



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS REGULAR MEETING

May 17, 2017

A 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/about-the-air-district/board-of-directors/resolutionsagendasminutes> 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
MAY 17, 2017
IMMEDIATELY FOLLOWING
9:45 A.M. BOARD OF DIRECTORS
SPECIAL MEETING - BUDGET HEARING

BOARD ROOM
1ST FLOOR

CALL TO ORDER

Chairperson, Liz Kniss

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 Regular Board of Directors Meeting of April 19, 2017

Clerk of the Boards/5073

The Board of Directors will consider approving the draft minutes of the Regular Board of Directors Meeting of April 19, 2017.

4. Board Communications Received from April 19, 2017 through May 16, 2017

J. Broadbent/5052

jbroadbent@baaqmd.gov

A copy of communications directed to the Board of Directors received by the Air District from April 19, 2017 through May 16, 2017, 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. Notices of Violation Issued and Settlements in Excess of \$10,000 in the month of April 2017 J. Broadbent/5052
jbroadbent@baaqmd.gov

In accordance with Resolution No. 2012-08, the Board of Directors will receive a list of all Notices of Violations issued, and all settlements for amounts in excess of \$10,000 during the month of April 2017.

7. Quarterly Report of the Executive Office and Division Activities for the Months of January 2017 – March 2017 J. Broadbent/5052
jbroadbent@baaqmd.gov

A summary of Board of Directors, Hearing Board and Advisory Council meeting activities for the fourth quarter is provided for information only. Also included is a summary of the Executive Office and Division Activities for the months of January 2017 – March 2017.

COMMITTEE REPORTS

8. Report of the **Budget and Finance Committee** Meeting of April 26, 2017 J. Broadbent/5052
jbroadbent@baaqmd.gov
CHAIR: C. Groom

The Committee received the following reports:

A) Continued Discussion of Fiscal Year Ending (FYE) 2018 Proposed Air District Budget and Consideration to Recommend Adoption

1) The Committee will continue discussion of the proposed budget for Fiscal Year Ending (FYE) 2018 and consider recommending Board of Directors adoption of the FYE 2018 Budget.

B) Public Agencies Post-Employment Benefit Trust Program Administered by Public Agency Retirement Services (PARS)

1) The Committee will receive information regarding the Public Agencies Post-Employment Benefit Trust program.

C) Third Quarter Financial Report – Fiscal Year Ending (FYE) 2017

1) The Committee will receive an update on the Air District's financial results for the third quarter of Fiscal Year Ending (FYE) 2017.

9. Report of the **Legislative Committee Meeting of May 11, 2017**
CHAIR: B. Wagenknecht

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee received the following reports:

A) Consideration of New Bills

- 1) *The Committee will discuss and review new bills and take positions where appropriate.*

B) Legislative Update

- 1) *The staff will update the Committee on the status of bills the District has adopted positions on.*

PRESENTATION

10. **Briefing on the Valero Benicia Refinery Incident of May 5, 2017** J. Broadbent/5052
jbroadbent@baaqmd.gov

Staff will discuss the incident, response, and continuing investigation associated with this incident.

PUBLIC COMMENT ON NON-AGENDA MATTERS

11. **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

12. *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

13. Report of the Executive Officer/APCO

14. Chairperson's Report

15. Time and Place of Next Meeting:

Wednesday, May 31, 2017, at 375 Beale Street, San Francisco, CA 94109 at 9:45 a.m.

16. 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.
- 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.

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.

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

MAY 2017

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Legislative Committee <i>(At the Call of the Chair)</i>	Thursday	11	9:30 a.m.	1 st Floor Board Room
Board of Directors Executive Committee <i>(Meets on the 3rd Monday of each Month)</i> - CANCELLED	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> - CANCELLED	Monday	15	10:30 a.m.	1 st Floor Board Room
Board of Directors Budget Hearing <i>(At the Call of the Chair)</i>	Wednesday	17	9:45 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	Following Budget Hearing	1 st Floor Board Room
Board of Directors Climate Protection Committee <i>(Meets on the 3rd Thursday of every other Month)</i>	Thursday	18	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	24	9:30 a.m.	1st Floor, Yerba Buena Room #109
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
Special Board of Directors Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i>	Wednesday	31	9:45 a.m.	1 st Floor Board Room

JUNE 2017

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Personnel Committee <i>(At call of the Chair)</i>	Friday	2	9:30 a.m.	1 st Floor Board Room
Board of Directors Regular Meeting <i>(Meets on the 1st & 3rd Wednesday of each Month)</i> - CANCELLED	Wednesday	7	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	19	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	19	10:30 a.m.	1 st Floor Board Room

JUNE 2017

<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	21	9:45 a.m.	1 st Floor Board Room
Board of Directors Mobile Source Committee <i>(Meets on the 4th Thursday of each Month)</i>	Thursday	22	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>	Wednesday	28	9:30 a.m.	1st Floor, Yerba Buena Room #109
HL – 5/9/17 8:20 a.m.				G/Board/Executive Office/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 3, 2017

Re: Minutes of the Regular Board of Directors Meeting of April 19, 2017

RECOMMENDED ACTION

Approve the attached draft minutes of the Board of Directors Regular Meeting of April 19, 2017.

DISCUSSION

Attached for your review and approval are the draft minutes of the Board of Directors Regular Meeting of April 19, 2017.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Maricela Martinez

Attachment 3A: Draft Minutes of the Board of Directors Regular Meeting of April 19, 2017.

AGENDA 3A – ATTACHMENT

Draft Minutes - Board of Directors Regular Meeting of April 19, 2017

Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 4105
(415) 749-5073

Board of Directors Regular Meeting
Wednesday, April 19, 2017

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, Liz Kniss, called the meeting to order at 9:48 a.m.

Roll Call:

Present: Chairperson Liz Kniss; Vice Chairperson Dave Hudson; Secretary Katie Rice; and Directors Margaret Abe-Koga, Teresa Barrett, David J. Canepa, Cindy Chavez, Pauline Russo Cutter, John Gioia, Carole Groom, Scott Haggerty, Tyrone Jue, Doug Kim, Nate Miley, Karen Mitchoff, Hillary Ronen, Mark Ross, Pete Sanchez, Rod Sinks, Jim Spring, and Brad Wagenknecht.

Absent: Directors Rebecca Kaplan, Jeff Sheehy, and Shirlee Zane.

PUBLIC COMMENT ON NON-AGENDA MATTERS

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

Public comments were made by Brianne Riley, Bay Planning Coalition.

COMMENDATIONS/PROCLAMATIONS/AWARDS

3. The Board of Directors recognized outgoing Hearing Board Chair, Terry Trumbull, and Hearing Board Member, Julio Magalhães, Ph.D., for their fifteen years of service, leadership, and dedication to protecting air quality in the Bay Area. As Dr. Magalhães was not able to attend, Mr. Trumbull gave remarks about his colleague, and received remarks from staff and Board members for his own service.

NOTED PRESENT: Director Abe-Koga was noted present at 9:56 a.m.

CONSENT CALENDAR (ITEMS 4 – 10)

4. Minutes of the Regular Board of Directors Meeting of March 15, 2017
5. Board Communications Received from March 15, 2017 through April 18, 2017

6. Air District Personnel on Out-of-State Business Travel
7. Notices of Violation Issued and Settlements in Excess of \$10,000 in the Month of March 2017
8. Extension of Contracts for Website Development and Maintenance
9. Consideration of Authorization of Execution of Purchase Order in Excess of \$100,000 Pursuant to Administrative Code Division II Fiscal Policies and Procedures Section 4.3 Contract Limitations
10. Set a Public Hearing on May 31, 2017 to Consider Regulation 12: Miscellaneous Standards of Performance, Rule 16: Petroleum Refining Facility-Wide Emissions Limits and Certification of an Environmental Impact Report (EIR).

Public Comments:

No requests received.

Committee Comments:

None.

Committee Action:

Director Wagenknecht made a motion, seconded by Vice Chair Hudson, to **approve** the Consent Calendar Items 4 through 10, inclusive; and the motion **carried** by the following vote of the Board:

AYES: Abe-Koga, Barrett, Canepa, Chavez, Cutter, Gioia, Groom, Haggerty, Hudson, Jue, Kim, Kniss, Miley, Mitchoff, Rice, Ronen, Ross, Sanchez, Sinks, Spring, and Wagenknecht.
NOES: None.
ABSTAIN: None.
ABSENT: Kaplan, Sheehy, and Zane.

COMMITTEE REPORTS

11. Report of the **Stationary Source Committee** Meeting of March 20, 2017

Stationary Source Committee Chair, Director Gioia, read the following Committee report:

The Committee met on Monday, March 20, 2017, and approved the minutes of January 30, 2017.

The Committee reviewed and discussed the staff presentation Milpitas/San Jose Waste Facilities Update.

The Committee then reviewed and discussed the staff presentation Spare the Air – Cool the Climate: A Blueprint for Clean Air and Climate Protection in the Bay Area.

The next meeting of the Committee was held on Monday, April 17, 2017, at 9:30 a.m., at the Bay Area Air Quality Management District Office, 375 Beale Street, San Francisco, California 94105. This concludes the Chair report of the Stationary Source Committee.

Public Comments:

Public comments were given by Steven Yang, Chevron; and Devin Richards, California Council for Environmental and Economic Balance.

Board Comments:

The Board and staff discussed how the Newby Island Landfill Expansion project in San Jose will impact adjacent counties; the District's lack of authority to issue nuisance violations for composting odors; the District's collaboration with CalRecycle and agencies that do have enforcement authority; and staff's plan to follow this project and report back regularly to the Stationary Source Committee.

Board Action:

None; receive and file.

12. Report of the **Stationary Source Committee** Meeting of April 17, 2017 (**OUT OF ORDER, ITEM 18**)

Stationary Source Committee Chair, Director Gioia, read the following Committee report:

The Committee met on Monday, April 17, 2017, and approved the minutes of March 20, 2017.

The Committee reviewed and discussed the staff presentation Update on Draft Regulation 11, Rule 18: Reduction of Risk from Air Toxic Emissions at Existing Facilities.

Finally, the Committee reviewed and discussed the staff presentation Update on Regulation 6: Particulate Matter Rule Development.

The next meeting of the Committee is on Monday, May 15, 2017, at 10:30 a.m., at the Bay Area Air Quality Management District Office, 375 Beale Street, San Francisco, California 94105. This concludes the Chair report of the Stationary Source Committee.

Public Comments:

Public comments were given by Bob Brown, Western States Petroleum Association (WSPA).

Board Comments:

The Committee and staff discussed the potential extended adoption schedule for Draft Rule 11-18 into September 2017; forecasting potential changes of the rule; and the Committee's request for examples of high, medium, and low health risks under existing standards.

Board Action:

None; receive and file.

13. Report of the **Budget and Finance Committee** Meeting of March 22, 2017 (**ITEM 12**)

Budget and Finance Committee Chair, Director Groom, read the following Committee report:

The Committee met on Wednesday, March 22, 2017 and approved the minutes of February 22, 2017.

The Committee reviewed and discussed the staff presentation Discussion of Proposed Budget for Fiscal Year Ending 2018.

Finally, the Committee reviewed and discussed the staff presentation Proposed Amendments to Regulation 3: Fees.

The next meeting of the Budget and Finance Committee will be held on Wednesday, April 26, 2017, at 9:30 a.m., at the Bay Area Air Quality Management District office, 375 Beale Street, San Francisco, CA 94105. This concludes the Chair Report of the Budget and Finance Committee.

Public Comments:

No requests received.

Board Comments:

None.

Board Action:

None; receive and file.

14. Report of the **Climate Protection Committee** Meeting of March 22, 2017 (**ITEM 13**)

Climate Protection Committee Vice Chair, Director Sinks, read the following Committee report:

The Climate Protection Committee met on Wednesday, March 22, 2017, and approved the minutes of November 17, 2016.

The Committee received and discussed the presentation Fossil Free Bay Area, given by SPUR, San Francisco Planning and Urban Research.

Finally, the Committee received and discussed the staff presentation Air District Local Support for Local Government Climate Protection Activities.

The next meeting of the Committee is on Thursday, May 18, 2017, at 9:30 a.m., at 375 Beale Street, San Francisco, CA 94105. This concludes the Chair report of the Climate Protection Committee.

Public Comments:

No requests received.

Board Comments:

None.

Board Action:

None; receive and file.

15. Report of the **Mobile Source Committee** Meeting of March 23, 2017 (**ITEM 14**)

Mobile Source Committee Chair, Director Mitchoff, read the following Committee report:

The Committee met on Thursday, March 23, 2017 and approved the minutes of February 23, 2017.

The Committee reviewed and discussed the staff presentation, Projects with Proposed Grant Awards Over \$100,000. The Committee recommends the Board:

- 1. Approve Carl Moyer Program projects with proposed grant awards over \$100,000 as shown in Attachment I; and*
- 2. Authorize the Executive Officer/Air Pollution Control Officer (APCO) to enter into agreements with applicants for the recommended projects.*

The Committee then reviewed and discussed the staff presentation Lower Emission School Bus Program Update and Funding Allocation. The Committee recommends the Board:

- 1. Allocate \$5,000,000 in Mobile Source Incentive Funds for Lower Emission School Bus Program projects; and*
- 2. Authorize the Executive Officer/ APCO to enter into agreements with applicants for Lower Emission School Bus Program projects.*

The Committee then reviewed and discussed the staff presentation Fiscal Year Ending 2018 Transportation Fund for Clean Air Funding Allocation. The Committee recommends the Board:

- 1. Allocate \$13.93 million in new Transportation Fund for Clean Air monies to the programs listed in Table 1;*
- 2. Authorize the proposed cost-effectiveness limits for the Air District sponsored programs listed in Table 2; and*
- 3. Authorize the Executive Officer / APCO to enter into funding agreements and contracts up to \$100,000 for projects and programs listed in Table 1.*

Finally, the Committee Chair requested that the item Update on Efforts to Further Reduce Emissions at the Port of Oakland and Former Oakland Army Base, be tabled until the next Committee meeting.

The next meeting of the Mobile Source Committee will be held on Thursday, May 25, 2017, at 9:30 a.m., at the Bay Area Air Quality Management District Office, 375 Beale Street, San Francisco, California 94105. I move that the Board approve the Mobile Source Committee's recommendations. This concludes the Chair Report of the Mobile Source Committee.

Public Comments:

Public comments were given by Mark Roest, San Mateo resident.

Board Comments:

None.

Board Action:

Director Mitchoff made a motion, seconded by Vice Chair Hudson, to **approve** the recommendations of the Mobile Source Committee; and the motion **carried** by the following vote of the Board:

AYES: Abe-Koga, Barrett, Canepa, Chavez, Cutter, Gioia, Groom, Haggerty, Hudson, Jue, Kim, Kniss, Miley, Mitchoff, Rice, Ronen, Ross, Sanchez, Sinks, Spering, and Wagenknecht.
NOES: None.
ABSTAIN: None.
ABSENT: Kaplan, Sheehy, and Zane.

16. Report of the **Personnel Committee** Meeting of March 24, 2017 (**ITEM 15**)

Personnel Committee Chair, Secretary Rice, read the following Committee report:

The Committee met on Friday, March 24, 2017, and approved the minutes of April 11, 2016.

The Committee reviewed and discussed seven candidates to fill four vacancies on the Air District's Hearing Board: Two Principal and two Alternate members in the Public category. The Committee and staff discussed the recruitment process and then interviewed each candidate. The Committee recommends the Board approve:

- 1. The appointment of Barbara Toole O'Neil as Public category Principal;*
- 2. The appointment of James Ralph as Public category Principal;*
- 3. The appointment of Qian Tan as Public category Alternate; and*
- 4. The appointment of Barbara Coler as Public category Alternate.*

The next meeting of the Committee is at the Call of the Chair. I move that the Board approve the Personnel Committee recommendations. This concludes the Chair Report of the Personnel Committee.

Public Comments:

No requests received.

Board Comments:

None.

Board Action:

Secretary Rice made a motion, seconded by Vice Chair Hudson, to **approve** the recommendations of the Personnel Committee; and the motion **carried** by the following vote of the Board:

AYES: Abe-Koga, Barrett, Canepa, Chavez, Cutter, Gioia, Groom, Hudson, Jue, Kim, Kniss, Miley, Mitchoff, Rice, Ronen, Ross, Sanchez, Sinks, Spring, and Wagenknecht.
NOES: None.
ABSTAIN: None.
ABSENT: Haggerty, Kaplan, Sheehy, and Zane.

17. Report of the **Legislative Committee** Meeting of March 30, 2017 (**ITEM 16**)

Legislative Committee Chair, Director Wagenknecht, read the following Committee report:

The Legislative Committee met on Thursday, March 30, 2017, and postponed the approval of the minutes of December 12, 2016 for lack of quorum.

The Committee discussed the consideration of new bills and a consensus of the members present supported the following positions for the Air District:

- *AB 193 (Cervantes): Oppose unless amended;*
- *AB 378 (C. Garcia): Support;*
- *AB 1014 (Cooper): Support if amended;*
- *AB 1132 (C. Garcia): Support;*
- *AB 1274 (O'Donnell): Support in concept;*
- *AB 1647 (Muratsuchi): Support if amended;*
- *SB 4 (Mendoza): Support if amended;*
- *SB 41 (Galgiani): Oppose;*
- *SB 49 (De Leon): Support if amended;*
- *SB 174 (Lara): Support;*
- *SB 563 (Lara): Support; and*
- *Potential bill, currently without an author or number, initiated by Californians Against Waste, regarding composting as an Essential Public Service for air district permitting consideration: Oppose*

The next meeting of the Committee is at the Call of the Chair. I move that the Board approve the positions on these bills. This concludes the Chair's report of the Legislative Committee.

Public Comments:

No requests received.

Board Comments:

None.

Board Action:

Director Wagenknecht made a motion, seconded by Vice Chair Hudson, to **approve** the recommendations of the Legislative Committee; and the motion **carried** by the following vote of the Board:

AYES: Abe-Koga, Barrett, Canepa, Chavez, Cutter, Gioia, Groom, Haggerty, Hudson, Jue, Kim, Kniss, Miley, Mitchoff, Rice, Ronen, Ross, Sanchez, Sinks, Spring, and Wagenknecht.
NOES: None.
ABSTAIN: None.
ABSENT: Kaplan, Sheehy, and Zane.

18. Report of the **Advisory Council** Meeting of April 3, 2017 (**ITEM 17**)

Advisory Council Board Liaison, Director Sinks, read the following Committee report:

The Council met on Monday, April 3, 2017. Council Chairperson, Stan Hayes, requested that approval of the minutes of February 6, 2017 be postponed until the next Advisory Council meeting.

The Council then received the staff presentation Regulation 11, Rule 18: Reduction of Risk from Air Toxic Emissions at Existing Facilities, Regulation 12, Rule 16: Petroleum Refining Facility-Wide Emissions Limits, and Regulation 13, Rule 1: Refinery Carbon Intensity Cap.

Next, the Council received the staff presentation Advisory Council Next Area of Focus.

Finally, the Council deliberated on its next area of focus, including air quality impacts in Bay Area communities and associated challenges for the Air District.

The next meeting of the Council will be held on Monday, July 24, 2017, at 10:00 a.m., at the Bay Area Air Quality Management District Office, 375 Beale Street, San Francisco, California 94105. This concludes the Chair Report of the Advisory Council.

Public Comments:

Public comments were given by Glenn Tuner, Sunflower Alliance; and Shawn Lee, Chevron.

Board Comments:

The Board and staff discussed the District meetings at which Draft Rules 12-16, 11-8, and 13-1 have been discussed since January 2017.

Board Action:

None; receive and file.

PUBLIC HEARINGS

19. Public Hearing to Receive Testimony on Proposed Amendments to Air District Regulation 3: Fees

Jack Broadbent, Executive Officer/Air Pollution Control Officer (APCO), explained that this is the first of two public hearings on Air District Regulation 3: Fees, and that the final public hearing and consideration of adoption of the proposed amendments will take place on June 21, 2017. Mr. Broadbent introduced Pamela Leong, Engineering Division Manager, who gave the staff presentation *Public Hearing to Receive Testimony on Proposed Amendments to Regulation 3: Fees*, including: agenda; revenue sources Fiscal Year Ending (FYE) 2016; cost recovery background; cost recovery policy and methods; trends in cost recovery and cost cutting; proposed changes to fee schedules; Draft Rule 11-18 rule development underway and fees; other proposed amendments; impact on small businesses and large facilities (petroleum refineries and power plants); public comments received; and rule development schedule.

Public Comments:

Public comments were given by Mark Roest, San Mateo resident.

Board Comments:

The Board and staff discussed how the proposed fee increases would be based upon throughput for gas-dispensing facilities with more than ten multi-product nozzles; staff's justification for increasing fees for backup generators, and the feasibility of incentivizing biodiesel generators to reduce emissions; the Budget and Finance Committee's consideration of potential impacts to small businesses that may be affected by fee increases, and the Committee's goal of making facilities as safe and well-tested as possible; and the Board's request for an additional column in the Proposed FYE 2018 Fee Increases chart that indicates the tasks that District staff will be performing to justify fee increases (to be displayed at the second public hearing.)

Board Action:

None; receive and file.

20. Public Hearing to Receive Testimony on and Consider Certifying the Final Environmental Impact Report and Adopting the Proposed 2017 Clean Air Plan (Plan)

Jean Roggenkamp, Deputy Executive Officer, introduced Henry Hilken, Director of Planning and Climate Protection, who gave the staff presentation *Spare the Air – Cool the Climate, A Blueprint for Clean Air and Climate Protection in the Bay Area*, including: critical challenges; the Air District's response; what is this Plan; better air quality equals public health benefits; healthy air for all Bay Area residents; climate challenge in the Bay Area; Bay Area action is important; a bold vision for 2050; how does this Plan get us there; the control strategy; what this Plan achieves; a community Plan; public comment on the Draft Plan; changes to the Plan; an unprecedented journey; Bay Area leadership; and recommended action. An updated version of the District's *Spare the Air – Cool the Climate* video was shown, featuring measures that people can implement in their daily lives to reduce their carbon footprint and promote sustainability in their communities.

Public Comments:

Public comments were given by Laura Tam, San Francisco Bay Area Planning and Urban Research Association; Allison Brooks, Bay Area Regional Collaborative; Keasley Jones, Berkeley resident; Paula Baker, Berkeley resident; Mark Roest, San Mateo resident; David Gassman, Greenaction for Health & Environmental Justice; Bob Brown, WSPA; Glenn Turner, Sunflower Alliance; Matt Wolff, Bay Area Regional Health Inequities Initiative; Jed Holtzman, 350 Bay Area; Janet Stromberg, 350 Bay Area; Bob Harlow, Mill Valley Community Action Network; Richard Gray, 350 Bay Area; Gillian Adams, Association of Bay Area Governments; David DeSante, Institute for Bird Populations; Steven Yang, Chevron; Rand Wrobel, 350 Bay Area; Paul Adler, Phillips 66; and Bill Pinkham, Bike East Bay.

Board Comments:

The Board and staff discussed the hard work that staff put into the Plan and the public's appreciation for the user-friendliness of the language; significant adverse impacts on water demands that the District has identified and how provisions for this issue have been written into the resolutions pertaining to this item; how Board members can link their county and city websites to the Plan; the Plan's compatibility with California Air Resources Board's (CARB) revised Scoping Plan; the Board's appreciation of staff enhancing the video with sustainable measures that can be implemented by the public; the fact that emission reductions and costs were not estimated for each control measure listed in the Plan at the time that the *Plan* was being considered for adoption, but how staff plans to include those items in Proposed Final Socioeconomic Analyses as each individual Draft Rule is considered for adoption; the need to attain net positive benefits from newly imposed District regulations and fees; the social cost of carbon (per metric ton) and discount rates; the constant need to consider how Bay Area efforts to reduce emissions may cause leakage; the District's preference for non-potable water solutions when considering rule development; the Board's request for a staff presentation on how close the District is to reaching its ozone and Particulate Matter (PM) standards; the Board's request for a draft work plan of the Plan; the need for the District's outreach to job training organizations and economic development agencies in order to alert them of jobs that may be created as a result from the implementation of the Plan; the need to remember that, although innovative, the Bay Area is not a leader in all things, and other regions and countries have developed systems and methods from which the Bay Area can learn; the needs for the District to focus on the installation of more electric vehicle charging infrastructure so that the number of vehicles does not exceed the number of chargers; and the Board's request for a draft financial strategy implementation plan in order to avoid negatively impacting disproportionately burdened and vulnerable communities.

Board Action:

Director Groom made a motion, seconded by Director Barrett, to **approve** the certification of the Final Environmental Impact Report of the 2017 Clean Air Plan; and the motion **carried** by the following vote of the Board:

AYES: Abe-Koga, Barrett, Canepa, Chavez, Cutter, Gioia, Groom, Hudson, Jue, Kim, Mitchoff, Rice, Ronen, Ross, Sanchez, Sinks, Spering, and Wagenknecht.
NOES: None.
ABSTAIN: None.
ABSENT: Haggerty, Kaplan, Kniss, Miley, Sheehy, and Zane.

Secretary Rice made a motion, seconded by Director Wagenknecht, to **approve** the adoption of the 2017 Clean Air Plan; and the motion **carried** by the following vote of the Board:

AYES: Abe-Koga, Barrett, Canepa, Chavez, Cutter, Gioia, Groom, Hudson, Jue, Kim, Mitchoff, Rice, Ronen, Ross, Sanchez, Sinks, Spering, and Wagenknecht.
NOES: None.
ABSTAIN: None.
ABSENT: Haggerty, Kaplan, Kniss, Miley, Sheehy, and Zane.

CLOSED SESSION (commenced at 12:40 p.m.)

21. **CONFERENCE WITH LEGAL COUNSEL**

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 cases:

- A. **Douglas Hall v. Bay Area AQMD**, San Francisco County Superior Court, Case No. CGC-16-556094

Vice Chair Hudson reported that no action was taken.

OPEN SESSION (commenced at 12:49 p.m.)

PUBLIC COMMENT ON NON-AGENDA MATTERS (ITEM 12)

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

No requests received.

BOARD MEMBERS' COMMENTS

23. Board Members' Comments

None.

OTHER BUSINESS

24. Report of the Executive Officer / APCO

Mr. Broadbent reported that the District is concerned about the President's Executive Order to roll back the Clean Power Plan rule, and about the potential cancellation of the Paris Climate Accord by the President; the District received a letter from CARB Executive Officer, Richard Corey, regarding comments on Draft Rule 12-16; and that the District is currently between winter and summer Spare the Air seasons.

25. Chairperson's Report

Vice Chair Hudson reported that Director Haggerty was re-appointed by the Alameda County Board of Supervisors to serve his fifth term on the District's Board; the regular Board meeting scheduled for May 3, 2017 has been cancelled; and a special Board meeting, to consider the adoption of Draft Rule 12-16, will be held on May 31, 2017.

26. Time and Place of Next Meeting

Wednesday, May 17, 2017, at 375 Beale Street, 1st Floor Board Room, San Francisco, CA 94109, at 9:45 a.m.

