30 days following the due date must include a late fee equal to 10 percent of all fees specified on the invoice.

2.2 Fees received more than 30 days after the due date must include a late fee equal to 50 percent of all fees specified on the invoice.

405.3 Renewal of Permit to Operate: The owner or operator of a facility must renew the Permit to Operate in order to continue to be authorized to operate the source. Permit

AGENDA: 9 – ATTACHMENT B

to Operate Fees for the Permit Renewal Period shall be calculated using fee schedules in effect on the Permit to Operate Renewal Date. The permit renewal invoice will include all fees to be paid in order to renew the Permit to Operate, as specified in Section 3-327. If not renewed as of the date of the next Permit Renewal Period, a Permit to Operate lapses and further operation is no longer authorized. The District will notify the facility that the permit has lapsed. Reinstatement of lapsed Permits to Operate will require the payment of all unpaid prior Permit to Operate fees and associated reinstatement fees for each unpaid prior Permit Renewal Period, in addition to all fees specified on the permit renewal invoice.

405.4 Reinstatement of Lapsed Permit to Operate: To reinstate a Permit to Operate, the owner or operator must pay all of the following fees:

4.1 The applicable Permit to Operate Fees for the current year, as specified in Regulation 3-327, and the applicable reinstatement fee, if any, calculated as follows:

4.1.1 Fees received during the first 30 days following the due date must include all fees specified on the permit renewal invoice plus a reinstatement fee equal to 10 percent of all fees specified on the invoice.

4.1.2 Fees received more than 30 days after the due date, but less than one year after the due date, must include all fees specified on the permit renewal invoice plus a reinstatement fee equal to 50 percent of all fees specified on the invoice.

4.2 The applicable Permit to Operate Fees specified in Regulation 3-327 for each prior Permit Renewal Period for which all Permit to Operate Fees and associated reinstatement fees have not been paid. Each year's Permit to Operate Fee shall be calculated at the fee rates in effect on that year's Permit to Operate Renewal Date. The reinstatement fee for each associated previously-unpaid Permit to Operate Fee shall be calculated in accordance with Regulation 3-405.4.1 and 4.1.2.

Each year or period of the lapsed Permit to Operate is deemed a separate Permit Renewal Period. The oldest outstanding Permit to Operate Fee and reinstatement fees shall be paid first.

405.5 Registration and Other Fees: Persons who have not paid the fee by the invoice due date, shall pay the following late fee in addition to the original invoiced fee. Fees shall be calculated using fee schedules in effect at the time of the fees' original determination.

5.1 Fees received during the first 30 days following the due date must include an additional late fee equal to 10 percent of all fees specified on the invoice.

5.2 Fees received more than 30 days after the due date must include an additional late fee equal to 50 percent of all fees specified on the invoice.

(Amended 7/6/83; 6/4/86; 11/5/86; 2/15/89; 6/6/90; 7/3/91; 8/2/95; 12/2/98; 6/15/05; 6/7/06; 6/6/12; 6/19/13; 6/4/14)

3-406 Deleted June 4, 1986

3-407 Deleted August 2, 1995

3-408 Permit to Operate Valid for 12 Months: A Permit to Operate is valid for 12 months from the date of issuance or other time period as approved by the APCO.

(Amended 6/4/86; Amended 6/7/00)

3-409 Deleted June 7, 2000

3-410 Deleted August 2, 1995

3-411 Advance Deposit of Funds: The APCO may require that at the time of the filing of an application for an Authority to Construct for a project for which the District is a lead agency under the California Environmental Quality Act (Public Resources Code, Section 21000, et seq.), the applicant shall make an advance deposit of funds, in an amount to be specified by the APCO, to cover the costs which the District estimates to incur in connection with the District's performance of its environmental evaluation and the preparation of any required environmental documentation. In the event the APCO requires such an estimated advance payment to be made, the applicant will be provided with a full accounting of the costs actually incurred by the District in connection with the District's performance of its environmental evaluation and the preparation of any required environmental documentation.

(Adopted 12/18/85; Amended 8/2/95)

3-412 Deleted December 2, 1998

3-413 Toxic "Hot Spots" Information and Assessment Act Revenues: No later than 120 days after the adoption of this regulation, the APCO shall transmit to the California Air Resources Board, for deposit into the Air Toxics "Hot Spots" Information and Assessment Fund, the revenues determined by the ARB to be the District's share of statewide Air Toxics "Hot Spot" Information and Assessment Act expenses.

(Adopted October 21, 1992)

3-414 Deleted December 2, 1998

3-415 Failure to Pay - Further Actions: When an applicant or owner/operator fails to pay the fees specified on the invoice by the due date, the APCO may take the following actions against the applicant or owner/operator:

- 415.1 Issuance of a Notice to Comply.
- 415.2 Issuance of a Notice of Violation.
- 415.3 Revocation of an existing Permit to Operate. The APCO shall initiate proceedings to revoke permits to operate for any person who is delinquent for more than one month. The revocation process shall continue until payment in full is made or until permits are revoked.
- 415.4 The withholding of any other District services as deemed appropriate until payment in full is made.

(Adopted 8/2/95; Amended 12/2/98; 6/15/05)

3-416 Adjustment of Fees: The APCO or designees may, upon finding administrative error by District staff in the calculation, imposition, noticing, invoicing, and/or collection of any fee set forth in this rule, rescind, reduce, increase, or modify the fee. A request for such relief from an administrative error, accompanied by a statement of why such relief should be granted, must be received within two years from the date of payment.

(Adopted October 8, 1997)

3-417 Temporary Amnesty for Unpermitted and Unregistered Sources: The APCO has the authority to declare an amnesty period, during which the District may waive all or part of the back fees and/or late fees for sources that are currently operating without valid Permits to Operate and/or equipment registrations.

(Adopted June 16, 2010)

AGENDA: 9 – ATTACHMENT B

**SCHEDULE A
HEARING BOARD FEES¹**

Established by the Board of Directors December 7, 1977 Resolution No. 1046
(Code section references are to the California Health & Safety Code, unless otherwise indicated)

	Large Companies	Small Business	Third Party
1. For each application for variance exceeding 90 days, in accordance with §42350, including applications on behalf of a class of applicants, which meet the requirements of the Hearing Board Rules for a valid and proper class action for variance Plus, for each hearing in addition to the first hearing necessary to dispose of said variance application in accordance with §42350, the additional sum of	\$4,222 3,873 \$2,114 939	\$631 79 \$213 95	
2. For each application for variance not exceeding 90 days, in accordance with §42350, including applications on behalf of a class of applicants, which meet the requirements of the Hearing Board Rules for a valid and proper class action for variance Plus, for each hearing in addition to the first hearing necessary to dispose of said variance application, in accordance with §42350, the additional sum of	\$2,535 326 \$1,265 161	\$631 79 \$213 95	
3. For each application to modify a variance in accordance with §42356.... Plus, for each hearing in addition to the first hearing on said application to modify a variance, in accordance with §42345, necessary to dispose of the application, the additional sum of	\$1,682 543 \$1,265 161	\$213 95 \$213 95	
4. For each application to extend a variance, in accordance with §42357... Plus, for each hearing in addition to the first hearing on an application to extend a variance, in accordance with §42357, necessary to dispose of the application, the additional sum of	\$1,682 543 \$1,265 161	\$213 95 \$213 95	
5. For each application to revoke a variance.....	\$2,535 326	\$213 95	
6. For each application for approval of a Schedule of Increments of Progress in accordance with §41703	\$1,682 543	\$213 95	
7. For each application for variance in accordance with §41703, which exceeds 90 days Plus, for each hearing in addition to the first hearing on said application for variance in accordance with §41703, the additional sum of	\$4,222 3,873 \$2,114 939	\$631 79 \$213 95	
8. For each application for variance in accordance with §41703, not to exceed 90 days Plus, for each hearing in addition to the hearing on said application for a variance in accordance with §41703, the additional sum of	\$2,535 326 \$1,265 161	\$631 79 \$213 95	

AGENDA: 9 – ATTACHMENT B

		Large Companies	Small Business	Third Party
9.	For each Appeal (Permit, Banking, Title V)	\$4,2223,873 per hearing day	\$2,1144939 per hearing day	\$2,1144,939 for entire appeal period
10.	For each application for intervention in accordance with Hearing Board Rules §§2.3, 3.6 & 4.6.....	\$2,1144,939	\$425390	
11.	For each application to Modify or Terminate an abatement order	\$4,2223,873 per hearing day	\$2,1144,939 per hearing day	
12.	For each application for an interim variance in accordance with §42351	\$2,1144,939	\$425390	
13.	For each application for an emergency variance in accordance with §42359.5.....	\$1,054967	\$213495	
14.	For each application to rehear a Hearing Board decision in accordance with §40861.....	100% of previous fee charged	100% of previous fee charged	
15.	Excess emission fees.....	See Attachment I	See Attachment I	
16.	Miscellaneous filing fee for any hearing not covered above	\$2,1144,939	\$631579	\$631579
17.	For each published Notice of Public Hearing.....	Cost of Publication	\$0	\$0
18.	Court Reporter Fee (to be paid only if Court Reporter required for hearing).....	Actual Appearance and Transcript costs per hearing solely dedicated to one Docket	\$0	Actual Appearance and Transcript costs per hearing solely dedicated to one Docket

NOTE 1 Any applicant who believes they have a hardship for payment of fees may request a fee waiver from the Hearing Board pursuant to Hearing Board Rules.

(Amended 10/8/97; 5/19/99; 6/7/00; 6/6/01, 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15)

**SCHEDULE A
ATTACHMENT I
EXCESS EMISSION FEE**

A. General

- (1) Each applicant or petitioner for a variance from these Rules and Regulations shall pay to the Clerk or Deputy Clerk of the Hearing Board, in addition to the other filing fees required in Schedule A, an emission fee based on the total weight of emissions discharged, per source or product, other than those described in division (B) below, during the variance period in excess of that allowed by these rules in accordance with the schedule set forth in Table I.
- (2) Where the total weight of emission discharged cannot be easily calculated, the petitioner shall work in concert with District staff to establish the amount of excess emissions to be paid.
- (3) In the event that more than one rule limiting the discharge of the same contaminant is violated, the excess emission fee shall consist of the fee for violation which will result in the payment of the greatest sum. For the purposes of this subdivision, opacity rules and particulate mass emissions shall not be considered rules limiting the discharge of the same contaminant.

B. Excess Visible Emission Fee

Each applicant or petitioner for a variance from Regulation 6 or Health and Safety Code Section 41701 shall pay to the Clerk or Deputy Clerk of the Hearing Board, in addition to the filing fees required in Schedule A and the excess emission fees required in (A) above (if any), an emission fee based on the difference between the percent opacity allowed by Regulation 6 and the percent opacity of the emissions allowed from the source or sources operating under the variance, in accordance with the schedule set forth in Table II.

In the event that an applicant or petitioner is exempt from the provisions of Regulation 6, the applicant or petitioner shall pay a fee calculated as described herein above, but such fee shall be calculated based upon the difference between the opacity allowed under the variance and the opacity allowed under the provisions of Health and Safety Code Section 41701, in accordance with the schedule set forth in Table II.

C. Applicability

The provisions of subdivision (A) shall apply to all variances that generate excess emissions.

D. Fee Determination

- (1) The excess emission fees shall be calculated by the petitioner based upon the requested number of days of operation under variance multiplied by the expected excess emissions as set forth in subdivisions (A) and (B) above. The calculations and proposed fees shall be set forth in the petition.
- (2) The Hearing Board may adjust the excess emission fee required by subdivisions (A) and (B) of this rule based on evidence regarding emissions presented at the time of the hearing.

E. Small Businesses

- (1) A small business shall be assessed twenty percent (20%) of the fees required by subdivisions (A) and (B), whichever is applicable. "Small business" is defined in the Fee Regulation.
- (2) Request for exception as a small business shall be made by the petitioner under penalty of perjury on a declaration form provided by the Executive Officer which shall be submitted to the Clerk or Deputy Clerk of the Hearing Board at the time of filing a petition for variance.

F. Group, Class and Product Variance Fees

Each petitioner included in a petition for a group, class or product variance shall pay the filing fee specified in Schedule A, and the excess emission fees specified in subdivisions (A) and (B), whichever is applicable.

G. Adjustment of Fees

If after the term of a variance for which emission fees have been paid, petitioner can establish, to the satisfaction of the Executive Officer/APCO, that emissions were actually less than those upon which the fee was based, a pro rata refund shall be made.

H. Fee Payment/Variance Invalidation

- (1) Excess emission fees required by subdivisions (A) and (B), based on an estimate provided during the variance Hearing, are due and payable within fifteen (15) days of the granting of the variance. The petitioner shall be notified in writing of any adjustment to the amount of excess emission fees due, following District staff's verification of the estimated emissions. Fee payments to be made as a result of an adjustment are due and payable within fifteen (15) days of notification of the amount due.
- (2) Failure to pay the excess emission fees required by subdivisions (A) and (B) within fifteen (15) days of notification that a fee is due shall automatically invalidate the variance. Such notification may be given by personal service or by deposit, postpaid, in the United States mail and shall be due fifteen (15) days from the date of personal service or mailing. For the purpose of this rule, the fee payment shall be considered to be received by the District if it is postmarked by the United States Postal Service on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been postmarked on the expiration date.

**TABLE I
SCHEDULE OF EXCESS EMISSIONS FEES**

Air Contaminants All at \$~~4.053.72~~ per pound

Organic gases, except methane and those containing sulfur
Carbon Monoxide
Oxides of nitrogen (expressed as nitrogen dioxide)
Gaseous sulfur compounds (expressed as sulfur dioxide)
Particulate matter

Toxic Air Contaminants All at \$~~20.1248.46~~ per pound

Asbestos
Benzene
Cadmium
Carbon tetrachloride
Chlorinated dioxins and dibenzofurans (15 species)
Ethylene dibromide
Ethylene dichloride
Ethylene oxide
Formaldehyde
Hexavalent chromium
Methylene chloride
Nickel
Perchloroethylene
1,3-Butadiene
Inorganic arsenic
Beryllium
Polynuclear aromatic hydrocarbons (PAH)
Vinyl chloride
Lead
1,4-Dioxane
Trichloroethylene

**TABLE II
SCHEDULE OF EXCESS VISIBLE EMISSION FEE**

For each source with opacity emissions in excess of twenty percent (20%), but less than forty percent (40%) (where the source is in violation of Regulation 6 and California Health and Safety Code Section 41701), the fee is calculated as follows:

$$\text{Fee} = (\text{Opacity} * \text{equivalent} - 20) \times \text{number of days allowed in variance} \times \$\del{4.504.13}$$

For each source with opacity emissions in excess of forty percent (40%) (where the source is in violation of Regulation 6 and California Health and Safety Code Section 41701), the fee is calculated as follows:

$$\text{Fee} = (\text{Opacity} * \text{equivalent} - 40) \times \text{number of days allowed by variance} \times \$\del{4.504.13}$$

* Where "Opacity" equals maximum opacity of emissions in percent (not decimal equivalent) allowed by the variance. Where the emissions are darker than the degree of darkness equivalent to the allowed Ringelmann number, the percentage equivalent of the excess degree of darkness shall be used as "opacity."

(Adopted 6/7/00; Amended 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, TBD)

**SCHEDULE B
COMBUSTION OF FUEL**
(Adopted June 18, 1980)

For each source that burns fuel, which is not a flare and not exempted by Regulation 2, Rule 1, the fee shall be computed based on the maximum gross combustion capacity (expressed as higher heating value, HHV) of the source.