27. Adjournment

The meeting adjourned at 12:56 p.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 27, 2017

Re: Board Communications Received from April 19, 2017 through May 16, 2017

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Copies of communications directed to the Board of Directors received by the Air District from April 19, 2017, through May 16, 2017, if any, will be at each Board Member's place at the May 17, 2017, Board meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Karen Fremming
Reviewed by: Maricela Martinez

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 1, 2017

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 April 2017. 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 April 2017:

- Victor Douglas, Principal Air Quality Engineer, attended the Carbon Capture Utilization and Storage Conference, Chicago, Illinois, April 11th – 13th, 2017.
- Idania Zamora, Senior Air Quality Engineer, attended the Carbon Capture Utilization and Storage Conference, Chicago, Illinois, April 11th – 13th, 2017.
- Jack P. Broadbent, Executive Officer/APCO, attended the Air Pollution 2017, 25th International Conference, Cadiz Spain, April 25th – 27th, 2017.
- Eric Stevenson, Director, attended the National Association of Clean Air Agencies Spring Meeting, Washington, District of Columbia, April 30th – May 3rd, 2017.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Stephanie Osaze
Reviewed by: Rex Sanders

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 4, 2017

Re: Notices of Violation Issued and Settlements in Excess of \$10,000 in the month of
April 2017

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

In accordance with Resolution No. 2012-08, attached to this Memorandum is a listing of all Notices of Violation issued, and all settlements for amounts in excess of \$10,000 during the calendar month prior to this report.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The amounts of civil penalties collected are included in the Air District's general fund budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Brian C. Bungler

Attachment 6A: Notices of Violations for the Month of April, 2017

NOTICES OF VIOLATION ISSUED

The following Notice(s) of Violation were issued in April 2017:

Alameda						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
Parkmead Products	A9582	Oakland	A56387A	4/21/17	2-1-307	Failure to Meet Permit Conditions
Sterling Environmental Corporation	J9709	Oakland	A56888A	4/4/17	11-2-401.3	Cancelled

Contra Costa						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
Bridgehead Marine Services	B1302	Antioch	A55819A	4/6/17	2-1-302	Expired P.O.
Chevron Inc (Americas OE/HES)	A0072	Richmond	A57156A	4/12/17	2-1-307	Excess emissions from S-13; > 1820 ppm; RCA 07C77
Dahl-Beck Electric	A7668	Richmond	A56487A	4/20/17	2-1-301	No Authority to Construct
Dahl-Beck Electric	A7668	Richmond	A56487B	4/20/17	2-1-302	No Permit to Operate
Dow Chemical Company	A0031	Pittsburg	A55820A	4/13/17	2-6-307	Violation of Standard Condition K
Eisen Environmental & Construction	Q7448	Concord	A56887A	4/4/17	11-2-401.3	Cancelled
JMS Builders Inc	X0597	Martinez	A56985A	4/7/17	11-2-401.3	No Notification

John Muir Medical Center	B0742	Walnut Creek	A56249A	4/27/17	9-7-403	No initial demonstration of compliance
John Muir Medical Center	B0742	Walnut Creek	A56249B	4/27/17	9-7-506	No annual source testing
Phillips 66 Company - San Francisco Refinery	A0016	Rodeo	A56409A	4/6/17	8-18-309.3	Open-Ended Line or Valve
USS-POSCO Industries	A2371	Pittsburg	A55821A	4/21/17	2-6-307	Violation of Title V P/C #19380, part 2.

Napa						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
Rancho Otranto	Y7033	Saint Helena	A57228A	4/10/17	5-301	Illegal Burn Pile

San Mateo						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
San Mateo Medical Center	A3887	San Mateo	A56512A	4/6/17	2-1-301	No Authority to Construct
San Mateo Medical Center	A3887	San Mateo	A56512B	4/6/17	2-1-302	No Permit to Operate
San Mateo Medical Center	A3887	San Mateo	A56512C	4/6/17	9-7-403	Initial Demonstration of Compliance

Santa Clara						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments

K-Comm	E0592	Los Gatos	A56532A	4/21/17	2-1-301	No Authority to Construct for IC standby emergency engine (LPG)
K-Comm	E0592	Los Gatos	A56532B	4/21/17	2-1-302	No Permit to Operate for IC standby emergency engine (LPG)
PW STEPHENS	G3494	San Jose	A56032A	4/18/17	11-2-401.5	Failure to start abatement on start date
San Jose-Santa Clara Regional Wastewater Facility	A0778	San Jose	A55693A	4/28/17	2-1-307	Exceeded Heat input limit of 12.5MMBtu/Hr limit in Permit Condition#17900, Part 15
Shoreline Amphitheatre	A2561	Mountain View	A56607A	4/27/17	8-34-301.2	Landfill Gas Collection and Emission Control System Requirements
Shoreline Amphitheatre	A2561	Mountain View	A56608A	4/27/17	8-34-301.4	Landfill Gas Collection and Emission Control System Requirements
Shoreline Amphitheatre	A2561	Mountain View	A56609A	4/27/17	8-34-501.6	Operating Records
Shoreline Amphitheatre	A2561	Mountain View	A56609B	4/27/17	8-34-505	Wellhead Monitoring
Vogue Enterprises Cleaners	B1017	San Jose	A56673A	4/25/17	1-410	expired registration
Zero Waste Energy Development Company, LLC	E1277	San Jose	A55658A	4/13/17	2-1-307	Failure to maintain the pH of recirculation water at A-14, acid scrubber between 1.5 - 4.0. P/C# 25388, subsection #18

Solano						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
Valero Refining Company - California	B2626	Benicia	A56459A	4/10/17	8-18-301	General equipment leak >100ppm
Valero Refining Company - California	B2626	Benicia	A56461A	4/24/17	2-6-307	Opacity Violation

Valero Refining Company - California	B2626	Benicia	A56461B	4/24/17	6-1-302	Opacity Violation
--------------------------------------	-------	---------	---------	---------	---------	-------------------

Sonoma						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
City of Santa Rosa Wastewater Treatment	A1403	Santa Rosa	A56117A	4/12/17	2-6-307	Non-compliance, Major Facility Review

District Wide						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comments
1-888-4-Abatement Inc.	T5264	Rancho Cordova	A56889A	4/18/17	11-2-401.5	Failed to start on start date

SETTLEMENTS FOR \$10,000 OR MORE REACHED

There was 1 settlement(s) for \$10,000 or more completed in April 2017.

On April 19, 2017, the District reached settlement with Valero Refining Company – California for \$340,000, regarding the allegations contained in the following 28 Notices of Violation:

NOV #	Issuance Date	Occurrence Date	Regulation	Comments from Enforcement
A53242A	2/5/14	7/24/13	2-6-307	(OS-4823/OS-4824) - NMOC >15 lbs/day
A53243A	2/5/14	10/29/13	8-5-306	8-5-306.2 P/V valve(s) leaking >500 ppm (not gas-tight)
A53246A	4/15/14	4/15/14	6-1-301	Excessive smoke from flaring
A53247A	4/15/14	4/15/14	6-1-301	Excessive smoke from flaring
A53802A	5/15/14	11/7/13	9-1-307	(Excess ID-06M58) - SO2 >250 ppm/hour Deviation 869
A53803A	5/15/14	12/25/13	2-6-307	(Excess ID-06N46) - NOx >10 ppm/3-hrs Deviation 872

A53804A	6/12/14	6/10/14	8-18-301	Two open-end sample lines leaking >100 ppm
A53806A	7/15/14	7/9/14	8-5-306	8-5-306.2 Tank not gas-tight; Safety vacuum valve leak >500 ppm (Dev. 906)
A53807A	7/31/14	2/4/14	2-6-307	(Excess ID-06N89) - NO _x >9 ppm/3-hour avg (Ref #879)
A53808A	7/30/14	2/25/14	2-6-307	(Excess ID-06P13) - CO >6 ppm/3 hour avg {Ref - 884}
A53809A	7/30/14	2/27/14	2-6-307	(Excess ID-06P20) - CO >50 ppm & >2.04 lbs/hr for 8-hr avg {Ref #886}
A53810B	7/30/14		1-522.7	(Excess ID-06P26) - NO _x >60 ppm/24-hour avg; & late reporting {Ref #888}
A53811A	9/2/14	1/28/14	2-6-307	(Excess ID-06N81) CO >100 ppm & 4402 lbs/calendar day {Dev. #875}
A53812A	9/2/14	2/27/14	2-6-307	(Excess ID-06P21) CO >100 ppm & 4402 lbs/calendar day {Dev. #887}
A53813A	9/2/14	7/1/13	8-18-402.1	4 quarters/Total 499 valves not identified/48 open-ended lines {Dev #867, 876, 897, 913}
A53813B	9/2/14	7/1/13	10	10-40CFR-60.482-6 4 quarters/Total 499 valves not identified/48 open-ended lines
A53814A	9/2/14	10/1/13	8-18-402.1	2-Quarters Totalled 22 valves not identified {Deviation #877, 898}
A53815A	9/17/14	5/20/14	2-6-307	(Excess ID-06P91) Temperature <1400 degrees F {Deviation 899}
A53816A	9/22/14	9/17/14	8-18-301	Two open-end sample lines leaking >100 ppm
A53818A	10/2/14	10/1/14	8-18-301	Two open-ended sample lines leaking >100 ppm {Dev #920}
A53819A	12/4/14	3/13/14	2-6-307	(Excess ID-06P33) CO >100 ppm/day & >4402 lbs/day (DEV #890)
A53820A	12/4/14	4/24/14	2-6-307	(Excess ID-06P72) CO >100 ppm/day (DEV #896)
A53821A	12/16/14	2/27/14	6-1-302	Excess ID-06P22/06P23; Opacity >20% & > 30% / 12-minutes {DEV #885}
A53821B	12/16/14	2/27/14	10	10-40CFR 60.102(a)(2) Excess ID-06P22/06P23; Opacity >20% & > 30% / 12-minutes {DEV #885}
A53822A	12/16/14	2/11/14	2-6-307	Benzene >5 ppm & Carbon change-out was >24-hours
A53823A	12/16/14	6/26/14	2-6-307	Excess ID-06Q25/06Q35 = CO >28 ppm/8 hr avg (Dev #903)
A53824A	12/16/14	6/26/14	2-6-307	(Excess ID-06Q24/06Q34) CO >100 ppm/day & on 6/30 >4402 lbs/day {Dev. #903}

A53825A	12/16/14	6/26/14	2-6-307	{ Excess ID-06Q22/06Q23 } - CO >50 ppm & 2.04 lbs/hr (8-hr avg)
A53826A	12/17/14	6/26/14	2-6-307	{ Excess ID-06Q21 } - NOx >9 ppm/3-hr average { Dev #903 }
A54078A	1/8/15	6/26/14	2-6-307	(Excess ID-06Q33) - TRS > 100 ppm / 24-hr rolling avg & Late report (Dev #903)
A54078B	1/8/15	6/26/14	1-522.7	(Excess ID-06Q33) - TRS > 100 ppm / 24-hr rolling avg & Late report (Dev #903)

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 28, 2017

Re: Quarterly Report of the Executive Office and Division Activities for the Months
of January 2017 – March 2017

**ADMINISTRATIVE RESOURCES DIVISION
R. SANDERS, DIRECTOR**

Human Resources

The Human Resources (HR) Office coordinated seven recruitment exams including exams for Air Quality Engineer, Hearing Board Member, Senior Air Quality Engineer, Senior Air Quality Instrument Specialist, Staff Specialist, Technology Implementation Officer, and Webmaster. In addition, the HR Office offered three training sessions, including: Microsoft Outlook, Responding to Conflict, and Develop Your Executive Presence. The HR Office continues to administer payroll, benefits, safety, labor/employee relations, and wellness activities. There are currently 329 regular employees, 14 temporary employees and interns, and 38 vacant positions. There were nine new employees, two promotions, and no separations from January to March 2017.

Business and Facilities Office

The Business Office issued 393 purchase orders. Fleet services outsourced four vehicles for maintenance and/or body shop repairs. There was a total of 322 vehicle requests (13 from ABAG staff, 116 from MTC staff, and 193 from District staff). 235 pool vehicles were loaned out and 34 Enterprise car rentals were issued. There are currently 117 fleet vehicles: one electric, one hydrogen, 19 plug-in hybrids, 24 gas, 14 CNG, and 58 hybrids. The department executed 80 contracts and four lease. There were three request for proposals/qualifications during this period. Facility services received 57 Workspeed requests, facilitated 11 KBM-Hogue furniture orders and completed 77 ad-hoc projects/tasks. Facilities performs daily maintenance of the coffee machines, replenishes coffee and tea supplies in the District coffee bar and pantries, and replenishes office supplies in the copy/supply rooms.

**COMPLIANCE AND ENFORCEMENT DIVISION
W. KINO, DIRECTOR**

Enforcement Program

Air District staff documented 238 air pollution violations that resulted in Notices of Violation and responded to 1,494 general air pollution complaints. These activities addressed noncompliance with applicable federal, state and air district regulations and provided for a mechanism for the public to voice their concerns about air pollution issues that might be in noncompliance. Additionally, highlighted enforcement activities for the quarter are as follows:

- From January 1 – March 31, 2017, staff received and investigated more than 617 air pollution complaints for odorous emissions in the greater Milpitas area. Most complaints alleged the Newby Island Resource Recovery Park (landfill, composting, and materials recycling facility (MRF)) as the source. Staff issued two public nuisance notices of violation documented against the MRF for violations documented in December 2016.
- On January 19, 2017, staff participated at the quarterly meeting of the South Bay Odor Stakeholders Group in Milpitas. The group serves as a forum for municipal leaders, private industry, state and local regulators, and community leaders to collaborate in identifying and resolving odor issues in the south bay area. While staff recognized there was an approximate 20% reduction in odor complaints from 2016 as compared to 2015 in the greater Milpitas area, staff recommended that the Newby Island Resource Recovery Park continue to improve operational processes and evaluate the total enclosure of the MRF with organic emissions vented to abatement.
- Staff documented an opacity violation at Lehigh Southwest Cement on January 11, 2017 for excessive visible emissions from the main stack venting the cement kiln. Trouble shooting by plant personnel failed to abate the emissions and the kiln was shut down. A notice of violation was issued.
- On February 1, 2017, the San Jose – Santa Clara Regional Wastewater Facility in San Jose informed staff that it planned to vent digester gas to atmosphere from eight digester units and a section of header during planned construction activity. At staff's recommendation, the facility postponed the construction project until portable abatement equipment could be used to abate odorous hydrogen sulfide emissions that had the potential of impacting the Milpitas and north San Jose communities and causing an odor nuisance.
- On February 15, 2017, staff attended the Bayview Hunters Point Environmental Justice Response Task Force meeting, San Francisco. The monthly meeting provides a forum for local, state, and federal agencies to dialog with the community and work to resolve local environmental issues and build community trust. The Air District was recognized for its responsiveness to air pollution complaints filed on the Task Force's IVAN (Identifying Violations Affecting Neighborhoods) complaint network.

- Staff attended a neighborhood meeting at the Novato Sanitary District Wastewater facility on February 16, 2017 to discuss ongoing odor issues with residents. Per the facility manager, several actions were taken to address offsite odors including the installation of a perfumed mister system along the fence line.
- On March 22, 2017, staff participated in a multi-agency meeting to address dust concerns along the 1200-1300 block of Carrol Avenue, San Francisco; an area just adjacent to the Alice Griffith housing project.
- On the evening of February 14, 2017, the Air District received over 60 odor complaints alleging bad odors from Guadalupe Landfill, a sanitary landfill in San Jose. Staff identified odorous green waste stockpiles as the likely source and referred the complaints to the San Jose Local Enforcement Agency (LEA). Subsequent follow-up by staff determined there was an ongoing permit violation at the facility for inadvertently composting of its green waste stockpiles, which was not in conformance with material representations made in its original permit application for the source that resulted in a Notice of Violation. The facility will have the option of obtaining a composting permit or taking on new measures and requirements within the permit to reduce emissions and odors. Note: there were 308 complaints alleged to Guadalupe during the February and March timeframe.
- On Tuesday February 21, 2017, Asbestos Inspection Staff responded to media reports of asbestos containing fire debris being moved to a City of Oakland park. The fire debris was removed from the “Ghost Ship” building at 1305 31st Ave, Oakland. Samples were taken from the fire debris, located at the city park, and determined to not contain asbestos. Staff conducted an inspection at the “Ghost Ship” building and determined the asbestos containing materials inside the building were being properly addressed. The building has been sealed pending the fire investigation and the building manager has been advised on the proper removal and disposal of regulated asbestos containing materials.
- The Air District’s 2016/2017 wood smoke season ended on February 28, 2017 (season November – February). The Air District issued 7 Winter Spare the Air Alerts, resulting in 90 potential WSTA violations and 1 violation for excessive smoke. There were no exceedances of the PM_{2.5} 24-hour Federal standard.
- Staff cited Owens Corning Insulating Systems, LLC on March 2, 2017 for re-bricking its M-line furnace with brick not specified in its permit application. The new brick changed the thermal properties of the furnace and would result in higher emissions and the need to install an abatement device. The facility is seeking an enforcement agreement with the Air District while working towards compliance.

Compliance Assurance Program

Air District staff conducted over 2,795 inspections including permitted facilities, gasoline stations, asbestos, open burning, portable equipment and mobile sources. Additionally, highlighted inspection activities for the quarter are as follows:

- On January 30, 2017, staff met with the Vallejo Fire Chief and Fire Prevention Manager to discuss ways to improve services and communication between the two agencies during emergency incidents.
- Staff approved five Asbestos Dust Mitigation Plans (ADMPs) for the following projects: 1) RIN# 0138, Westbrook Apartments, San Francisco; 2) RIN# 0139, Capital Toyota Project, San Jose; 3) RIN# 0140 Alice Griffith Development Block 5, San Francisco; 4) RIN# 0141, PG&E Line 109, Hillsborough; and, 5) RIN# 0142, Crane Cove Park, Port of San Francisco. These Naturally Occurring Asbestos (NOA) projects were required to perform asbestos ambient perimeter air monitoring and submit results to the District on a bi-weekly basis. In addition, staff approved two ADMP amendment requests for the following projects: 1) RIN# 0114, Chase Stadium (Warriors), San Francisco; and 2) RIN# 0087, Hunters View Phase 2, San Francisco.
- On March 27, 2017, staff participated at the quarterly and ad hoc Lehigh Stakeholders meeting in Cupertino where Air District staff met with interested stakeholders to discuss ongoing rule-making efforts and compliance issues concerning Lehigh Southwest Cement, a Portland cement manufacturer in Cupertino.
- On Wednesday, December 28, 2016 at 12:30 am, and again at about 9:00 pm Chevron Refinery experienced two large flaring events during unit start-up operations. The flaring was caused by compressor failures that process gasses from the FCC, RLOP, and ISOMAX units. Different compressors were involved in the morning and evening incidents. The wind direction during both the morning and evening incidents were similar from the North/Northeast. The Golden Gate Ground Level Monitor (GLM) recorded high hydrogen sulfide readings (490-500 ppb peak concentrations) shortly after each flaring event began. On Friday, March 3, 2016 Air District Staff met with Chevron Refinery to discuss the events from December 28, 2016 in regards to the potential source of the odors that impacted San Francisco. Air District Staff will be conducting further analysis with new data provided by Chevron.
- On February 1, 2017, Air District staff participated in a meeting with representatives from Contra Costa County's Environmental Health Department to discuss recent increases in odor complaints, alleging the Keller Canyon Landfill operated by Republic Services, in Pittsburg. Both agencies agreed to coordinate efforts regarding odors and to ensure that Keller Landfill continues to undertake all measures to control odors.
- On March 16, 2017 staff met with representatives from Keller Canyon (Republic Services), Contra Costa County Environmental Health and Contra Costa County Department of Conservation and Development to discuss ongoing odors and proposals for resolving landfill odors. In addition to moving the active work face area, over the next 6 months, away from the neighbors to reduce odors in the community, Keller is exploring: air transport models, misting systems, cover options, landscaping and improvement to their landfill gas collections systems.
- District staff has completed the heavy liquid screening study of 2000 components at the Tesoro Refinery. In addition, 28 leaking components were selected for bagging to measure the mass emissions. The component leak rate at Tesoro Refinery for the 2000 components measured at 2.5 ppm above background was a 10.6% leak rate.

- On March 13, 2017, District staff met with the West Contra Costa County Landfill's (WCCCL) General Manager and Environmental Manager to discuss unrealistic & miss-information being relayed to District staff. WCCCL staff told both District staff and members of the public that all septic materials have already been removed and the facility is only processing new green wastes through their new Covered Aerated Static Pile system (CASP). While it is true that the green wastes are now being put into the CASP equipment for composting, there remains, 10 large rows of older wind rowed compost material that is in a septic state because the site does not have the proper equipment to mechanically mix the composting material. The general manager agreed that unrealistic timelines for the removal of the septic materials needs to stop. The current forecast for all the older wind rowed material to be permanently removed from the site is April 30, 2017.

Compliance Assistance and Operations Program

Air District staff received and evaluated over 2,205 plans, petitions, and notifications required by the asbestos, coatings, open burn, tank and flare regulations. Staff received and responded to over 32 compliance assistance inquiries and green business review requests. Additionally, highlighted compliance assistance activities for the quarter are as follows:

On March 22-23, 2017, staff participated at an Asbestos NESHAP Taskforce Workshop Meeting hosted by the California Air Resources Board (CARB) in San Luis Obispo to discuss asbestos cases and compliance issues throughout the state. Staff also gave a presentation covering the demolition of structurally unsafe buildings.

CalEPA Environmental Justice (EJ) Task Force Oakland Initiative: Air District staff participated in the coordination of multi-agency inspections in areas of Oakland that have been identified by CalEPA as EJ areas. State, local and federal agencies responsible for water, toxics, solid waste, and pesticides are also participating in this effort. The California Air Resources Board selected several facilities for joint inspections with Air District staff, based on emissions data and community input. Staff also attended two community meetings in February. Inspection staff participated in multi-agency inspections at the following facilities: Central Concrete, Custom Alloy Scrap Sales, Inc. (CASS), Dynege, AJ's Auto Clinic. Additional inspections are planned, including AB&I, later in April.

The Winter Spare the Air Season (November 1, 2016 – February 28, 2017) ended. Pursuant to the Air District's Wood Smoke Program, staff mailed out 574 informational packets to residences that were referred in complaints regarding wood burning. During the first quarter of 2017, the Air District received 30,261 calls to the 1-877-4NO-BURN line, and 850 complaints regarding wood burning.

The Spring Marsh Management Burn season started on March 1, 2017; staff approved 3 Marsh Management Smoke Management Plans (SMPs) for burn projects in Solano County.

Staff approved two prescribed burn smoke management plans in Santa Clara County and Sonoma County.

Staff conducted the following inspections for the Strategic Incentives Division (SID): 36 projects and 115 engines.

(See Attachment for Activities by County)

ENGINEERING DIVISION J. WILLIAMS, DIRECTOR

Permit Activity Statistics

The following table summarizes permit activity in the 1st quarter:

Permit Activity			
New applications received	249	New facilities added	128
Authorities to Construct issued	121	Permit Exemptions (entire application deemed exempt)	7
Permits to Operate issued (new and modified)	212	Annual update packages completed	839
Registrations (new)	16		

Health Risk Analysis (HRA): 29 HRAs were completed during the reporting period.

Energy Projects

Shore Terminal/NuStar Biofuels Project (Crockett): The proposed project will allow the facility to receive biodiesel, CARB diesel and other renewal fuels by marine vessels, rail and/or existing pipeline into its Selby Terminal and deliver out by truck. The goal of the project is to supply facilities with fuels that meet the lower carbon intensity fuel standard. The proposed project involves physical changes to the dock, rail unloading area, storage tanks, truck loading bay and installation of new pipeline under San Pablo Avenue. Shore Terminals submitted application on June 14, 2016, to obtain the necessary operating permits for this project, which is currently under review. The Contra Costa County Planning Commission continues to review the project to determine CEQA requirements.

Phillips 66 Marine Terminal III Project (Rodeo): The facility is requesting an increase in the amount of crude oil/gas oil that may be unloaded at the marine terminal from 51,182 barrels per day to 130,000 barrels per day. The project does not require any physical modifications or construction. Phillips submitted the application on August 2, 2013. Air

District staff met with Phillips 66 to discuss the project on June 30, 2016. A previous permit application 22904 was approved on March 13, 2013, to increase the amount of crude oil/gas oil that may be unloaded at the marine terminal from 30,682 barrels per day to 51,182 barrels per day. The Air District acted as the lead agency for CEQA for the project. The current CEQA analysis will evaluate the increase in ship emissions from the activity level prior to application 22904 to 130,000 barrels per day. The Air District will act as the lead agency for CEQA for this project and has hired a CEQA Review Consultant to conduct the CEQA review. The Air District is working with the CEQA Review Consultant to prepare an Initial Study to determine if the project may have a significant effect on the environment.

Valero Crude by Rail Project (Benicia): On September 20, 2016, the Benicia City Council unanimously denied a use permit for the Valero Crude-By-Rail project. The Council decision is the latest step in the project that proposed extending Union Pacific Railroad track into Valero Benicia Refinery land so that up to 70,000 barrels of oil could be brought in daily by train rather than by tanker ships. The Council has asked its staff to incorporate General Plan policies, issues raised by the state Attorney General, the BAAQMD and Caltrans. Review and approval of the resolution occurred at the City Council meeting on October 4, 2016. Valero Benicia Refinery has withdrawn the application for an Air District permit for the project and the Letter of Cancellation was issued on February 21, 2017.

CEQA Projects

Vallejo Marine Terminal (VMT) and Orcem Project: The proposed project consists of two main components: (1) The VMT component would reestablish industrial uses on the VMT site through the removal of the deteriorated timber wharf and construction of a modern deep-water terminal (2) The Orcem component would involve construction and operation of an industrial facility to produce a high performance, less polluting alternative for traditional portland cement. Orcem would import most of the raw materials used in the manufacturing process via ships docking at the wharf proposed by VMT. Staff sent comments on the DEIR to the City of Vallejo, the CEQA Lead Agency, on November 2, 2015 and participated in a conference call with the project proponent to discuss them. The Air District has received a permit application for the Orcem project, but not for the VMT project. On March 6, 2017, the City of Vallejo Planning Commission voted 6 to 1 in favor of a resolution to deny the Vallejo Marine Terminal/Orcem Project land use and site development permits for the proposed cement processing facility and marine terminal. The Final EIR was not certified. On March 15, 2017, the City of Vallejo received a letter of appeal signed by a VMT/Orcem project representative and Miller Starr Regalia, appealing the Planning Commission's March 6, 2017 adoption of Resolution PC 17-03 to deny the project. At this time, the date of a City Council hearing on the appeal has not yet been finalized.

Syar Napa Quarry Project: On November 18, 2015, the Napa County Planning Commission adopted a resolution with required CEQA and Surface Mining Permit (SMP) Findings to approve the Syar Napa Quarry Expansion Project to allow the following: a) An approximate 106-acre expansion of the current surface mining and reclamation plan for a 35 year term; b) An increase in production of aggregate materials from approximately 1 million tons per year to 1.3 million tons per year; c) To add Reclaimed Asphalt Pavement (RAP) handling equipment to the existing asphalt batch plant and an increase in asphalt production up to 300,000 tons per year. Both the Environmental Impact Report (EIR) certification and SMP decisions have been appealed to the Napa County Board of Supervisors. The Board of Supervisors conducted public hearings on February 9th, March 22nd, April 26th, May 10th and July 11th. At the July 11, 2016 hearing, Napa County supervisors tentatively decided in favor of the project. They voted unanimously to uphold the project's EIR and voted 4-1 to back the expansion. At the October 18, 2016 hearing, the Board of Supervisors voted unanimously to deny the appeals and to back the expansion. A permit application for RAP handling equipment was submitted to the Air District on February 5, 2016 and is currently incomplete. No permit application has been received for the proposed aggregate production increase at this time. Syar met with Air District staff on August 23, 2016 to discuss potential modifications of grandfathered equipment. On September 12, 2016, the Air District sent a letter to Syar to summarize the remaining information needed to complete the application and to clarify altered vs. modified sources. On March 23, 2017, Syar sent a letter in response to the Sep. 12, 2016 Air District letter. The draft Air District response letter is being circulated for internal review/approval. On December 14, 2016, Syar submitted an application for the blue smoke system to be handled separately from the RAP handling equipment application. An NOE will be filed for the blue smoke application, and an NOD will be filed for the RAP handling equipment application.

Permits and Projects

Owens Corning Insulating Systems (Santa Clara): Owens Corning Insulating Systems produces fiberglass insulation on two manufacturing lines (O and M-Lines). An Authority to Construct was issued to rebrick the M-line furnace.

Granite Construction Company (Santa Clara): Granite Construction Company produces hot mix asphalt (HMA). An Authority to Construct was issued to install a new drum mixer that would allow the company to produce up to 5,500 tons/day of HMA.

Chevron Energy Technology Company (Richmond): Chevron Energy Technology Company generates intellectual property to develop new patents and licenses that can be utilized by its customers in their future production. An Authority to Construct was issued to install new abatement devices that would permit the Chevron Energy Technology Company to expand its research operations on various materials, including catalysts, and processes for Chevron business units across the globe as well as for other companies/customers.

Title V Permits: Title V permits for Tesla Motors and SFPP, LP were renewed and issued on March 6 and 9, 2017 respectively.