1. INITIAL FEE: \$~~63.1164~~.75 per MM BTU/HOUR
 - a. The minimum fee per source is: \$~~337~~330
 - b. The maximum fee per source is: \$~~117,733~~445,499
2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.
 - a. RSF for first TAC source in application: \$~~462~~452 plus \$63.1164.75 per MM BTU/hr
 - b. Minimum RSF for first TAC source: \$~~799~~782
 - c. RSF for each additional TAC source: \$63.1164.75 per MM BTU/hr *
 - d. Minimum RSF per additional TAC source: \$~~337~~330 *
 - e. Maximum RSF per source is: \$~~117,733~~445,499
 - * RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$~~31.5430~~.86 per MM BTU/HOUR
 - a. The minimum fee per source is: \$~~239~~234
 - b. The maximum fee per source is: \$~~58,866~~57,599
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.
5. ROUNDING: Fees for each source will be rounded to the nearest dollar. The fee for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.
6. Applicants for an authority to construct and permit to operate a project, which burns municipal waste or refuse-derived fuel, shall pay in addition to all required fees, an additional fee to cover the costs incurred by the State Department of Health Services, and/or a qualified contractor designated by the State Department of Health Services, in reviewing a risk assessment as required under H&S Code Section 42315. The fee shall be transmitted by the District to the Department of Health Services and/or the qualified contractor upon completion of the review and submission of comments in writing to the District.
7. A surcharge equal to 100% of all required initial and permit to operate fees shall be charged for sources permitted to burn one or more of the following fuels: coke, coal, wood, tires, black liquor, and municipal solid waste.

NOTE: MM BTU is million BTU of higher heat value
One MM BTU/HR = 1.06 gigajoules/HR

(Amended 6/5/85; 6/4/86; 3/4/87; 6/6/90; 7/3/91; 6/15/94; 10/8/97; 7/1/98; 7/1/98; 5/19/99; 6/7/00; 6/6/01, 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15. TBD)

SCHEDULE C
STATIONARY CONTAINERS FOR THE STORAGE OF ORGANIC LIQUIDS
 (Adopted June 18, 1980)

For each stationary container of organic liquids which is not exempted from permits by Regulation 2 and which is not part of a gasoline dispensing facility, the fee shall be computed based on the container volume, as follows:

1. INITIAL FEE: 0.1850-184 cents per gallon
 - a. The minimum fee per source is: \$204200
 - b. The maximum fee per source is: \$27,85827,258

2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.
 - a. RSF for first TAC source in application: \$462452 plus 0.1850-184 cents per gallon
 - b. Minimum RSF for first TAC source: \$666652
 - c. RSF for each additional TAC source: 0.1850-184 cents per gallon *
 - d. Minimum RSF per additional TAC source: \$204200 *
 - e. Maximum RSF per source is: \$27,85827,258
 - * RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE: 0.0930-094 cents per gallon
 - a. The minimum fee per source is: \$147444
 - b. The maximum fee per source is: \$13,92843,628

4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

5. ROUNDING: Fees for each source will be rounded to the nearest dollar. The fee for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.

(Amended 2/20/85; 6/5/85; 6/4/86; 7/3/91; 6/15/94; 7/1/98; 5/19/99; 6/7/00; 6/6/01; 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/20/09; 6/16/10; 6/6/12; 6/19/13; 6/4/14; 6/3/15, TBD)

SCHEDULE D
GASOLINE TRANSFER AT GASOLINE DISPENSING FACILITIES,
BULK PLANTS AND TERMINALS
 (Adopted June 18, 1980)

A. All gasoline dispensing facilities shall pay the following fees:

1. INITIAL FEE: \$~~283.72260-29~~ per single product nozzle (spn)
\$~~283.72260-29~~ per product for each multi-product nozzle (mpn)
2. PERMIT TO OPERATE FEE: \$~~108.6799-70~~ per single product nozzle (spn)
\$~~108.6799-70~~ per product for each multi-product nozzle (mpn)

3. Initial fees and permit to operate fees for hardware modifications at a currently permitted gasoline dispensing facility shall be consolidated into a single fee calculated according to the following formula:

$$\$392.37359-97 \times \left\{ \left[(mpn_{\text{proposed}})(\text{products per nozzle}) + spn_{\text{proposed}} \right] - \left[(mpn_{\text{existing}})(\text{products per nozzle}) + spn_{\text{existing}} \right] \right\}$$

mpn = multi-product nozzles
spn = single product nozzles

The above formula includes a toxic surcharge.

If the above formula yields zero or negative results, no initial fees or permit to operate fees shall be charged.

For the purposes of calculating the above fees, a fuel blended from two or more different grades shall be considered a separate product.

Other modifications to facilities' equipment, including but not limited to tank addition/replacement/conversion, vapor recovery piping replacement, moving or extending pump islands, will not be subject to initial fees or permit to operate fees.

4. RISK SCREENING FEE (RSF) of \$~~462452~~ per application is only applicable to projects for which a health risk screening analysis is required under Regulation 2-5-401 [including increases in permitted throughput for which a health risk screening analysis is required.]
5. Nozzles used exclusively for the delivery of diesel fuel or other fuels exempt from permits shall pay no fee. Multi-product nozzles used to deliver both exempt and non-exempt fuels shall pay fees for the non-exempt products only.

B. All bulk plants, terminals or other facilities using loading racks to transfer gasoline or gasohol into trucks, railcars or ships shall pay the following fees:

1. INITIAL FEE: \$~~3,726.713,419~~ per single product loading arm
\$~~3,726.713,419~~ per product for multi-product arms
2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.

- a. RSF for first TAC source in application: \$~~4,2193,874~~
- b. RSF for each additional TAC source: \$~~3,7273,419~~ *

* RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE: \$~~1,038952~~ per single product loading arm
\$~~1,038952~~ per product for multi-product arms
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

AGENDA: 9 – ATTACHMENT B

- C. Fees in (A) above are in lieu of tank fees. Fees in (B) above are in addition to tank fees.
- D. Fees for each source will be rounded to the nearest dollar. The fee for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.

(Amended 2/20/85; 6/5/85; 6/4/86; 7/3/91; 6/15/94; 10/8/97; 7/1/98; 5/19/99; 6/7/00; 6/6/01; 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15. [TBD](#))

SCHEDULE E
SOLVENT EVAPORATING SOURCES
 (Adopted June 18, 1980)

For each solvent evaporating source, as defined in Section 3-210 except for dry cleaners, the fee shall be computed based on the net amount of organic solvent processed through the sources on an annual basis (or anticipated to be processed, for new sources) including solvent used for the cleaning of the sources.

1. INITIAL FEE:
 - a. The minimum fee per source is: \$673617
 - b. If usage is not more than 1,000 gallons/year: \$673617
 - c. If usage is more than 1,000 gallons/year: \$1,3524,240 per 1,000 gallons
 - d. The maximum fee per source is: \$53,75249,314

2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.
 - a. RSF for first TAC source in application: \$452462 plus initial fee
 - b. Minimum RSF for first TAC source: \$1,1651,069
 - c. RSF for each additional TAC source: equal to initial fee *
 - d. Minimum RSF per additional TAC source: \$673617 *
 - e. Maximum RSF per source is: \$53,75249,314
 - * RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE:
 - a. The minimum fee per source is: \$485445
 - b. If usage is not more than 1,000 gallons/year: \$485445
 - c. If usage is more than 1,000 gallons/year: \$673617 per 1,000 gallons
 - d. The maximum fee per source is: \$26,87424,655

4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

5. Fees for each source will be rounded to the nearest dollar. The fee for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.

(Amended 5/19/82; 10/17/84; 6/5/85; 6/4/86; 10/8/87; 7/3/91; 6/15/94; 7/1/98; 5/19/99; 6/7/00; 6/6/01, 5/1/02, 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15. TBD)

**SCHEDULE F
MISCELLANEOUS SOURCES**
(Adopted June 18, 1980)

For each source not governed by Schedules B, C, D, E, H or I, (except for those sources in the special classification lists, G-1 - G-5) the fees are:

1. INITIAL FEE: \$555,514
2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.
 - a. RSF for first TAC source in application: \$1,043,966
 - b. RSF for each additional TAC source: \$555,514
 - * RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$404,374
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1. List of special classifications requiring graduated fees is shown in Schedules G-1, G-2, G-3, G-4, and G-5.

G-1 FEES FOR SCHEDULE G-1. For each source in a G-1 classification, fees are:

1. INITIAL FEE: \$3,654,352
2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.
 - a. RSF for first TAC source in application: \$4,146,804
 - b. RSF for each additional TAC source: \$3,654,352
 - * RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$1,824,673
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

G-2 FEES FOR SCHEDULE G-2. For each source in a G-2 classification, fees are:

1. INITIAL FEE: \$4,823,425
2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.
 - a. RSF for first TAC source in application: \$5,316,877
 - b. RSF for each additional TAC source: \$4,823,425
 - * RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

AGENDA: 9 – ATTACHMENT B

- 3. PERMIT TO OPERATE FEE: [\\$2,4102,211](#)
- 4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

G-3 FEES FOR SCHEDULE G-3. For each source in a G-3 classification, fees are:

- 1. INITIAL FEE: [\\$29,95127,732](#)
- 2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.
 - a. RSF for first TAC source in application: [\\$30,43928,184](#)
 - b. RSF for each additional TAC source: [\\$29,95127,732](#) *
 - * RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

- 3. PERMIT TO OPERATE FEE: [\\$14,97313,864](#)
- 4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

G-4 FEES FOR SCHEDULE G-4. For each source in a G-4 classification, fees are:

- 1. INITIAL FEE: [\\$63,77558,509](#)
- 2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.
 - a. RSF for first TAC source in application: [\\$64,26758,964](#)
 - b. RSF for each additional TAC source: [\\$63,77558,509](#)
 - * RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

- 3. PERMIT TO OPERATE FEE: [\\$31,88629,253](#)
- 4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

G-5 FEES FOR SCHEDULE G-5. For each source in a G-5 classification, fees are:

- 1. INITIAL FEE: [\\$51,73150,617](#)
- 2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.
 - a. RSF for first TAC source in application: [\\$52,19351,069](#)
 - b. RSF for each additional TAC source: [\\$51,73150,617](#)
 - * RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

- 3. PERMIT TO OPERATE FEE: [\\$25,86525,308](#)

AGENDA: 9 – ATTACHMENT B

4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

(Amended 5/19/82; 6/5/85; 6/4/86; 6/6/90; 7/3/91; 6/15/94; 10/8/97; 7/1/98; 5/19/99; 6/7/00; 6/6/01; 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, [TBD](#))

AGENDA: 9 – ATTACHMENT B

SCHEDULE G-1
(Adopted June 18, 1980)

Equipment or Process Description	Materials Processed or Produced
Asphalt Roofing Manufacturing – Asphalt Dipping	Asphalt Roofing or Related Materials
Calcining Kilns, excluding those processing cement, lime, or coke (see G-4 for cement, lime, or coke Calcining Kilns)	Any Materials except cement, lime, or coke
Chemical Manufacturing, Inorganic – Processing Units with a Capacity of 1000 Gallons/Hour or more	Any Inorganic Materials
Chemical Manufacturing, Inorganic – Processing Units with a Capacity of 5 Tons/Hour or more	Any Inorganic Materials
Chemical Manufacturing, Inorganic – Reactors with a Capacity of 1000 Gallons or more	Any Inorganic Materials
Chemical Manufacturing, Organic – Latex Dipping	Any latex materials
Chemical Manufacturing, Organic – Processing Units with a Capacity of 1000 Gallons/Hour or more	Any Organic Materials
Chemical Manufacturing, Organic – Processing Units with a Capacity of 5 Tons/Hour or more	Any Organic Materials
Chemical Manufacturing, Organic – Reactors with a Capacity of 1000 Gallons or more	Any Organic Materials
Compost Operations – Windrows, Static Piles, Aerated Static Piles, In-Vessel, or similar methods	Any waste materials such as yard waste, food waste, agricultural waste, mixed green waste, bio-solids, animal manures, etc.
Crushers	Any minerals or mineral products such as rock, aggregate, cement, concrete, or glass; waste products such as building or road construction debris; and any wood, wood waste, green waste; or similar materials
Electroplating Equipment	Hexavalent Decorative Chrome with permitted capacity greater than 500,000 amp-hours per year or Hard Chrome
Foil Manufacturing – Any Converting or Rolling Lines	Any Metal or Alloy Foils

AGENDA: 9 – ATTACHMENT B

Equipment or Process Description	Materials Processed or Produced
Galvanizing Equipment	Any
Glass Manufacturing – Batching Processes including storage and weigh hoppers or bins, conveyors, and elevators	Any Dry Materials
Glass Manufacturing – Mixers	Any Dry Materials
Glass Manufacturing – Molten Glass Holding Tanks	Any molten glass
Grinders	Any minerals or mineral products such as rock, aggregate, cement, concrete, or glass; waste products such as building or road construction debris; and any wood, wood waste, green waste; or similar materials
Incinerators – Crematory	Human and/or animal remains
Incinerators – Flares	Any waste gases
Incinerators – Other (see G-2 for hazardous or municipal solid waste incinerators, see G-3 for medical or infectious waste incinerators)	Any Materials except hazardous wastes, municipal solid waste, medical or infectious waste
Incinerators – Pathological Waste (see G-3 for medical or infectious waste incinerators)	Pathological waste only
Loading and/or Unloading Operations – Bulk Plants and Bulk Terminals, excluding those loading gasoline or gasohol (see Schedule D for Bulk Plants and Terminals loading gasoline or gasohol)	Any Organic Materials except gasoline or gasohol
Petroleum Refining – Alkylation Units	Any Hydrocarbons
Petroleum Refining – Asphalt Oxidizers	Any Hydrocarbons
Petroleum Refining – Benzene Saturation Units/Plants	Any Hydrocarbons
Petroleum Refining – Catalytic Reforming Units	Any Hydrocarbons
Petroleum Refining – Chemical Treating Units including alkane, naphthenic acid, and naphtha merox treating, or similar processes	Any Hydrocarbons
Petroleum Refining – Converting Units including Dimersol Plants, Hydrocarbon Splitters, or similar processes	Any Hydrocarbons
Petroleum Refining – Distillation Units, excluding crude oil units with capacity > 1000 barrels/hour (see G-3 for > 1000 barrels/hour crude distillation units)	Any Hydrocarbons

AGENDA: 9 – ATTACHMENT B

Equipment or Process Description	Materials Processed or Produced
Petroleum Refining – Hydrogen Manufacturing	Hydrogen or Any Hydrocarbons
Petroleum Refining – Hydrotreating or Hydrofining	Any Hydrocarbons
Petroleum Refining – Isomerization	Any Hydrocarbons
Petroleum Refining – MTBE Process Units/Plants	Any Hydrocarbons
Petroleum Refining – Sludge Converter	Any Petroleum Waste Materials
Petroleum Refining – Solvent Extraction	Any Hydrocarbons
Petroleum Refining – Sour Water Stripping	Any Petroleum Process or Waste Water
Petroleum Refining – Storage (enclosed)	Petroleum Coke or Coke Products
Petroleum Refining – Waste Gas Flares (not subject to Regulation 12, Rule 11)	Any Petroleum Refining Gases
Petroleum Refining – Miscellaneous Other Process Units	Any Hydrocarbons
Remediation Operations, Groundwater – Strippers	Contaminated Groundwater
Remediation Operations, Soil – Any Equipment	Contaminated Soil
Spray Dryers	Any Materials
Sterilization Equipment	Ethylene Oxide
Wastewater Treatment, Industrial – Oil-Water Separators, excluding oil-water separators at petroleum refineries (see G-2 for Petroleum Refining - Oil-Water Separators)	Wastewater from any industrial facilities except petroleum refineries
Wastewater Treatment, Industrial – Strippers including air strippers, nitrogen strippers, dissolved air flotation units, or similar equipment and excluding strippers at petroleum refineries (see G-2 for Petroleum Refining – Strippers)	Wastewater from any industrial facilities except petroleum refineries
Wastewater Treatment, Industrial - Storage Ponds, excluding storage ponds at petroleum refineries (see G-2 for Petroleum Refining – Storage Ponds)	Wastewater from any industrial facilities except petroleum refineries
Wastewater Treatment, Municipal – Preliminary Treatment	Municipal Wastewater
Wastewater Treatment, Municipal – Primary Treatment	Municipal Wastewater
Wastewater Treatment, Municipal – Digesters	Municipal Wastewater
Wastewater Treatment, Municipal – Sludge Handling Processes, excluding sludge incinerators (see G-2 for sludge incinerators)	Sewage Sludge

(Amended 6/4/86; 6/6/90; 5/19/99; 6/7/00; 6/2/04; 6/15/05)

SCHEDULE G-2
(Adopted June 6, 1990)

Equipment or Process Description	Materials Processed or Produced
Asphalt Roofing Manufacturing – Asphalt Blowing	Asphalt Roofing or Related Materials
Asphaltic Concrete Manufacturing – Aggregate Dryers	Any Dry Materials
Asphaltic Concrete Manufacturing – Batch Mixers	Any Asphaltic Concrete Products
Asphaltic Concrete Manufacturing – Drum Mixers	Any Asphaltic Concrete Products
Asphaltic Concrete Manufacturing – Other Mixers and/or Dryers	Any Dry Materials or Asphaltic Concrete Products
Concrete or Cement Batching Operations – Mixers	Any cement, concrete, or stone products or similar materials
Furnaces – Electric	Any Mineral or Mineral Product
Furnaces – Electric Induction	Any Mineral or Mineral Product
Furnaces – Glass Manufacturing	Soda Lime only
Furnaces – Reverberatory	Any Ores, Minerals, Metals, Alloys, or Related Materials
Incinerators – Hazardous Waste including any unit required to have a RCRA permit	Any Liquid or Solid Hazardous Wastes
Incinerators – Solid Waste, excluding units burning human/animal remains or pathological waste exclusively (see G-1 for Crematory and Pathological Waste Incinerators)	Any Solid Waste including Sewage Sludge (except human/animal remains or pathological waste)
Metal Rolling Lines, excluding foil rolling lines (see G-1 for Foil Rolling Lines)	Any Metals or Alloys
Petroleum Refining – Stockpiles (open)	Petroleum Coke or coke products only
Petroleum Refining, Wastewater Treatment – Oil-Water Separators	Wastewater from petroleum refineries only
Petroleum Refining, Wastewater Treatment – Strippers including air strippers, nitrogen strippers, dissolved air flotation units, or similar equipment	Wastewater from petroleum refineries only
Petroleum Refining, Wastewater Treatment – Storage Ponds	Wastewater from petroleum refineries only
Pickling Lines or Tanks	Any Metals or Alloys
Sulfate Pulping Operations – All Units	Any
Sulfite Pulping Operations – All Units	Any

(Amended June 7, 2000)

SCHEDULE G-3
(Adopted June 18, 1980)

Equipment or Process Description	Materials Processed or Produced
Furnaces – Electric Arc	Any Metals or Alloys
Furnaces – Electric Induction	Any Metals or Alloys
Incinerators – Medical Waste, excluding units burning pathological waste exclusively (see G-1 for Pathological Waste Incinerators)	Any Medical or Infectious Wastes
Loading and/or Unloading Operations – Marine Berths	Any Organic Materials
Petroleum Refining – Cracking Units including hydrocrackers and excluding thermal or fluid catalytic crackers (see G-4 for Thermal Crackers and Catalytic Crackers)	Any Hydrocarbons
Petroleum Refining – Distillation Units (crude oils) including any unit with a capacity greater than 1000 barrels/hour (see G-1 for other distillation units)	Any Petroleum Crude Oils
Phosphoric Acid Manufacturing – All Units (by any process)	Phosphoric Acid

(Amended 5/19/82; Amended and renumbered 6/6/90; Amended 6/7/00; 6/15/05; 5/2/07)

SCHEDULE G-4
(Adopted June 6, 1990)

Equipment or Process Description	Materials Processed or Produced
Acid Regeneration Units	Sulfuric or Hydrochloric Acid only
Annealing Lines (continuous only)	Metals and Alloys
Calcining Kilns (see G-1 for Calcining Kilns processing other materials)	Cement, Lime, or Coke only
Fluidized Bed Combustors	Solid Fuels only
Nitric Acid Manufacturing – Any Ammonia Oxidation Processes	Ammonia or Ammonia Compounds
Petroleum Refining - Coking Units including fluid cokers, delayed cokers, flexicokers, and coke kilns	Petroleum Coke and Coke Products
Petroleum Refining - Cracking Units including fluid catalytic crackers and thermal crackers and excluding hydrocrackers (see G-3 for Hydrocracking Units)	Any Hydrocarbons
Petroleum Refining - Sulfur Removal including any Claus process or any other process requiring caustic reactants	Any Petroleum Refining Gas
Sulfuric Acid Manufacturing – Any Chamber or Contact Process	Any Solid, Liquid or Gaseous Fuels Containing Sulfur

(Amended June 7, 2000)

SCHEDULE G-5

Equipment or Process Description	Materials Processed or Produced
Petroleum Refinery Flares (subject to Regulation 12, Rule 11)	Any Petroleum Vent Gas (as defined in section 12-11-210 and section 12-12-213)

(Adopted May 2, 2007)

**SCHEDULE H
SEMICONDUCTOR AND RELATED OPERATIONS**
(Adopted May 19, 1982)

All of the equipment within a semiconductor fabrication area will be grouped together and considered one source. The fee shall be as indicated:

1. INITIAL FEE:

- a. The minimum fee per source is: \$586538
- b. The maximum fee per source is: \$46,96243,084

The initial fee shall include the fees for each type of operation listed below, which is performed at the fabrication area:

c. SOLVENT CLEANING OPERATIONS, such as usage of:

Solvent Sinks (as defined in Regulation 8-30-214);
Solvent Spray Stations (as defined in Regulation 8-30-221);
Solvent Vapor Stations (as defined in Regulation 8-30-222); and
Wipe Cleaning Operation (as defined in Regulation 8-30-225).

The fee is based on the gross throughput of organic solvent processed through the solvent cleaning operations on an annual basis (or anticipated to be processed, for new sources):

- i. If gross throughput is not more than 3,000 gallons/year: \$586538
- ii. If gross throughput is more than 3,000 gallons/year: \$397364 per 1,000 gallon

d. COATING OPERATIONS, such as application of:

Photoresist (as defined in Regulation 8-30-215); other wafer coating;
Solvent-Based Photoresist Developer (as defined in Regulation 8-30-219); and other miscellaneous solvent usage.

The fee is based on the gross throughput of organic solvent processed through the coating operations on an annual basis (or anticipated to be processed, for new sources):

- i. If gross throughput is not more than 1,000 gallons/year: \$586538
- ii. If gross throughput is more than 1,000 gallons/year: \$1,1791,082 per 1,000 gallon

2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.

- a. RSF for first TAC source in application: \$452462 plus initial fee
- b. Minimum RSF for first TAC source: \$1,079990
- c. RSF for each additional TAC source: equal to initial fee *
- d. Minimum RSF per additional TAC source: \$586538
*
- e. Maximum RSF per source is: \$46,96243,084

* RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE:

- a. The minimum fee per source is: \$425390
- b. The maximum fee per source is: \$23,47821,539

AGENDA: 9 – ATTACHMENT B

The permit to operate fee shall include the fees for each type of operation listed below, which is performed at the fabrication area:

c. SOLVENT CLEANING OPERATIONS, such as usage of:

Solvent Sinks (as defined in Regulation 8-30-214);
Solvent Spray Stations (as defined in Regulation 8-30-221);
Solvent Vapor Stations (as defined in Regulation 8-30-222); and
Wipe Cleaning Operation (as defined in Regulation 8-30-225).

The fee is based on the gross throughput of organic solvent processed through the solvent cleaning operations on an annual basis (or anticipated to be processed, for new sources):

- i. If gross throughput is not more than 3,000 gal/year: \$~~425390~~
- ii. If gross throughput is more than 3,000 gallons/year: \$~~199483~~ per 1,000 gallon

d. COATING OPERATIONS, such as application of:

Photoresist (as defined in Regulation 8-30-215); other wafer coating;
Solvent-Based Photoresist Developer (as defined in Regulation 8-30-219); and other miscellaneous solvent usage.

The fee is based on the gross throughput of organic solvent processed through the coating operations on an annual basis (or anticipated to be processed, for new sources):

- i. If gross throughput is not more than 1,000 gal/year: \$~~425390~~
- ii. If gross throughput is more than 1,000 gallons/year: \$~~586538~~ per 1,000 gallon

4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

5. The fee for each source will be rounded to the whole dollar. Fees for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.

(Amended 1/9/85; 6/5/85; 6/4/86; 7/3/91; 6/15/94; 10/8/97; 7/1/98; 5/19/99; 10/20/99; 6/7/00; 6/6/01; 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, TBD)

**SCHEDULE I
DRY CLEANERS**
(Adopted July 6, 1983)

For dry cleaners, the fee shall be computed based on each cleaning machine, except that machines with more than one drum shall be charged based on each drum, regardless of the type or quantity of solvent, as follows:

1. INITIAL FEE FOR A DRY CLEANING MACHINE (per drum):
 - a. If the washing or drying capacity is no more than 100 pounds: ~~\$559543~~
 - b. If the washing or drying capacity exceeds 100 pounds: ~~\$559543~~ plus
 For that portion of the capacity exceeding 100 pounds: ~~\$16.7245-34~~ per pound

2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.
 - a. RSF for first TAC source in application: ~~\$452462~~ plus initial fee
 - b. Minimum RSF for first TAC source: ~~\$1,052965~~
 - c. RSF for each additional TAC source: equal to initial
 fee *
 - d. Minimum RSF per additional TAC
 source: ~~\$559543~~
 *

* RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE FOR A DRY CLEANING MACHINE (per drum):
 - a. If the washing or drying capacity is no more than 100 pounds: ~~\$407373~~
 - b. If the washing or drying capacity exceeds 100 pounds: ~~\$407373~~ plus
 For that portion of the capacity exceeding 100 pounds: ~~\$8.397-70~~ per pound

4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

5. Fees for each source will be rounded to the nearest dollar. The fee for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.

(Amended 10/17/84; 6/5/85; 6/4/86; 7/3/91; 6/15/94; 10/8/97; 7/1/98; 5/19/99; 6/7/00; 6/6/01; 5/1/02; 5/21/03; 6/02/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, TBD)

**SCHEDULE K
SOLID WASTE DISPOSAL SITES**
(Adopted July 15, 1987)

1. INITIAL FEE:
 - a. Landfill (Decomposition Process) \$4,0283,695
 - b. Active Landfill (Waste and Cover Material Dumping Process) \$2,0141,848
 - c. Active Landfill (Excavating, Bulldozing, and Compacting Processes) \$2,0141,848

2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.
 - a. RSF for first TAC source in application: \$452462 plus initial fee
 - b. RSF for each additional TAC source: equal to initial fee *

* RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE:
 - a. Landfill (Decomposition Process) \$2,0141,848
 - b. Active Landfill (Waste and Cover Material Dumping Process) \$1,006923
 - c. Active Landfill (Excavating, Bulldozing, and Compacting Processes) \$1,006923

4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

5. Evaluation of Reports and Questionnaires:
 - a. Evaluation of Solid Waste Air Assessment Test Report as required by Health & Safety Code Section 41805.5(g) \$2,2202,037
 - b. Evaluation of Inactive Site Questionnaire as required by Health & Safety Code Section 41805.5(b) \$1,1131,021
 - c. Evaluation of Solid Waste Air Assessment Test Report in conjunction with evaluation of Inactive Site Questionnaire as required by Health & Safety Code Section 41805.5(b) \$1,1131,021
 - d. Evaluation of Initial or Amended Design Capacity Reports as required by Regulation 8, Rule 34, Section 405 \$818750
 - e. Evaluation of Initial or Periodic NMOC Emission Rate Reports as required by Regulation 8, Rule 34, Sections 406 or 407 \$2,3412,148
 - f. Evaluation of Closure Report as required by Regulation 8, Rule 34, Section 409 \$818750
 - g. Evaluation of Annual Report as required by Regulation 8, Rule 34, Section 411 \$2,0491,880

6. Fees for each source will be rounded off to the nearest dollar. The fee for sources will be rounded up or down to the nearest dollar.

7. For the purposes of this fee schedule, landfill shall be considered active, if it has accepted solid waste for disposal at any time during the previous 12 months or has plans to accept solid waste for disposal during the next 12 months.

(Amended 7/3/91; 6/15/94; 10/8/97; 7/1/98; 5/19/99; 10/6/99; 6/7/00; 6/6/01; 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, TBD)

SCHEDULE L
ASBESTOS OPERATIONS
 (Adopted July 6, 1988)

1. Asbestos Operations conducted at single family dwellings are subject to the following fees:
 - a. OPERATION FEE: ~~\$185484~~ for amounts 100 to 500 square feet or linear feet.
 ~~\$679664~~ for amounts 501 square feet or linear feet to 1000
 square feet or linear feet.
 ~~\$988967~~ for amounts 1001 square feet or liner feet to 2000
 square feet or linear feet.
 ~~\$1,3581,329~~ for amounts greater than 2000 square feet or
 linear feet.
 - b. Cancellation: ~~\$9088~~ of above amounts non-refundable for notification processing.

2. Asbestos Operations, other than those conducted at single family dwellings, are subject to the following fees:
 - a. OPERATION FEE: ~~\$524513~~ for amounts 100 to 159 square feet or 100 to 259 linear
 feet or 35 cubic feet
 ~~\$754738~~ for amounts 160 square feet or 260 linear feet to 500
 square or linear feet or greater than 35 cubic feet.
 ~~\$1,0981,074~~ for amounts 501 square feet or linear feet to
 1000 square feet or linear feet.
 ~~\$1,6201,585~~ for amounts 1001 square feet or liner feet to
 2500 square feet or linear feet.
 ~~\$2,3092,259~~ for amounts 2501 square feet or linear feet to
 5000 square feet or linear feet.
 ~~\$3,1693,101~~ for amounts 5001 square feet or linear feet to
 10000 square feet or linear feet.
 ~~\$4,0313,944~~ for amounts greater than 10000 square feet or
 linear feet.
 - b. Cancellation: ~~\$248243~~ of above amounts non-refundable for notification
 processing.

3. Demolitions (including zero asbestos demolitions) conducted at a single-family dwelling are subject to the following fee:
 - a. OPERATION FEE: ~~\$9088~~
 - b. Cancellation: ~~\$9088~~ (100% of fee) non-refundable, for notification processing.