Regulation 2 Permitting Rules: Revisions to our New Source Review permitting rules were adopted by the Board of Directors in December 2012, but the revised rules did not become effective until EPA approved them for inclusion in the State Implementation Plan. On August 28, 2015, EPA published in the Federal Register a proposed limited approval and limited disapproval of our rules. Comments on EPA's proposed action were due Nov. 12, 2015. Staff provided comments to EPA on key areas of concern. The most significant issue is EPA's position that a facility must provide offsets more than once for the same emissions. On June 3, 2016, EPA Region 9 Acting Regional Administrator Alexis Strauss signed a Federal Register Notice, finalizing the limited approval/limited disapproval of revisions of the Air District's New Source Review (NSR) Program. Certain sections of the rule contain deficiencies that must be corrected within 18 months to avoid Clean Air Act sanctions. The EPA's Final Notice was published in the Federal Register on August 1 and the rule revisions became effective on August 31, 2016. On November 4, Engineering met with EPA staff to discuss issues related to the potential requirement of offsetting of the same emissions multiple times and the creation of an equivalency demonstration. Staff continues to work with EPA to resolve these issues. Staff has begun the rule development process to amend these permitting rules to address EPA's concerns. Draft rule changes and Staff Report have been sent to EPA for a preliminary review, prior to conducting a public workshop in early June.

Regulation 2, Rule 5 Implementation: Staff training on the revisions to Regulation 2, Rule 5 was completed in February. Modeling staff are updating air dispersion modeling and health risk calculation procedures and report templates. Updates to gasoline dispensing facility emission calculation and health risk assessment procedures are also underway.

Amendments to Regulation 3, Fees: On March 22, 2017, the Director of Engineering briefed the Board of Directors' Budget and Finance Committee on the proposed amendments to Regulation 3: Fees for Fiscal Year Ending 2018. The amendments would increase fee revenue to help the Air District recover a greater share of the costs the Air District incurs in implementing and enforcing regulatory programs for stationary sources of air pollution. Increases to several of the Air District's existing Fee Schedules are proposed ranging from 2.7% to 9%. Several specific fees in Regulation 3 are proposed to be increased 2.7% based on the annual CPI-W. The following additional amendments are proposed: 1). New fees to help recover the costs for facility-wide Health Risk Assessments (HRAs) and Risk Reduction Plans required pursuant to proposed Rule 11-18: Reduction of Risk from Air Toxic Emissions at Existing Facilities. 2). A new fee equal to the risk screening fee to help recover the costs for each HRA scenario above three HRA scenarios in any permit application pursuant to Rule 2-5. 3). Update Fee Schedule N: Toxic Inventory Fees, to recover current costs and higher California Air Resources Board AB2588 annual fees for FYE 2017. 4). Revise Fee Schedule H: Semiconductor and Related Operations, to directly calculate the fee based on the gross throughput of organic

solvent processed. 5). Revise Fee Schedule A: Hearing Board Fees (Table I) to include diesel exhaust particulate matter in the schedule of toxic air contaminants subject to excess emissions fees. 6). Change all Regulation 3 references of “health risk screening analysis” to “health risk assessment”. 7). Delete fees for Duplicate Permits and Duplicate Registrations in Section 309. 8). Correct a few minor typographical errors.

Regulation 11, Rule 18, Reduction of Risk from Air Toxic Emissions at Existing Facilities: Staff participated in four open houses to discuss and gather comments regarding this proposed new regulation: Cupertino on March 27, Benicia on March 28, Hayward on March 29, and Richmond on March 30. In addition to the open houses, staff held a Workgroup meeting with Bay Area Clean Waters Agencies (BACWA) on March 9, 2017 to discuss potential rule impacts on sewage treatment plants. Key issues for BACWA include: rule implementation time, project costs, and coordination with future requirements such as implementation of GHG regulations, water board requirements, and infrastructure improvements. Rule 11-18 will require that existing facilities reduce their health risk impacts on the surrounding community below 10 in a million risk or use best available retrofit control technology for toxics on all significant sources of risk.

CAPCOA Engineering Managers Committee Meeting: Staff participated in the meeting on January 30-31, 2017. ARB and EPA provided updates on their programs and rulemaking activities. The committee discussed various issues including the following: Portable ATCM and PERP changes, Air curtain incinerators, GHG rules for landfills, Mobile refueling operations, E-noticing, and CAPCOA GHG Rx Protocols. Staff presented its review of the proposed GHG Rx protocol for Compost Additions to Grazed Grasslands (avoidance of anaerobic decomposition), which was approved and recommended for CAPCOA Board consideration for inclusion in the CAPCOA GHG Rx.

CAPCOA Toxics and Risk Managers Committee (TARMAC): Staff chaired the TARMAC meeting held on January 25. Some items discussed at the meeting included: status of Hot Spots Public Notification Guidelines, TBARCT workbook and Gas Station emission factors. EPA informed that the next round of National Air Toxics Assessment is underway and corrections are due by May 1, 2017. The Scientific Review Panel of OEHHA is working on finalizing reference exposure levels for ethylene glycol mono-n-butyl ether and tertiary-butyl acetate. CARB informed that a new version of HARP2 has been released.

CAPCOA-ARB 111(d)/Landfill Work Group: Staff continues to participate in the meetings of this workgroup, which was formed to discuss and consider ARB’s proposals for the state to comply with new EPA New Source Performance Standards/Emission Guidelines (NSPS/EG) requirements. On July 15, 2016, EPA released final revisions to the municipal solid waste landfill NSPS and EG to reduce both GHG and criteria pollutant emissions from these types of facilities. The new EG requires each affected state to submit to EPA by May 30, 2017, a compliance plan detailing how it will meet these new requirements, unless the state is granted an extension by EPA. Staff reviewed and compared the U.S. EPA database list of Bay Area landfills subject to the new Emission

Guidelines (EG) or NSPS versus BAAQMD-regulated landfills, and provided corrections to the ARB on the list. Additionally, the new EG requires each affected state to submit to U.S. EPA a compliance plan detailing how it will meet these new requirements. This database list review/correction is part of the ARB’s compliance plan preparation effort.

**LEGAL DIVISION
B. BUNGER, DISTRICT COUNSEL**

The Air District Counsel’s Office received 208 violations reflected in Notices of Violation (NOVs) for processing.

Mutual Settlement Program staff initiated settlement discussions regarding civil penalties or passing the Wood Smoke Awareness Course for 147 violations reflected in NOVs. In addition, 1 Final 30 Day Letter was sent regarding civil penalties for 1 violation. Finally, settlement negotiations resulted in collection of \$83,850 in civil penalties for 54 NOVs. *53 NOVs were settled by recipients passing the Wood Smoke Awareness Course with no penalty.*

Counsel in the District Counsel’s Office initiated settlement discussions regarding civil penalties for 94 violations reflected in NOVs. Settlement negotiations by counsel resulted in collection of \$103,000 in civil penalties for 11 violations reflected in NOVs.

(See Attachment for Penalties by County)

**COMMUNICATIONS AND PUBLIC INFORMATION DIVISION
L. FASANO, OFFICER**

Press Releases

1/3/2017	Media Advisory: Air District and Contra Costa Health Services continue to investigate rotten-egg odor in SF and Richmond
1/6/2017	Media Advisory: Netherlands and State of California to sign 21 million dollar Vehicle and Smart Mobility agreement
1/12/2017	Air District, Contra Costa Health Services investigation into foul odor in SF and Richmond narrows
1/13/2017	Media Advisory: Air District, CARB and SF community work together to reduce air pollution from big trucks
1/13/2017	Media Advisory: Air District joins CAL FIRE, EPA and community groups to improve air quality at East Oakland elementary school
1/16/2017	Winter Spare the Air Alert called for January 17
1/17/2017	Spare the Air – Cool the Climate, Air District releases 2017 draft Clean Air Plan/Regional Climate Protection Strategy

1/18/2017	Air District, CARB and Bayview community work together to reduce air pollution from big trucks
1/29/2017	Another Winter Spare the Air Alert called for January 30
1/30/2017	Media Advisory: Air District hosts open house on plan for clean air and climate protection in Cupertino
1/31/2017	Winter Spare the Air Alert called for February 1
1/31/2017	Media Advisory: Air District hosts open house on plan for clean air and climate protection in San Rafael
2/1/2017	Air District offers \$5 million for public electric vehicle charging stations
2/1/2017	Media Advisory: Air District hosts open house on plan for clean air and climate protection in Yountville
2/6/2017	Media Advisory: Air District hosts open house on plan for clean air and climate protection in San Jose
2/6/2017	Media Advisory: Air District hosts open houses on plan for clean air and climate protection in Walnut Creek and Dublin
2/7/2017	Media Advisory: Air District hosts open house on plan for clean air and climate protection in Oakland
2/22/2017	Air District issues response to former employees' allegations about records
2/22/2017	Air District statement on former employees' allegations
2/28/2017	Media Advisory: Air District draft Clean Air Plan online for public comment
2/28/2017	Permissive burn period opens for marsh management fires
3/3/2017	Winter Spare the Air season comes to a close
3/16/2017	Air District launches \$20 million call for projects to reduce air pollution from commercial freight movement
3/21/2017	Air District hosts workshops on draft emission reduction rules
3/24/2017	New Spare the Air Leadership Award to be presented to two local winners
3/28/2017	Bay Area Air District statement on Trump's rollback of policies limiting harmful greenhouse gas emissions

Media Inquiries

Staff responded to 44 media inquiries during this quarter, including requests about:

- San Francisco and Richmond odor investigation
- Pacific Steel Castings
- Anti-idling
- Refinery flares and odors
- Refinery fine structure
- Refinery investigation
- Refinery emission limits
- Refinery Rules, EIR

- Refinery release
- Effect of EPA's gag order on Air District
- Federal impacts at Air District
- Wood burning and Fines
- Hunters Point air monitoring
- Hydrogen bus grant
- Air monitoring
- Whistleblower law suit
- Clean Air Plan workshops
- Federal impacts at Air District
- Records
- Winter Spare the Air
- Ghost Ship Fire
- Vallejo Odor Complaints
- Coffee Roasting
- Trump Climate Policies
- Residential Fire

Media Highlights

The Air District was mentioned in 645 print/online stories and in 214 video and radio clips. Below are media coverage highlights:

- [**KQED: AIR DISTRICT LAUNCHES INVESTIGATION INTO SAN FRANCISCO SULFUR SMELL**](#)
- [**KQED: CHEVRON FLARING TWO DAYS IN A ROW, NOW SUSPECT IN SULFUR SMELL**](#)
- [**Almanac : Atherton: Where do your property-tax payments go?**](#)
- [**NBCBayArea.com: Spare the Air Alert Scheduled, Wood Burning Prohibited**](#)
- [**SFGATE: MORE REPORTS OF MYSTERIOUS ROTTEN-EGG SMELL IN SF**](#)
- [**SFBay.ca: Refinery may be source of rotten egg smell**](#)
- [**East Bay Times: Bay Area to seek more greenhouse, smog controls**](#)
- [**East Bay Times: Order puts green waste shipments to North Richmond landfill on 'timeout'**](#)
- [**NBCBayArea.com: What's That Smell? San Francisco, Richmond Perturbed By Mysterious Odor**](#)
- [**Patch.com: Wood Burning Banned in East Bay Tuesday**](#)
- [**WorldJournal.com: 愛惜空氣日 今天勿燒木材**](#)
- [**Science Daily: San Francisco Bay Area methane emissions may be double what we thought**](#)
- [**East Bay Times: Air officials meet with Chevron refinery over noxious smell**](#)
- [**East Bay Times: Richmond: Officials working to determine source of rotten-egg smell**](#)

- [**The Nation:** This Bay Area Proposal Would Strike a Huge Blow to the Dirtiest Forms of Oil Production](#)
- [**East Bay Times:** Greening the commute: AC Transit to nearly double hydrogen fuel cell fleet](#)
- [**East Bay Times:** Oakland warehouse fire: Air quality district to investigate charred debris dump](#)
- [**San Francisco Examiner:** Investigation continues into mysterious rotten egg odor](#)
- [**KQED:** Mysterious S.F. Odors Preceded by High Levels of Toxic Gas in Richmond](#)
- [**East Bay Times:** Chevron eyed as source of foul odor last week; fines](#)
- [**KQED:** S.F. Supervisor Wants Answers From Chevron on Toxic Gas Release and Odor](#)
- [**SFExaminer.com:** Investigation into rotten egg smell in SF, Richmond narrows](#)
- [**Berkeleyside.com:** Op-ed: Concerned about health risks posed by Berkeley's Pacific Steel Casting? Deadline for voicing them is Jan. 19](#)
- [**SFGate.com:** Wood burning banned in Bay Area Tuesday](#)
- [**KTVU.com:** Spare the air: Wood burning banned in Bay Area Tuesday](#)
- [**Forbes.com:** Methane News Raises A Stink In San Francisco](#)
- [**The Independent:** Air District Taking Comments on Draft Clean Air Plan](#)
- [**KTVU.com:** Violations lead to cease-and-desist at Richmond Republic Services landfill](#)
- [**KQED:** Is Air Quality in the Bay Area Getting Worse?](#)
- [**Napa Valley Register:** Winter Spare the Air alert issued for Monday](#)
- [**East County Today:** Health Officials Order Halt to Deliveries at Richmond Composting Facility Due to Public Nuisance](#)
- [**Mercury News:** Bay Area: Monday Spare the Air alert issued](#)
- [**SFBay.ca:** Spare the Air alert issued for Monday](#)
- [**NBCBayArea:** Winter Spare the Air Alert Issued For Bay Area Monday](#)
- [**East Bay Times:** Spare the Air wood fire ban called for Wednesday](#)
- [**Patch:** No Wood Burning Allowed in San Bruno on Wednesday: Spare the Air](#)
- [**East Bay Times:** After December refinery incident, watchdog group calls for better reporting](#)
- [**East Bay Times:** Whistleblowers: Mystery file cabinet, dumped boxes of pollution records part of air regulators document destruction](#)
- [**SF Chronicle:** Stormy season blows pollution out of Bay Area](#)
- [**East Bay Times:** Martinez: Refinery chemical delivery led to odor complaints](#)
- [**San Mateo Daily Journal:** Winter spare the air season ends with 91 violations](#)
- [**SF Gate:** Ocean Beach reopens to bonfires with new concrete pits](#)
- [**The Patch:** \\$5 Million Up for Grabs for Electric-Vehicle Charging Stations in Bay Area](#)
- [**East Bay Times:** The greening of Brookfield Elementary School](#)
- [**Point Reyes Light:** San Mateo Daily Journal Up in smoke: The real risks of wood-burning](#)
- [**NBC Bay Area:** Controversy Brews at Embattled Hunters Point Naval Shipyard](#)

Public Inquiries

Staff responded to the 282 phone calls from the public during this quarter.

Community Events

3/12	Sunday Streets
3/17-3/19	Sonoma County Home Show
3/18	Berkeley Emergency Prep Fair

Annual Report and Publications

Communications staff worked with the Planning and Rules Development staff to develop the posters needed for upcoming conferences and workshops.

Staff finalized the layout of the Clean Air Plan and printed 75 copies of the document for initial use. Staff worked to develop a series of short videos that would introduce the Clean Air Plan to the public and be available at the upcoming public workshops. The Clean Air Plan’s teaser video ran on Comcast channels. Work continued on the vignette videos.

Staff requested final data from division directors for the annual report. Contractor provided presentation of design concepts for the annual report on March 24, and reworked design elements based on consultation meeting with Air District.

Videography

The Spare the Air Minute fireplace efficiency was completed.

Staff shot another episode of a “Spare the Air Minute” featuring the question “What is Smog?”

Social Media

Staff worked with a CPMC physician, Dr. Zee, and reporter Roberta Gonzalez to record a podcast discussing particulate matter pollution in high impact areas and the effect on children with asthma. The podcast was published to the Spare the Air podcast website.

The Air District’s Social Media Plan was distributed to department directors and executive staff. Staff continued to meet with department directors and executive staff to amend and draft sections of the Air District social media guidance document.

Staff posted about the Clean Air Plan Open Houses and shared notable photos on Twitter.

Staff is developing a feature that will highlight grant recipients and an air quality facts series; the fog, rain and haze series has concluded while the photo series featuring children of Air District staff. The children are shown wearing “I walk,” “I bike” or “I carpool” shirts in addition to a brief explanation of their clean air choices.

The post highlighting the MLK Day of Service with Urban Releaf was boosted. Staff will continue to develop featured posts about grant recipients in the future.

Winter Spare the Air imagery has been swapped out with Spare the Air imagery for the new season on social media. Social media channels updated include Facebook, Twitter, Instagram, Pinterest, YouTube and Foursquare.

Posts about the draft emission reduction rules open houses and the Goods Movement Program have been boosted on Facebook and are geo-targeted to the entire Bay Area region.

Followers on Facebook now number 380 while more than 1,100 follow the Air District on Twitter.

Summer Spare the Air

Wraps for all bus models were finalized. Staff worked with Grants staff to finalize sponsorship requirements for these projects.

The Oakland Broadway Shuttle design final edits were reviewed by bus line sponsors. All bus line sponsors must approve.

LAVTA bus wrap designs have been approved and contract details are being finalized. Contractor worked with the printer on production and installation of the bus wraps once the Air District contracts are finalized with LAVTA and City of Oakland.

Strategy is in development for STA 2017 outreach efforts.

Spare the Air, Cool the Planet PSAs running on many Bay Area broadcast outlets.

Winter Spare the Air

TV, outdoor, online, print and transit ads are running in English, Spanish, Cantonese, Mandarin, Vietnamese and Tagalog. The multi-lingual website SpareTheAirNow.org has received more than 1,000 views since the start of the winter season in November.

Door-to-door outreach in Cotati, Pittsburg, Mountain View and Berkeley reached more than 1,400 homes in December. Staff continued to receive updates from contractors on the results of door-to-door surveys returned by mail.

The Fireplace Decoration Contest received 172 entries and the winner has been selected.

Bike outreach was conducted at the Millbrae, Pleasanton, Martinez and Moraga farmer's markets over the weekend of February 11-12, 2017.

Staff is working with energy consultants to create a pitch for tax incentives to winterize homes.

The WSTA final season report is in development and the Air District presented season highlights to the Public Engagement Committee. Staff worked on finalizing WSTA Final Report.

Employer Program

Two Carpool Now events took place February 14, 2017, at Santa Clara University and February 22, 2017 in Sonoma County.

Staff worked with contractors to finalize event plans in Marin County, at Lockheed Martin, at Bishop Ranch and at Stanford Research Park for various dates in March and April

A focus group held in the Tri-Valley on January 31, 2017, was attended by employees of Lawrence Livermore labs, Workday, SunPower, Safeway, and Challenge Dairy Products. Additional focus groups will be held in Santa Clara County on February 10, 2017 and in Southern Alameda County on February 15, 2017.

The San Mateo Resource Team sponsored the San Mateo County Economic Development Association Awards luncheon on March 10, 2017.

Carpool Now Program – County of Marin event May 18, 2017 and Shutterfly event scheduled for September. Staff worked to coordinate events with Delta Products Corp, Abaxis, Seagate, Workday, Lockheed Martin and Lawrence Livermore Lab. Following up with Employer Program focus groups in Tri-Valley, Santa Clara and Southern Alameda.

Clean Air Plan

Staff worked with contractors to complete a two-minute video about Spare the Air, Cool the Climate Plan. A 30-second teaser spot ran as an ad on Comcast news channels Bay Area-wide. Staff worked with a graphic designer and Air District staff to complete edits on the Clean Air Plan posters for the upcoming workshops.

The vision and 30-second teaser videos were posted on the Air District website and YouTube accounts. Staff explored how to get the video run on local cable access channels as well as distribute it with information to city and county planning offices throughout the nine-county region.

Resource Team members tabled at the Cupertino, Napa, Walnut Creek, Dublin and San Jose Clean Air Plan open houses.

Media Events

Staff worked with CARB and the Dutch consulate to promote the Smart e-Mobility conference on January 9, 2017 through traditional media and social media.

Staff worked on a media event for the vegetative buffer grant project at Brookfield Elementary School in Oakland on Monday, January 15, 2017, during a Martin Luther King service day event. Dir. Kaplan attended and spoke on behalf of the Air District.

The anti-idling event in Bayview Hunter's Point was held on January 18, 2017. A media advisory and press release were distributed. CARB and Greenaction staff also attended the event with Air District staff. Air Staff worked with the Greenaction team to produce a Facebook Live story at the day's event

Staff planned the SF Goodwill Industries event on April 7, 2017 with CARB, Goodwill Industries and BYD Trucks. Speakers to include Damian Breen, Dr. John Balmes from ARB, and Assemblymember Ting. The event to be broadcast via Facebook Live, and videography scheduled through SF Public Access channel.

Spare the Air Social Media

Winter Spare the Air Alerts on Facebook and Twitter, including those in Spanish and Chinese, Scoop and Bay Area Bike Share were the best performing posts on social media accounts.

Spare the Air Social Media accounts received a high number of impressions due to campaign-related posts on Winter Spare the Air alerts, Kids Who Spare the Air, decorated unused fireplaces and re-sharing posts of the Clean Air Plan open houses.

Winter Spare the Air imagery has been swapped out with Spare the Air imagery for the new season on social media. Social media channels updated include Facebook, Twitter, Instagram, Pinterest, YouTube and Foursquare.

Continuing to post STA Every Day messaging onto all social media platforms from carpool apps and sister government agencies.

Drafting social media ideas for STA Every Day 2017.

The Facebook account reached 3,316 followers and the Twitter account had over 14,000 impressions.

Brown Bag Lunch

Air District staff is hosted a brown bag lunch on March 16 at 1 PM to review and discuss the survey results from the 2016 Spare the Air Every Day and 2016-17 Winter Spare the Air campaigns. Air District survey contractor Timothy McLarney, PhD led the presentation and answered questions from attendees.

<p style="text-align: center;">COMMUNITY ENGAGEMENT DIVISION J. ROGGENKAMP, DEPUTY EXECUTIVE OFFICER</p>
--

Spare the Air Resource Team

- **Tuesday, January 10, 2017** - Joint meeting Santa Clara County Spare the Air Team and MPBG Transportation Subcommittee- Staff participated in the meeting to discuss and share ideas to improve transportation at the Moffett Park Business Group.
- **Thursday, January 12, 2017** – Spare the Air Resource Team(s) – Staff has participated on conference calls regarding planning for new programs with each outreach team for the Spare the Air Winter Season and Spring Quarter.
- **Wednesday, January 18, 2017** - Spare the Air Resource Team(s) – Staff has participated on conference calls regarding planning and brainstorming for new projects with San Mateo County Spare the Air Resource team.
- **Wednesday, February 9, 2017** - Spare the Air Resource Team(s) – CEO participated in a discussion with Napa Resource Team regarding new programs to initiate in 2017. They want to create a sustainable urban garden tie the work with CAP emissions reduction. CEO Staff also met with Resource team members to discuss strategies regarding how to incorporate the CAP Plan into the Resource team regular strategic planning. We are jointly planning an annual retreat to brainstorm opportunities to collaborate with the Planning department on the CAP implementation. Staff has participated on conference calls regarding planning and brainstorming for new projects with Southern Alameda, Napa Valley and Tri Valley.
- **Wednesday, February 8, 2017** - Spare the Air Resource Team(s) – Staff participated in a discussion with Napa Resource Team regarding new programs to initiate in 2017. They want to create a sustainable urban garden project to tie-in with new Clean Air Plan. We are jointly planning an annual retreat to brainstorm opportunities to collaborate with the Planning department on the CAP implementation. Staff has participated on conference calls regarding planning and brainstorming for new projects with Southern Alameda, Napa Valley and Tri Valley.
- **Friday, February 10, 2017** – **Napa Clean Air Coalition Meeting** – Staff attended the meeting and provided an Air District update. Staff from Strategic Incentives Division gave a presentation about past and upcoming grant opportunities.

Outreach

- **Workshops Outreach** – Staff conducted robust outreach to get the word out about upcoming workshops for three rules (Rule 12-16, Rule 13-1 and Rule 11-18) in Cupertino, Benicia, Hayward and Richmond. Staff sent announcements to local community calendars, posted on City calendars, sent out a news release, sent out e-blasts, and more.
- **Monday, January 30, 2017 – Spare the Air, Cool the Climate Open House, Cupertino** – Community Engagement and Planning staff launched a new series of open houses to receive comments on the 2017 Draft Clean Air Plan. Approximately 40 people attended.
- **Tuesday, January 31, 2017 - Spare the Air, Cool the Climate Open House, San Francisco** – Approximately 35 people attended the Open House, including Executive Staff and the Chair of the Advisory Council.
- **Wednesday, February 1, 2017 - Spare the Air, Cool the Climate Open House, San Rafael** – Close to 20 people attended this event. Director Rice participated.
- **Wednesday, February 1, 2017 – Community Science Working Group, SF** – Staff held its third meeting of this group to discuss and evaluate the progress of 5 community grants.
- **Thursday, February 2, 2017 - Spare the Air, Cool the Climate Open House, Yountville** – About 20 people attended this lively Open House. Director Wagenknecht participated. Very engaged and informative conversations.
- **Monday, February 6, 2017 - Spare the Air, Cool the Climate Open House, Walnut Creek** – 28-30 people participated in this Open House, including a representative from Director Mitchoff's Office.
- **Monday, February 6, 2017 - Spare the Air, Cool the Climate Open House, Dublin** – Fewer than 10 people attended, probably due to weather and location. However, attendees expressed they appreciated being able to spend considerable time with our staff.
- **Tuesday, February 7, 2017 - Spare the Air, Cool the Climate Open House, San Jose** – Many students from San Jose State and Santa Clara participated. In total 31 people participated.
- **Wednesday, February 8, 2017 - Spare the Air, Cool the Climate Open House, Oakland** – Over 40 people attended the open house.
- **Wednesday, February 8, 2017** – CEO participated in a discussion with Napa Resource Team regarding new programs to initiate in 2017. They want to create a sustainable urban garden tie the work with CAP emissions reduction. CEO Staff also met with Resource team members to discuss strategies regarding how to incorporate the CAP Plan into the Resource team regular strategic planning. We are jointly planning an annual retreat to brainstorm opportunities to collaborate with the Planning department on the CAP implementation.
- **Tuesday, February 14, 2017 – San Jose Resource Team Meeting** – Staff attended the meeting and provided an Air District update. Staff from Strategic Incentives Division gave a presentation about past and upcoming grant opportunities.

- **Tuesday, February 28, 2017** – Staff met with consultant from Kerns and West to initiate a scope of work for a Resource Team Retreat. The scope of work will include a needs assessment and facilitation of a three-hour visioning meeting with BAAQMD staff, leads from all resource teams and Community Focus.
- **Tuesday, March 14, 2017** – Staff met with consultant from Kerns and West to plan for a Resource Team Retreat. Meeting outcome included a draft agenda for the retreat, pre-retreat assessment questions, clarification of roles and responsibilities and objectives for the retreat. Kerns and West will lead facilitation of the meeting and will produce a summary of the meeting along with clear actionable strategies/next steps. BAAQMD staff are responsible for liaising with Community Focus, developing and administering the pre-retreat assessment. The five-hour retreat will be held towards the end of May and the draft objectives are:
 - Ensure a common understanding of the Climate Action Plan and how it can be applied on the local level.
 - Help the Resource Teams integrate the Climate Action Plan into their programs, and broaden their focus beyond transportation.
 - Foster buy-in of the broadened scope, help Resource Teams develop plans moving forward.
 - Promote information sharing and problem-solving across the Resource Teams.
 - Celebrate 25 years of the Resource Teams' good work.
- **Thursday, March 23, 2017** - Staff attended two Spare the Air Resource Teams Tri-valley and the Contra Costa County meetings.

Community Meetings

- **Wednesday, January 11, 2017** – Community Engagement (CEO) has planned its second Community Science Working Group meeting to discuss the evaluate the progress of 5 community grants.
- **Thursday, January 12, 2017** – Staff worked with Planning Department and the Web team to successfully launch the CAP and email blast to 2300 recipients. We conducted 4 interviews with Community based organizations supporting the Air District's Outreach programs.
- **Friday, January 13, 2017** – Staff has officially laid the ground for the Tree planting of Brookfield Elementary Urban Greening Project in East Oakland. See photos. We are planning a press conference on MLK day at the Brookfield Elementary January 18, 2017 at 10:00 am.
- **Tuesday, January 23, 2017** – CEO will facilitate a mock workshop on CAP Open House le 12-16 meeting with internal staff. We currently have 8 open Houses scheduled. See Open houses on the plan are scheduled for January 30th through February 8th.
- **Monday, January 30, 2017** – CEO and Planning began the next series of CAP Open Houses in Cupertino. It was a great turn out. Approximately 40 people showed up.