4. Demolitions (including zero asbestos demolitions) other than those conducted at a single family dwelling are subject to the following fee:
 - a. OPERATION FEE: ~~\$372364~~
 - b. Cancellation: ~~\$248243~~ of above amount non-refundable for notification
 processing.

5. Asbestos operations with less than 10 days prior notice (excluding emergencies) are subject to the following additional fee:
 - a. OPERATION FEE: ~~\$619606~~

6. Asbestos demolition operations for the purpose of fire training are exempt from fees.

7. Floor mastic removal using mechanical buffers and solvent is subject to the following fee:
 - a. OPERATION FEE: ~~\$372364~~
 - b. Cancellation: ~~\$248243~~ of above amount non-refundable for notification processing.

(Amended 9/5/90; 1/5/94; 8/20/97; 10/7/98; 7/19/00; 8/1/01; 6/5/02; 7/2/03; 6/2/04; 6/6/07; 5/21/08; 5/20/09; 6/16/10; 6/15/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, TBD)

SCHEDULE M
MAJOR STATIONARY SOURCE FEES
(Adopted June 6, 1990)

For each major stationary source emitting 50 tons per year or more of Organic Compounds, Sulfur Oxides, Nitrogen Oxides, and/or PM₁₀, the fee shall be based on the following:

	1.	Organic Compounds	\$ 113.18 <u>110.74</u> per ton
	2.	Sulfur Oxides	\$ 113.18 <u>110.74</u> per ton
	3.	Nitrogen Oxides	\$ 113.18 <u>110.74</u> per ton
	4.	PM ₁₀	\$ 113.18 <u>110.74</u> per ton

Emissions calculated by the APCO shall be based on the data reported for the most recent 12-month period prior to billing. In calculating the fee amount, emissions of Organic Compounds, Sulfur Oxides, Nitrogen Oxides, or PM₁₀, if occurring in an amount less than 50 tons per year, shall not be counted.

(Amended 7/3/91; 6/15/94; 7/1/98; 5/9/99; 6/7/00; 6/6/01, 5/1/02, 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 6/4/14; 6/3/15, TBD)

**SCHEDULE N
TOXIC INVENTORY FEES**
(Adopted October 21, 1992)

For each stationary source emitting substances covered by California Health and Safety Code Section 44300 *et seq.*, the Air Toxics "Hot Spots" Information and Assessment Act of 1987, which have trigger levels listed in Table 2-5-1, a fee based on the weighted emissions of the facility shall be assessed based on the following formulas:

1. A fee of \$5 for each gasoline product dispensing nozzle in the facility, if the facility is a Gasoline Dispensing Facility; or
2. A fee of ~~\$8886~~ if the facility has emissions in the current Toxic Emissions Inventory which are greater than or equal to 50 weighted pounds per year and less than 1000 weighted pounds per year; or
3. A fee of ~~\$8886~~ + $S_L \times (w_i - 1000)$ if the facility has emissions in the current Toxic Emissions Inventory which are greater than or equal to 1000 weighted pounds per year;

where the following relationships hold:

w_i = facility weighted emissions for facility j; where the weighted emission for the facility shall be calculated as a sum of the individual emissions of the facility multiplied by either the inhalation cancer potency factor (CPF, in kilogram-day/milligram) for the substance times 28.6 if the emission is a carcinogen, or by the reciprocal of the inhalation chronic reference exposure level (REL_c) for the substance (in cubic meters/microgram) if the emission is not a carcinogen [use CPF and REL as listed in Table 2-5-1]:

w_j = Facility Weighted Emission = $\sum_{i=1}^n E_i * Q_i$ where

n = number of toxic substances emitted by facility
 E_i = amount of substance i emitted by facility in lbs/year
 Q_i = 28.6 * CPF, if i is a carcinogen; or
 Q_i = [REL]⁻¹, if i is not a carcinogen

F_T = Total amount of fees to be collected by the District to cover District and State of California AB 2588 costs as most recently adopted by the Board of Directors of the California Environmental Protection Agency, Air Resources Board, and set out in the most recently published "Amendments to the Air Toxics "Hot Spots" Fee Regulation," published by that agency.

N_L = Number of facilities with emissions in current District Toxic Emissions Inventory greater than 1000 weighted pounds per year.

N_S = Number of facilities with emissions in current District Toxic Emissions Inventory greater than 50 weighted pounds per year and less than 1000 weighted pounds per year.

N_{NOZ} = Number of gasoline-product-dispensing nozzles in currently permitted Gasoline Dispensing Facilities.

S_L = Surcharge per pound of weighted emissions for each pound in excess of 1000 weighted pounds per year, where S_L is given by the following formula:

$$S_L = \frac{F_T - (88 \times N_S) - (88 \times N_L) - (5 \times N_{NOZ})}{\sum_{j=1}^{N_L} (w_j - 1000)}$$

(Amended 12/15/93; 6/15/05; 5/2/07; 6/16/10; 5/4/11; 6/4/14; 6/3/15, TBD)

**SCHEDULE P
MAJOR FACILITY REVIEW FEES**
(Adopted November 3, 1993)

1. MFR / SYNTHETIC MINOR ANNUAL FEES

Each facility, which is required to undergo major facility review in accordance with the requirements of Regulation 2, Rule 6, shall pay annual fees (1a and 1b below) for each source holding a District Permit to Operate. These fees shall be in addition to and shall be paid in conjunction with the annual renewal fees paid by the facility. However, these MFR permit fees shall not be included in the basis to calculate Alternative Emission Control Plan (bubble) or toxic air contaminant surcharges. If a major facility applies for and obtains a synthetic minor operating permit, the requirement to pay the fees in 1a and 1b shall terminate as of the date the APCO issues the synthetic minor operating permit.

- a. MFR SOURCE FEE\$~~696644~~ per source
- b. MFR EMISSIONS FEE \$~~27,4125.38~~ per ton of regulated air pollutants emitted

Each MFR facility and each synthetic minor facility shall pay an annual monitoring fee (1c below) for each pollutant measured by a District-approved continuous emission monitor or a District-approved parametric emission monitoring system.

- c. MFR/SYNTHETIC MINOR MONITORING FEE \$~~6,9616,445~~ per monitor per pollutant

2. SYNTHETIC MINOR APPLICATION FEES

Each facility that applies for a synthetic minor operating permit or a revision to a synthetic minor operating permit shall pay application fees according to 2a and either 2b (for each source holding a District Permit to Operate) or 2c (for each source affected by the revision). If a major facility applies for a synthetic minor operating permit prior to the date on which it would become subject to the annual major facility review fee described above, the facility shall pay, in addition to the application fee, the equivalent of one year of annual fees for each source holding a District Permit to Operate.

- a. SYNTHETIC MINOR FILING FEE \$~~969897~~ per application
- b. SYNTHETIC MINOR INITIAL PERMIT FEE \$~~680630~~ per source
- c. SYNTHETIC MINOR REVISION FEE \$~~680630~~ per source modified

3. MFR APPLICATION FEES

Each facility that applies for or is required to undergo: an initial MFR permit, an amendment to an MFR permit, a minor or significant revision to an MFR permit, a reopening of an MFR permit or a renewal of an MFR permit shall pay, with the application and in addition to any other fees required by this regulation, the MFR filing fee and any applicable fees listed in 3b-h below. The fees in 3b and 3g apply to each source in the initial or renewal permit, while the fees in 3d-f apply to each source affected by the revision or reopening.

- a. MFR FILING FEE \$~~969897~~ per application
- b. MFR INITIAL PERMIT FEE \$~~939869~~ per source
- c. MFR ADMINISTRATIVE AMENDMENT FEE \$~~274254~~ per application
- d. MFR MINOR REVISION FEE \$~~1,3774,275~~ per source modified
- e. MFR SIGNIFICANT REVISION FEE \$~~2,5672,377~~ per source modified
- f. MFR REOPENING FEE \$~~841779~~ per source modified
- g. MFR RENEWAL FEE \$~~408378~~ per source

Each facility that requests a permit shield or a revision to a permit shield under the provisions of Regulation 2, Rule 6 shall pay the following fee for each source (or group of sources, if the requirements for these sources are grouped together in a single table in the MFR permit) that is covered by the requested shield. This fee shall be paid in addition to any other applicable fees.

- h. MFR PERMIT SHIELD FEE \$~~1,4491,342~~ per shielded source or group of sources

4. MFR PUBLIC NOTICE FEES

AGENDA: 9 – ATTACHMENT B

Each facility that is required to undergo a public notice related to any permit action pursuant to Regulation 2-6 shall pay the following fee upon receipt of a District invoice.

MFR PUBLIC NOTICE FEE.....Cost of Publication

5. MFR PUBLIC HEARING FEES

If a public hearing is required for any MFR permit action, the facility shall pay the following fees upon receipt of a District invoice.

a. MFR PUBLIC HEARING FEE Cost of Public Hearing not to exceed \$11,84540,968

b. NOTICE OF PUBLIC HEARING FEECost of distributing Notice of Public Hearing

6. POTENTIAL TO EMIT DEMONSTRATION FEE

Each facility that makes a potential to emit demonstration under Regulation 2-6-312 in order to avoid the requirement for an MFR permit shall pay the following fee:

a. PTE DEMONSTRATION FEE\$166154 per source, not to exceed \$16,28445,078

(Amended 6/15/94; 10/8/97; 7/1/98; 5/19/99; 6/7/00; 6/6/01; 5/1/02, 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, TBD)

SCHEDULE Q
EXCAVATION OF CONTAMINATED SOIL AND
REMOVAL OF UNDERGROUND STORAGE TANKS
(Adopted January 5, 1994)

1. Persons excavating contaminated soil or removing underground storage tanks subject to the provisions of Regulation 8, Rule 40, Section 401, 402, 403 or 405 are subject to the following fee:
 - a. OPERATION FEE: \$~~168164~~
(Amended 7/19/00; 8/1/01; 6/5/02; 7/2/03; 6/2/04; 6/6/07; 5/21/08; 5/20/09; 6/16/10; 6/15/11; 6/6/12; 6/4/14; 6/3/15, TBD)

**SCHEDULE R
EQUIPMENT REGISTRATION FEES**

1. Persons operating commercial cooking equipment who are required to register equipment as required by District rules are subject to the following fees:
 - a. Conveyorized Charbroiler REGISTRATION FEE: \$~~594545~~ per facility
 - b. Conveyorized Charbroiler ANNUAL RENEWAL FEE: \$~~167453~~ per facility
 - c. Under-fired Charbroiler REGISTRATION FEE: \$~~594545~~ per facility
 - d. Under-fired Charbroiler ANNUAL RENEWAL FEE: \$~~167453~~ per facility

2. Persons operating non-halogenated dry cleaning equipment who are required to register equipment as required by District rules are subject to the following fees:
 - a. Dry Cleaning Machine REGISTRATION FEE: \$~~296272~~
 - b. Dry Cleaning Machine ANNUAL RENEWAL FEE: \$~~206489~~

3. Persons operating diesel engines who are required to register equipment as required by District or State rules are subject to the following fees:
 - a. Diesel Engine REGISTRATION FEE: \$~~199483~~
 - b. Diesel Engine ANNUAL RENEWAL FEE: \$~~132424~~
 - c. Diesel Engine ALTERNATIVE COMPLIANCE PLAN FEE (for each plan submitted under District Regulation 11-17-402): \$~~199483~~

4. Persons operating boilers, steam generators and process heaters who are required to register equipment by District Regulation 9-7-404 are subject to the following fees:
 - a. REGISTRATION FEE \$~~109400~~ per device
 - b. ANNUAL RENEWAL FEE: \$~~9284~~ per device

5. Persons owning or operating graphic arts operations who are required to register equipment by District Regulation 8-20-408 are subject to the following fees:
 - a. REGISTRATION FEE: \$~~356327~~
 - b. ANNUAL RENEWAL FEE: \$~~222204~~

6. Persons owning or operating mobile refinishing operations who are required to register by District Regulation 8-45-4 are subject to the following fees:
 - a. REGISTRATION FEE \$~~167453~~
 - b. ANNUAL RENEWAL FEE \$~~9890~~

(Adopted 7/6/07; Amended 12/5/07; 5/21/08; 7/30/08; 11/19/08; 12/3/08; 5/20/09; 6/16/10; 6/15/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, TBD)

**SCHEDULE S
NATURALLY OCCURRING ASBESTOS OPERATIONS**

1. ASBESTOS DUST MITIGATION PLAN PROCESSING FEE:

Any person submitting an Asbestos Dust Mitigation Plan (ADMP) for review of a Naturally Occurring Asbestos (NOA) project shall pay the following fee (including NOA Discovery Notifications which would trigger an ADMP review): \$491,450

2. AIR MONITORING PROCESSING FEE:

NOA projects requiring an Air Monitoring component as part of the ADMP approval are subject to the following fee in addition to the ADMP fee: \$4,361,400

3. INSPECTION FEE:

The owner of any property for which an ADMP is required shall pay fees to cover the costs incurred by the District after July 1, 2012 in conducting inspections to determine compliance with the ADMP on an ongoing basis. Inspection fees shall be invoiced by the District on a quarterly basis, and at the conclusion of dust generating activities covered under the ADMP, based on the actual time spent in conducting such inspections, and the following time and materials rate: \$128,447 per hour

(Adopted 6/6/07; Amended 5/21/08; 5/20/09; 6/16/10; 6/15/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, TBD)

**SCHEDULE T
GREENHOUSE GAS FEES**

For each permitted facility emitting greenhouse gases, the fee shall be based on the following:

- 1. Carbon Dioxide Equivalent (CDE) Emissions \$~~0.09630~~⁰⁹ per metric ton

Emissions calculated by the APCO shall be based on the data reported for the most recent 12-month period prior to billing. The annual emissions of each greenhouse gas (GHG) listed below shall be determined by the APCO for each permitted (i.e., non-exempt) source. For each emitted GHG, the CDE emissions shall be determined by multiplying the annual GHG emissions by the applicable Global Warming Potential (GWP) value. The GHG fee for each facility shall be based on the sum of the CDE emissions for all GHGs emitted by the facility, except that no fee shall be assessed for emissions of biogenic carbon dioxide.

Direct Global Warming Potential Relative to Carbon Dioxide*

GHG	CAS Registry Number	GWP**
Carbon Dioxide	124-38-9	1
Methane	74-82-8	2134
Nitrous Oxide	10024-97-2	310298
Nitrogen Trifluoride	7783-54-2	17,885
Sulfur Hexafluoride	2551-62-4	26,087
HCFC-22	75-45-6	1,5002,106
HCFC-123	306-83-2	9096
HCFC-124	2837-89-0	470635
HCFC-141b	1717-00-6	938
HCFC-142b	75-68-3	1,8002,345
HCFC-225ca	422-56-0	155
HCFC-225cb	507-55-1	633
HFC-23	75-46-7	11,70013,856
HFC-32	75-10-5	650817
HFC-125	354-33-6	2,8003,691
HFC-134a	811-97-2	1,3001,549
HFC-143a	420-46-2	3,8005,508
HFC-152a	75-37-6	140167
HFC-227ea	431-89-0	2,9003,860
HFC-236fa	690-39-1	6,3008,998
HFC-245fa	460-73-1	1,032
HFC-365mfc	406-58-6	966
HFC-43-10-mee	138495-42-8	1,3001,952
PFC-14	75-73-0	6,5007,349
PFC-116	76-16-4	9,20012,340
PFC-218	76-19-7	7,0009,878
PFC-318	115-25-3	8,70010,592
PFC-3-1-10		7,000
PFC-5-1-14		7,400
Sulfur Hexafluoride		23,900

* Source: [Myhre, G., et al., 2013: Anthropogenic and Natural Radiative Forcing \(and Supplementary Material\). In: Climate Change 2013: The Physical Science Basis. Contribution of Working Group I to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change \[Stocker, T.F., et al. \(eds.\)\]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA. Available from](#)

AGENDA: 9 – ATTACHMENT B

www.ipcc.ch.