- **Wednesday, February 1, 2017** – Community Engagement (CEO) held its third Community Science Working Group meeting to discuss the evaluate the progress of 5 community grants.
- **Wednesday, February 15, 2017 – EJ Tour, West Oakland** – Staff attended an Environmental Justice Tour that was hosted by West Oakland Environmental Indicators Project and the Cal EPA EJ Director. Multiple State environmental enforcement agencies participated in the tour as well.
- **Wednesday, February 15, 2017 – Bayview Hunters Point Environmental Justice Task Force Meeting** - Staff attended the monthly IVAN meeting in Bayview Hunter’s Point and answered questions on ongoing air quality issues, current grant opportunities and the recent anti-diesel truck idling signage campaign.
- **Thursday, February 16, 2017 – EJ Tour, East Oakland** – Staff attended an Environmental Justice Tour that was hosted by Communities for a better Environment (CBE) and the Cal EPA EJ Director. Multiple State enforcement agencies participated in the tour as well.
- **Wednesday, February 15, 2017 – YES (Youth for the Environment and Sustainability) Conference Volunteer Training, SF** – Staff organized and participated in a training to orient conference volunteers to their roles during the February 25th YES Conference at Metro Center.
- **Thursday, February 16, 2017 – Rules 13-1, 12-16 and 11-18 Community Meeting, Richmond** – Staff participated in a meeting attended by key members of advocacy groups that have been engaged in discussions about Rule 12-16 (CBE, Sunflower Alliance, 350 Bay Area, APEN, Sierra Club, Richmond Progressive Alliance, and others). This important meeting led to further mutual understanding about common goals and how each rule meets (or not) key community objectives about health and climate impacts of refinery operations in the Bay Area.
- **Saturday, February 25, 2017 – YES Conference – San Francisco** - On Saturday, February 25, 2017, Air District and MTC staff hosted the Spare the Air Youth’s YES Conference. The YES Conference was located at the Bay Area Metro Center. Director Liz Kniss provided the opening remarks. The Conference featured 48 presentation on transit, air quality, and environmental related workshops, student-led activities and three dynamic student keynote speakers. Nearly 500 youth attended the conference.
- **Tuesday, February 28, 2017 - UC Berkeley Class** – Staff presented information about community engagement and the environment at Professor Khloid Kadir’s class.
- **Thursday, March 2, 2017 – Integrating State, Regional and Local Investments for Climate Equity, Oakland** – Staff coordinated a meeting between the Air District, Bay Area Environmental Justice community groups and several State agencies to discuss to learn about state climate investment initiatives and how the most disadvantaged communities in the Bay Area stand to benefit.
- **Tuesday, March 7, 2017 – North Richmond Municipal Advisory Council, Richmond** – Staff attended the meeting of the NR MAC and provided an update

about recent Air District activities as well as encouraged residents to attend the March workshop about rules 11-18, 12-16 and 13-1.

- **Thursday, March 9, 2017 – YES Conference Debrief** – Air District staff met to review successes and lessons learned from this year’s YES Conference to inform planning efforts for next year.
- **Monday March 13, 2017** – Staff attended and presented to the Alameda County Health and Violence Prevention Committee about ongoing urban greening engagement initiatives and current community grants in the County CARE communities.
- **Wednesday, March 15, 2017** – Staff attended the ARB EJAC (Environmental Justice Advisory Committee) meeting to participate in discussions on the current scoping plan and EJ concerns regarding this plan.
- **Wednesday, March 15, 2017** – Staff attended the monthly EJ task force meeting in the Bayview Hunters Point.
- **Friday, March 17, 2017** – Staff met with lead researchers from UC-Davis and ARB staff as they set up monitoring equipment as part of the East Oakland Air Study Project funded with a Community Science Grant.
- **March 20 to March 24, 2017 - San Francisco** – Staff attended and presented at the sponsored- St John Missionary Baptist Church San, Francisco **City Wide Revival** to discuss health and wellness and current efforts of the Air District in regards to Bayview Hunters Point.
- **Monday, March 20, 2017** – Staff assisted with the Scoping Meeting for the Draft EIR Meeting for the 2017 Clean Air Plan that took place at our headquarters building.
- **Wednesday, March 22, 2017** – Staff coordinated a meeting between 350 Bay Area representatives and Planning Division staff about the “Spare the Air, Cool the Climate” 2017 Clean Air Plan, and how we might partner for future implementation, as well as general comments about the plan.
- **Thursday, March 23, 2017 – San Francisco** – Bay Area Cross Agency Staff Meeting. Staff participated in this cross-agency meeting. Information about the 2017 Clean Air Plan was shared and discussed.
- **Friday, March 24, 2017** – Staff met with staff from Meteorology, Measurements and Rules to start planning a series of community meetings in refinery communities to discuss upcoming monitoring activities because of recent rule adoption.
- **Friday, March 24, 2017 – San Francisco** – Staff meet with staff from the San Francisco Department of the Environment to discuss potential collaboration around community engagement around the 2017 Clean Air Plan and their activities.
- **Ongoing - Workshops for Rules 12-16, 11-18 and 13-1** – Staff continued planning for this round of workshops at the end of March. Staff from CE, Engineering, Planning, Rule Development and Communications plan to attend each workshop. Staff promoted the event on community calendars, social media, press releases, e-blasts and much more!

- **Monday, March 27, 2017 – Cupertino Workshop on Emissions Rules** – Staff facilitated a workshop on Rules 11-18, 12-16 and 13-1 in Cupertino. Over 20 residents, stakeholders and elected officials participated.
- **Tuesday, March 28, 2017 – Benicia Workshop on Emissions Rules** - Staff facilitated a workshop on Rules 11-18, 12-16 and 13-1 at the Benicia Library. Over 80 residents, stakeholders and elected officials participated. Community Engagement staff provided visual and print materials and facilitated the meeting. It was a positive engagement opportunity where everyone had a chance to be heard.
- **Wednesday, March 29, 2017 – Hayward Workshop on Emissions Rules** - Staff facilitated a workshop on Rules 11-18, 12-16 and 13-1 at a Hayward community center. Approximately 20 residents and stakeholders participated. Residents were pleased that the Air District went to Hayward for a meeting. They raised concerns about a permit for a power plant issued a while ago.
- **March 27, 2017** – Staff met with consultant from Kerns and West and Community Focus to continue planning a Resource Team Retreat and Recognition Event on June 1, 2017. BAAQMD staff are responsible for liaising with Community Focus, developing and administering the pre-retreat assessment. The five-hour retreat's draft objectives are:
 - Ensure a common understanding of the Climate Action Plan and how it can be applied on the local level.
 - Help the Resource Teams integrate the Climate Action Plan into their programs, and broaden their focus beyond transportation.
 - Foster buy-in of the broadened scope, help Resource Teams develop plans moving forward.
 - Promote information sharing and problem-solving across the Resource Teams.
 - Celebrate 25 years of the Resource Teams' good work.
- **Thursday, March 30, 2017 – Richmond Workshop on Emissions Rules** - Staff facilitated a workshop on Rules 11-18, 12-16 and 13-1 at the Richmond Auditorium, Bermuda Room. Over 100 residents, stakeholders and elected officials participated. Community Engagement staff provided visual and print materials and facilitated the meeting. While it was anticipated that the meeting could be contentious, there was positive civil dialogue. Participants appreciated the opportunity to speak and be heard.

Events/Other

- **Staff Onboarding** – management has successfully recruited Kristen Law to join the Community Engagement staff. She will be starting January 18th.
- **Wednesday, January 11, 2017** - Staff participated in the quarterly STAY TAC meeting and shared updates regarding the YES conference.
- **Wednesday, January 11, 2017** – CEO Team held a meeting with the Planning Division to plan all of the logistics and content that will be presented at the Climate Action Plan Open Houses at the end of January 2017.

- **Monday, January 16, 2017** – Staff participated in the MLK Day of Service at Brookfield Elementary School in East Oakland as part of one of the Community Grant support projects for green infrastructure to mitigate freeway emissions (with US EPA, CalFIRE and other local partners)
- **Wednesday, January 25-26, 2017** – Staff attended and presented a poster at the California Climate Adaptation Symposium in Sacramento.
- In following up with the Air District’s success in collaborating with OHEEHA and Cal EPA on the positive modifications of Cal EnviroScreen 3.0, CEO Team is planning to facilitate a discussion about SB 535 spending of C/T revenues for Disadvantage communities. The Air District was successful in getting more Bay Area disadvantage communities eligible for funds.
- **Friday, February 10, 2017** – Staff attended the Transformative Climate Communities Stakeholder Summit in Sacramento.
- **Pending. This meeting has been postponed until mutually agreed date in February 2017.** Staff will be working to schedule a meeting with representatives from CBE, 350 Bay Area, Sunflower Alliance, Sierra Club, California Nurses Association, APEN, RPA, Greenaction, and others, to search for common ground and mutual goals. We plan to discuss potential implications of the new rules for Regulations 13 series (regulating Carbon Intensity).
- **Thursday, February 16, 2017 – Wood Smoke Incentive Grant Update Meeting, SF** – Staff participated in an internal staff update about the wood smoke incentive grant program. It is important to understand the status of the program to answer community questions as they come up.
- **Friday, February 17, 2017 – Discussions with the State Strategic Growth Council** - Staff followed up with the Strategic Growth Council to coordinate a Bay Area Climate Investment meeting to present information on the (TCCP) Transformative Climate Communities Program (as discussed the prior week at the TCCP stakeholder summit in Sacramento).
- **Friday, February 17, 2017 – Onsite assistance with US EPA for Brookfield Vegetative Buffer sampling** – Staff assisted the local community organization and the school’s science class to set-up the vegetative buffer project site for the initiation of US EPA air sampling planned for the following two-weeks.
- **Wednesday, February 22, 2017 – Japanese Student Tour of Building and Lab** – Staff led a tour of 11 Japanese sophomore biotech university students and four adult chaperones on a tour of the building and the laboratory.
- **Thursday, February 23, 2017 – Bay Area Regional Collaborative Cross Agency Meeting, SF** - Staff attended this cross-agency staff meeting where MTC, AGAB, BCDC and BAAQMD staff meet to discuss what each agency is doing with regards to BARC’s current focus – climate change.
- **Online Civic Engagement – Open Air Forum, New Topic** – Staff prepared a new topic for this online tool. The topic is Spare the Air, Cool the Climate, the Air District’s draft 2017 Clean Air Plan. The goal of the tool is to provide an additional opportunity for public comment on the plan.

- **Saturday, February 25, 2017 - YES (Youth for the Environment and Sustainability Conference)** met its goal to have 500 youth at this year's conference.
- **Monday, February 27, 2017 - Climate Justice Webinar** – Staff participated in a webinar about local, tribal, global and generational climate justice. Participants heard about the link between working for climate justice and the elimination of health inequities in the US and around the world.
- **Monday, March 6, 2017 - Public Engagement Committee Presentation** – Staff presented an update about recent Community Engagement activities and a summary of the YES Conference to the Committee.
- **Wednesday, March 8, 2017 – Health Professionals for Clean Air** – Staff participated in this statewide meeting of health professionals to hear about efforts to protect Federal and California clean car standards, as well as a summary of what's at stake for California's clean air and climate leadership. ARB's Richard Corey gave a presentation, as well as Lyndsay Moseley from the Healthy Air Campaign of ALA.
- **Online Civic Engagement – Open Air Forum, New Topic** – The Spare the Air, Cool the Climate, the Air District's draft 2017 Clean Air Plan topic went live. The goal of the tool is to provide an additional opportunity for public comment on the plan. As of 3/8/2017 there were 49 visitors to the topic and two responses.
- **Workshops for Rules 12-16, 11-18 and 13-1** – Staff continued planning for this round of workshops at the end of March. Staff identified, dates, times and venues secured, and communication has been sent out via e-blasts, NeXT door posts, and flyers at venues. Staff will also promote via social media, local newspaper and community calendars.
- **GARE (Government Alliance on Race and Equity)** – Community Engagement Staff are participating in this multi-agency (BAAQMD, MTC, ABAG) effort to achieve racial equity and advance opportunities for all. There were two meetings during this reporting period.
- **GARE (Government Alliance on Race and Equity)** – Community Engagement Staff are participating in this multi-agency (BAAQMD, MTC, ABAG) effort to achieve racial equity and advance opportunities for all. Staff are taking the lead in organizing a Racial Equity Speaking Series through Brownbag at Beale. We have two scheduled – April 19th will feature a GARE staff member and May 31st will feature Tamu Nolfo.
- **GARE (Government Alliance on Race and Equity)** – Community Engagement Staff are participating in this multi-agency (BAAQMD, MTC, ABAG) effort to achieve racial equity and advance opportunities for all. There was one Speakers Series during this period in which we learned from other agencies who implemented Racial Equity cohorts. Staff are working across-agencies to tell our racial equity story and to develop group norms.
- **Ongoing – YES Conference Planning** – Staff have already started to plan next year's YES conference, looking for venues, and reaching out to potential presenters.

- **Online Civic Engagement – Open Air Forum, New Topic** – The Spare the Air, Cool the Climate, the Air District’s draft 2017 Clean Air Plan topic closed on March 9, 2017, when the comment period ended. The goal of the tool is to provide an additional opportunity for public comment on the plan. There were more than 60 visitors to the topic and six responses. Respondents expressed that they enjoyed the platform – particularly the opportunity to give more input than they could at the Open House. CE is working on a process and procedure document to ensure that the platform is used most effectively.
- **March 11, 2017 - Student Tour** – Staff lead a tour of four Alhambra (Martinez) high school seniors and their principal. They met with CE for 20 minutes before being heading to the Met Room and Laboratory.
- **Online Civic Engagement – Open Air Forum, New Topic** – Staff are exploring ways to use this platform for input on implementation of the Clean Air Plan.
- **Limited English Proficiency (LEP) and Impacted Communities Listening Sessions** – Staff met with Community Focus to devise a comprehensive strategy for ongoing listening sessions in CARE communities, emphasizing outreach to LEP and highly impacted communities.
- **March 14, 2017 - Odor Training** – Staff led a odor-training workshop with Communities for a Better Environment in order to conduct odor surveys and logging in East Oakland. Residents will learn how to identify odors as part of a larger air monitoring study.
- **Staff Language Assessment** – Staff created an online assessment for BAAQMD staff to assess internal translation assistance.
- **CEO Marketing Tool** – Staff created a brief marketing tool for internal BAAQMD staff to learn about our office and what we do. Next step will be to develop policies and procedures for requesting our services.

**PLANNING AND CLIMATE PROTECTION DIVISION
H. HILKEN, DIRECTOR**

Air Quality Planning

Staff continued work on the 2017 Clean Air Plan: Spare the Air, Cool the Climate (2017 Plan), including responding to public comments, revising and updating text and data, consulting with neighboring air districts, finalizing the socio-economic report, and presenting the Draft 2017 Plan to numerous community, business and government organizations. Staff prepared materials for and hosted public open houses on the 2017 Plan in Cupertino, Dublin, Oakland, San Francisco, San Jose, San Rafael, Yountville and Walnut Creek to solicit comments, suggestions and feedback. Staff released the Draft Environmental Impact Report (DEIR) for the 2017 Plan and held a public comment session on the DEIR to collect input and feedback. Staff continued to develop an implementation program for the 2017 Plan. Staff continued to work with Geographical Information Systems consultants on the development of a Planning Health Places tool kit that includes online mapping of emission sources, and presented Planning Healthy Places at the Housing California annual conference. Staff provided a CEQA comment letter to

the City of Santa Clara on the Mitigated Negative Declaration for the McLaren Data Center Project, and responded to numerous CEQA-related questions and data requests from local government staff and consultants. Staff participated in the regular monthly meeting of the California Air Pollution Control Officers Association (CAPCOA) Planning Managers Committee.

Research and Modeling Program

Staff participated in conference calls with participants of the California Baseline Ozone Transport Study (CABOTS) to discuss the status of on-going data analyses and modeling, share preliminary findings, and to plan for a scientific conference. Staff continued work on preparing a modeling emissions inventory and meteorological inputs to simulate ozone and fine particulate matter (PM) from mid-May to mid-October 2016 in support of CABOTS. Staff continued to monitor daily air quality forecasts to help researchers at San Jose State University launch ozonesondes on high PM days in the Bay Area. Staff continued work with ARB, CRC and consultants on improving background and boundary ozone estimates in the Bay Area. Staff worked on testing and evaluating the latest version of the CMAQ model, and participated in a US EPA webinar on the next release of the CMAQ model. Staff met with Engineering staff to discuss the use of the CALPUFF dispersion model for simulating near-source pollution concentrations, including flare emissions, and to discuss training Engineering staff to run CALPUFF. Staff attended the NASA Health and Air Quality Applied Science Team (HAQAST) meeting and made a presentation on the use of satellite data in air quality studies in the Bay Area with wood burning PM_{2.5} emphasis.

Community Air Risk Evaluation (CARE)

Staff participated in a CalEPA workshop on implementing Senate Bill (SB) 535 (De León, 2012) and Assembly Bill (AB) 1550 (Gomez, 2016) to prioritize disadvantaged communities in distributing Cap and Trade auction proceeds. Staff drafted a letter to CalEPA providing comments on their proposals for prioritizing the next round of Cap and Trade Greenhouse Gas Reduction Funds in disadvantaged communities. Staff presented an overview of the CARE program at the UC Berkeley Goldman School of Public Policy, which hosted a Dialogue on Environmental Justice and Climate Solutions, and participated in follow-up discussions. Staff supported and observed the installation of a UC Berkeley low-cost monitor (a BEACON node; BERkeley Atmospheric CO₂ Observation Network) to the rooftop of San Francisco General Hospital as part of a joint project with the District, the San Francisco Department of Public Health, and UC Berkeley. Staff assisted San Francisco Planning Department staff in updating their Community Risk Reduction Plan. Staff hosted two presentations by UC Berkeley on Mapping of Sources Contributing to Urban Air Pollution in CARE Areas and the Effects of Particle Filters and Selective Catalytic Reduction on In-Use Heavy-Duty Diesel Drayage Truck Emissions.

Emissions Inventories

Staff updated greenhouse gas (GHG) projections and the associated methodology document to support the 2017 Clean Air Plan, incorporating updates in the State's 2017 Scoping Plan Update. Staff attended a training by the International Council for Local Environmental Initiatives (ICLEI) on the ClearPath online software platform, used by many local governments to complete greenhouse gas inventories, forecasts and climate action plans. Staff participated in the California Air Pollution Control Officer's Association (CAPCOA) and Industry meeting to discuss the California Air Resources Board's (ARB's) new online Emissions Inventory Visualization Tool for viewing GHGs and other air pollution emissions to support Assembly Bill 197. Staff participated in ARB's Emission Inventory Technical Advisory Committee (EITAC) meeting. Staff continued to work with Engineering and MMR staff on an Emissions Inventory Quality Assurance Project Plan (EI QAPP) to improve tracking and reporting of stationary source emissions. Staff hosted a presentation featuring staff from the National Oceanic and Atmospheric Administration (NOAA) and Santa Barbara Air Pollution Control District on reducing air pollution and reducing lethal ship strikes for whales in Bay Area waters through speed reduction programs for ocean-going vessels.

Climate Protection Program

Staff finalized and released the public draft of *Spare the Air – Cool the Climate: A Blueprint for Clean Air and Climate Action in the Bay Area*, the Air District's 2017 Clean Air Plan (2017 Plan). Staff worked with Communications and Community Engagement staff on hosting eight public open houses that showcased the draft 2017 Plan. Staff reviewed public comments on the draft 2017 Plan, made edits to the document as needed, and prepared responses to the comments. Staff presented on the draft 2017 Clean Air Plan to the Board of Directors and the Advisory Council, and to regional agency staff as part of the "Brown Bag at Beale" series. Staff presented on the draft 2017 Plan at a meeting of the StopWaste.org Energy Council, the Joint Venture Silicon Valley Public Sector Climate Task Force, a SPUR membership meeting, the California Council for Environmental and Economic Balance, and to the Air and Waste Management Association Golden West Chapter. Staff reviewed the California Air Resources Board's (ARB) Proposed 2017 Climate Change Scoping Plan Update and provided comments to CAPCOA for inclusion in a comment letter from local air districts. Data from the Air District's GHG fixed-site monitoring system for the Fall of 2016 was posted on the Air District's website. Staff conducted a survey for local government climate staff assessing the successes, barriers and needs of Bay Area local governments in developing and implementing local climate action plans. Staff worked with Community Engagement staff to coordinate a meeting of Bay Area community organizations and local government staff, and heads of State funding agencies to discuss Cap and Trade funding being invested in the Bay Area. Staff continues to lead work on a rule that will limit greenhouse gases, particularly methane, from Natural Gas and Crude Oil Processing Facilities (amendments to Air District Rule 8-37).

**STRATEGICS INCENTIVES DIVISION
K. SCHKOLNICK, ACTING DIRECTOR**

The following is a summary of open Air District incentive funding programs (for FYE 2017):

- **Carl Moyer Program** - Funding is available for the upgrade or replacement of diesel engines and equipment, including trucks, off-road equipment, marine engines, locomotives and agricultural equipment. Applications are being accepted on a first-come, first-served basis until all funds are awarded. www.baaqmd.gov/Moyer
- **Lower-Emission School Bus Program** - Funding is available for compressed natural gas school bus tank replacements. Funding for bus replacements and diesel particulate filter retrofits will be available later this year. www.baaqmd.gov/LESBP
- **Goods Movement Program** - Funding is available for the upgrade or replacement of the following types of freight movement equipment: diesel trucks/engines, transportation refrigeration units, cargo-handling equipment, and locomotives. Applications must be received by June 30, 2017. www.baaqmd.gov/goods
- **Charge! Program** - Up to \$5 million in funding is available to projects that will deploy new, qualifying electric vehicle charging stations at transportation corridors, workplaces, multi-family-unit dwellings, park and rides, and key destinations. Applications are being accepted on a first-come, first-served basis until July 28th, unless funding is exhausted sooner. www.baaqmd.gov/charge
- **Bikeways Grant Program** – Up to \$5 million in funding is available on a competitive basis to public agencies that construct new bikeways and install secure bicycle parking to enable residents and commuters to mode shift to cycling and walking as alternatives to driving for short and first- & last-mile trips. www.baaqmd.gov/bikeways
- **Coming soon! - Light- and Heavy-Duty Zero-Emissions Vehicles** – This program is scheduled to open later this year and will offer funding to both public and non-public entities who purchase qualifying new zero-emissions heavy-duty trucks and buses and three or more qualifying new zero-emissions light-duty cars and trucks. www.baaqmd.gov/HDZEV

Carl Moyer Program (CMP)

- Staff met with ARB staff to discuss CMP marine project guidance, 1/5.
- Staff participated in:
 - CAPCOA Grants Committee statewide conference calls, 1/11, 2/7 & 3/1.
 - Conference calls with ARB and local air districts regarding the use of future CMP state-reserve funds for school bus projects, 1/24 & 2/28.
 - Webinar on California Phase 2 Greenhouse Gas (GHG) regulations, 2/6.
 - Conference calls with ARB and local districts regarding CMP guideline revision process, 2/8, 2/9, 3/9 & 3/16.
- Staff submitted:
 - An application to ARB for participation in Year 19 of the CMP, 1/27.
 - A grant disbursement request to ARB for \$2,565,000 in CMP Year 17 multi-district funds, 2/21, and received payment, 3/27.

- Staff met with contractors to discuss updating the online application system to reflect the draft CMP guidelines, 3/10.
- Staff sent out notifications to grantees of low-usage for underperforming projects, 3/24.

Goods Movement Program (GMP)

- Staff opened the 3rd application period for GMP Year 5 equipment (trucks, locomotives, TRUs, and cargo-handling) projects. Applications for most project categories are due by June 30th (locomotive applications are due by May 31st), 3/1.
- Staff updated the GMP online application system with changes for the GMP Year 5 truck program third solicitation, 2/8.
- GMP outreach conducted:
 - Staff presented an update to Port of Oakland business owners about the Year 5 Program and information about alt-fuel trucks and other equipment, 1/9.
 - Staff sent approximately 1,100 email messages about the launch of the third solicitation for the Year 5 Program, 3/7.
 - Staff sent more than 17,500 postal brochures and information letters about the third solicitation for the Year 5 Program, 3/16.
 - Staff attended the Port of Oakland Truck Working Group (TWG) meeting to publicize the current application period for Year 5, 3/20.
 - Staff conducted outreach in the San Leandro/Hayward area for equipment vendors and warehousing businesses, 3/20.
 - Staff completed outreach calls and emails to all existing GMP grantees and applicants about 2015-16 project status and new application cycle, 3/21-3/31.
- Staff participated in:
 - A conference call to discuss the draft GMP truck re-use program, 1/17.
 - Local Agency Calls with ARB and other participating air districts, 1/18 & 2/15.
 - GMP Truck reuse calls with the Sacramento and San Luis Obispo air districts, 3/2, 3/10 & 3/22.
- Staff submitted the Air District's quarterly GMP reports to ARB, 1/24.
- YR5 - Staff completed final inspections and payments for twenty (20) small-fleet diesel truck replacement projects for 2016 (solicitations 1 & 2) for a total funding amount of \$932,995, 2/6.
- Staff executed a contract to install 16 electric plug-in stations for dairy truck TRUs in Alameda County, 1/5.

Grant Development

- AC Transit Fuel Cell Bus Project:
 - Staff prepared and provided to CTE our input on a press release for the Fuel Cell Electric Bus Commercialization Consortium that was released 2/13.
 - Staff attended a kick-off meeting with representatives from ARB, CTE, New Flyer, Ballard, Linde, AC Transit, OCTA, and South Coast AQMD for the Fuel Cell Electric Bus Commercialization Consortium Project. The Air District is providing \$1 million in match TFCA funding for the purchase of 10 AC transit fuel cell buses, 3/21.

- EFMP Plus Up:
 - Staff held a conference call with the following representatives:
 - Greenlining Institute to discuss a possible role in providing outreach to disadvantaged communities in the upcoming program, 1/3.
 - Clipper to discuss providing Clipper transit options for program participants, 1/5.
 - Environment California and Nutter Consulting to discuss outreach for the program, 1/19.
 - SCAQMD, SMAQMD, and SDAPCD to discuss coordinating an on-line system, 3/22.
 - ARB staff regarding the Air District's development of the plan, 3/28.
 - Staff participated in the ARB EFMP Plus-Up Workgroup for Fiscal Year 2017-18, 2/24.
- CEC Sustainable Freight Transportation Solicitation:
 - Staff held conference calls with EDI representatives to discuss a joint proposal, 1/5, 1/12 & 1/20.
 - Staff held a conference call with Konecranes, Calstart, Impact Transportation, and Port of Oakland representatives to discuss partnering on a proposal, 1/13.
 - Staff submitted a proposal in partnership with EDI and Hydrogenics to demonstrate eight zero, and near-zero emission drayage trucks at the Port of Oakland, 1/26. This proposal was not selected for award and staff held a debriefing with the CEC on the Air District's proposal along with its partners at EDI and Hydrogenics, 3/24.
- Commercial Lawn & Garden Equipment Exchange Program:
 - Staff provided participants in the first round of funding with the first of five annual surveys, 1/11.
- Goodwill Industries Electric Truck Deployment Project:
 - Staff held conference calls with representatives from:
 - ARB to discuss press releases and media events for the project, 1/11.
 - ARB and Goodwill Industries to discuss a media events to be held on April 7th at the Goodwill San Francisco store, 2/7.
 - ARB, Goodwill, BYD, and CTE regarding the press event, 3/7 & 3/27.
 - Staff met with representatives from Goodwill, ARB, and BYD to finalize outstanding items for the Goodwill Project Press Event, 3/23.
- Rethink Methane 2017 Symposium:
 - Staff participated in a discussion with the Rethink Methane 2017 hosts, GNA, and other panelists to coordinate a presentation by our Executive Director, 2/9.
 - Staff attended the Rethink Methane 2017 Symposium in Sacramento, 2/21.
- Meetings attended:
 - Staff held conference calls with representatives from:
 - Ports of Los Angeles and Long Beach regarding deployment of advanced technologies at California ports, 1/12.
 - Wind + Wing to discuss upcoming funding opportunities from ARB, 2/14.

- Advanced Energy Machines and CleanFuture, Inc. to discuss partnering on upcoming ARB solicitations to demonstrate their zero-emission solar-powered TRUs, 3/17.
- Staff participated in the following meetings and events:
 - ARB Low Carbon Transportation and Fuels Investments and the AQIP FY 2016/17 Funding Plan, Off-Road Advanced Technology Demonstration Projects workgroup meeting, 1/18.
 - Government H2 Update call with representatives from ARB, CEC, DOE, and SCAQMD, 2/2.
 - ARB Work Group Meetings for Development of FY 2017/18 Light-Duty Vehicle Equity Pilot Projects, 2/14 & 3/17.
 - ARB Heavy-Duty Three-Year Plan Work Group Teleconferences, 2/15 & 3/16.
 - ARB HVIP and Low NOx Engine Incentives Public Work Group Meeting, 2/16.
 - ARB Heavy-Duty Projects Work Group for Fiscal Year 2017-18 teleconference, 2/23.
 - California Transportation Commission's California Freight Investment Program Workshop held at the Bay Metro Center, 2/28.
 - CEC pre-application workshop for Grant Funding Opportunity GFO-16-605, Innovative Mobility Service Demonstrations with Zero-Emission Vehicles, 3/23.
- Staff attended a media event for the eLion battery-electric school bus at EPRI's headquarters in Palo Alto, along with representatives from local school districts, eLion Buses, and government officials from Quebec, where the vehicles are currently manufactured, 1/31.

Lower Emission School Bus Program (LESBP)

- Staff initiated payment of \$59,544 for the replacement of CNG tanks for three MY 2002 public school buses for Evergreen Elementary School District (Santa Clara Co.), 2/2.
- Staff worked with ARB to get school bus data for the Bay Area fleet, 2/17.
- Staff attended the statewide teleconference, 2017 Carl Moyer Program State Reserve Project Solicitation, related to funding school bus projects, 2/28.
- Staff executed contracts with:
 - Evergreen Elementary School District to replace CNG tanks on 6 buses for \$119,388, 3/21
 - San Mateo Forster City School District to replace CNG tanks on 4 buses for \$80,000, 3/21.

Transportation Fund for Clean Air (TFCA) County Program Manager

- Staff attended and presented updates on the Regional Fund, County Program Manger Fund, and Commuter Benefits Program at the January Bay Area CMA Directors Meeting, 1/27, Oakland.

- Staff held a working group meeting with the nine CMAs to discuss and collect feedback on the draft FYE 2018 Regional Fund and FYE 2019 County Program Manager Fund Policies, 2/15.
- Staff teleconferenced with representatives from Alameda County Transportation Commission to discuss the coordination between the two agencies on grant programs, 3/2.

TFCA Regional Fund Program & Air District Sponsored Programs

- Staff issued draft proposed TFCA Regional Fund Policies and Evaluation Criteria for FYE 2018 for public comment. Nine sets of comments were received by the deadline, 3/13.
 - Staff hosted online webinars to review updates and collect feedback on the draft proposed FYE 2018 TFCA Regional Fund policies, 2/15 & 3/2.
 - Staff held a meeting with the FYE 2017 Shuttle & Ridesharing project sponsors to review proposed updates and collect feedback on the draft FYE 2018 TFCA Regional Fund policies, 2/14.
- ***Plug-in Electric Vehicle (PEV) Programs:***
 - Staff attended the:
 - Smart e-Mobility Conference hosted by the Government of the Netherlands and the Air District to discuss the use of Big Data, EV Technologies, Smart Charging and Alternative Mobility Solutions as methods of reducing congestion and air emissions, 1/9.
 - Webinar sponsored by CALSTART on the Major New California Utility Investment Plans for Commercial EV Infrastructure, 2/13.
 - Tour of the GoMentum Station in Concord, where the Shared Autonomous Vehicle Project is conducting testing, 2/23.
 - Kick-off meeting hosted by the PEV Collaborative on the 2017 Best.Drive.EVer! electric car ride-and-drive campaign, 3/14.
 - Webinar on electric vehicles and the electric power industry, hosted by ICCT, 3/16.
 - Staff met with representatives from:
 - Kearns & West, Inc. and Metropolitan Transportation Commission (MTC) to plan for EV Council meetings, 1/24, 2/7, 2/21, 3/7 & 3/21.
 - PG&E to discuss their EV Charge program and opportunities for project sponsors to combine funds, 1/31.
 - City of Palo Alto Utilities to discuss their EV infrastructure program and opportunities for project sponsors to combine funds, 2/1.
 - MTC to discuss opportunities for coordination of grant programs 1/26, 3/10, and a request for DMV data to support MTC's Vital Signs program, 3/10.
 - MTC and PG&E representatives to discuss coordination on PEV grant programs from all three organizations, 2/15.
 - City of San Francisco and the Treasure Island Development Authority to discuss potential grants for charging stations, 3/27.

- City of LA to discuss the results of a multi-city Request for Information on PEVs, 3/28.
- Staff participated in the following meetings and events:
 - Conference call with NorthCAT to discuss local activity and future funding opportunities for alternative fuel vehicle projects, 1/30.
 - Panel discussion on Transportation Electrification and electric vehicles at the Local Government Sustainable Energy Coalition forum, Benicia, 3/29.
- Staff worked with San Joaquin and South Coast air districts to submit a statewide proposal to Volkswagen's *Electrify America* zero-emission vehicle settlement fund, 1/13.
- Staff submitted an abstract on the Bay Area's EV adoption experience for the EVS30 conference, 1/19.
- Staff issued the solicitation on February 27th for the FYE 2017 *Charge!* Program, which provides funding to purchase, install, and operate PEV Charging Stations. Applications will be accepted until July 28th, 2017, unless funds are exhausted earlier.
- Staff and MTC hosted the EV Coordinating Council meeting at the Bay Metro Center attended by 33 people with an additional 21 attendees participating via the webinar, 2/22.
- Staff hosted pre-application webinars for the *Charge!* Program, with a total of 175 attendees, to discuss the program requirements, application process, and evaluation criteria, 2/27, 3/15 & 3/28.
- Staff teleconferenced with ChargePoint representatives to discuss their projects that will build electric vehicle fast charging station hubs in the Bay Area, 3/2.
- ***FYE 2017 Trip Reduction Program:*** In total, the Air District has recommended for award/awarded approximately \$4,300,000 in TFCA funds to support trip reduction shuttle and rideshare services, 1/24.
 - Staff attended:
 - Quarterly TDM Working Group meeting hosted by MTC to discuss extending commuter benefits and several pilot trip reduction projects, 1/19.
 - MTC's workshop on Shared Use Mobility, 1/27, Oakland.
 - Active Transportation Working Group meeting to discuss the Bikeshare expansion status and the Air District's upcoming bikeways grant program, 3/16.
 - Staff met with representatives from BikeHub and Bikeep to discuss secure bicycle parking products and the possibility of being involved in the Bicycle Rack Voucher Program, 1/24.

Wood Smoke Reduction Incentive Program:

- Staff has reviewed more than 1,760 applications as of 3/31:
 - 1,342 projects have been issued Notices to Proceed and awarded funds totaling \$2.5 million.
 - Approximately \$1.5 million has been awarded to homeowners that meet one or more Highly Impacted Residence criteria.

- 449 projects have been completed and are being processed for reimbursement.
- Additional applications continue to be reviewed from the waitlist.
- Staff participated in the CAPCOA Woodstoves Workgroup meeting to discuss potential State funding for a woodstove change out program, 1/31.
- Staff teleconferenced with representatives from Marin County to discuss the current program status and to coordinate applications for both the Marin and the Air District's Wood Smoke Reduction Grant programs, 2/10 & 3/7.
- Staff met with representatives from ABAG to discuss coordinated outreach for their Energy Efficiency Program, 3/21.

Additional Outreach and Events:

- Staff met with representatives from:
 - Alameda County Supervisor Scott Haggerty's office to discuss Air District grant programs, 1/3.
 - Sonoma Technologies, Inc. to discuss grant management production systems service options.
- Staff attended the following meetings and events:
 - Electric & Hybrid Marine World Expo 2017, 1/16-1/18, Tampa, FL.
 - Air District Open Houses on the Clean Air Plan to share information about available grant programs, 2/6, 2/8.
 - Goods Movement Executive Team Meeting, Oakland, 2/16.
 - California Stationary Fuel Cell Collaborative Core Group meeting in Sacramento to discuss strategies and policies to promote the adoption of Fuel Cell technologies, 3/13.
 - Connected and Automated Vehicles Workshop hosted by MTC, 3/17.
 - Contra Costa Transportation Authority (CCTA) Share Autonomous Vehicle (SAV) project stakeholders monthly meeting, Walnut Creek, 3/23.
- Staff hosted a booth at the Business Faire sponsored by the Dublin Chamber of Commerce and the City of Dublin, Dublin, 3/15.
- Staff discussed Air District funding opportunities at the Regional Roundtable on Sustainable Streets, Oakland, 3/28.
- Staff participated in a panel discussion on Rolling Out Shared Autonomous Vehicles at the Redefining Mobility Summit 2017, San Ramon, 3/30.
- Acterra Awards:
 - Staff participated as judges in the Acterra Award kickoff meeting, 1/10.
 - Staff participated in interviews of Acterra Award contestants for the following businesses: Enlightened, 1/30, Rothy's, 2/3, and Impossible Foods, 2/7.
 - Staff visited Streetwyze in Oakland, as judges, to learn about their business, 2/8.

**METEOROLOGY, MEASUREMENT & RULES DIVISION
E. STEVENSON, DIRECTOR**

Air Quality

During the 1st quarter of 2017, there were no exceedances of the national 24-hour 35 $\mu\text{g}/\text{m}^3$ PM_{2.5} standard. Three Winter Spare the Air Alerts were called (January 17, January 30, and February 1). During January, February, and early March of 2017, frequent storms moved through the Bay Area. During the 1st quarter, San Francisco Airport received 19.72 inches of rainfall from January through March, while Santa Rosa received 37.09 inches and San Jose received 12.34 inches. During this time period, there were fifteen days at or below freezing in Santa Rosa. In contrast, during the same period in 2015, Santa Rosa only recorded 1.4 inches of rainfall and there were 24 days at or below freezing.

During the winter season of 2016-17 (November 1st through February 28th), there were seven Winter Spare the Air Alerts issued and no days over the standard. In the winter of 2015-16, there was one Winter Spare the Air Alert and no days over the standard. In the winter of 2014-15, there were 23 Winter Spare the Air Alerts issued and 6 days over the standard.

Air Monitoring

Twenty-seven air monitoring sites were operational from January through March 2017. Six ozone-focused sites were on winter ozone waiver approved by EPA, including Hayward, Fairfield, Los Gatos, San Martin, Gilroy, and San Ramon. Construction and electrical work at the new Pittsburg Special Purpose Monitoring (SPM) site and at the I-580 Near Roadway site in Pleasanton was completed and instrumentation was selected, tested, and is ready for installation. Both sites are expected to come online during the 2nd quarter of 2017. At the end of the quarter, an ongoing project related to ozone was completed at the Patterson Pass Special Purpose Monitor (SPM) site and instrumentation was taken offline.

The Air Monitoring Section continued to work with UC Berkeley on a project involving the collocation of small black carbon sensors with Air District operated black carbon samplers at the Laney College and West Oakland sites continued a collocation of these sensors at the Bethel Island site.

Two new staff members joined the Air Monitoring team, the result of recruitments that began in 2016. Brett Yamaichi filled an Air Quality Instrument Specialist position, filling a vacancy left by a retirement. Natalie LaGuardia joined Air Monitoring, transferring from Strategic Incentives to fill a new Staff Specialist position. A recruitment for a new Senior Air Quality Instrument Specialist position associated with Community Monitoring began and will continue into the 2nd quarter.

Performance Evaluation

The Performance Evaluation Group conducted EPA-mandated performance audits at 20 Air District air monitoring stations, verifying 70 separate parameters during the 1st Quarter of 2017. The National Air Quality System Database was updated with all audit results.

Ground-Level Monitoring (GLM) audits of Hydrogen Sulfide (H₂S) and Sulfur Dioxide (SO₂) analyzers were conducted near the Chevron, Tesoro, and Valero Refineries. Audits were performed at 13 GLM locations, and 26 gas analyzers were tested. All of the GLM gas analyzers tested met Air District's performance audit criteria.

Laboratory

During the first quarter, the laboratory continued to reduce backlogs of analyses caused by the relocation of the laboratory to 375 Beale.

In addition to routine, ongoing analyses, the laboratory performed 6 analyses in support of various Compliance and Enforcement efforts.

Rule Development Program

Refinery Rules

On December 16, 2015, the Board unanimously approved the first phase of the Refinery Emission Reduction Strategy which will reduce refinery emissions by 14%. These rules included: Regulation 6-5: Fluid Catalytic Cracking Units, Regulation 8, Rule 18: Equipment Leaks and Regulation 11, Rule 10: Cooling Towers. Staff continues to meet with refinery operators on the implementation of these rules.

On April 20, 2016, the Board adopted Regulation 9, Rule 14: Petroleum Coke Calcining Operations which will further reduce refinery industry emissions between 1 and 3%. The Board also adopted Regulation 12, Rule 15: Petroleum Refining Emissions Tracking which will require improved and expanded emissions inventories from Bay Area refineries and support facilities, expanded fence-line monitoring at the refineries and the review of the composition and property data for crude oil and feedstocks processed at the refinery.

On May 18, 2016, the Board adopted two new methods into the Manual of Procedures that may be used by the refineries to demonstrate compliance with Regulation 11, Rule 10: Cooling Towers. Regulation 11, Rule 10 listed three different methods for detecting leaks in refinery cooling towers. Two of those methods needed to be more precisely specified, the Board action on May 18, 2016 achieved that goal.

Air District staff continues to develop rules which will impact the refineries, including additional controls on stationary gas turbines and sources of sulfur dioxide in refinery operations. Staff plans to bring these rules to the Board for consideration in 2017 or early

2018. Staff recently accelerated the development of a combustion strategy rule to address concerns about possible increases in greenhouse gas (GHG) emissions at Bay Area refineries. The three key rules are detailed below.

Regulation 12, Rule 16: Petroleum Refining Facility-Wide Emissions Limits

At the July 20, 2016 meeting, the Board of Directors directed staff to develop regulatory language that represents a proposal by CBE and associated organizations to limit emissions from petroleum refining facilities and three support facilities using specific numeric limits on GHG, particulate matter (PM), oxides of nitrogen (NO_x) and sulfur dioxide (SO₂) at defined historic levels. Staff have been working closely with CBE and their associates to define the proposal and develop appropriately representative language. A final proposed version of Regulation 12, Rule 16 (Rule 12-16) was published on March 24, 2017 along with the final draft staff report, socioeconomic analysis and a draft Environmental Impact Report covering both Rule 12-16 and Regulation 11, Rule 18 (Rule 11-18). The Air District will take comments on these documents until May 8, 2017. Rule 12-16 will be prepared for Board consideration on May 31, 2017.

Regulation 11, Rule 18: Reduction of Risk from Air Toxic Emissions at Existing Facilities

Staff is developing a rule that would significantly reduce toxic emissions from sources such as refineries, metal melting facilities, and stationary diesel generators. Rule 11-18 would apply to all facilities whose emissions of toxic air contaminants may result in a significant risk to nearby residents and workers. The purpose of Rule 11-18 is to set toxic air contaminant caps for those facilities causing the highest health impacts across the Bay Area, including refineries, and to require these facilities to reduce that health risk.

Staff is planning to de-couple the schedule for Rule 11-18 from Rule 12-16. More time is required to address concerns from a wide variety of stakeholders including hospitals and Clean Water Agencies. Staff will bring Rule 11-18 to the Board for consideration in September of 2017.

Regulation 13, Rule 1: Refinery Carbon Intensity Limits

Refineries are the largest stationary sources of combustion emissions in the Air District. When fossil fuels are burned, they generate GHG and criteria pollutants such as PM, NO_x, and SO₂. Combustion emissions from refineries will need to be addressed in order to attain and maintain ambient air quality standards and to meet Air District and statewide goals for reducing GHG emissions.

Regulation 13, Rule 1 (Rule 13-1) would serve as the initial step to limit and reduce combustion emissions in the Bay Area. The goals of the rule are as follows:

1. Require refineries to implement cost-effective energy efficiency measures to reduce combustion emissions.

2. Ensure refinery combustion emissions do not increase on a per-barrel basis, using GHG emissions as an indicator. This would prevent significant increases in combustion emissions due to process and feedstock changes such as making a wholesale switch to heavier and more sulfurous feedstocks (e.g. crude oil from Canadian tar sands).

Given the partially overlapping goals of Rule 12-16 and Rule 13-1, Staff is accelerating development of Rule 13-1 for the Board's consideration. On March 24, 2017, staff published a draft of Rule 13-1 along with a workshop report. We will take comments on these documents until April 21, 2017. The Rule will be ready for consideration by the Board in the 4th Quarter of this year.

Other Proposed Rules/Rule Amendments

Staff is developing a package of particulate matter reduction rules to address sources such as dust from construction and materials handling, asphalt operations and storage and transport of coke, coal and other bulk materials. The initial round of workshops for these rules has been completed. These rules were presented to the Stationary Source Committee on April 17th. The rules will be brought to the Board for action in the summer or fall of this year.

Additional rule development tasks are also being identified and scheduled for 2017 and 2018 for Executive Management review and input.

Other Climate Rulemaking

Work has also begun on new rules addressing key Bay Area sources of greenhouse gases. One rule would be a general prohibition on excessive methane leaks. Staff is also working on a rule to reduce methane, air toxics and other organic emissions from oil and natural gas production facilities. This rule will be more stringent than the rule recently proposed by the Air Resources Board. In addition, staff are working with the Air Resources Board and the California Public Utility Commission (CPUC) on their rulemaking designed to reduce methane leaks from the natural gas distribution network. Staff is also developing a strategy to address methane emissions from waste processing facilities. This suite of rules will address landfills, composting facilities and Publicly Owned Treatment Works (POTWs). Staff continues to work with the Air Resources Board as they develop their Scoping Plan, outlining a state-wide path forward to deal with climate change.

Clean Air Plan

Staff finalized their work on the stationary source control measures in the Clean Air Plan, updating them and developing responses to comments.

Source Test

The Source Test Section continued to provide support formulating new methodology for evaluation of Heavy Liquid Service leaks.

Seventeen Regulation 9, Rule 10 carbon monoxide (CO) source tests were done by the Air District's Continuous Emissions Monitoring (CEM) group: four at Phillips 66, ten at Chevron, and three at Tesoro.

Source Test staff continued support of the study of Heavy Liquid Fuels from refinery component leaks.

Routine Source Test Sections duties continued which include:

- Performance of CEM Field Accuracy Tests on monitors installed at large source emission points.
- Performance of source tests to determine emissions of precursor organic compounds, filterable particulate matter and toxic air contaminants.
- Performance of tests to assess the compliance status of gasoline cargo tanks, gasoline dispensing facilities, gasoline terminal loading and vapor recovery systems.
- Evaluation of independent contractor conducted source tests to determine report acceptability and source compliance.

STATISTICS

Administrative Services:**Accounting/Purchasing/Comm.**

General Checks Issued	1,528
Purchase Orders Issued	393
Checks/Credit Cards Processed	4,092
Contracts Completed	80
RFP's	3

Executive Office:

Meetings Attended	184
Board Meetings Held	4
Committee Meetings Held	14
Advisory Council Meetings Held	1
Hearing Board Meetings Held	0
Variances Received	0

Information Systems

New Installation Completed	5
PC Upgrades Completed	0
Service Calls Completed	699

Human Resources

Manager/Employee Consultation (Hrs.)	350
Management Projects (Hrs.)	400
Employee/Benefit Transaction	500
Training Sessions Conducted	3
Applications Processed	302
Exams Conducted	7
New Hires	9
Promotions	2
Payroll Administration (Hrs.)	600
Safety Administration	15
Inquiries	4,000

Facility/Vehicle

Request for Facility Service	77
Vehicle Request(s)/Maintenance	4

Compliance Assistance and Operations Program

Asbestos Plans Received	1,541
Coating and other Petitions Evaluated	4
Open Burn Notifications Received	634
Prescribed Burn Plans Evaluate	2
Tank/Soil Removal Notifications Received	18
Compliance Assistance Inquiries Received	31
Green Business Reviews	1
Refinery Flare Notifications	6

Compliance Assurance Program

Industrial Inspections Conducted	1,402
Gas Station Inspections Conducted	457
Asbestos Inspections Conducted	709
Open Burning Inspections Conducted	82
PERP Inspections Conducted	14
Mobile Source Inspections	131
Grants Inspections Conducted	115

Engineering Division:

Annual Update Packages Completed	839
New Applications Received	249
Authorities to Construct Issued	121
Permits to Operate Issued	212
Exemptions	7
New Facilities Added	128
Registrations (new)	16

Communications and Public Information:

Responses to Media Inquiries	44
Events staffed with Air District Booth	3

Community Engagement:

Presentations Made	5
Visitors and Air District Tours	26

STATISTICS (CONTINUED)

Compliance and Enforcement Division:**Enforcement Program**

Violations Resulting in Notices of Violations	238
Violations Resulting in Notice to Comply	9
New Hearing Board Cases Reviewed	1
Reportable Compliance Activity investigated	113
General Complaints Investigated	1,494
Woodsmoke Complaints Received	850
Mobile Source Violations	4

Meteorology Measurements & Rules:**1ST Quarter 2017 Ambient Air Monitoring**

Days Exceeding Nat'l 24-hour PM _{2.5} Std.	0
Days Exceeding Nat'l 24-hour PM ₁₀ Std.	0
Days Exceeding State 24-hour PM ₁₀ Std.	0
Days Exceeding the Nat'l 8-hour Ozone Std.	0
Days Exceeding the State 1-hour Ozone Std.	0
Days Exceeding the State 8-hour Ozone Std.	0

Ozone Totals, Year to Date 2017

Days Exceeding State 1-hour Ozone Std.	0
Days Exceeding Nat'l 8-hour Ozone Std.	0
Days Exceeding State 8-hour Ozone Std.	0

Particulate Totals, Year to Date 2017

Days Exceeding Nat'l 24-hour PM _{2.5} Std.	0
Days Exceeding the Nat'l 24-hour PM ₁₀ Std.	0
Days Exceeding State 24-hour PM ₁₀ Std.	0

PM_{2.5} Winter Season Totals for 2017-2018

Days Exceeding Nat'l 24-hour PM _{2.5} Std.	0
---	---

1st Quarter 2017 Agricultural Burn Days

Jan.- March Permissive Burn Days – North	73
Jan.-March No-Burn Days – North	17
Jan.-March Permissive Burn Days – South	77
Jan.-March No-Burn Days – South	13
Jan.-March Permissive Burn Days – Coastal	73
Jan.-March No Burn Days – Coastal	17

Laboratory

Sample Analyzed	881
Inter- Laboratory Analyses	2

Technical Library

Titles Indexed/Cataloged	0
Periodicals Received/Routed	0

Source Test

Cargo Tank Tests Performed	80
Total Source Tests	20
Pending Source Tests	4
Violation Notices Recommended	9
Contractor Source Tests reviewed	3,913
Outside Test Observed	18
Violation Notices Recommended After Review	14

Continuous Emissions Monitoring (CEM)

Indicated Excess Emission Report Eval.	17
Monthly CEM Reports Reviewed	112
Indicated Excesses from CEM	9
Field Accuracy Tests Performed	43

Ground Level Monitoring (GLM)

Jan.-March Ground Level Monitoring SO ₂ Excess Reports	0
Jan.-March Ground Level Monitoring H ₂ S Excess Reports	9

These facilities have received one or more Notices of Violations
Report period: January 1, 2017 – March 31, 2017

Alameda County				
Status				
Date	Site #	Site Name	City	Regulation Title
1/23/2017	Y6655	SFD	Fremont	Asbestos; Wetting Method
2/8/2017	Y5906	Belfor Environmental	Hayward	Asbestos; Schedule Changes and Updates
1/31/2017	C9906	Metro Shop & Gas #2	Oakland	Permit to Operate
3/9/2017	B2749	CertainTeed Corporation	Fremont	Failure to Meet Permit Conditions
2/10/2017	C8826	Golden Bay Gas & Food	Oakland	Failure to Meet Permit Conditions
1/4/2017	Y4872	Vladimir & Kristina Galante	Castro Valley	Mandatory Burn Ban
1/9/2017	Y4884	Harold Pattie Jr & Marlene Heilpattie	Castro Valley	Mandatory Burn Ban
1/4/2017	X0471	Carlos/Maria Flores	Castro Valley	Mandatory Burn Ban
1/4/2017	Y4891	Donley-Uitti	Oakland	Mandatory Burn Ban
1/4/2017	Y4873	Robyn L Dondero	Oakland	Mandatory Burn Ban
1/4/2017	Y4891	Donley-Uitti	Oakland	Mandatory Burn Ban
2/17/2017	C0121	Standard Petroleum #833	Berkeley	GDF; Phase I Requirements
2/17/2017	C0121	Standard Petroleum #833	Berkeley	GDF; Phase II Requirements
Contra Costa County				
Status				
Date	Site #	Site Name	City	Regulation Title
1/10/2017	A0016	Phillips 66 Company - San Francisco Refinery	Rodeo	Standards for New Stationary Sources
1/10/2017	A0016	Phillips 66 Company - San Francisco Refinery	Rodeo	Standards for New Stationary Sources
1/10/2017	A0016	Phillips 66 Company - San Francisco Refinery	Rodeo	Standards for New Stationary Sources
3/21/2017	A0010	Chevron Products Company	Richmond	Parametric Monitoring and Recordkeeping
3/21/2017	A0010	Chevron Products Company	Richmond	Parametric Monitoring and Recordkeeping
2/10/2017	B1911	C & H Sugar Company, Inc	Crockett	Authority to Construct
2/10/2017	B1911	C & H Sugar Company, Inc	Crockett	Permit to Operate
1/9/2017	Y6071	SIMs Metal Management	Richmond	Permit to Operate
3/15/2017	B0742	John Muir Medical Center	Walnut Creek	Failure to Meet Permit Conditions
2/9/2017	B7419	Air Liquide Large Industries US LP	Rodeo	Non-Compliance; Major Facility Review
3/10/2017	A0016	Phillips 66 Company - San Francisco Refinery	Rodeo	Non-Compliance; Major Facility Review
1/10/2017	B7419	Air Liquide Large Industries US LP	Rodeo	Non-Compliance; Major Facility Review
1/23/2017	A0010	Chevron Products Company	Richmond	Ringelmann No. 1 Limitation
1/23/2017	A0010	Chevron Products Company	Richmond	Ringelmann No. 1 Limitation
1/23/2017	A0010	Chevron Products Company	Richmond	Opacity Limitation
2/8/2017	Y5483	Resident	Concord	Mandatory Burn Ban
1/9/2017	Y6160	SIMs Metal Management	Richmond	Storage Tank Control Requirements
3/15/2017	A1753	John Muir Health - Concord Campus	Concord	Initial Demonstration of Compliance
3/15/2017	A1753	John Muir Health - Concord Campus	Concord	Initial Demonstration of Compliance
3/15/2017	A1753	John Muir Health - Concord Campus	Concord	Monitoring and Records; Periodic Testing
3/15/2017	A1753	John Muir Health - Concord Campus	Concord	Monitoring and Records; Periodic Testing
3/15/2017	B0742	John Muir Medical Center	Walnut Creek	Monitoring and Records; Periodic Testing
Marin County				
Status				
Date	Site #	Site Name	City	Regulation Title
2/16/2017	Y5924	Marin Country Club	Novato	Failure to Meet Permit Conditions
1/3/2017	W3122	Michael/Melinda Wilkerson	Fairfax	Mandatory Burn Ban
2/1/2017	Y5489	Resident	Forest Knolls	Mandatory Burn Ban
1/3/2017	W3983	Recipient	Forest Knolls	Mandatory Burn Ban
1/4/2017	Y4887	Resident	Lagunitas	Mandatory Burn Ban
2/8/2017	Y5468	Resident	Nicasio	Mandatory Burn Ban
2/1/2017	Y5674	Delmo Esposti	Novato	Mandatory Burn Ban
2/1/2017	Y5496	Resident	Novato	Mandatory Burn Ban
2/1/2017	Y5671	Ivan Johnson	Novato	Mandatory Burn Ban
2/1/2017	X0294	Recipient	Olema	Mandatory Burn Ban
2/14/2017	Y5514	Resident	Olema	Mandatory Burn Ban
1/3/2017	Y4789	Resident	San Geronimo	Mandatory Burn Ban
2/8/2017	Y5485	Resident	Woodacre	Mandatory Burn Ban
1/3/2017	T2467	Resident	Woodacre	Mandatory Burn Ban
3/8/2017	Y6177	The city of Novato	Novato	GDF; Phase I Requirements