~~Intergovernmental Panel on Climate Change (Second Assessment Report: Climate Change 1995).~~

** GWPs compare the integrated radiative forcing over a specified period (i.e. 100 years) from a unit mass pulse emission to compare the potential climate change associated with emissions of different GHGs. [GWPs listed include climate-carbon feedbacks.](#)

(Adopted 5/21/08; Amended 5/20/09; 6/16/10; 6/4/14; 6/3/15; TBD)

**SCHEDULE U
INDIRECT SOURCE REVIEW FEES**

The applicant for any project deemed an indirect source pursuant to District rules shall be subject to the following fees:

1. APPLICATION FILING FEE

When an applicant files an Air Quality Impact Assessment as required by District rules, the applicant shall pay a non-refundable Application Filing Fee as follows:

- a. Residential project: \$~~599586~~
- b. Non-residential or mixed use project: \$~~894875~~

2. APPLICATION EVALUATION FEE

Every applicant who files an Air Quality Impact Assessment as required by District rules shall pay an evaluation fee for the review of an air quality analysis and the determination of Offsite Emission Reduction Fees necessary for off-site emission reductions. The Application Evaluation fee will be calculated using the actual staff hours expended and the prevailing weighted labor rate. The Application Filing fee, which assumes eight hours of staff time for residential projects and twelve hours of staff time for non-residential and mixed use projects, shall be credited towards the actual Application Evaluation Fee.

3. OFFSITE EMISSION REDUCTION FEE

(To be determined)

(Adopted 5/20/09; Amended 6/16/10; 6/4/14; 6/3/15, TBD)

**SCHEDULE V
OPEN BURNING**

1. Any prior notification required by Regulation 5, Section 406 is subject to the following fee:

a. OPERATION FEE: ~~\$118409~~

b. The operation fee paid as part of providing notification to the District prior to burning will be determined for each property, as defined in Regulation 5, Section 217, and will be valid for one year from the fee payment date when a given fire is allowed, as specified in Regulation 5, Section 401 for the following fires:

Regulation 5 Section – Fire	Burn Period
401.1 - Disease and Pest	January 1 – December 31
401.2 - Crop Replacement ¹	October 1 – April 30
401.3 - Orchard Pruning and Attrition ²	November 1 – April 30
401.4 - Double Cropping Stubble	June 1 – August 31
401.6 - Hazardous Material ¹	January 1 – December 31
401.7 - Fire Training	January 1 – December 31
401.8 - Flood Debris	October 1 – May 31
401.9 - Irrigation Ditches	January 1 – December 31
401.10 - Flood Control	January 1 – December 31
401.11 - Range Management ¹	July 1 – April 30
401.12 - Forest Management ¹	November 1 – April 30
401.14 - Contraband	January 1 – December 31

¹ Any Forest Management fire, Range Management fire, Hazardous Material fire not related to Public Resources Code 4291, or any Crop Replacement fire for the purpose of establishing an agricultural crop on previously uncultivated land, that is expected to exceed 10 acres in size or burn piled vegetation cleared or generated from more than 10 acres is defined in Regulation 5, Section 213 as a type of prescribed burning and, as such, is subject to the prescribed burning operation fee in Section 3 below.

² Upon the determination of the APCO that heavy winter rainfall has prevented this type of burning, the burn period may be extended to no later than June 30.

c. Any person who provided notification required under Regulation 5, Section 406, who seeks to burn an amount of material greater than the amount listed in that initial notification, shall provide a subsequent notification to the District under Regulation 5, Section 406 and shall pay an additional open burning operation fee prior to burning.

2. Any Marsh Management fire conducted pursuant to Regulation 5, Section 401.13 is subject to the following fee, which will be determined for each property by the proposed acreage to be burned:

a. OPERATION FEE: ~~\$424389~~ for 50 acres or less
~~\$577529~~ for more than 50 acres but less than or equal to 150 acres
~~\$727667~~ for more than 150 acres

b. The operation fee paid for a Marsh Management fire will be valid for a Fall or Spring burning period, as specified in Regulation 5, Subsection 401.13. Any burning subsequent to either of these time periods shall be subject to an additional open burning operation fee.

SCHEDULE W
PETROLEUM REFINING EMISSIONS TRACKING FEES

1. ANNUAL EMISSIONS INVENTORIES:

Any Petroleum Refinery owner/operator required to submit an Annual Emissions Inventory Report in accordance with Regulation 12, Rule 15, Section 401 shall pay the following fees:

- | | |
|--------------------------------------|-----------------|
| a. Initial submittal: | <u>\$54,000</u> |
| b. Each subsequent annual submittal: | <u>\$27,000</u> |

Any Support Facility owner/operator required to submit an Annual Emissions Inventory Report in accordance with Regulation 12, Rule 15, Section 401 shall pay the following fees:

- | | |
|--------------------------------------|----------------|
| a. Initial submittal: | <u>\$3,300</u> |
| b. Each subsequent annual submittal: | <u>\$1,650</u> |

2. AIR MONITORING PLANS:

Any person required to submit an air monitoring plan in accordance with Regulation 12, Rule 15, Section 403 shall pay a one-time fee of \$7,500.

(Adopted TBD)

SCHEDULE X
MAJOR STATIONARY SOURCE COMMUNITY AIR MONITORING FEES

For each major stationary source, emitting 35 tons per year or more of Organic Compounds, Sulfur Oxides, Nitrogen Oxides, Carbon Monoxide and/or PM₁₀ within the vicinity of a District proposed community air monitoring location, the fee shall be based on the following:

1.	Organic Compounds	\$60.61 per ton
2.	Sulfur Oxides	\$60.61 per ton
3.	Nitrogen Oxides	\$60.61 per ton
4.	Carbon Monoxide	\$60.61 per ton
5.	PM ₁₀	\$60.61 per ton

Emissions calculated by the APCO shall be based on the data reported for the most recent 12-month period prior to billing. In calculating the fee amount, emissions of Organic Compounds, Sulfur Oxides, Nitrogen Oxides, or PM₁₀, if occurring in an amount less than 35 tons per year, shall not be counted.

(Adopted: TBD)

**California Environmental Quality Act
NOTICE OF EXEMPTION**

TO: «Company»
«Address1»
«Address2»
«City», «State» «PostalCode»

FROM: Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105

Lead Agency: Bay Area Air Quality Management District
Contact: Barry G Young **Phone:** (415) 749-4721

SUBJECT: FILING OF NOTICE OF EXEMPTION PURSUANT TO SECTION 21152 OF THE PUBLIC RESOURCES CODE AND CEQA GUIDELINES SECTION 15061(b)(3)

Project Title: Amendments to Regulation 3: Fees.

Project Location: The regulation applies within the Bay Area Air Quality Management District (“District”), which includes all of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, and Santa Clara counties, and the southern portions of Solano and Sonoma counties.

Project Description: The project consists of amendments to an existing BAAQMD regulation that establishes fees for source operations and other activities. The amendments become effective on July 1, 2016. The amendments increase fee revenue in order to allow the District to meet budgetary needs for the upcoming fiscal year ending (FYE) 2017, and to continue to effectively implement and enforce regulatory programs for stationary sources of air pollution.

The fee rates in the following Fee Schedules would be amended as follows: (1) 2.2% increase: Schedule B: Combustion of Fuels, Schedule C: Storage of Organic Liquids, Schedule G5: Miscellaneous Sources, Schedule L: Asbestos Operations, Schedule M: Major Stationary Sources, Schedule N: Toxic Inventory, Schedule Q: Excavation of Contaminated Soil and Removal of Underground Storage Tanks, and Schedule U: Indirect Sources; (2) 7% increase: Schedule T: Greenhouse Gas Fees; (3) 8% increase: Schedule F: Miscellaneous Sources, Schedule G3: Miscellaneous Sources, and Schedule P: Major Facility Review Fees; (4) 9% increase: Schedule A: Hearing Board Fees, Schedule D: Gasoline Transfer at Gasoline Dispensing Facilities, Bulk Plants and Terminals, Schedule E: Solvent Evaporating Sources, Schedule G1: Miscellaneous Sources, Schedule G2: Miscellaneous Sources, Schedule G4: Miscellaneous Sources, Schedule H: Semiconductor and Related Operations, Schedule I: Dry Cleaners, Schedule K: Solid Waste Disposal Sites, Schedule R: Equipment Registration Fees, Schedule S: Naturally Occurring Asbestos Operations, and Schedule V: Open Burning. The following specific fees in Regulation 3 would be increased by 2.2%: New and modified source filing fees, Transfer fees, Duplicate permit or registration fees, Emissions banking filing and withdrawal fees, Regulation 2, Rule 9 Alternative Compliance Plan fees, School public notice fees, Toxic inventory maximum fees, Permit to operate renewal processing fees, and Exemption fees.

In addition, the following additional amendments are proposed: (1) Create a new Schedule W: Petroleum Refining Emissions Tracking Fees that would apply to the five Bay Area petroleum refineries and to five petroleum refinery support facilities.; (2) Create a new Schedule X: Major Stationary Source Community Air Monitoring Fees that would apply to Major Stationary Sources with emissions above 35 tons per year within the vicinity of the community air monitors. The proposed fees are: \$60.61 per ton of organic compounds, sulfur oxides, nitrogen oxides, PM10 and/or carbon monoxide emissions; (3) Update the Global Warming Potential Values in Schedule T (Greenhouse Gas Fees) and references; (4) Set the maximum fee for abatement device only permit applications at \$10,000; and (5) Set the alteration fee for gasoline dispensing facilities at 1.75 times the filing fee.

On June 15, 2016, the Board of Directors of the Bay Area Air Quality Management District conducted a public hearing in accordance with California Health and Safety Code Section 41512.5 and approved the project described above and determined that the project was exempt from CEQA.

Finding of Exemption: This project is found to be exempt pursuant to Public Resources Code Section 21080, subd. (b)(8) and CEQA Guidelines Section 15273.

Basis for Exemption: The regulatory amendments which constitute this project modify charges by the BAAQMD for sources of air pollution. The fees and modifications are for the purpose of meeting District operating expenses associated with the regulation of these sources. The amendments are administrative in nature, do not affect air emissions from any sources, and have no possibility of causing significant environmental effects. As such, they fall within the statutory and Guidelines exemptions cited above.

Date Received for Filing

Jaime Williams

Date

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Eric Mar and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: June 1, 2016

Re: Public Hearing to Consider Adoption of the Air District's Proposed Budget for Fiscal
Year Ending (FYE) 2017

RECOMMENDED ACTION

The Board of Directors will hold a final public hearing and will consider the adoption of a resolution to approve the Proposed Budget for FYE 2017 and various budget related actions.

SUMMARY

Pursuant to Health and Safety Code Section 40131, the Executive Officer/APCO will present the FYE 2017 proposed budget to the Board of Directors for adoption.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The proposed consolidated budget for FYE 2017 is \$137,916,754 which includes \$44,770,478 in program distributions.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Stephanie Osaze
Reviewed by: Jeff McKay

- Attachment A: A Resolution to Approve the Budget for the Fiscal Year Ending June 30, 2017 (FYE 2016-2017) and Various Budget Related Actions
- Attachment B: Bay Area Air Quality Management District Salary Schedule for Management and Confidential Classes Effective July 1, 2016
- Attachment C: Proposed FYE 2017 Budget available at:
<http://www.baaqmd.gov/publications/annual-budget>

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Resolution No. -

**A Resolution to Approve the Budget for the Fiscal Year Ending June 30, 2017
(FY 2016-2017) and Various Budget Related Actions**

WHEREAS, the Board of Directors of the Bay Area Air Quality Management District (Air District) has the statutory authority and direction to set the Air District’s financial budget pursuant to Health & Safety Code Sections 40130-40131 and 40270-40276;

WHEREAS, by Resolution No. 2015-05, the Board of Directors adopted the Air District Budget for Fiscal Year (FY) 2015-2016 on June 3, 2015, pursuant to the above- mentioned statutory authority;

WHEREAS, the Board of Directors, in connection with that action, approved the following budget related actions:

- A. Transfer Funds from Encumbered Balance of Appropriations to the Next Fiscal Year for Continuation of Projects/Programs
- B. Transfer Funds from Unencumbered Balance of Appropriations to the General Reserve;
- C. Fund the General Reserve from Year to Year;
- D. Approved Economic Contingency Reserve Policy of 20% of General Fund Budget;
- E. Approved 90% Other Post-Employment Benefit Funding Target Level;
- F. Authorize Modification to Name and Purpose of certain Designated Reserve Funds;
- G. Authorize Disposal of Surplus Government Property;
- H. Approve Salary Ranges for District Employees; and
- I. Approve Proposed District Budget for FY 2015-2016;

WHEREAS, Air District staff has determined through its annual budget review and analysis that similar actions are necessary in connection with the adoption of a budget for FY 2016-2017 and that all of these actions be incorporated into a single resolution;

WHEREAS, the Budget and Finance Committee of the Board of Directors reviewed the proposed FY 2016-2017 District Budget at public meetings held on March 23, 2016, and April 27, 2016, and recommended that the Board of Directors approve as submitted.

WHEREAS, an initial public hearing was duly noticed and held on May 18, 2016, at a Special Meeting of the Board of Directors held pursuant to Health & Safety Code Section 40131, for the purpose of reviewing the Air District’s proposed FY 2016-2017 Budget and of providing the public with an opportunity to comment upon the proposed District Budget;

WHEREAS, at the May 18, 2016 Special Meeting of the Board of Directors, the Proposed FY 2016-2017 Air District Budget was set for a further hearing and proposed adoption at the Regular Meeting of the Board of Directors to be held on June 15, 2016;

WHEREAS, in connection with the public hearing and consideration of the Proposed FY 2016-2017 District Budget on June 15, 2016, the Board of Directors decided to take the following actions related to the FY 2015-2016 District Budget:

A. CARRYFORWARD ENCUMBERED BALANCE OF APPROPRIATIONS TO THE NEXT FISCAL YEAR FOR CONTINUATION OF PROJECTS/PROGRAMS NOT COMPLETED IN THE CURRENT FISCAL YEAR

WHEREAS, the Air District Budget FY2015-2016 has appropriated funds committed for projects/programs not completed in the current fiscal year that will carry over to the next fiscal year;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby directs Air District staff, that in the event there is encumbered balance of appropriations from FY 2015-2016 for continuation of projects, to transfer such appropriations to the 2016-2017 fiscal year budget as needed for completion of projects/programs;

B. TRANSFER FUNDS FROM UNENCUMBERED BALANCE OF APPROPRIATIONS TO THE GENERAL RESERVE

WHEREAS, the Proposed Air District Budget provides sufficient funds for the operation of the Air District for FY 2016-2017;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby directs Air District staff, that in the event there is an unencumbered balance of appropriations from FY 2015-2016, to transfer such excess balance to the General Reserve.

C. FUND THE GENERAL RESERVE FROM YEAR TO YEAR

WHEREAS, the Board of Directors on June 12, 1958, created a General Reserve in the Air District's budget and transferred certain funds into it;

WHEREAS, the Air District has operated for much of its existence with a General Reserve in its fiscal year budget;

WHEREAS, the Air District retained the consulting firm of KPMG LLP in 1998-99 to conduct a permit fee cost recovery study of the Air District;

WHEREAS, KPMG LLP determined through their study of Air District finances that the General Reserve was inadequately funded and therefore recommended that the General Reserve be funded to a level consistent with generally accepted governmental practices;

WHEREAS, Air District staff concurred with this finding and recommendation from KPMG LLP;

WHEREAS, the Board of Directors concurs with the recommendation of KPMG LLP, Air District staff and its Budget and Finance Committee that maintaining a healthy and properly funded General Reserve in the Air District's budget is a prudent and financially sound decision;

WHEREAS, as a part of the adoption of the 2015-16 Budget, the Board of Director approved an Economic Contingency Reserve Policy of 20% of the General Fund Budget;

NOW THEREFORE, BE IT FURTHER RESOLVED that the General Reserve be continued for FY 2016-2017, and thereafter until discontinued by resolution of the Board of Directors.

D. AUTHORIZE DISPOSAL OF SURPLUS GOVERNMENT PROPERTY

WHEREAS, the Air District Budget for FY 2016-2017 provides for the replacement of certain equipment and other property that has either become obsolete and surplus or will become obsolete and surplus;

WHEREAS, Air District staff has determined that certain equipment or other property will no longer be economically feasible to maintain or repair, and that some equipment will become obsolete and not useful for Air District purposes;

WHEREAS, from time to time during the course of the coming fiscal year it may be advantageous to the Air District to sell or dispose of such equipment or other property;

WHEREAS, the Board of Directors desires to authorize the Executive Officer/APCO, or his or her designee, to sell or dispose of such surplus or obsolete equipment or other property pursuant the requirements and guidelines of Government Code Sections 25363 and 25504;

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Board of Directors hereby authorizes the Executive Officer/APCO, or his or her designee, to sell or dispose of surplus or obsolete equipment or other property during FY 2016-2017.

E. SALARY RANGES FOR DISTRICT EMPLOYEES

WHEREAS, the Board of Directors established Salary Ranges and Classifications on June 10, 1962, pursuant to Resolution No. 270 and has from time to time amended those Salary Ranges and Classifications;

WHEREAS, management employees and confidential employees are not represented by a recognized employee organization;

WHEREAS, the Air District Budget for FY 2016-2017 includes funds for Board of Director discretionary use in adjusting salaries and fringe benefits for Air District employees;

WHEREAS, on June 18, 2014, by Resolution No. 2014-06, the Board of Directors approved a successor Memorandum of Understanding (the "MOU") with the employees represented by the recognized employee organization Bay Area Air Quality Management District Employees Association ("EA") which MOU had been previously ratified by the EA;

WHEREAS, the successor MOU between the District and EA is set to expire on June 30, 2017 and all provisions shall supersede the provisions of the June 7, 2000 to June 30, 2014 agreement;

WHEREAS, the attached salary schedule proposes a 2.2% salary adjustment as provided for in the MOU for Represented Classes; salaries for non-Board of Director appointed Management and Confidential employees; and salaries adjusted pursuant to contracts with Board appointed management employees;

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the Board of Directors approves the revised salary schedules attached hereto which, consistent with the FY 2016-2017 Proposed Budget; and with contracts with Board appointed management employees, provide salary increases effective July 1, 2016.

F. APPROVE PROPOSED AIR DISTRICT BUDGET FOR FY 2016-2017

WHEREAS, on May 18, 2016, and June 15, 2016, public proceedings have been held in a manner and form required by Health & Safety Code Section 40131 for the adoption of the FY 2016-2017 Budget of the Bay Area Air Quality Management District;

WHEREAS, the Board of Directors has considered the Proposed Budget for the fiscal year ending June 30, 2017, as well as the report on this proposed budget from the Budget and Finance Committee of the Board of Directors which considered the Proposed FY2016-2017 Air District Budget at their meetings of March 23, 2016 and April 27, 2016;

WHEREAS, at the May 18, 2016, Regular Meeting of the Board of Directors, in its report to the Board of Directors, the Budget and Finance Committee of the Board of Directors through

consensus supported staff recommendations to forward the Proposed FY 2016-2017 Air District Budget to the Board of Directors;

NOW, THEREFORE, BE IT FURTHER RESOLVED that the Proposed Air District Budget for FY Ending 2016-2017 in the total consolidated amount of One Hundred Thirty Seven Million, Nine Hundred Sixteen, Seven Hundred and Fifty Four Dollars (\$137,916,754), specifying by appropriation classification – personnel, services and supplies, capital outlay, program distributions and transfers – is hereby adopted by the Board of Directors of the Bay Area Air Quality Management District to become effective as of July 1, 2016.

The foregoing resolution was duly and regularly introduced, passed and adopted at a regular meeting of the Board of Directors of the Bay Area Air Quality Management District on the Motion of Director _____, seconded by Director _____, on the _____ day of _____ 2016

by the following vote of the Board:

AYES:

NOES:

ABSENT:

ERIC MAR
Chairperson of the Board of Directors

ATTEST:

DAVID E. HUDSON
Secretary of the Board of Directors

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
SALARY SCHEDULE FOR MANAGEMENT AND CONFIDENTIAL CLASSES**
Annually/Monthly/Bi-weekly/Hourly effective July 1, 2016

ID-JDE MANAGEMENT

Per Employment Agreement

1B101 Executive Officer/Air Pollution Control Officer	287963.81 23996.98 11075.53 138.44
1B102 Counsel	270953.56 22579.46 10421.29 130.27

ID-JDE MANAGEMENT

Range Step A Step B Step C Step D Step E

3M101 Air Monitoring Manager	148M	125212.04 10434.34 4815.85 60.20	131472.65 10956.05 5056.64 63.21	138046.28 11503.86 5309.47 66.37	144948.59 12079.05 5574.95 69.69	152196.02 12683.00 5853.69 73.17
3M102 Air Quality Engineering Manager	148M	125212.04 10434.34 4815.85 60.20	131472.65 10956.05 5056.64 63.21	138046.28 11503.86 5309.47 66.37	144948.59 12079.05 5574.95 69.69	152196.02 12683.00 5853.69 73.17
3M103 Air Quality Planning Manager	148M	125212.04 10434.34 4815.85 60.20	131472.65 10956.05 5056.64 63.21	138046.28 11503.86 5309.47 66.37	144948.59 12079.05 5574.95 69.69	152196.02 12683.00 5853.69 73.17
3M104 Air Quality Program Manager	148M	125212.04 10434.34 4815.85 60.20	131472.65 10956.05 5056.64 63.21	138046.28 11503.86 5309.47 66.37	144948.59 12079.05 5574.95 69.69	152196.02 12683.00 5853.69 73.17
8M101 Assistant Counsel I	149M	126111.78 10509.32 4850.45 60.63	132417.37 11034.78 5092.98 63.66	139038.24 11586.52 5347.62 66.85	145990.15 12165.85 5615.01 70.19	153289.66 12774.14 5895.76 73.70
7M101 Assistant Counsel II	153M	141455.34 11787.95 5440.59 68.01	148528.11 12377.34 5712.62 71.41	155954.51 12996.21 5998.25 74.98	163752.24 13646.02 6298.16 78.73	171939.85 14328.32 6613.07 82.66
Assistant Manager*	147M	122194.44 10182.87 4699.79 58.75	128304.16 10692.01 4934.78 61.68	134719.37 11226.61 5181.51 64.77	141455.34 11787.95 5440.59 68.01	148528.11 12377.34 5712.62 71.41
3M117 Audit & Special Projects Manager	148M	125212.04 10434.34 4815.85 60.20	131472.65 10956.05 5056.64 63.21	138046.28 11503.86 5309.47 66.37	144948.59 12079.05 5574.95 69.69	152196.02 12683.00 5853.69 73.17

ID-JDE	MANAGEMENT(CONTINUED)	Range	Step A	Step B	Step C	Step D	Step E
3M105	Business Manager	148M	125212.04 10434.34 4815.85 60.20	131472.65 10956.05 5056.64 63.21	138046.28 11503.86 5309.47 66.37	144948.59 12079.05 5574.95 69.69	152196.02 12683.00 5853.69 73.17
2M111	Communications Officer	156M	151191.23 12599.27 5815.05 72.69	158750.79 13229.23 6105.80 76.32	166688.33 13890.69 6411.09 80.14	175022.75 14585.23 6731.64 84.15	183773.89 15314.49 7068.23 88.35
1M101	Deputy Air Pollution Control Officer	160M	167796.11 13983.01 6453.70 80.67	176185.92 14682.16 6776.38 84.70	184995.21 15416.27 7115.20 88.94	194244.98 16187.08 7470.96 93.39	203957.22 16996.44 7844.51 98.06
1M102	Deputy Executive Officer	169M	208993.96 17416.16 8038.23 100.48	219443.66 18286.97 8440.14 105.50	230415.84 19201.32 8862.15 110.78	241936.64 20161.39 9305.26 116.32	254033.47 21169.46 9770.52 122.13
2M110	Director/Officer	156M	151191.23 12599.27 5815.05 72.69	158750.79 13229.23 6105.80 76.32	166688.33 13890.69 6411.09 80.14	175022.75 14585.23 6731.64 84.15	183773.89 15314.49 7068.23 88.35
2M101	Director of Administration	156M	151191.23 12599.27 5815.05 72.69	158750.79 13229.23 6105.80 76.32	166688.33 13890.69 6411.09 80.14	175022.75 14585.23 6731.64 84.15	183773.89 15314.49 7068.23 88.35
2M102	Director of Enforcement	156M	151191.23 12599.27 5815.05 72.69	158750.79 13229.23 6105.80 76.32	166688.33 13890.69 6411.09 80.14	175022.75 14585.23 6731.64 84.15	183773.89 15314.49 7068.23 88.35
2M103	Director of Engineering	156M	151191.23 12599.27 5815.05 72.69	158750.79 13229.23 6105.80 76.32	166688.33 13890.69 6411.09 80.14	175022.75 14585.23 6731.64 84.15	183773.89 15314.49 7068.23 88.35
2M108	Director of Strategic Incentives	156M	151191.23 12599.27 5815.05 72.69	158750.79 13229.23 6105.80 76.32	166688.33 13890.69 6411.09 80.14	175022.75 14585.23 6731.64 84.15	183773.89 15314.49 7068.23 88.35
2M104	Director of Information Services	156M	151191.23 12599.27 5815.05 72.69	158750.79 13229.23 6105.80 76.32	166688.33 13890.69 6411.09 80.14	175022.75 14585.23 6731.64 84.15	183773.89 15314.49 7068.23 88.35
2M105	Director of Planning and Research	156M	151191.23 12599.27 5815.05 72.69	158750.79 13229.23 6105.80 76.32	166688.33 13890.69 6411.09 80.14	175022.75 14585.23 6731.64 84.15	183773.89 15314.49 7068.23 88.35
2M107	Director of Technical Services	156M	151191.23 12599.27 5815.05 72.69	158750.79 13229.23 6105.80 76.32	166688.33 13890.69 6411.09 80.14	175022.75 14585.23 6731.64 84.15	183773.89 15314.49 7068.23 88.35

ID-JDE	MANAGEMENT(CONTINUED)	Range	Step A	Step B	Step C	Step D	Step E
3M119	Engineering Project Processing Manager	148M	125212.04 10434.34 4815.85 60.20	131472.65 10956.05 5056.64 63.21	138046.28 11503.86 5309.47 66.37	144948.59 12079.05 5574.95 69.69	152196.02 12683.00 5853.69 73.17
3M113	Executive Operations Manager	148M	125212.04 10434.34 4815.85 60.20	131472.65 10956.05 5056.64 63.21	138046.28 11503.86 5309.47 66.37	144948.59 12079.05 5574.95 69.69	152196.02 12683.00 5853.69 73.17
3M107	Finance Manager	148M	125212.04 10434.34 4815.85 60.20	131472.65 10956.05 5056.64 63.21	138046.28 11503.86 5309.47 66.37	144948.59 12079.05 5574.95 69.69	152196.02 12683.00 5853.69 73.17
3M106	Fleet and Facilities Manager	134M	88985.86 7415.49 3422.53 42.78	93435.15 7786.26 3593.66 44.92	98106.91 8175.58 3773.34 47.17	103012.26 8584.35 3962.01 49.53	108162.87 9013.57 4160.11 52.00
6M104	Health and Science Officer	158M	158750.79 13229.23 6105.80 76.32	166688.33 13890.69 6411.09 80.14	175022.75 14585.23 6731.64 84.15	183773.89 15314.49 7068.23 88.35	192962.58 16080.22 7421.64 92.77
3M118	Human Resources Manager	148M	125212.04 10434.34 4815.85 60.20	131472.65 10956.05 5056.64 63.21	138046.28 11503.86 5309.47 66.37	144948.59 12079.05 5574.95 69.69	152196.02 12683.00 5853.69 73.17
3M108	Human Resources Officer	156M	151191.23 12599.27 5815.05 72.69	158750.79 13229.23 6105.80 76.32	166688.33 13890.69 6411.09 80.14	175022.75 14585.23 6731.64 84.15	183773.89 15314.49 7068.23 88.35
3M109	Information Systems Manager	148M	125212.04 10434.34 4815.85 60.20	131472.65 10956.05 5056.64 63.21	138046.28 11503.86 5309.47 66.37	144948.59 12079.05 5574.95 69.69	152196.02 12683.00 5853.69 73.17
2M109	Information Technology Officer	156M	151191.23 12599.27 5815.05 72.69	158750.79 13229.23 6105.80 76.32	166688.33 13890.69 6411.09 80.14	175022.75 14585.23 6731.64 84.15	183773.89 15314.49 7068.23 88.35
3M110	Manager (Laboratory)	148M	125212.04 10434.34 4815.85 60.20	131472.65 10956.05 5056.64 63.21	138046.28 11503.86 5309.47 66.37	144948.59 12079.05 5574.95 69.69	152196.02 12683.00 5853.69 73.17
3M120	Manager*	148M	125212.04 10434.34 4815.85 60.20	131472.65 10956.05 5056.64 63.21	138046.28 11503.86 5309.47 66.37	144948.59 12079.05 5574.95 69.69	152196.02 12683.00 5853.69 73.17
3M115	Manager of Executive Operations	148M	125212.04 10434.34 4815.85 60.20	131472.65 10956.05 5056.64 63.21	138046.28 11503.86 5309.47 66.37	144948.59 12079.05 5574.95 69.69	152196.02 12683.00 5853.69 73.17