These facilities have received one or more Notices of Violations
Report period: January 1, 2017 – March 31, 2017
(continued)

Napa County				
Status				
Date	Site #	Site Name	City	Regulation Title
3/22/2017	Y6588	Kelitam Vinetards	Oakville	Open Burning; Prohibition of Fires
3/16/2017	Y6582	Ehlers Estates	Saint Helena	Open Burning; Prohibition of Fires
2/28/2017	Y5946	Owner	Calistoga	Open Burning; Administrative Requirements
San Francisco County				
Status				
Date	Site #	Site Name	City	Regulation Title
1/9/2017	Y5346	City & County of San Francisco Purchasing De	San Francisco	Permit to Operate
1/23/2017	C8238	Downtown Center Garage - Stan Mackewicz	San Francisco	GDF; Phase I Requirements
San Mateo County				
Status				
Date	Site #	Site Name	City	Regulation Title
1/13/2017	Y4949	Sharp Park Golf Course	Pacifica	Permit to Operate
2/27/2017	B6807	Sears, #1478	San Bruno	Permit to Operate
2/28/2017	D1924	Oyster Point Marina	South San Francisco	Failure to Meet Permit Conditions
1/3/2017	Y4886	Resident	Atherton	Mandatory Burn Ban
2/2/2017	Y5388	Lisa Candee	Belmont	Mandatory Burn Ban
1/17/2017	Y5454	Gerald Lee	El Granada	Mandatory Burn Ban
2/2/2017	Y5391	Jesse Germano	Redwood City	Mandatory Burn Ban
2/2/2017	Y5393	Robert & Kristin Sweeney	Redwood City	Mandatory Burn Ban
2/2/2017	Y5392	James & Marie Griffith	Redwood City	Mandatory Burn Ban
1/3/2017	W3042	Recipient	Half Moon Bay	Mandatory Burn Ban
2/1/2017	Y5384	Resident	Half Moon Bay	Mandatory Burn Ban
2/1/2017	Y5495	Recipient	Montara	Mandatory Burn Ban
2/1/2017	Y5402	Cedric & Magdalena Collett	Pacifica	Mandatory Burn Ban
2/2/2017	Y5392	James & Marie Griffith	Redwood City	Mandatory Burn Ban
2/2/2017	Y5391	Jesse Germano	Redwood City	Mandatory Burn Ban
2/2/2017	Y5393	Robert & Kristin Sweeney	Redwood City	Mandatory Burn Ban
2/2/2017	Y5392	James & Marie Griffith	Redwood City	Mandatory Burn Ban
2/2/2017	Y5391	Jesse Germano	Redwood City	Mandatory Burn Ban
2/2/2017	Y5393	Robert & Kristin Sweeney	Redwood City	Mandatory Burn Ban
1/5/2017	Y4913	James Hogan	Half Moon Bay	Visible Emissions Limitation
Santa Clara County				
Status				
Date	Site #	Site Name	City	Regulation Title
3/10/2017	E2518	SPG Center, LLC	Palo Alto	Permit to Operate
1/12/2017	A0017	Lehigh Southwest Cement Company	Cupertino	Ringelmann No. 1 Limitation
1/9/2017	Y4885	Loren Alberico	Monte Sereno	Mandatory Burn Ban
1/9/2017	Y4885	Loren Alberico	Monte Sereno	Mandatory Burn Ban

These facilities have received one or more Notices of Violations
Report period: January 1, 2017 – March 31, 2017
(continued)

Solano County				
Status				
Date	Site #	Site Name	City	Regulation Title
2/9/2017	D1182	Gas & Shop	Vallejo	Permit to Operate
1/26/2017	A2284	Solano Community College	Fairfield	Failure to Meet Permit Conditions
1/26/2017	A2284	Solano Community College	Fairfield	Failure to Meet Permit Conditions
1/9/2017	Y4878	Resident	American Canyon	Mandatory Burn Ban
1/9/2017	Y4875	Kathleen Henderson	American Canyon	Mandatory Burn Ban
1/9/2017	Y4881	Resident	Benicia	Mandatory Burn Ban
2/1/2017	Y5401	Graciano & E G D Garcia	Fairfield	Mandatory Burn Ban
1/5/2017	Y4894	Schall Ruth A Estate	Fairfield	Mandatory Burn Ban
2/1/2017	Y5403	Resident	Fairfield	Mandatory Burn Ban
1/5/2017	Y4912	John & Barbara Christianson	Fairfield	Mandatory Burn Ban
1/5/2017	Y4901	Michael & Ada Donnoe	Fairfield	Mandatory Burn Ban
1/9/2017	Y4876	Resident	Vallejo	Mandatory Burn Ban
Sonoma County				
Status				
Date	Site #	Site Name	City	Regulation Title
1/21/2017	B0115	Advanced Tech Collision	Santa Rosa	Permit to Operate
1/4/2017	C7941	City of Sebastopol	Sebastopol	Failure to Meet Permit Conditions
2/27/2017	Y6087	Santa Rosa Golf & County Club	Santa Rosa	Failure to Meet Permit Conditions
3/10/2017	Y6086	Fleet Operations Division	Santa Rosa	Failure to Meet Permit Conditions
3/1/2017	Y6025	NBT Pacific Pride	Santa Rosa	Failure to Meet Permit Conditions
1/4/2017	C7941	City of Sebastopol	Sebastopol	Failure to Meet Permit Conditions
2/6/2017	Y5282	SFD	Santa Rosa	Open Burning; Prohibition of Fires
1/11/2017	Y4914	Morris M & Charlotte Pimentel	Sebastopol	Mandatory Burn Ban
1/3/2017	Y4755	Michael D. Mascarenas	Sebastopol	Mandatory Burn Ban
2/1/2017	Y5386	Resident	Petaluma	Mandatory Burn Ban
2/8/2017	Y5469	Resident	Petaluma	Mandatory Burn Ban
2/8/2017	Y5470	Resident	Petaluma	Mandatory Burn Ban
2/8/2017	Y5460	Resident	Santa Rosa	Mandatory Burn Ban
2/8/2017	Y5455	Cheryl Brooks	Santa Rosa	Mandatory Burn Ban
1/3/2017	Y4755	Michael D. Mascarenas	Sebastopol	Mandatory Burn Ban
2/1/2017	Y5404	Resident	Windsor	Mandatory Burn Ban
2/8/2017	Y5467	Resident	Windsor	Mandatory Burn Ban

**Closed Notice of Violations with Penalties by County
January 1, 2017 – March 31, 2017**

Alameda				
Site Name	Site #	City	Penalty Amount	# of Violations Closed
A B Construction	Y4816	Oakland	\$250	1
American Technologies	L3951	Hayward	\$1,500	2
City of Union City Maint Facility	Y3002	Union City	\$2,500	1
Convenience & Petroleum, Inc.	Y2811	Hayward	\$2,500	2
Donley-Uitti	Y4891	Oakland	Passed Wood Smoke Course	1
Elements Petroleum	Y4948	Berkeley	\$500	1
Gaylord's Caffe Espresso	E1279	Oakland	\$600	1
Harold Pattie Jr & Marlene Heilpattie	Y4884	Castro Valley	Passed Wood Smoke Course	1
Premier Gasoline and Snacks	W1733	San Leandro	\$5,000	1
Quanta Computer USA Inc	E3426	Fremont	\$15,000	3
Recipient	Y4739	Hayward	\$100	1
Russell City Energy Co, LLC	B8136	Hayward	\$30,000	2
Safety-Kleen of California, Inc	A1190	Newark	\$5,000	2
SB Gas & Wash Management	Y2665	Union City	\$1,500	1
SC Summerwood Rd	Y4230	Oakland	\$250	1
TEC of California	Y2681	Oakland	\$1,000	1
United Pacific APR-LLC	Y3073	Oakland	\$1,500	2
Vladimir & Kristina Galante	Y4872	Castro Valley	Passed Wood Smoke Course	1
			Total Violations Closed:	25

Closed Notice of Violations with Penalties by County
January 1, 2017 – March 31, 2017
(continued)

Contra Costa				
Site Name	Site #	City	Penalty Amount	# of Violations Closed
All Star Gasoline	C7695	Concord	\$1,250	2
Crockett Cogeneration, A Cal Ltd Partnership	A8664	Crockett	\$10,000	1
EAG Laboratories	E3402	Hercules	\$4,000	2
George F & Ruby Tellsworth	Y4644	Alamo	Passed Wood Smoke Course	1
IBC Engineering & Construction	N4086	San Ramon	\$2,000	2
Jason G & Patricia Arguello	Y4677	El Sobrante	Passed Wood Smoke Course	1
KB Homes	X9406	San Ramon	\$12,500	2
Miguel Cruz/ Cecilia Godoy	Y4661	Rodeo	Passed Wood Smoke Course	1
Shell Chemical LP	B2870	Martinez	\$15,000	1
StoneMor California Subsidiary, Inc	A2634	Lafayette	\$5,250	2
Sun Valley Chevron	Y5394	Pleasant Hill	\$4,500	1
Walnut Creek Gasoline	Y2678	Walnut Creek	\$3,000	1
			Total Violations Closed:	17

**Closed Notice of Violations with Penalties by County
January 1, 2017 – March 31, 2017
(continued)**

Marin				
Site Name	Site #	City	Penalty Amount	# of Violations Closed
Delmo Esposti	Y5674	Novato	Passed Wood Smoke Course	1
North Gate Gas	Y3626	San Rafael	\$250	1
Resident	Y5489	Forest Knolls	Passed Wood Smoke Course	1
Resident	Y5496	Novato	Passed Wood Smoke Course	1
Resident	T2467	Woodacre	Passed Wood Smoke Course	1
Resident	Y4789	San Geronimo	Passed Wood Smoke Course	1
Resident	Y4887	Lagunitas	Passed Wood Smoke Course	1
Resident	Y5485	Woodacre	Passed Wood Smoke Course	1
Resident	Y5514	Olema	Passed Wood Smoke Course	1
Total Violations Closed:				9
Napa				
Site Name	Site #	City	Penalty Amount	# of Violations Closed
Larry & Beverly Jones	Y4679	Angwin	Passed Wood Smoke Course	1
Martin E & Toni M Hunt	Y4764	Calistoga	Passed Wood Smoke Course	1
Resident	Y4776	Saint Helena	Passed Wood Smoke Course	1
Richard D & Mary Lisa Hayman	Y4757	Calistoga	Passed Wood Smoke Course	1
Wlises F Ramirez	Y4753	Angwin	Passed Wood Smoke Course	1
Total Violations Closed:				5

**Closed Notice of Violations with Penalties by County
January 1, 2017 – March 31, 2017
(continued)**

San Francisco				
Site Name	Site #	City	Penalty Amount	# of Violations Closed
Golden Gate Bridge, Highway & Transportation Distr	A6496	San Francisco	\$4,000	1
Nissan Infinity of San Francisco	Y3259	San Francisco	\$500	1
Ramses RC Gas	Y3985	San Francisco	\$500	2
TLK Steel Inc	E3516	San Francisco	\$100	1
		Total Violations Closed:		5
San Mateo				
Site Name	Site #	City	Penalty Amount	# of Violations Closed
Brenda Y Geertsema	Y4784	Pacifica	Passed Wood Smoke Course	1
Brian and Shalana Brinkman	Y4747	Pacifica	Passed Wood Smoke Course	1
Cedric & Magdalena Collett	Y5402	Pacifica	Passed Wood Smoke Course	1
Harry Anderson	Y4793	Atherton	\$100	1
James & Marie Griffith	Y5392	Redwood City	Passed Wood Smoke Course	1
Recipient	W3498	Montara	\$500	1
Reliance Construction	N4905	Burlingame	\$750	1
Resident	Y4886	Atherton	Passed Wood Smoke Course	1
Resident	Y5384	Half Moon Bay	Passed Wood Smoke Course	1
Royalite Manufacturing Inc	B0925	San Carlos	\$500	2
		Total Violations Closed:		11

**Closed Notice of Violations with Penalties by County
January 1, 2017 – March 31, 2017
(continued)**

Santa Clara				
Site Name	Site #	City	Penalty Amount	# of Violations Closed
Alum Rock Chevron	Y2310	San Jose	\$1,000	1
Isotech Environmental	P3703	San Jose	\$250	1
JWH Asbestos	Y5186	Campbell	\$2,500	1
Loren Alberico	Y4885	Monte Sereno	Passed Wood Smoke Course	1
North Capitol Ave Valero	X3377	San Jose	\$350	1
Veterans Administration Medical Center	Y3406	Palo Alto	\$20,000	1
Veterans Administration Medical Center	A0450	Palo Alto	\$20,000	3
Xiaohua Geng	Y4636	Campbell	Passed Wood Smoke Course	1
Total Violations Closed:				10

**Closed Notice of Violations with Penalties by County
January 1, 2017 – March 31, 2017
(continued)**

Solano				
Site Name	Site #	City	Penalty Amount	# of Violations Closed
Fairmont Memorial Park	A5791	Fairfield	\$1,000	1
Flyers	Y4947	Vallejo	\$1,500	1
Graciano & E G D Garcia	Y5401	Fairfield	Passed Wood Smoke Course	1
John & Barbara Christianson	Y4912	Fairfield	Passed Wood Smoke Course	1
Michael & Ada Donnoe	Y4901	Fairfield	Passed Wood Smoke Course	1
Resident	Y4876	Vallejo	\$100	1
Resident	Y4878	American Canyon	Passed Wood Smoke Course	1
Resident	Y4881	Benicia	Passed Wood Smoke Course	1
Resident	Y5403	Fairfield	Passed Wood Smoke Course	1
Schall Ruth A Estate	Y4894	Fairfield	Passed Wood Smoke Course	1
			Total Violations Closed:	10

Closed Notice of Violations with Penalties by County
January 1, 2017 – March 31, 2017
(continued)

Sonoma				
Site Name	Site #	City	Penalty Amount	# of Violations Closed
Cline Vineyards	Y5618	Sonoma	\$750	1
Creative Millwork and Design	E3507	Rohnert Park	\$1,500	2
CVE NB Contracting Group Inc.	W2528	Rohnert Park	\$5,000	2
Douglas M & Cheryl Anderson	Y4772	Santa Rosa	Passed Wood Smoke Course	1
Hadley Julie/Quider Kevin	Y4770	Santa Rosa	Passed Wood Smoke Course	1
Kevin Shaw	Y4660	Sebastopol	Passed Wood Smoke Course	1
Mark Dowell	Y4678	Santa Rosa	Passed Wood Smoke Course	1
Michael D. Mascarenas	Y4755	Sebastopol	Passed Wood Smoke Course	1
Morris M & Charlotte Pimentel	Y4914	Sebastopol	Passed Wood Smoke Course	1
Nicholas & Vina Leras	Y4778	Windsor	Passed Wood Smoke Course	1
Pedro Cardona & Maria Cerda	Y4642	Santa Rosa	Passed Wood Smoke Course	1
Recipient	Y4640	Sebastopol	Passed Wood Smoke Course	1
Recipient	W3334	Graton	Passed Wood Smoke Course	1
Resident	Y5386	Petaluma	Passed Wood Smoke Course	1

**Closed Notice of Violations with Penalties by County
January 1, 2017 – March 31, 2017
(continued)**

Sonoma				
Site Name	Site #	City	Penalty Amount	# of Violations Closed
Resident	Y5467	Windsor	Passed Wood Smoke Course	1
Resident	Y5469	Petaluma	Passed Wood Smoke Course	1
Resident	Y5470	Petaluma	Passed Wood Smoke Course	1
Robbin Cummins	Y4638	Windsor	Passed Wood Smoke Course	1
Robert K & Margaret A Tunstall	Y4771	Windsor	Passed Wood Smoke Course	1
Ronald & Deborah Wheeler	Y4637	Santa Rosa	Passed Wood Smoke Course	1
Tim J & Shauna L Weber	Y4659	Sebastopol	Passed Wood Smoke Course	1
Tony R Rafael	Y4680	Santa Rosa	Passed Wood Smoke Course	1
		Total Violations Closed:		24
District Wide				
Site Name	Site #	City	Penalty Amount	# of Violations Closed
Fuel Delivery Services	S2614	Stockton	\$500	1
JMAC Construction	Y1566	Patterson	\$500	1
		Total Violations Closed:		2

Bay Area Air Quality Management District

Board of Directors

LIST OF ACRONYMS

AA	Annual Average
AAMP	Ambient Air Monitoring Program
AB32	Assembly Bill 32 – Global Warming Solutions Act
Al	Aluminium
Al ₂ O ₃	Alumina (Aluminium Oxide)
AlF ₃	Aluminium Fluoride
AIRS	Aeromatic Information Retrieval System
AIRMoN	Atmospheric Integrated Research Monitoring Network
ALAPCO	Association of Local Air Pollution Control Officials
Aluminium Plant	Carbon Plant, Reduction Plant, Casthouse, Anode Service Area, and related utilities
Air District	Bay Area Air Quality Management District
AMTAC	ARB Air Monitoring Technical Advisory Committee
AMTIC	Air Monitoring Technology Information Center
ANPR	Advanced Notice of Proposed Rulemaking
APCD	Air Pollution Control District
APCO	Air Pollution Control Officer
API	American Petroleum Institute
APTI	Air Pollution Technology Institute
ARB	California Air Resources Board
ARM	Area Recognized Method
AQI	Air Quality Index
AQIS	Air Quality Instrument Specialist
AQS	EPA's Air Quality (data) System
AQRS	Air Quality Research Subcommittee
AQTA	Air Quality Technical Assistant
ARM	Approved Regional Method
ASA	Anode Service Area
ASP	Anode Service Plant
ASTCM	Astrodynamics Common
ASTM	American Society for Testing and Materials
AWMA	Air and Waste Management Association
BAAQMD	Bay Area Air Quality Management District
BAM	Beta Attenuation Monitor
BAM	Beta-Attenuation Metre
BAT(NEEC)	Best Available Techniques (Not Entailing Excessive Cost)
BC	Black carbon
BC	Background Concentration
BCP	Best Current Practice
BGI	BGI, Incorporated
BPT	Best Practicable Technology
BRC	Background Reference Concentration

bgl	Below ground level
BOD	Biochemical Oxygen Demand
BPEO	Best Practicable Environmental Option
BREF note	Best Available Techniques Reference Document
btc	Below top of casing
BTEX	Benzene, Toluene, Ethylbenzene and Xylene
°C	Degrees Celsius
C	Carbon
C _a O	Lime (calcium oxide)
CAA	(Federal) Clean Air Act
CAC	Correlating Acceptable Continuous (monitor)
CAIR	Clean Air Interstate Rule
CAP	Clean Air Plan
CARB	California Air Resources Board
CARE	Community Air Risk Evaluation
CASAC	Clean Air Science Advisory Committee
CAS	Chemical Abstracts Service (a chemical reference number)
CASTNET	Clean Air Status and Trends Network
CBSA	Core Based Statistical Area
CCC	Criteria Continuous Concentration
CCP	Carbon Crushing Plant
Cd	Cadmium
CD	Chart Datum
CDM	Clean Development Mechanism
CEM	Continuous Emissions Monitoring
CENR	Committee for Environment and Natural Resources
CEQA	California Environmental Quality Act
CEU	Continuing Education Unit
CFR	U.S. Code of Federal Regulations
CH ₄	Methane
Cl	Chloride(s)
CI	Confidence Interval
CMAQ	Community Model Air Quality (system)
CMC	Criteria Maximum Concentration
CN	Cyanide
CO	Carbon monoxide
CO ₂	Carbon Dioxide
CoC	Chain of custody
COD	Chemical Oxygen Demand
COH	Coefficient of Haze
Cr(VI)	Chromium (hexavalent)
CREL	Chronic Reference Exposure Level
CRPAQS	Central Valley (California) Regional Particulate Air Quality Study
CRRP	Community Risk Reduction Program
CSN	Chemical Speciation Network
CSR	Corporate Social Responsibility
CV	Coefficient of variation
CWMP	Construction Waste Management Plan
CY	Calendar Year

Cu	Copper
DAS	Data Acquisition System
dB(A)	'A' weighted decibel noise level
dB _{L_{Aeq}}	'A' weighted energy-equivalent decibel noise level
DC	Direct Current
DEARS	Detroit Exposure and Aerosol Research Study
DHS	Department of Homeland Security
District	Bay Area Air Quality Management District
DIV	Dutch Intervention Values
DMC	Data Management Center
DMS	Data management system
DNPH	2, 4-dinitrophenyl hydrazine
DO	Dissolved Oxygen
DOE	Department of Energy
DOI	Department of Interior
DQA	Data Quality Assessment
DQI	Data Quality Indicators
DQO	Data Quality Objectives
DRI	Direct Reduction Iron
DTV	Dutch Target Values
DVM	Digital Voltmeter
EC	European Commission
EC/OC	Elemental carbon/organic carbon
EECS	Electrical Equipment Calibration Service (in Fremont, CA)
EI	Extrusion Ingots
EIA	Environmental Impact Assessment
EML	Environmental Measurements Laboratory
EMP	Environmental Management Plan
EPA	U.S. Environmental Protection Agency
EPC	Engineering, Procurement and Construction
EPS	Environmental Protection Standards
EQS	Environmental Quality Standard
ESAT	Environmental Services Assistance Team
ET	Enviro Technology
EU	European Union
F-	Fluoride(s)
FA	Foundry Alloy
FEM	Federal Equivalent Method
FLM	Federal Land Manager
FMP	Flare Minimization Plan
FRM	Federal Reference Method
FTP	Fume Treatment Plant
FY	Fiscal Year
g/s	Grams per second
GAO	General Accounting Office
GC	Gas Chromatograph
GC-MS	Gas Chromatography-Mass Spectrometry
GDP	Gross Domestic Product
GHG(s)	Greenhouse Gas(es)

GIS	Geographical Information System
GLM	Ground Level Monitoring
GMW	General Metal Works (PM ₁₀ sampler manufacturer)
GPS	Global Positioning System
GWP	Global Warming Potential
H ₂ S	Hydrogen sulfide
HAL 275	Norsk Hydro Reduction Technology
HAP	Hazardous Air Pollutants
HAZID	Hazard Identification
HC	Hydrocarbon
HCl	Hydrogen chloride
HEI	Health Effects Institute
HF	Hydrogen fluoride
HPLC	High Performance Liquid Chromatograph
HSE	Health, Safety and Environment
HTM	Heating Transfer Medium
Hydro	Norsk Hydro ASA
IACET	International Association for Continuing Education and Training
IADN	Interagency Deposition Network
IC	Ion Chromatography
ICR	Information Collection Request
IEA	Initial Environmental Authorization
IFC	International Finance Corporation
ILSC	Indicative Levels of Serious Contamination
IMPROVE	Interagency Monitoring of Protected Visual Environments
IPP	Independent Power Producer
ISQG	Interim Sediment Quality Standard
ISR	Indirect Source Rule
ITEP	Institute of Tribal Environmental Professionals
ITT	Information Transfer Technology
JV	Joint Venture
K	Kelvin
K	Thousand
km	kilometer
kV	Kilovolt
kt/yr	Thousands of tons per year
kPa	Thousand Pascal
l	Litre
LC-50	Lethal Concentration of a chemical which kills 50% of a sample population
L _{eq}	Unweighted energy-equivalent noise level
LCS	Laboratory Control Sample
LDAR	Leak Detection and Repair
LLD	Lower Limit of Detection
LNB	Low NO _x Burner
LOD	Limit of Detection
LOQ	Limit of Quantitation
lpm	Liters per minute
l/s	Litres per second

L _{WA}	‘A’ weighted sound power level
M	Million
m	Metre
m/s	Metres per second
m ³ /s	Cubic metres per second
MAC	Maximum Allowable Concentration
MANE-VU	Mid-Atlantic/Northeast Visibility Union
MDL	Method Detection Limit
MDN	Mercury Deposition Network
MEI	Ministry of Energy and Industry
MET/PE	Meteorology and Performance Evaluation
mg/kg	Milligrams per kilogram
mg/l	Milligrams per litre
mg/m ³	Milligrams per cubic metre
mg/Nm ³	Milligrams per normal cubic metre (i.e. expressed at 273K and 101.3 kPa); in the case of gas turbines, gas volumes in units on “Nm ³ ” are also expressed as dry gas, at 15% O ₂ .
MHWTC	Mesaieed Hazardous Waste Treatment Centre
MIC	Mesaieed Industrial City
ml	Millilitre
MMAA	Ministry of Municipal Affairs and Agriculture
MMWDS	Mesaieed Municipal Waste Disposal Site
MPA	Maximum Permissible Addition
MPC	Maximum Permissible Concentration
MQA	Meteorology and Quality Assurance
MS	Matrix spikes
MSm ³	Million standard cubic metres
MW	Megawatts
MWe	Megawatts electrical (electrical output)
MWth	Megawatts thermal (thermal input)
N	Nitrogen
NAAQS	National Ambient Air Quality Standard
Na	Sodium
NAAMS	National Ambient Air Monitoring System
NAATS	National Ambient Air Toxics Sites
NACAA	National Association of Clean Air Agencies
NADP	National Atmospheric Deposition Program
NAMS	National Air Monitoring Station
Na ₃ AlF ₆	Cryolite
NaCl	Sodium chloride (salt)
NAPAP	National Acid Precipitation Assessment Program
NARSTO	North American Research Strategy for Tropospheric Ozone
NAS	National Academy of Science
NASA	National Aeronautics and Space Agency
NATTS	National Ambient Toxic Tends Stations
NAU	Northern Arizona University
NCore	The National Core Monitoring Network
NDIR	non-dispersive infrared
NDUV	Non-dispersive ultraviolet

NEC	No Effect Concentration
NESHAPS	National Emission Standards for Hazardous Air Pollutants
NGO	Non-Governmental Organizations
Ni	Nickel
NILU	Norwegian Institute for Air Research
NISO	North Isomax
NIST	National Institute for Standards and Technology
Nm ³	Normal cubic metre (i.e. expressed at 237K and 101.3 kPa); in the case of gas turbines, gas volumes in units of “Nm ³ ” are also expressed as dry gas, at 15% O ₂ .
Nm ³ /s	Normal cubic metre per second (i.e. expressed at 237K and 101.3 kPa); in the case of gas turbines, gas volumes in units of “Nm ³ ” are also expressed as dry gas, at 15% O ₂ .
NMHC	Non-Methane Hydrocarbons
NMSC	National Monitoring Strategy (or Steering) Committee
NMVOOC	Non-Methane Volatile Organic Compounds
N ₂ O	Nitrous Oxide
NO _y	Odd Nitrogen
NIOSH	National Institute for Occupational Safety and Health
NIST	National Institute of Standards and Technology
NO	Nitrogen monoxide/Nitric oxide
NO ₂	Nitrogen dioxide
NO _x	Oxides of nitrogen
NOAA	National Oceanic and Atmospheric Administration
NMHC	Non-methane hydrocarbon
NMOC	Non-methane organic carbon
NO _x /NO _y	Nitrogen Oxides
NPAP	EPA National Performance Audit Program
NPEP	National Performance Evaluation Program
NPS	National Parks Service
NTN	National Trends Network
NTU	Nephelometric Turbidity Units
NVLAP	National Voluntary Laboratory Accreditation Program
O ₂	Oxygen
O ₃	Ozone
OAP	Office of Atmospheric Programs
OAQPS	Office of Air Quality Planning and Standards
OAR	Office of Air and Radiation
OC	Organic Carbon
OC/EC	Organic carbon/elemental carbon
ODAMN	Operations Data Action Monitoring Notification
OEHHA	Office of Environmental Health Hazard Assessment
OEI	Office of Environmental Information
ORD	Office of Research and Development
ORIA	Office of Radiation and Indoor Air
P	Phosphorous
P	Power
PAHs	Polycyclic Aromatic Hydrocarbons
PAMS	Photochemical Assessment Monitoring Stations