ID-JDE MANAGEMENT(CONTINUED)	Range	Step A	Step B	Step C	Step D	Step E
3M111 Meteorology and Data Analysis Manager	148M	125212.04 10434.34 4815.85 60.20	131472.65 10956.05 5056.64 63.21	138046.28 11503.86 5309.47 66.37	144948.59 12079.05 5574.95 69.69	152196.02 12683.00 5853.69 73.17
3M112 Research and Modeling Manager	148M	125212.04 10434.34 4815.85 60.20	131472.65 10956.05 5056.64 63.21	138046.28 11503.86 5309.47 66.37	144948.59 12079.05 5574.95 69.69	152196.02 12683.00 5853.69 73.17
6M101 Senior Assistant Counsel	157M	155954.51 12996.21 5998.25 74.98	163752.24 13646.02 6298.16 78.73	171939.85 14328.32 6613.07 82.66	180536.84 15044.74 6943.72 86.80	189563.69 15796.97 7290.91 91.14
6M102 Senior Policy Advisor	148M	125212.04 10434.34 4815.85 60.20	131472.65 10956.05 5056.64 63.21	138046.28 11503.86 5309.47 66.37	144948.59 12079.05 5574.95 69.69	152196.02 12683.00 5853.69 73.17
3M116 Strategic Facilities Planning Manager	148M	125212.04 10434.34 4815.85 60.20	131472.65 10956.05 5056.64 63.21	138046.28 11503.86 5309.47 66.37	144948.59 12079.05 5574.95 69.69	152196.02 12683.00 5853.69 73.17

*Per Board action effective July 1, 2015

ID-JDE	CONFIDENTIAL	Range	Step A	Step B	Step C	Step D	Step E
7C007	Administrative Secretary (Confidential)	118	58474.89 4872.91 2249.03 28.11	61398.63 5116.55 2361.49 29.52	64468.56 5372.38 2479.56 30.99	67691.99 5641.00 2603.54 32.54	71076.59 5923.05 2733.72 34.17
5C101	Clerk of the Boards	132	82280.04 6856.67 3164.62 39.56	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61	95249.43 7937.45 3663.44 45.79	100011.90 8334.33 3846.61 48.08
8C004	Executive Secretary I	128	74630.42 6219.20 2870.40 35.88	78361.94 6530.16 3013.92 37.67	82280.04 6856.67 3164.62 39.56	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61
7C001	Executive Secretary II	132	82280.04 6856.67 3164.62 39.56	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61	95249.43 7937.45 3663.44 45.79	100011.90 8334.33 3846.61 48.08
8C101	Human Resources Analyst I	130	78361.94 6530.16 3013.92 37.67	82280.04 6856.67 3164.62 39.56	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61	95249.43 7937.45 3663.44 45.79
7C103	Human Resources Analyst II	134	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61	95249.43 7937.45 3663.44 45.79	100011.90 8334.33 3846.61 48.08	105012.50 8751.04 4038.94 50.49
8C001	Human Resources Technician I	116	55690.37 4640.86 2141.94 26.77	58474.89 4872.91 2249.03 28.11	61398.63 5116.55 2361.49 29.52	64468.56 5372.38 2479.56 30.99	67691.99 5641.00 2603.54 32.54
7C002	Human Resources Technician II	120	61398.63 5116.55 2361.49 29.52	64468.56 5372.38 2479.56 30.99	67691.99 5641.00 2603.54 32.54	71076.59 5923.05 2733.72 34.17	74630.42 6219.20 2870.40 35.88
7C003	Legal Office Services Specialist	124	67691.99 5641.00 2603.54 32.54	71076.59 5923.05 2733.72 34.17	74630.42 6219.20 2870.40 35.88	78361.94 6530.16 3013.92 37.67	82280.04 6856.67 3164.62 39.56
8C002	Legal Secretary I	116	55690.37 4640.86 2141.94 26.77	58474.89 4872.91 2249.03 28.11	61398.63 5116.55 2361.49 29.52	64468.56 5372.38 2479.56 30.99	67691.99 5641.00 2603.54 32.54
7C004	Legal Secretary II	120	61398.63 5116.55 2361.49 29.52	64468.56 5372.38 2479.56 30.99	67691.99 5641.00 2603.54 32.54	71076.59 5923.05 2733.72 34.17	74630.42 6219.20 2870.40 35.88
8C003	Office Assistant I (HR)	104	41557.01 3463.08 1598.35 19.98	43634.86 3636.24 1678.26 20.98	45816.60 3818.05 1762.18 22.03	48107.43 4008.95 1850.29 23.13	50512.81 4209.40 1942.80 24.29

ID-JDE	CONFIDENTIAL(CONTINUED)	Range	Step A	Step B	Step C	Step D	Step E
7C005	Office Assistant II (HR)	108	45816.60 3818.05 1762.18 22.03	48107.43 4008.95 1850.29 23.13	50512.81 4209.40 1942.80 24.29	53038.45 4419.87 2039.94 25.50	55690.37 4640.86 2141.94 26.77
7C102	Paralegal	124	67691.99 5641.00 2603.54 32.54	71076.59 5923.05 2733.72 34.17	74630.42 6219.20 2870.40 35.88	78361.94 6530.16 3013.92 37.67	82280.04 6856.67 3164.62 39.56
6C001	Senior Executive Secretary	134	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61	95249.43 7937.45 3663.44 45.79	100011.90 8334.33 3846.61 48.08	105012.50 8751.04 4038.94 50.49
5C102	Supervising Human Resources Analyst	142	105012.50 8751.04 4038.94 50.49	110263.12 9188.59 4240.89 53.01	115776.28 9648.02 4452.93 55.66	121565.09 10130.42 4675.58 58.44	127643.34 10636.95 4909.36 61.37

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
SALARY SCHEDULE FOR TECHNICAL/GENERAL AND PROFESSIONAL EMPLOYEES
 Effective July 1, 2016 per Memorandum of Understanding dated May 15, 2002

ID-JDE	PROFESSIONAL	Range	Step A	Step B	Step C	Step D	Step E
7P001	Accountant I	123	66060.62 5505.05 2540.79 31.76	69363.65 5780.30 2667.83 33.35	72831.83 6069.32 2801.22 35.02	76473.42 6372.79 2941.29 36.77	80297.10 6691.42 3088.35 38.60
7P014	Accountant II	127	72831.83 6069.32 2801.22 35.02	76473.42 6372.79 2941.29 36.77	80297.10 6691.42 3088.35 38.60	84311.95 7026.00 3242.77 40.53	88527.55 7377.30 3404.91 42.56
7P002	Advanced Projects Advisor	144	110263.12 9188.59 4240.89 53.01	115776.28 9648.02 4452.93 55.66	121565.09 10130.42 4675.58 58.44	127643.34 10636.95 4909.36 61.37	134025.51 11168.79 5154.83 64.44
8P001	Air Quality Chemist I	127	72831.83 6069.32 2801.22 35.02	76473.42 6372.79 2941.29 36.77	80297.10 6691.42 3088.35 38.60	84311.95 7026.00 3242.77 40.53	88527.55 7377.30 3404.91 42.56
7P003	Air Quality Chemist II	131	80297.10 6691.42 3088.35 38.60	84311.95 7026.00 3242.77 40.53	88527.55 7377.30 3404.91 42.56	92953.92 7746.16 3575.15 44.69	97601.62 8133.47 3753.91 46.92
8P002	Air Quality Engineer I	132	82280.04 6856.67 3164.62 39.56	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61	95249.43 7937.45 3663.44 45.79	100011.90 8334.33 3846.61 48.08
7P004	Air Quality Engineer II	136	90713.74 7559.48 3488.99 43.61	95249.43 7937.45 3663.44 45.79	100011.90 8334.33 3846.61 48.08	105012.50 8751.04 4038.94 50.49	110263.12 9188.59 4240.89 53.01
8P003	Air Quality Meteorologist I	131	80297.10 6691.42 3088.35 38.60	84311.95 7026.00 3242.77 40.53	88527.55 7377.30 3404.91 42.56	92953.92 7746.16 3575.15 44.69	97601.62 8133.47 3753.91 46.92
7P005	Air Quality Meteorologist II	135	88527.55 7377.30 3404.91 42.56	92953.92 7746.16 3575.15 44.69	97601.62 8133.47 3753.91 46.92	102481.70 8540.14 3941.60 49.27	107605.79 8967.15 4138.68 51.73
7P006	Atmospheric Modeler	140	100011.90 8334.33 3846.61 48.08	105012.50 8751.04 4038.94 50.49	110263.12 9188.59 4240.89 53.01	115776.28 9648.02 4452.93 55.66	121565.09 10130.42 4675.58 58.44
8P004	Environmental Planner I	130	78361.94 6530.16 3013.92 37.67	82280.04 6856.67 3164.62 39.56	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61	95249.43 7937.45 3663.44 45.79

ID-JDE	PROFESSIONAL(continued)	Range	Step A	Step B	Step C	Step D	Step E
7P007	Environmental Planner II	134	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61	95249.43 7937.45 3663.44 45.79	100011.90 8334.33 3846.61 48.08	105012.50 8751.04 4038.94 50.49
7P008	Legislative Analyst	138	95249.43 7937.45 3663.44 45.79	100011.90 8334.33 3846.61 48.08	105012.50 8751.04 4038.94 50.49	110263.12 9188.59 4240.89 53.01	115776.28 9648.02 4452.93 55.66
7P009	Librarian	128	74630.42 6219.20 2870.40 35.88	78361.94 6530.16 3013.92 37.67	82280.04 6856.67 3164.62 39.56	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61
4P001	Principal Accountant	135	88527.55 7377.30 3404.91 42.56	92953.92 7746.16 3575.15 44.69	97601.62 8133.47 3753.91 46.92	102481.70 8540.14 3941.60 49.27	107605.79 8967.15 4138.68 51.73
4P002	Principal Air and Meteorological Monitoring Specialist	143	107605.79 8967.15 4138.68 51.73	112986.08 9415.51 4345.62 54.32	118635.38 9886.28 4562.90 57.04	124567.15 10380.60 4791.04 59.89	130795.51 10899.63 5030.60 62.88
4P005	Principal Air Quality Chemist	139	97601.62 8133.47 3753.91 46.92	102481.70 8540.14 3941.60 49.27	107605.79 8967.15 4138.68 51.73	112986.08 9415.51 4345.62 54.32	118635.38 9886.28 4562.90 57.04
4P003	Principal Air Quality Engineer	144	110263.12 9188.59 4240.89 53.01	115776.28 9648.02 4452.93 55.66	121565.09 10130.42 4675.58 58.44	127643.34 10636.95 4909.36 61.37	134025.51 11168.79 5154.83 64.44
4P004	Principal Environmental Planner	142	105012.50 8751.04 4038.94 50.49	110263.12 9188.59 4240.89 53.01	115776.28 9648.02 4452.93 55.66	121565.09 10130.42 4675.58 58.44	127643.34 10636.95 4909.36 61.37
7P010	Research Analyst	130	78361.94 6530.16 3013.92 37.67	82280.04 6856.67 3164.62 39.56	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61	95249.43 7937.45 3663.44 45.79
6P001	Senior Advanced Projects Advisor	148	121565.09 10130.42 4675.58 58.44	127643.34 10636.95 4909.36 61.37	134025.51 11168.79 5154.83 64.44	140726.79 11727.23 5412.57 67.66	147763.13 12313.59 5683.20 71.04
6P002	Senior Air Quality Chemist	135	88527.55 7377.30 3404.91 42.56	92953.92 7746.16 3575.15 44.69	97601.62 8133.47 3753.91 46.92	102481.70 8540.14 3941.60 49.27	107605.79 8967.15 4138.68 51.73

ID-JDE	PROFESSIONAL(continued)	Range	Step A	Step B	Step C	Step D	Step E
6P003	Senior Air Quality Engineer	140	100011.90 8334.33 3846.61 48.08	105012.50 8751.04 4038.94 50.49	110263.12 9188.59 4240.89 53.01	115776.28 9648.02 4452.93 55.66	121565.09 10130.42 4675.58 58.44
6P004	Senior Air Quality Meteorologist	139	97601.62 8133.47 3753.91 46.92	102481.70 8540.14 3941.60 49.27	107605.79 8967.15 4138.68 51.73	112986.08 9415.51 4345.62 54.32	118635.38 9886.28 4562.90 57.04
6P005	Senior Atmospheric Modeler	144	110263.12 9188.59 4240.89 53.01	115776.28 9648.02 4452.93 55.66	121565.09 10130.42 4675.58 58.44	127643.34 10636.95 4909.36 61.37	134025.51 11168.79 5154.83 64.44
6P006	Senior Environmental Planner	138	95249.43 7937.45 3663.44 45.79	100011.90 8334.33 3846.61 48.08	105012.50 8751.04 4038.94 50.49	110263.12 9188.59 4240.89 53.01	115776.28 9648.02 4452.93 55.66
7P011	Statistician	137	92953.92 7746.16 3575.15 44.69	97601.62 8133.47 3753.91 46.92	102481.70 8540.14 3941.60 49.27	107605.79 8967.15 4138.68 51.73	112986.08 9415.51 4345.62 54.32
5P001	Supervising Air Quality Engineer	144	110263.12 9188.59 4240.89 53.01	115776.28 9648.02 4452.93 55.66	121565.09 10130.42 4675.58 58.44	127643.34 10636.95 4909.36 61.37	134025.51 11168.79 5154.83 64.44
5P002	Supervising Air Quality Meteorologist	143	107605.79 8967.15 4138.68 51.73	112986.08 9415.51 4345.62 54.32	118635.38 9886.28 4562.90 57.04	124567.15 10380.60 4791.04 59.89	130795.51 10899.63 5030.60 62.88
5P003	Supervising Environmental Planner	142	105012.50 8751.04 4038.94 50.49	110263.12 9188.59 4240.89 53.01	115776.28 9648.02 4452.93 55.66	121565.09 10130.42 4675.58 58.44	127643.34 10636.95 4909.36 61.37
7P012	Toxicologist	144	110263.12 9188.59 4240.89 53.01	115776.28 9648.02 4452.93 55.66	121565.09 10130.42 4675.58 58.44	127643.34 10636.95 4909.36 61.37	134025.51 11168.79 5154.83 64.44
ID-JDE	TECHNICAL/GENERAL	Range	Step A	Step B	Step C	Step D	Step E
8T001	Accounting Assistant I	106	43634.86 3636.24 1678.26 20.98	45816.60 3818.05 1762.18 22.03	48107.43 4008.95 1850.29 23.13	50512.81 4209.40 1942.80 24.29	53038.45 4419.87 2039.94 25.50
7T001	Accounting Assistant II	110	48107.43 4008.95 1850.29 23.13	50512.81 4209.40 1942.80 24.29	53038.45 4419.87 2039.94 25.50	55690.37 4640.86 2141.94 26.77	58474.89 4872.91 2249.03 28.11

ID-JDE	TECHNICAL/GENERAL(cont'd)	Range	Step A	Step B	Step C	Step D	Step E
7T002	Administrative Analyst	131	80297.10 6691.42 3088.35 38.60	84311.95 7026.00 3242.77 40.53	88527.55 7377.30 3404.91 42.56	92953.92 7746.16 3575.15 44.69	97601.62 8133.47 3753.91 46.92
7T003	Administrative Secretary	118	58474.89 4872.91 2249.03 28.11	61398.63 5116.55 2361.49 29.52	64468.56 5372.38 2479.56 30.99	67691.99 5641.00 2603.54 32.54	71076.59 5923.05 2733.72 34.17
8T002	Air Quality Case Settlement Specialist I	126	71076.59 5923.05 2733.72 34.17	74630.42 6219.20 2870.40 35.88	78361.94 6530.16 3013.92 37.67	82280.04 6856.67 3164.62 39.56	86394.04 7199.50 3322.85 41.54
7T004	Air Quality Case Settlement Specialist II	130	78361.94 6530.16 3013.92 37.67	82280.04 6856.67 3164.62 39.56	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61	95249.43 7937.45 3663.44 45.79
8T003	Air Quality Inspector I	124	67691.99 5641.00 2603.54 32.54	71076.59 5923.05 2733.72 34.17	74630.42 6219.20 2870.40 35.88	78361.94 6530.16 3013.92 37.67	82280.04 6856.67 3164.62 39.56
7T005	Air Quality Inspector II	128	74630.42 6219.20 2870.40 35.88	78361.94 6530.16 3013.92 37.67	82280.04 6856.67 3164.62 39.56	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61
8T004	Air Quality Instrument Specialist I	124	67691.99 5641.00 2603.54 32.54	71076.59 5923.05 2733.72 34.17	74630.42 6219.20 2870.40 35.88	78361.94 6530.16 3013.92 37.67	82280.04 6856.67 3164.62 39.56
7T006	Air Quality Instrument Specialist II	128	74630.42 6219.20 2870.40 35.88	78361.94 6530.16 3013.92 37.67	82280.04 6856.67 3164.62 39.56	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61
8T005	Air Quality Laboratory Technician I	122	64468.56 5372.38 2479.56 30.99	67691.99 5641.00 2603.54 32.54	71076.59 5923.05 2733.72 34.17	74630.42 6219.20 2870.40 35.88	78361.94 6530.16 3013.92 37.67
7T007	Air Quality Laboratory Technician II	126	71076.59 5923.05 2733.72 34.17	74630.42 6219.20 2870.40 35.88	78361.94 6530.16 3013.92 37.67	82280.04 6856.67 3164.62 39.56	86394.04 7199.50 3322.85 41.54
8T006	Air Quality Permit Technician I	122	64468.56 5372.38 2479.56 30.99	67691.99 5641.00 2603.54 32.54	71076.59 5923.05 2733.72 34.17	74630.42 6219.20 2870.40 35.88	78361.94 6530.16 3013.92 37.67

ID-JDE	TECHNICAL/GENERAL(cont'd)	Range	Step A	Step B	Step C	Step D	Step E
7T008	Air Quality Permit Technician II	126	71076.59 5923.05 2733.72 34.17	74630.42 6219.20 2870.40 35.88	78361.94 6530.16 3013.92 37.67	82280.04 6856.67 3164.62 39.56	86394.04 7199.50 3322.85 41.54
8T007	Air Quality Specialist I	130	78361.94 6530.16 3013.92 37.67	82280.04 6856.67 3164.62 39.56	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61	95249.43 7937.45 3663.44 45.79
7T009	Air Quality Specialist II	134	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61	95249.43 7937.45 3663.44 45.79	100011.90 8334.33 3846.61 48.08	105012.50 8751.04 4038.94 50.49
7T010	Air Quality Technical Assistant	118	58474.89 4872.91 2249.03 28.11	61398.63 5116.55 2361.49 29.52	64468.56 5372.38 2479.56 30.99	67691.99 5641.00 2603.54 32.54	71076.59 5923.05 2733.72 34.17
8T008	Air Quality Technician I	122	64468.56 5372.38 2479.56 30.99	67691.99 5641.00 2603.54 32.54	71076.59 5923.05 2733.72 34.17	74630.42 6219.20 2870.40 35.88	78361.94 6530.16 3013.92 37.67
7T011	Air Quality Technician II	126	71076.59 5923.05 2733.72 34.17	74630.42 6219.20 2870.40 35.88	78361.94 6530.16 3013.92 37.67	82280.04 6856.67 3164.62 39.56	86394.04 7199.50 3322.85 41.54
7T012	Building Maintenance Mechanic	114	53038.45 4419.87 2039.94 25.50	55690.37 4640.86 2141.94 26.77	58474.89 4872.91 2249.03 28.11	61398.63 5116.55 2361.49 29.52	64468.56 5372.38 2479.56 30.99
7T013	Data Entry Operator	111	49295.45 4107.95 1895.98 23.70	51760.22 4313.35 1990.78 24.88	54348.23 4529.02 2090.32 26.13	57065.65 4755.47 2194.83 27.44	59918.93 4993.24 2304.57 28.81
5T009	Data Support Supervisor	142	105012.50 8751.04 4038.94 50.49	110263.12 9188.59 4240.89 53.01	115776.28 9648.02 4452.93 55.66	121565.09 10130.42 4675.58 58.44	127643.34 10636.95 4909.36 61.37
7T014	Database Specialist	135	88527.55 7377.30 3404.91 42.56	92953.92 7746.16 3575.15 44.69	97601.62 8133.47 3753.91 46.92	102481.70 8540.14 3941.60 49.27	107605.79 8967.15 4138.68 51.73
7T015	Deputy Clerk of the Boards	123	66060.62 5505.05 2540.79 31.76	69363.65 5780.30 2667.83 33.35	72831.83 6069.32 2801.22 35.02	76473.42 6372.79 2941.29 36.77	80297.10 6691.42 3088.35 38.60
7T028	Facilities Maintenance Worker	108	45816.60 3818.05 1762.18 22.03	48107.43 4008.95 1850.29 23.13	50512.81 4209.40 1942.80 24.29	53038.45 4419.87 2039.94 25.50	55690.37 4640.86 2141.94 26.77

ID-JDE	TECHNICAL/GENERAL (cont'd)	Range	Step A	Step B	Step C	Step D	Step E
5T008	Facilities Services Supervisor	130	78361.94 6530.16 3013.92 37.67	82280.04 6856.67 3164.62 39.56	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61	95249.43 7937.45 3663.44 45.79
7T031	Fiscal Services Coordinator	139	97601.62 8133.47 3753.91 46.92	102481.70 8540.14 3941.60 49.27	107605.79 8967.15 4138.68 51.73	112986.08 9415.51 4345.62 54.32	118635.38 9886.28 4562.90 57.04
8T009	Mechanic I	121	62914.88 5242.91 2419.80 30.25	66060.62 5505.05 2540.79 31.76	69363.65 5780.30 2667.83 33.35	72831.83 6069.32 2801.22 35.02	76473.42 6372.79 2941.29 36.77
7T016	Mechanic II	125	69363.65 5780.30 2667.83 33.35	72831.83 6069.32 2801.22 35.02	76473.42 6372.79 2941.29 36.77	80297.10 6691.42 3088.35 38.60	84311.95 7026.00 3242.77 40.53
8T010	Office Assistant I	104	41557.01 3463.08 1598.35 19.98	43634.86 3636.24 1678.26 20.98	45816.60 3818.05 1762.18 22.03	48107.43 4008.95 1850.29 23.13	50512.81 4209.40 1942.80 24.29
7T017	Office Assistant II	108	45816.60 3818.05 1762.18 22.03	48107.43 4008.95 1850.29 23.13	50512.81 4209.40 1942.80 24.29	53038.45 4419.87 2039.94 25.50	55690.37 4640.86 2141.94 26.77
5T001	Office Services Supervisor	116	55690.37 4640.86 2141.94 26.77	58474.89 4872.91 2249.03 28.11	61398.63 5116.55 2361.49 29.52	64468.56 5372.38 2479.56 30.99	67691.99 5641.00 2603.54 32.54
7T029	Organizational Development and Training Specialist	134	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61	95249.43 7937.45 3663.44 45.79	100011.90 8334.33 3846.61 48.08	105012.50 8751.04 4038.94 50.49
7T018	Permit Coordinator	134	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61	95249.43 7937.45 3663.44 45.79	100011.90 8334.33 3846.61 48.08	105012.50 8751.04 4038.94 50.49
4T001	Principal Air Quality Specialist	142	105012.50 8751.04 4038.94 50.49	110263.12 9188.59 4240.89 53.01	115776.28 9648.02 4452.93 55.66	121565.09 10130.42 4675.58 58.44	127643.34 10636.95 4909.36 61.37
8T011	Programmer Analyst I	127	72831.83 6069.32 2801.22 35.02	76473.42 6372.79 2941.29 36.77	80297.10 6691.42 3088.35 38.60	84311.95 7026.00 3242.77 40.53	88527.55 7377.30 3404.91 42.56

ID-JDE	TECHNICAL/GENERAL (cont'd)	Range	Step A	Step B	Step C	Step D	Step E
7T019	Programmer Analyst II	131	80297.10 6691.42 3088.35 38.60	84311.95 7026.00 3242.77 40.53	88527.55 7377.30 3404.91 42.56	92953.92 7746.16 3575.15 44.69	97601.62 8133.47 3753.91 46.92
8T012	Public Information Officer I	127	72831.83 6069.32 2801.22 35.02	76473.42 6372.79 2941.29 36.77	80297.10 6691.42 3088.35 38.60	84311.95 7026.00 3242.77 40.53	88527.55 7377.30 3404.91 42.56
7T020	Public Information Officer II	131	80297.10 6691.42 3088.35 38.60	84311.95 7026.00 3242.77 40.53	88527.55 7377.30 3404.91 42.56	92953.92 7746.16 3575.15 44.69	97601.62 8133.47 3753.91 46.92
7T027	Purchasing Agent	122	64468.56 5372.38 2479.56 30.99	67691.99 5641.00 2603.54 32.54	71076.59 5923.05 2733.72 34.17	74630.42 6219.20 2870.40 35.88	78361.94 6530.16 3013.92 37.67
7T021	Radio/Telephone Operator	113	51760.22 4313.35 1990.78 24.88	54348.23 4529.02 2090.32 26.13	57065.65 4755.47 2194.83 27.44	59918.93 4993.24 2304.57 28.81	62914.88 5242.91 2419.80 30.25
5T002	Radio/Telephone Operator Supervisor	119	59918.93 4993.24 2304.57 28.81	62914.88 5242.91 2419.80 30.25	66060.62 5505.05 2540.79 31.76	69363.65 5780.30 2667.83 33.35	72831.83 6069.32 2801.22 35.02
7T022	Receptionist	104	41557.01 3463.08 1598.35 19.98	43634.86 3636.24 1678.26 20.98	45816.60 3818.05 1762.18 22.03	48107.43 4008.95 1850.29 23.13	50512.81 4209.40 1942.80 24.29
7T023	Secretary	112	50512.81 4209.40 1942.80 24.29	53038.45 4419.87 2039.94 25.50	55690.37 4640.86 2141.94 26.77	58474.89 4872.91 2249.03 28.11	61398.63 5116.55 2361.49 29.52
6T001	Senior Accounting Assistant	114	53038.45 4419.87 2039.94 25.50	55690.37 4640.86 2141.94 26.77	58474.89 4872.91 2249.03 28.11	61398.63 5116.55 2361.49 29.52	64468.56 5372.38 2479.56 30.99
6T002	Senior Air Quality Inspector	132	82280.04 6856.67 3164.62 39.56	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61	95249.43 7937.45 3663.44 45.79	100011.90 8334.33 3846.61 48.08
6T003	Senior Air Quality Instrument Specialist	132	82280.04 6856.67 3164.62 39.56	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61	95249.43 7937.45 3663.44 45.79	100011.90 8334.33 3846.61 48.08

ID-JDE	TECHNICAL/GENERAL (cont'd)	Range	Step A	Step B	Step C	Step D	Step E
6T007	Senior Air Quality Permit Technician	130	78361.94 6530.16 3013.92 37.67	82280.04 6856.67 3164.62 39.56	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61	95249.43 7937.45 3663.44 45.79
6T004	Senior Air Quality Specialist	138	95249.43 7937.45 3663.44 45.79	100011.90 8334.33 3846.61 48.08	105012.50 8751.04 4038.94 50.49	110263.12 9188.59 4240.89 53.01	115776.28 9648.02 4452.93 55.66
6T006	Senior Air Quality Technician	130	78361.94 6530.16 3013.92 37.67	82280.04 6856.67 3164.62 39.56	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61	95249.43 7937.45 3663.44 45.79
6T005	Senior Public Information Officer	135	88527.55 7377.30 3404.91 42.56	92953.92 7746.16 3575.15 44.69	97601.62 8133.47 3753.91 46.92	102481.70 8540.14 3941.60 49.27	107605.79 8967.15 4138.68 51.73
6T008	Senior Staff Specialist *	138	95249.43 7937.45 3663.44 45.79	100011.90 8334.33 3846.61 48.08	105012.50 8751.04 4038.94 50.49	110263.12 9188.59 4240.89 53.01	115776.28 9648.02 4452.93 55.66
8T013	Staff Specialist I *	130	78361.94 6530.16 3013.92 37.67	82280.04 6856.67 3164.62 39.56	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61	95249.43 7937.45 3663.44 45.79
7T032	Staff Specialist II*	134	86394.04 7199.50 3322.85 41.54	90713.74 7559.48 3488.99 43.61	95249.43 7937.45 3663.44 45.79	100011.90 8334.33 3846.61 48.08	105012.50 8751.04 4038.94 50.49
5T003	Supervising Air Quality Inspector	136	90713.74 7559.48 3488.99 43.61	95249.43 7937.45 3663.44 45.79	100011.90 8334.33 3846.61 48.08	105012.50 8751.04 4038.94 50.49	110263.12 9188.59 4240.89 53.01
5T004	Supervising Air Quality Instrument Specialist	136	90713.74 7559.48 3488.99 43.61	95249.43 7937.45 3663.44 45.79	100011.90 8334.33 3846.61 48.08	105012.50 8751.04 4038.94 50.49	110263.12 9188.59 4240.89 53.01
5T005	Supervising Air Quality Specialist	142	105012.50 8751.04 4038.94 50.49	110263.12 9188.59 4240.89 53.01	115776.28 9648.02 4452.93 55.66	121565.09 10130.42 4675.58 58.44	127643.34 10636.95 4909.36 61.37
5T006	Supervising Public Information Officer	139	97601.62 8133.47 3753.91 46.92	102481.70 8540.14 3941.60 49.27	107605.79 8967.15 4138.68 51.73	112986.08 9415.51 4345.62 54.32	118635.38 9886.28 4562.90 57.04
5T009	Supervising Staff Specialist *	142	105012.50 8751.04 4038.94 50.49	110263.12 9188.59 4240.89 53.01	115776.28 9648.02 4452.93 55.66	121565.09 10130.42 4675.58 58.44	127643.34 10636.95 4909.36 61.37

ID-JDE TECHNICAL/GENERAL (cont'd)	Range	Step A	Step B	Step C	Step D	Step E
5T007 Supervising Systems Analyst	139	97601.62	102481.70	107605.79	112986.08	118635.38
		8133.47	8540.14	8967.15	9415.51	9886.28
		3753.91	3941.60	4138.68	4345.62	4562.90
		46.92	49.27	51.73	54.32	57.04
7T024 Systems Analyst	135	88527.55	92953.92	97601.62	102481.70	107605.79
		7377.30	7746.16	8133.47	8540.14	8967.15
		3404.91	3575.15	3753.91	3941.60	4138.68
		42.56	44.69	46.92	49.27	51.73
7T025 Systems Quality Assurance Specialist	135	88527.55	92953.92	97601.62	102481.70	107605.79
		7377.30	7746.16	8133.47	8540.14	8967.15
		3404.91	3575.15	3753.91	3941.60	4138.68
		42.56	44.69	46.92	49.27	51.73
7T026 Web Master	135	88527.55	92953.92	97601.62	102481.70	107605.79
		7377.30	7746.16	8133.47	8540.14	8967.15
		3404.91	3575.15	3753.91	3941.60	4138.68
		42.56	44.69	46.92	49.27	51.73

*Per Board action effective November 18, 2015