Pb	Lead
PBMS	Performance-Based Measurement System
PBT	Persistent Bioaccumulative Toxics
PCBs	Polychlorinated Byphenyls
PCC	Petrochemical Complex
PE	Performance Evaluation
PEP	Performance Evaluation Program
PEL	Probable Effect Level
PFC	Polyfluorocarbons
PM	Particulate matter
PM ₁₀	Particulate matter with mean aerodynamic diameter of 10 microns
PM _{2.5}	Particulate matter with mean aerodynamic diameter of 2.5 microns
PM _{10-2.5}	PM ₁₀ minus PM _{2.5}
PO	Purchase Order
POCP	Photochemical Ozone Creation Potential
POP	Persistent Organic pollutants
ppb	Parts per billion
PPAH	Pollution Prevention and Abatement Handbook
ppb (v)(w)	Parts per billion (volume) (weight)
ppm (v) (w)	Parts per million (volume) (weight)
ppt (v) (w)	Parts per thousand (volume) (weight)
PQAO	Primary Quality Assurance Organization
PSD	Prevention of significant deterioration
QA	Quality Assessment
QAFAC	Qatar Additives Company
QAFCO	Qatar Fertiliser Company
QASCO	Qatar Steel Company Ltd
Qatalum	The Hydro/QP Aluminium and Power Plant Project
QAPP	Quality Assurance Project/Program Plan
QC	Quality Control
QEWG	Qatar Electricity and Water Company
QMP	Quality Management Plan
QNHD	Qatar National Height Datum (QNHD is ~1.3 m above Chart Datum)
QP	Qatar Petroleum
RADM	Regional Acid Deposition Model
RCA	Reportable Compliance Activity
RCEP	Royal Commission on Environmental Pollution
REL	Reference Exposure Level
REM	Regional Equivalent Monitor
RO	EPA Regional Office
ROG	Reactive Organic Gases
ROM	Regional Oxidant Model
ROPME	Regional Organisation for Protection of the Marine Environment
RPO	Regional Planning Organization
RTD	Resistance Temperature Detector
RTP	Research Triangle Park (North Carolina)
RTI	Research Triangle Institute, a research/consulting company
RTO	Regenerative Thermal Oxidiser
S	Sulphur

S&T	Science and Technology
SAB	Science Advisory Board
SAMWG	Standing Air Monitoring Work Group
SAP	Socio-Economic Action Plan
SASP	Surface Air Sampling Program
SARC	Scientific and Applied Research Centre
SB 375	Sustainable Communities and Climate Protection Act of 2008
SCAQMD	South Coast Air Quality Management District
SCENR/SCE	Supreme Council for the Environment & Natural Reserves
SIP	State Implementation Plan
SISO	South Isomax
SLAMS	State or Local Air Monitoring Station
SLTs	State, Local, and Tribal air monitoring agencies
SO ₂	Sulfur dioxide
SOP	Standard operating procedure
SPL	Spent Potlining
SPM	Special Purpose Monitor
SRP	Standard Reference Photometer
SS	Supersite
SSEIA	Scoping Study for Environmental Impact Assessment Report
STAG	State and Tribal Air Grant
STAPPA	State and Territorial Air Pollution Program Administrators
STN	Speciation Trends Network
Strategy	The National Air Monitoring Strategy
SVOC	Semi-Volatile Organic Compound
SWS	Seawater Scrubber
t/d	Tonnes per day
t/h	Tonnes per hour
t/yr	Tonnes per year
TAMS	Tribal Air Monitoring Support (Center)
TAD	Technical Assistance Document
TAR	Tribal Authority Rule
TBD	To Be Determined
TECO	Thermo Electron Corporation, now Thermo Fisher Scientific
TEOM	Tapered Element Oscillation Monitor
THC	Total hydrocarbons
TIP	Tribal Implementation Plan
TNMHC	Total non-methane hydrocarbons
TNMOC	Total non-methane Organic Compound
TOC	Total Organic Carbon
TOM	Total Organic Matter
Tpd	Tons per day
TPH	Total Petroleum Hydrocarbons
TPY	Tons Per Year
TSA	Technical systems audits
TSD	Technical Services Division
TSP	Total suspended particulates
TSS	Total Suspended Solids
T-REX	Traffic Related Exposure Study

TWA	Time Weighted Average
UAM	Urban Airshed Model
UFP	Ultrafine Particulate Matter
UN	United Nations
UNEP	UN Environmental Program
USB	Universal Serial Bus
US EPA	United States Environmental Protection Agency
UV	Ultraviolet
VDC	Vertical Direct Chill (Casting Machines)
VOC	Volatile Organic Compounds
WB	World Bank
WBT	Wet Bulb Temperature
WB PPAH	WB Pollution Prevention and Abatement Handbook
WHO	World Health Organization
WMP	Waste Management Plan
XML	Extensible Markup Language
ΔT	Temperature differential
$\mu\text{g/l}$	Microgrammes per litre
$\mu\text{g/m}^3$	Micrograms (one millionth of a gram) per cubic metre
μm	Micrometers
$\mu\text{M/l}$	Micromoles per litre

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 3, 2017

Re: Report of the Budget and Finance Committee Meeting of April 26, 2017

RECOMMENDED ACTION

The Budget and Finance Committee (Committee) recommends Board of Directors' approval of the following items:

- A) Continued Discussion of the Fiscal Year Ending (FYE) 2018 Proposed Air District Budget and Consideration to Recommend Adoption;
 - 1) Adopt the FYE 2018 Proposed Budget
- B) Public Agencies Post-Employment Benefits Trust Program Administered by Public Agency Retirement Services (PARS); and
 - 1) None; receive and file
- C) Third Quarter Financial Report – FYE 2017
 - 1) None; receive and file

BACKGROUND

The Committee met on Wednesday, April 26, 2017, and received the following reports:

- A) Continued Discussion of the FYE 2018 Proposed Air District Budget and Consideration to Recommend Adoption;
- B) Public Agencies Post-Employment Benefits Trust Program Administered by PARS; and
- C) Third Quarter Financial Report – FYE 2017

Chairperson Carole Groom will provide an oral report of the Committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) The proposed consolidated budget for FYE 2017 is \$154,712,448, and is a balanced budget;
- B) As a part of the FYE 2018 Proposed Budget, Staff is recommending a total of \$5 million towards prefunding these obligations; \$4 million towards Other Post-Employment Benefits (OPEB) and \$1 million for pension. Additionally, in the FYE 2017 Adopted Budget, the Board set aside \$280,000 for prefunding pension; increasing the total prefunding of pension to \$1.028 million. All funds placed into the irrevocable trust fund can only be used to pay for retirement obligations. The Air District would pay fees to PARS for management of the trust fund. These fees will be paid from the trust assets and staff anticipates that the investment earnings will be more than adequate to pay the fees; and
- C) None; receive and file

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Maricela Martinez

Attachment 8A: 04/26/17 – Budget and Finance Committee Meeting Agenda #4
Attachment 8B: 04/26/17 – Budget and Finance Committee Meeting Agenda #5
Attachment 8C: 04/26/17 – Budget and Finance Committee Meeting Agenda #6

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Carole Groom and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 7, 2017

Re: Continued Discussion of Fiscal Year Ending (FYE) 2018 Proposed Air District Budget
and Consideration to Recommend Adoption

RECOMMENDED ACTION

The Committee will continue discussion of the proposed budget for FYE 2018 and consider recommending that the Board of Directors:

1. Adopt the Fiscal Year Ending (FYE) 2018 Proposed Budget

BACKGROUND

As directed by the Board of Directors at its March 15, 2017 regular board meeting, the FYE 2018 Proposed Budget was referred to the Budget and Finance Committee for review at the Committee's March 22, 2017 meeting.

On March 22, 2017, staff presented the FYE 2018 proposed budget to the Committee. The proposed budget is balanced, with the General Fund totaling \$94.8 million and the Consolidated Funds (including program distributions) totaling \$154.7 million. Proposed capital requests are \$5.7 million.

DISCUSSION

The Committee will continue its discussion of the FYE 2018 Proposed Budget at its April 26, 2017 meeting. The FYE 2018 Proposed Budget includes the following recommendations for the Committee's consideration:

- Continuation of contribution to prefund Other Post Employment Benefits (OPEB) in the amount of \$4.0 million
- Prefund CalPERS Pension plan in an amount of \$1.0 million
- Use of \$7.9 million reserves to fund one-time purchases
- Increase budgeted positions from 346 to 359

In addition to these recommendations, the Committee directed staff to prepare the following for the April 26, 2017 Committee meeting:

- A comparison of recurring versus on-going revenues and expenditures
- A summary of employee count relative to funding source
- Employee benefit summary for Other Post Employment Benefit (OPEB) and Pension

Staff will present information on these items at the April 26, 2017 Committee meeting.

Staff requests that the Budget and Finance Committee at its April 26, 2017 meeting complete its review and recommend adoption of the proposed budget to the Board. This will allow staff the necessary time required to amend, if necessary, the budget for the first public hearing of the proposed budget to be held on May 17, 2017.

Staff will publish, prior to April 26, 2017 a public notice that the first of two public hearings on the budget will be conducted on May 17, 2017 and that the second hearing will be conducted on June 21, 2017.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The proposed consolidated budget for FYE 2017 is \$154,712,448 and is a balanced budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Stephanie Osaze
Reviewed by: Rex Sanders and Jeff McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Carole Groom and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 10, 2017

Re: Public Agencies Post-Employment Benefits Trust Program Administered by Public
Agency Retirement Services (PARS)

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

As part of the Fiscal Year Ending (FYE) 2017 Budget process, the Board directed staff to review and consider options for funding pension liability. At the March 22, 2017 Budget & Finance Committee meeting, staff presented prefunding pension through an irrevocable trust fund with PARS. The Committee directed staff to bring back an agenda item at its April 26, 2017 meeting on the PARS program.

BACKGROUND

The Air District provides a defined-benefit pension to its retirees through California Public Employees Retirement System (CalPERS), Funding of CalPERS pensions relies on three sources: employee contributions, employer contributions, and investment returns (which vary per the performance of financial markets).

CalPERS actuarial reports have changed significantly in recent years with the Board lowering the discount rate, changing demographic assumptions, and implementing other changes, all of which have caused the normal cost and our unfunded liability to increase, which in turn drives the Air District's required annual contributions higher. On December 21, 2016, the CalPERS Board of Administration voted to lower the discount rate (also known as the assumed rate of return) from 7.5 percent to 7.0 percent over the next three years. This means that employers that contract with CalPERS will see additional increases in both their normal costs and unfunded actuarial liabilities.

In 2012, the Government Accounting Standards Board (GASB) issued Statement No. 68, Accounting and Financial Reporting for Pensions. GASB 68 requires that governmental employers that sponsor defined benefit plans (i.e., CalPERS) must recognize a net pension liability (also known as an unfunded actuarial accrued liability (UAAL)) on their balance sheet. This is the difference between the Air District's total pension liability and actual plan assets.

GASB 68 became effective for fiscal years starting after June 15, 2014. Audited financial statements for Fiscal Year Ending 2016 show an unfunded pension liability of \$55 million.

Until recently, the Air District's only option for reducing the UAAL was to commit additional funds to CalPERS. Unfortunately, these additional funds would be subject to the same market volatility risk as the CalPERS investment rate of return. A recent ruling received from the Internal Revenue Service established that public agencies could create a separate trust to "pre-fund" its CalPERS unfunded liability. This would provide the Air District with an alternative to sending funds to CalPERS and will provide greater Air District control over assets and portfolio management.

In addition, the Air District would also have the same investment advantages with PARS when prefunding OPEB. Currently, additional OPEB funding is being sent to California Employers Retirement Benefit Trust (CERBT) administered by CalPERS. PARS participation will allow the Air District to diversify these investments for OPEB as well.

BUDGET CONSIDERATION/FINANCIAL IMPACT

As a part of the FYE 2018 Proposed Budget, Staff is recommending a total of \$5 million towards prefunding these obligations; \$4 million towards OPEB and \$1 million for pension. Additionally, in the FYE 2017 Adopted Budget, the Board set aside \$280,000 for prefunding pension; increasing the total prefunding of pension to \$1.028 million. All funds placed into the irrevocable trust fund can only be used to pay for retirement obligations.

The Air District would pay fees to PARS for management of the trust fund. These fees will be paid from the trust assets and staff anticipates that the investment earnings will be more than adequate to pay the fees.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Stephanie Osaze
Reviewed by: Rex Sanders and Jeff McKay

- Attachment 5A: Letter from Internal Revenue Service regarding Public Agencies Post-Employment Benefits Trust Agreement
- Attachment 5B: Example Draft Resolution Approving the Adoption of the Public Agencies Post-Employment Benefits Trust Administered by Public Agency Retirement Services (PARS)

Internal Revenue Service

Department of the Treasury
Washington, DC 20224

Index Number: 115.00-00

Third Party Communication: None
Date of Communication: Not Applicable

U.S. Bank National Association
c/o Susan Hughes, Vice President
3121 Michelson Drive (Suite 300)
Irvine, CA 92612

Person To Contact:
Robin J. Ehrenberg, ID No. 1000219292

Telephone Number:
(202) 317-5800

Refer Reply To:
CC:TEGE:EOEG:EO3
PLR-146796-14

Date: June 5, 2015

Legend

Trust = Public Agencies Post-Employment Benefits Trust

Trust Agreement = Public Agencies Post-Employment Benefits Trust Agreement

Trustee = U.S. Bank National Association

Dear Ms. Hughes:

This letter responds to a letter from your authorized representative dated December 22, 2014, requesting rulings that (1) the Trust's income is excludable from gross income under section 115 of the Internal Revenue Code (IRC) and (2) the Trust is not required to file annual federal income tax returns under IRC section 6012(a)(4). The Trust represents the facts as follows:

FACTS

The Trust is a multiple employer trust established to enable public-agency employers to fund post-retirement employee benefits. Each participating employer must be a public agency that is a state, political subdivision of a state, or an entity the income of which is excludable from gross income under IRC section 115. The employer's governing body must authorize in writing the adoption of the Trust and the employer must execute the adoption agreement, which approves the Trust's administrator and provides that the agency adopts and agrees to be bound by the Trust Agreement. In the adoption agreement, the employer elects to fund obligations to provide benefits under a post-employment health care plan and contribute to a defined-benefit pension plan maintained by the employer that is qualified under IRC section 401(a). The employer may elect to fund either or both obligations.

The Trust Agreement provides that assets are held by the Trust for the exclusive purpose of funding participating employers' benefit obligations and defraying the reasonable expenses of the Trust. The Trust's assets may not be used for any other purpose. Each employer's contributions to the Trust, together with any allocable investment earnings and losses, are held in a separate account for that employer. Assets allocated to satisfy an employer's health and welfare benefit obligation or the employer's pension obligation may only be used for purposes of satisfying that particular obligation. The assets held in an employer's account are not available to pay any obligations incurred by any other employer.

The employers appoint the Trustee and the Trust's administrator and may remove the Trustee or the administrator by a two-thirds vote of all employers. The employers may amend the Trust Agreement with the approval of two-thirds of all employers then participating in the Trust. The employers may terminate the Trust by unanimous agreement of all employers.

Upon termination of the Trust, any assets remaining in an employer's account, after satisfaction of benefit and the Trust's obligations are returned to the employer to the extent permitted by law and consistent with the requirements of IRC section 115.

LAW AND ANALYSIS

Issue 1 - IRC section 115(1)

IRC section 115(1) provides that gross income does not include income derived from any public utility or the exercise of any essential governmental function and accruing to a state or any political subdivision thereof.

Rev. Rul. 77-261, 1977-2 C.B. 45, holds that income generated by an investment fund that is established by a state to hold revenues in excess of the amounts needed to meet current expenses is excludable from gross income under IRC section 115(1), because such investment constitutes an essential governmental function. The ruling explains that the statutory exclusion is intended to extend not to the income of a state or municipality resulting from its own participation in activities, but rather to the income of an entity engaged in the operation of a public utility or the performance of some governmental function that accrues to either a state or political subdivision of a state. The ruling points out that it may be assumed that Congress did not desire in any way to restrict a state's participation in enterprises that might be useful in carrying out projects that are desirable from the standpoint of a state government and that are within the ambit of a sovereign to conduct.

Rev. Rul. 90-74, 1990-2 C.B. 34, holds that the income of an organization formed, funded, and operated by political subdivisions to pool various risks (e.g., casualty, public liability, workers' compensation, and employees' health) is excludable from gross income under IRC section 115(1), because the organization is performing an essential governmental function. The revenue ruling states that the income of such an organization is excludable from gross income so long as private interests do not participate in the organization or benefit more than incidentally from the organization. The benefit to the employees of the insurance coverage obtained by the member political subdivisions was deemed incidental to the public benefit.

Through the Trust, participating public agency employers fund health and welfare and pension obligations for retired employees. Each of the Trust's participating employers is required to be a state, political subdivision of a state or an entity the income of which is excludable from gross income under IRC section 115. Providing health, welfare and pension benefits to current and former employees constitutes the performance of an essential government function within the meaning of IRC section 115(1). See Rev. Rul. 90-74 and Rev. Rul. 77-261.

The Trust's income accrues to its participating employers, all of which are political subdivisions of a state or entities the income of which is excludable from gross income under IRC section 115. No private interests will participate in, or benefit from, the operation of Trust, other than as providers of goods or services. The benefit to employees is incidental to the public benefit. See Rev. Rul. 90-74.

In no event, including dissolution, will the Trust's assets be distributed or revert to any entity that is not a state, a political subdivision of a state, or entity the income of which is excludable from its gross income by application of IRC section 115(1).

Issue 2- IRC section 6012(a)(4)

Section 301.7701-1(b) of the Procedure and Administration Regulations (Regulations) provides that the classification of organizations that are recognized as separate entities is determined under sections 301.7701-2, 301.7701-3, and 301.7701-4, unless a provision of the IRC provides for special treatment of that organization.

Section 301.7701-4(a) of the Regulations provides that, in general, an arrangement will be treated as if it can be shown that the purpose of the arrangement is to vest in trustees responsibility for the protection and conservation of property for beneficiaries who cannot share in the discharge of this responsibility and, therefore, are not associates in a joint enterprise for the conduct of business for profit.

The Trust enables public-agency employers to set aside funds to be used to satisfy each employer's separate pension and health and welfare benefit obligations. The

Trustee is charged with the responsibility of the protection and conservation of the Trust property for the benefit of the beneficiaries of the Trust. The beneficiaries of the Trust cannot share in the discharge of the Trustee's responsibility for the protection and conservation of property and, therefore, are not associates in a joint enterprise for the conduct of business for profit. IRC section 6012(a)(4) provides that every trust having for the taxable year any taxable income or having gross income of \$600 or more, regardless of the amount of taxable income, shall make returns with respect to income taxes under Subtitle A.

Based solely on the facts and representations submitted by the Trust, we conclude that:

1. Because the income of the Trust derives from the exercise of an essential governmental function and will accrue to a state or a political subdivision thereof, the Trust's income is excludable from gross income under IRC section 115(1).
2. The Trust is classified as a trust within the meaning of IRC section 7701(a) and section 301.7701-4(a) of the Regulations. Because Trust's income is excludable from gross income under IRC section 115, the Trust is not required by IRC section 6012(a)(4) to file an annual income tax return.

Except as expressly provided herein, no opinion is expressed or implied concerning the tax consequences of any aspect of any transaction or item discussed or referenced in this letter. This ruling concerns only the federal tax treatment of the Trust's income and may not be cited or relied upon by any taxpayer, including the Trust, employers participating in the Trust, and any recipients of benefits paid under the terms of the Trust, as to any matter relating to the taxation of accident or health contributions or benefits.

This ruling is directed only to the taxpayer who requested it. IRC section 6110(k)(3) provides that it may not be used or cited as precedent.

In accordance with the Power of Attorney on file with this office, a copy of this letter is being sent to your authorized representative.

A copy of this letter must be attached to any income tax return to which it is relevant. Alternatively, taxpayers filing their returns electronically may satisfy this requirement by attaching a statement to their return that provides the date and control number of the letter ruling.

The rulings contained in this letter are based upon information and representations submitted by the taxpayer and accompanied by a penalty of perjury statement executed by an appropriate party. While this office has not verified any of the material submitted in support of the request for rulings, it is subject to verification on examination.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Griffin', with a stylized flourish at the end.

Kenneth M. Griffin
Branch Chief, Exempt Organizations Branch 3
(Tax Exempt and Government Entities)

cc: Marcus Wu
Pillsbury Winthrop Shaw Pittman LLP
12255 El Camino Real, Suite 300
San Diego, CA 92130-4088

Paul Marmolejo
Director, Office of Federal, State and Local Governments
SE:T:GE:FSL

RESOLUTION NO. _____

RESOLUTION OF THE GOVERNING BOARD OF DIRECTORS
OF THE BAY AREA AIR QUALITY MANAGEMENT DISTRICT
APPROVING THE ADOPTION OF THE
PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST
ADMINISTERED BY PUBLIC AGENCY RETIREMENT SERVICES (PARS)

WHEREAS Bay Area Air Quality Management District (“District”) is currently participating in CalPERS California Employers Retirement Benefit Trust (CERBT) for the pre-funding of its retiree health benefits and other post-retirement benefits (OPEB) other than pension benefits; and

WHEREAS the District desires to set aside funds for the purpose of pre-funding its CalPERS pension obligations that will be held in trust for the exclusive purpose of making future contributions of the District’s required pension contributions and any employer contributions in excess of such required contributions at the discretion of the District; and

WHEREAS PARS has made available the PARS Public Agencies Post-Employment Benefits Trust (the “Program”) for the purpose of pre-funding both pension obligations and/or OPEB obligations; and

WHEREAS the District is eligible to participate in the Program, a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued there under, and is a tax-exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS the District can manage the pre-funding of its pension and OPEB obligations under this program; and

WHEREAS the District’s participation in PARS and CERBT will provide diversification of district’s assets; and

WHEREAS the District’s adoption and operation of the Program has no effect on any current or former employee’s entitlement to post-employment benefits; and

WHEREAS the terms and conditions of post-employment benefit entitlement, if any, are governed by contracts separate from and independent of the Program; and

WHEREAS the District’s funding of the Program does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS the District reserves the right to make contributions, if any, to the Program.

NOW THEREFORE, BE IT RESOLVED THAT:

1. The Governing Board hereby adopts the PARS Public Agencies Post-Employment Benefits Trust, effective _____, 2017; and

2. The Governing Board hereby appoints the Executive Officer, or his/her successor or his/her designee as the District's Plan Administrator for the Program; and
3. The District's Plan Administrator is hereby authorized to execute the PARS legal and administrative documents on behalf of the District and to take whatever additional actions are necessary to maintain the District's participation in the Program and to maintain compliance of any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer the District's Program.

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 _____ 2017

by the following vote of the Board:

AYES:

NOES:

ABSENT:

LIZ KNISS
Chairperson of the Board of Directors

ATTEST:

KATIE RICE
Secretary of the Board of Directors

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Carole Groom and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 11, 2017

Re: Third Quarter Financial Report – Fiscal Year Ending (FYE) 2017

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Finance staff will present an update on the Air District’s financial results for the third quarter of the 2016-17 fiscal year. The following information summarizes those results.

GENERAL FUND BUDGET: STATEMENT OF REVENUES – Comparison of Prior Year Quarter Actual and Current Year Budget to Actual

REVENUE TYPE	3RD QTR FY 2016	3RD QTR FY 2017	FY 2017 - % of BUDGETED REVENUE
County Receipts	\$16,306,294	\$16,698,101	62%
Permit Fee Receipts	\$28,999,475	\$30,870,732	92%
Title V Permit Fees	\$4,636,534	\$4,653,797	99%
Asbestos Fees	\$2,855,744	\$3,030,181	117%
Toxic Inventory Fees	\$215,872	\$168,113	70%
Penalties and Settlements	\$5,917,183	\$2,517,392	114%
Miscellaneous Revenues	\$178,177	\$256,543	128%
Interest Revenues	\$39,973	\$75,483	50%
Total Revenue	\$59,149,253	\$58,270,342	83%

GENERAL FUND: STATEMENT OF EXPENDITURES - Comparison of Prior Year Quarter Actual and Current Year Budget to Actual

EXPENDITURE TYPE	3RD QTR FY 2016	3RD QTR FY 2017	FY 2017 - % of BUDGETED EXPENDITURES
Personnel - Salaries*	\$26,063,897	\$26,580,883	71%
Personnel - Fringe Benefits*	\$13,930,322	\$14,361,433	74%
Operational Services / Supplies	\$13,046,025	\$13,317,126	62%
Capital Outlay	\$5,834,915	\$2,733,616	69%
Total Expenditures	\$58,875,160	\$56,993,058	69%

*Consolidated (includes Special Funds)

CASH INVESTMENTS IN COUNTY TREASURY – Account Balances as of 3rd Quarter

CASH/INVESTMENTS	3RD QTR FY 2016	3RD QTR FY 2017
General Fund	\$58,384,528	\$73,236,606
TFCA	\$78,310,617	\$86,313,059
MSIF	\$31,646,609	\$36,672,835
Carl Moyer	\$5,003,236	\$4,783,613
CA Goods Movement	\$8,114,757	\$8,349,154
Bike Share	\$2,930,969	\$1,063,615
Total	\$184,390,716	\$210,418,883

	6/30/2015	6/30/2016	6/30/2017
FUND BALANCES	Audited	Audited	Projected
DESIGNATED: *			
Economic Contingency	\$11,114,309	\$16,519,959	\$16,614,025
IT- Desktop Equipment	\$500,000	\$0	\$0
IT- Event Response	\$500,000	\$500,000	\$500,000
Pension & Post Employment Liability	\$1,800,000	\$1,600,000	\$800,000
Tech- Meteorological Network Equipment	\$417,100	\$417,100	\$417,100
Tech- Mobile Monitoring Instruments	\$450,000	\$450,000	\$450,000
GHG Abatement Technology Study	\$0	\$1,500,000	\$1,500,000
Worker's Comp Self -Funding	\$1,000,000	\$1,000,000	\$1,000,000
Total Designated Reserves	\$15,781,409	\$21,987,059	\$21,281,125
Undesignated Fund Balance	\$15,122,475	\$13,366,286	\$13,366,286
TOTAL DESIGNATED & UNDESIGNATED	\$30,903,884	\$35,353,345	\$34,647,411
Building Proceeds	\$14,168,200	\$4,668,200	\$4,668,200
TOTAL FUND BALANCE	\$45,072,084	\$40,021,545	\$39,315,611
* Designated Fund Balances are subject to change at Board's discretion.			
UNFUNDED LIABILITIES (Based on 2015 Actuarial Valuation Report)			
CalPERS Pension Retirement			\$59,242,771
Other Post- Employment Benefits			\$32,954,000
TOTAL UNFUNDED LIABILITIES			\$92,196,771

VENDOR PAYMENTS

In accordance with provisions of the Administrative Code, Division II Fiscal Policies and Procedures - Section 4 Purchasing Procedures: 4.3 Contract Limitations, staff is required to present recurring payments for routine business needs such as utilities, licenses, office supplies and the like, more than, or accumulating to more than \$100,000 for the fiscal year. In addition, this report includes all of the vendors receiving payments in excess of \$100,000 under contracts that have not been previously reviewed by the Board. In addition, staff will report on vendors

that undertook work for the Air District on several projects that individually were less than \$100,000, but cumulatively exceed \$100,000.

Below is a list of vendors with cumulative payments made through the third quarter of 2016-2017 fiscal year that exceeded \$100,000 and meets the reporting criteria noted above. All expenditures have been appropriately budgeted as a part of the overall Air District budget for Fiscal Year 2016-17.

VENDOR NAME	AMOUNT PAID (July 2016 - March 2017)	Explanation
1. Alliant Insurance Services	\$436,359	Various Business Insurance Policies
2. Benefits Coordinators Corp.	\$648,505	Life Insurance Plan & LTD Insurance
3. CA Public Employee Retirement System	\$4,171,370	Health Insurance Plan
4. CA Public Employee Retirement System	\$9,175,002	Retirement Benefits & 457 Supplemental Plan
5. CAPCOA	\$644,042	Pass through EPA grants
6. Cubic Transportations Systems	\$277,612	Clipper Transit Subsidy
7. Direct Mail Center	\$112,299	Public Notice Mailing Services
8. Employee Benefit Specialists	\$236,446	Medical & Dependent Care Flexible Spending Plan
9. Enterprise Fleet Services	\$367,095	Fleet Leasing and Maintenance services
10. Hartford Life Ins Co.	\$444,601	457 Supplemental Insurance
11. Preferred Benefit Insurance AD	\$510,868	Dental Insurance Plan
12. Renne Sloan Holtzman Sakai	\$129,464	Human Resources Consulting Services
13. Thermo Environmental Instrument	\$141,740	Air monitoring and source rest instrumentation
14. Verizon Wireless	\$146,796	Cell phone services

BUDGET CONSIDERATION/FINANCIAL IMPACT

None; receive and file.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Stephanie Osaze
Reviewed by: Rex Sanders

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 3, 2017

Re: Report of the Legislative Committee Meeting of May 11, 2017

RECOMMENDED ACTION

A) The Legislative Committee (Committee) considered the amended and new bills and positions, including:

Bill/Author	Subject	Staff recommendation
AB 378 (C. Garcia):	Changes substantially Cap and Trade Program post 2020.	Support Oppose unless Amended
AB 476 (Gipson)	Defines a “heavy-duty” vehicle as having a manufacturer’s maximum gross vehicle weight rating of 26,001 or more.	Oppose
SB 775 (Wieckowski)	Creates a new Cap and Trade Program from 2021 to 2030.	To be announced at Committee meeting

1) The Committee discussed and reviewed new bills and recommended positions to the Board of Directors where appropriate.

B) Legislative Update

1) None; receive and file.

BACKGROUND

The Committee met on Thursday, May 11, 2017, and received the following reports and recommendations:

A) Consideration of New Bills; and

B) Legislative Update

Chairperson Brad Wagenknecht will give an oral report of the meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Maricela Martinez

Attachment 9A: 05/11/17 – Legislative Committee Meeting Agenda #4
Attachment 9B: 05/11/17 – Legislative Committee Meeting Agenda #5

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Brad Wagenknecht and
Members of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 2, 2017

Re: Consideration of New Bills

RECOMMENDED ACTION

The Committee will discuss new bills and recommend positions to the Board of Directors where appropriate.

DISCUSSION

The Board adopted a support position on **AB 378**, authored by Assemblymember Christina Garcia (D-Bell Gardens). This bill when reviewed by the Committee in late March would have allowed the cap-and-trade program to be extended through 2030. However, recent amendments have altered the bill substantially, and staff are bringing it back to the Committee for further deliberation. A copy of the amended bill is attached.

Perhaps the highest current environmental priority for Governor Brown is extending the cap-and-trade program beyond 2020, and doing so with a two-thirds vote of the Legislature. To oversimplify a complex issue, several environmental justice organizations believe direct regulation of greenhouse gas (GHG) emissions is preferable to cap-and-trade, believing that direct regulation will create ancillary health benefits for adjacent communities. Several business organizations believe that if California requires GHG reductions, cap-and-trade is preferable to direct regulation.

AB 378 as amended April 18, 2017, would now have the Air Resources Board (ARB) set air pollutant emissions standards for criteria air pollutants and air toxics for stationary sources subject to the cap-and-trade program. Facilities not meeting these new standards would not receive GHG allowances starting in 2021. Under the bill, ARB may adopt no-trade zones or facility-specific GHG limits where the stationary sources contribute to a cumulative pollution burden that creates a significant health impact. Additionally, facilities would not be allowed to emit more GHGs than their annual average from 2014 to 2016.

Air District staff are recommending an **Oppose unless Amended** position on the new version of the bill. Stationary sources have had their criteria and toxic emissions regulated by local air districts, through regulations and permitting and enforcement programs. This bill changes that and would have ARB step into that role. Staff believe that ARB lacks the staff and technical expertise to set emissions standards for stationary sources and that these local sources are better

regulated by air districts, which have decades of stationary source expertise and local officials serving on the Boards. Furthermore, having two sets of requirements for sources, administered by two different agencies, is duplicative at best for the affected industries. Similarly, whether or not there is cumulative pollution burden on local communities is not a decision that the state has shown it can address well, as the flawed CalEnviroScreen tool for assigning disadvantage has demonstrated. Additionally, staff question the wisdom of capping individual facilities, as this bill would do, rather than establishing a shrinking cap over multiple sources. Staff suggest that the amendments sought would be to return to the earlier version of the bill.

AB 378 is not the only bill addressing cap-and-trade post-2020. Amendments to **SB 775**, authored by Senator Bob Wieckowski (D-Fremont), went into print the day this packet was prepared. The newly gutted and amended measure is attached along with the initial fact sheet from the author's office. The bill would create a new cap-and-trade program from 2021 through 2030, which will be separate and distinct from the current program. Allowances will not be given away but will have both floor and ceiling prices fixed. These prices will increase automatically with time. Fixed floor prices will dramatically increase both the money the program raises and the amount Californians will pay. To minimize the impact, not all the revenues will go into the cap-and-trade funding program, but an unspecified percentage will be rebated back to the public. The author's hope is that there will be a much more stable future revenue stream for the cap-and-trade funded programs and the current uncertainty and low auction revenues will end. Allowances from the current program will not be able to be used in the post-2020 program. Allowances in the post-2020 program can only be used in the year they are issued, so banking allowances for future years is prevented.

SB 775 is being backed by the Senate Pro Tem Kevin De Leon. At least one environmental organization has expressed concerns about the sweeping nature of the changes the bill would make. Because the bill is so new, staff will discuss the bill with various parties, and will present a recommended position to the Committee on May 11, 2017.

AB 476 is authored by Assemblymember Mike Gipson (D-Carson), and sponsored by the California Natural Gas Vehicle Coalition. It changes vehicle weight classifications, moving the heavy-duty definition from over 6,000 pounds to over 26,000 pounds. It would increase the light-duty definition from under 6,000 pounds to under 10,000 pounds. Staff suggest the reason for this change is to secure a dramatically increased share of limited incentive funds for natural gas engines with low emissions of oxides of nitrogen (NO_x). Today, incentive funds such as the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP) or cap-and-trade funded programs incentivize a range of vehicle weights and uses. These include delivery vehicles, step-vans, and many other vehicles, as well as the heaviest trucks (which are designated Class 7 and 8 vehicles). This diversity allows the most cost-effective projects to be funded, as well as incentivizing the clean technology development that historically has spread from lighter vehicles to heavier vehicles. By excluding vehicles less than 26,000 pounds from these programs, natural-gas-based technology is favored at the expense of other technologies. Staff are recommending an "**Oppose**" position.

Staff may bring other bills to the committee for it to consider adopting positions on in addition to those discussed above.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Thomas Addison
Reviewed by: Jean Roggenkamp

Attachment 4A: Assembly Bill No. 378
Senate Bill No. 775
Assembly Bill No. 476

AMENDED IN ASSEMBLY APRIL 18, 2017

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 378

Introduced by Assembly Members Cristina Garcia, Holden, and Eduardo Garcia
(Coauthors: Assembly Members Bloom, Bonta, Eggman, Friedman, Gomez, Jones-Sawyer, Kalra, McCarty, Reyes, Mark Stone, Thurmond, and Ting)

February 9, 2017

An act to amend Section 38562.5 of, and to add ~~Section~~ *Sections 38562.6 and 38567* to, the Health and Safety Code, relating to ~~greenhouse gases: air pollution.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 378, as amended, Cristina Garcia. ~~California Global Warming Solutions Act of 2006: regulations. Greenhouse gases, criteria air pollutants, and toxic air contaminants.~~

The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include the use of market-based compliance mechanisms. The act requires the state board to approve a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020 and to ensure that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030.

The act requires the state board, when adopting rules and regulations to achieve greenhouse gas emissions reductions beyond the statewide greenhouse gas emissions limit and to protect the state's most impacted

and disadvantaged communities, to follow specified requirements, consider the social costs of the emissions of greenhouse gases, and prioritize specified emission reduction rules and regulations.

This bill would additionally require the state board to consider and account for the social costs of the emissions and greenhouse gases when adopting those rules and regulations. The bill would authorize the state board to adopt or ~~subsequently revise new~~ *amend* regulations that establish a market-based compliance mechanism, applicable from January 1, 2021, to December 31, 2030, to complement direct emissions reduction measures in ensuring that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030. *The bill would prohibit the state board from permitting a facility to increase its annual emissions of greenhouse gases compared to the annual average of emissions of greenhouse gases reported during specified years. The bill would authorize the state board to adopt no-trade zones or facility-specific declining greenhouse gas emissions limits where facilities' emissions contribute to a cumulative pollution burden that creates a significant health impact.*

This bill would require the state board, in consultation with affected air pollution control and air quality management districts, to adopt air pollutant emissions standards for emissions of criteria air pollutants and toxic air contaminants at industrial facilities that are subject to a market-based compliance mechanism. The bill would prohibit the state board from allocating allowances as part of a market-based compliance mechanism to industrial facilities that do not meet the air pollutant emissions standards for criteria air pollutants and toxic air contaminants.

This bill would require the state board, in ensuring that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030, to adopt the most effective and equitable mix of emissions reduction measures and ensure that emissions reduction measures collectively and individually support achieving air quality and other environmental and public health goals.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:

1 (a) It is a primary objective of the state to reduce greenhouse
2 gas emissions, which is critical for the protection of all areas of
3 the state but especially for the state’s most disadvantaged
4 communities, which will be disproportionately impacted by climate
5 change and emissions from sources of greenhouse gases, including
6 short-lived climate pollutants, as well as criteria pollutants and
7 toxic air contaminants.

8 (b) While low-income communities and communities of color
9 in the state suffer from some of the worst air quality in the nation,
10 the state has been and must continue to be a leader in making
11 investments in historically disadvantaged communities.

12 (c) Achieving the state’s climate and air quality goals in an
13 equitable and effective manner will require a mix of direct
14 regulations and incentives that hold major emitters accountable
15 for the social costs of their emissions, protect the state’s economy,
16 and direct investments to communities across the state.

17 SEC. 2. Section 38562.5 of the Health and Safety Code is
18 amended to read:

19 38562.5. (a) When adopting rules and regulations pursuant to
20 this division to achieve emissions reductions beyond the statewide
21 greenhouse gas emissions limit and to protect the state’s most
22 impacted and disadvantaged communities, the state board shall
23 follow the requirements in subdivision (b) of Section 38562,
24 consider and account for the social costs of the emissions of
25 greenhouse gases, and prioritize both of the following:

26 (1) Emission reduction rules and regulations that result in direct
27 emission reductions at large stationary sources of greenhouse gas
28 emissions and direct emission reductions from mobile sources.

29 (2) Emission reduction rules and regulations that result in direct
30 emission reductions from sources other than those specified in
31 paragraph (1).

32 ~~(b) The state board may adopt or subsequently revise new~~
33 ~~regulations that establish a market-based compliance mechanism~~
34 ~~developed pursuant to Part 5 (commencing with Section 38570),~~
35 ~~applicable from January 1, 2021, to December 31, 2030, to~~ *To*
36 *complement direct emissions reduction measures in ensuring the*
37 *reductions in greenhouse gas emissions required pursuant to*
38 *Section 38566. 38566, the state board may adopt or amend*
39 *regulations that establish a system of market-based declining*
40 *annual aggregate emissions limits for sources or categories of*

1 sources that emit greenhouse gases, applicable from January 1,
2 2021, to December 31, 2030, inclusive, that the state board
3 determines will achieve the maximum technologically feasible and
4 cost-effective reductions in the emissions of greenhouse gases, in
5 the aggregate, from sources or categories of sources.

6 (c) The state board shall not permit a facility to increase its
7 annual emissions of greenhouse gases compared to the annual
8 average of emissions of greenhouse gases reported from 2014 to
9 2016, inclusive.

10 (d) The state board may adopt no-trade zones or facility-specific
11 declining greenhouse gas emissions limits where facilities'
12 emissions contribute to a cumulative pollution burden that creates
13 a significant health impact.

14 SEC. 3. Section 38562.6 is added to the Health and Safety
15 Code, to read:

16 38562.6. (a) For purposes of this section, "district" has the
17 same meaning as set forth in Section 39025.

18 (b) (1) On or before January 1, 2019, the state board, in
19 consultation with each affected district, shall adopt air pollutant
20 emissions standards applicable to industrial facilities subject to
21 a regulation adopted pursuant to subdivision (b) of Section 38562.5
22 or Part 5 (commencing with Section 38570).

23 (2) In adopting the air pollutant emissions standards pursuant
24 to this subdivision, the state board shall evaluate the air pollutant
25 emissions of each industrial facility subject to the regulation
26 adopted pursuant to subdivision (c) of Section 38562. The state
27 board's evaluation shall be based on the most recent available
28 data on industrial facilities gathered from districts, facility
29 operators, public comments, and other research as necessary, and
30 shall examine all of the following:

31 (A) Permitted and actual emissions of criteria air pollutants
32 and toxic air contaminants.

33 (B) Date of the most recent new source review conducted
34 pursuant to the federal Clean Air Act (42 U.S.C. Sec. 7401, et seq.)
35 for each emission unit.

36 (C) Emissions control measures for each criteria air pollutant
37 and toxic air contaminant, including, but not limited to, emissions
38 control technology for each emission unit.

1 (D) Whether each emission unit meets best available control
2 technology, as defined in Section 40405, or best available retrofit
3 control technology, as defined in Section 40406, as applicable.

4 (E) The performance of similar industrial facilities.

5 (F) District records of complaints, enforcement actions, and
6 penalties.

7 (c) On and after January 1, 2021, the state board shall not
8 allocate allowances pursuant to a regulation adopted pursuant to
9 subdivision (b) of Section 38652.5 or Part 5 (commencing with
10 Section 38570) to an industrial facility that does not meet the air
11 pollutant emissions standards for criteria air pollutants and toxic
12 air contaminants adopted pursuant to subdivision (b).

13 ~~SEC. 3.~~

14 SEC. 4. Section 38567 is added to the Health and Safety Code,
15 to read:

16 38567. In furtherance of ensuring the reductions in greenhouse
17 gas emissions required pursuant to Section 38566 and consistent
18 with this division, the state board shall do all of the following:

19 (a) Adopt the most effective and equitable mix of emissions
20 reduction measures to achieve the 2030 goal.

21 (b) Ensure that emissions reduction measures collectively and
22 individually support achieving air quality and other environmental
23 and public health goals.

AMENDED IN SENATE MAY 1, 2017

SENATE BILL

No. 775

Introduced by Senator Wieckowski

February 17, 2017

~~An act to amend Section 38564 of the Health and Safety Code, relating to greenhouse gases.~~ *An act to amend Section 12894 of, and to add Section 16428.87 to, the Government Code, and to amend Section 38505 of, to add Section 38574.5 to, and to add Part 5.5 (commencing with Section 38575) and Part 5.6 (commencing with Section 38577) to Division 25.5 of, the Health and Safety Code, relating to greenhouse gases, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 775, as amended, Wieckowski. ~~California Global Warming Solutions Act of 2006: greenhouse gas emissions reduction.~~ *California Global Warming Solutions Act of 2006: market-based compliance mechanisms.*

(1) The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act authorizes the state board to include use of market-based compliance mechanisms. Existing law prohibits a state agency from linking a market-based compliance mechanism with any other state, province, or country unless the state agency notifies the Governor. Existing law requires the Governor to issue specified findings within 45 days of receiving that notice from a state agency and to provide those findings to the Legislature.

This bill would add to the findings required to be issued by the Governor and provided to the Legislature in those circumstances.

(2) *The California Global Warming Solutions Act of 2006 requires the state board to approve a statewide greenhouse gas emissions limit equivalent to the statewide greenhouse gas emissions level in 1990 to be achieved by 2020 and to ensure that statewide greenhouse gas emissions are reduced to at least 40% below the 1990 level by 2030.*

This bill would require the state board to adopt a regulation establishing as a market-based compliance mechanism a market-based program of emissions limits, applicable on and after January 1, 2021, for covered entities, as defined. The bill would require the program to set an initial minimum reserve price of \$20 per allowance, as defined, and an initial auction offer price of \$30 per allowance when auctioning allowances. The bill would require the program to increase the minimum reserve price each quarter by \$1.25 plus any increase in the Consumer Price Index, and the auction offer price each quarter by \$2.50 plus any increase in the Consumer Price Index, as specified. The bill would authorize the state board to revise the definition of a covered entity, as specified.

The bill would establish the Economic Competitive Assurance Program, to be administered by the state board, to ensure that importers that sell, supply, or offer for sale in the state a greenhouse gas emission intensive product have economically fair and competitive conditions and to maintain economic parity between producers that are subject to the market-based program of emissions limits and those who sell like goods in state that are not subject to that program, as specified.

This bill would establish the California Climate Infrastructure Fund, the California Climate Dividend Fund, and the California Climate and Clean Energy Research Fund in the State Treasury. The bill would require the Franchise Tax Board, in consultation with the Climate Dividend Access Board, which the bill would establish, to develop and implement a program to deliver quarterly per capita dividends to all residents of the state that would maximize the ease with which residents of the state may enroll in the program, as specified.

(3) *This bill would declare that it is to take effect immediately as an urgency statute.*

~~The California Global Warming Solutions Act of 2006 designates the State Air Resources Board as the state agency charged with monitoring and regulating sources of emissions of greenhouse gases. The act requires the state board to consult with other states, the federal government, and other nations to identify the most effective strategies and methods to reduce greenhouse gases, manage greenhouse gas control~~

programs, and facilitate the development of integrated and cost-effective regional, national, and international greenhouse gas reduction programs.

~~This bill would require the state board also to consult with local agencies for these purposes.~~

Vote: majority ²/₃. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 12894 of the Government Code is
2 amended to read:

3 12894. (a) (1) The Legislature finds and declares that the
4 establishment of nongovernmental entities, such as the Western
5 Climate Initiative, Incorporated, and linkages with other states and
6 countries by the State Air Resources Board or other state agencies
7 for the purposes of implementing ~~Division the California Global~~
8 Warming Solutions Act of 2006 (Division 25.5 (commencing with
9 Section 38500) of the Health and Safety ~~Code, Code~~) should be
10 done transparently and should be independently reviewed by the
11 Attorney General for consistency with all applicable laws.

12 (2) The purpose of this section is to establish new oversight and
13 transparency over any such linkages and related activities
14 undertaken in relation to ~~Division the California Global Warming~~
15 Solutions Act of 2006 (Division 25.5 (commencing with Section
16 38500) of the Health and Safety ~~Code Code~~) by the executive
17 agencies ~~in order~~ to ensure consistency with applicable laws.

18 (b) (1) The California membership of the board of directors of
19 the Western Climate Initiative, Incorporated, shall be modified as
20 follows:

21 (A) One appointee or his or her designee who shall serve as an
22 ex officio nonvoting member shall be appointed by the Senate
23 Committee on Rules.

24 (B) One appointee or his or her designee who shall serve as an
25 ex officio nonvoting member shall be appointed by the Speaker
26 of the Assembly.

27 (C) ~~The Chairperson~~ Chair of the State Air Resources Board
28 or her or his designee.

29 (D) The Secretary for Environmental Protection or his or her
30 designee.

1 (2) ~~Sections 11120 through 11132 do~~ *The Bagley-Keene Open*
2 *Meeting Act (Article 9 (commencing with Section 11120) of*
3 *Chapter 1 of Part 1)* does not apply to the Western Climate
4 Initiative, Incorporated, or to appointees specified in subparagraphs
5 (C) and (D) of paragraph (1) when performing their duties under
6 this section.

7 (c) The State Air Resources Board shall provide notice to the
8 Joint Legislative Budget Committee, consistent with that required
9 for Department of Finance augmentation or reduction
10 authorizations pursuant to subdivision (e) of Section 28.00 of the
11 annual Budget Act, of any funds over one hundred fifty thousand
12 dollars (\$150,000) provided to the Western Climate Initiative,
13 Incorporated, or its derivatives or subcontractors no later than 30
14 days prior to transfer or expenditure of these funds.

15 (d) ~~The Chairperson~~ *Chair* of the State Air Resources Board
16 and the Secretary for Environmental Protection, as the California
17 voting representatives on the Western Climate Initiative,
18 Incorporated, shall report every six months to the Joint Legislative
19 Budget Committee on any actions proposed by the Western Climate
20 Initiative, Incorporated, that affect California state government or
21 entities located within the state.

22 (e) For purposes of this section, “link,” “linkage,” or “linking”
23 means an action taken by the State Air Resources Board or any
24 other state agency that will result in acceptance by the State of
25 California of compliance instruments issued by any other
26 governmental agency, including any state, province, or country,
27 for purposes of demonstrating compliance with the market-based
28 compliance mechanism established pursuant to ~~Division the~~
29 *California Global Warming Solutions Act of 2006 (Division 25.5*
30 *(commencing with Section 38500) of the Health and Safety Code*
31 *Code)* and specified in Sections 95801 to 96022, inclusive, of Title
32 17 of the California Code of Regulations.

33 (f) A state agency, including, but not limited to, the State Air
34 Resources Board, shall not link a market-based compliance
35 mechanism established pursuant to ~~Division the~~ *California Global*
36 *Warming Solutions Act of 2006 (Division 25.5 (commencing with*
37 *Section 38500) of the Health and Safety Code Code)* and specified
38 in Sections 95801 to 96022, inclusive, of Title 17 of the California
39 Code of Regulations with any other state, province, or country
40 unless the state agency notifies the Governor that the agency

1 intends to take such action and the Governor, acting in his or her
2 independent capacity, makes all of the following findings:

3 (1) The jurisdiction with which the state agency proposes to
4 link has adopted program requirements for greenhouse gas
5 reductions, including, but not limited to, requirements for offsets,
6 that are equivalent to or stricter than those required by ~~Division~~
7 *the California Global Warming Solutions Act of 2006 (Division*
8 *25.5 (commencing with Section 38500) of the Health and Safety*
9 ~~Code. Code).~~

10 (2) Under the proposed linkage, the State of California is able
11 to enforce ~~Division~~ *the California Global Warming Solutions Act*
12 *of 2006 (Division 25.5 (commencing with Section 38500) of the*
13 *Health and Safety Code Code) and related statutes, against any*
14 *entity subject to regulation under those statutes, and against any*
15 *entity located within the linking jurisdiction to the maximum extent*
16 *permitted under the United States and California Constitutions.*

17 (3) The proposed linkage provides for enforcement of applicable
18 laws by the state agency or by the linking jurisdiction of program
19 requirements that are equivalent to or stricter than those required
20 by ~~Division~~ *the California Global Warming Solutions Act of 2006*
21 *(Division 25.5 (commencing with Section 38500) of the Health*
22 *and Safety Code. Code).*

23 (4) The proposed linkage and any related participation of the
24 State of California in Western Climate Initiative, Incorporated,
25 shall not impose any significant liability on the state or any state
26 agency for any failure associated with the linkage.

27 (5) *The jurisdiction with which the state agency proposes to*
28 *link has adopted legally binding program requirements for*
29 *greenhouse gases that include minimum carbon prices, including*
30 *auction reserve prices, that are equivalent to or greater than those*
31 *required by the California Global Warming Solutions Act of 2006*
32 *(Division 25.5 (commencing with Section 38500) of the Health*
33 *and Safety Code).*

34 (6) *The prospective link does not threaten the uninterrupted*
35 *performance and purpose of the California Climate Dividend*
36 *Program, established by Part 5.6 (commencing with Section 38577)*
37 *of Division 25.5 of the Health and Safety Code, with a finding*
38 *made in consultation with the Franchise Tax Board.*

39 (g) The Governor shall issue findings pursuant to subdivision
40 (f) within 45 days of receiving a notice from a state agency, and

1 shall provide those findings to the Legislature. The findings shall
2 consider the advice of the Attorney General. The findings to be
3 submitted to the Legislature shall not be unreasonably withheld.
4 The findings shall not be subject to judicial review.

5 *SEC. 2. Section 16428.87 is added to the Government Code,*
6 *to read:*

7 *16428.87. (a) The California Climate Infrastructure Fund is*
8 *hereby created in the State Treasury.*

9 *(b) The California Climate Dividend Fund is hereby created in*
10 *the State Treasury. Moneys in the fund shall be allocated, upon*
11 *appropriation, pursuant to Part 5.6 (commencing with Section*
12 *38577) of Division 25.5 of the Health and Safety Code.*

13 *(c) The California Climate and Clean Energy Research Fund*
14 *is hereby created in the State Treasury.*

15 *SEC. 3. Section 38505 of the Health and Safety Code is*
16 *amended to read:*

17 *38505. For the purposes of this division, the following terms*
18 *have the following meanings:*

19 *(a) "Allowance" means an authorization to emit, during a*
20 *specified year, up to one ton of carbon dioxide equivalent.*

21 *(b) "Alternative compliance mechanism" means an action*
22 *undertaken by a greenhouse gas emission source that achieves the*
23 *equivalent reduction of greenhouse gas emissions over the same*
24 *time period as a direct emission reduction, and that is approved*
25 *by the state board. "Alternative compliance mechanism" includes,*
26 *but is not limited to, a flexible compliance schedule, alternative*
27 *control technology, a process change, or a product substitution.*

28 *(c) (1) "Carbon dioxide equivalent" means the amount of carbon*
29 *dioxide by ~~weight mass~~ that would produce the same global*
30 *warming impact as a given ~~weight mass~~ of another greenhouse*
31 *gas, based on the best available science, including from the*
32 *Intergovernmental Panel on Climate Change. gas over a specified*
33 *time horizon.*

34 *(2) In calculating the carbon dioxide equivalent of any*
35 *greenhouse gas emission pursuant to this subdivision, the state*
36 *board shall use the best available scientific information, including*
37 *the most recent findings from the Intergovernmental Panel on*
38 *Climate Change. Where other jurisdictions use different methods*
39 *for calculating the carbon dioxide equivalent of any greenhouse*
40 *gas emissions, the state board may in parallel report carbon*

1 *dioxide equivalents using these alternative methods, but the state*
2 *board shall not use the existence of alternative methods in other*
3 *jurisdictions as a basis for selecting methods other than the best*
4 *available scientific information, including the most recent findings*
5 *from the Intergovernmental Panel on Climate Change, for*
6 *regulations developed pursuant to this division. The state board*
7 *shall select consistent methods in calculating carbon dioxide*
8 *equivalents across all regulations developed pursuant to this*
9 *division.*

10 (d) “Cost-effective” or “cost-effectiveness” means the cost per
11 unit of reduced emissions of greenhouse gases adjusted for its
12 global warming potential.

13 (e) “Direct emission reduction” means a greenhouse gas
14 emission reduction action made by a greenhouse gas emission
15 source at that source.

16 (f) “Emissions reduction measure” means programs, measures,
17 standards, and alternative compliance mechanisms authorized
18 pursuant to this division, applicable to sources or categories of
19 sources, that are designed to reduce emissions of greenhouse gases.

20 (g) “Greenhouse gas” or “greenhouse gases” includes all of the
21 following gases:

- 22 (1) Carbon dioxide.
- 23 (2) Methane.
- 24 (3) Nitrous oxide.
- 25 (4) Hydrofluorocarbons.
- 26 (5) Perfluorocarbons.
- 27 (6) Sulfur hexafluoride.
- 28 (7) Nitrogen trifluoride.

29 (h) “Greenhouse gas emissions limit” means an authorization,
30 during a specified year, to emit up to a level of greenhouse gases
31 specified by the state board, expressed in tons of carbon dioxide
32 equivalents.

33 (i) “Greenhouse gas emission source” or “source” means any
34 source, or category of sources, of greenhouse gas emissions whose
35 emissions are at a level of significance, as determined by the state
36 board, that its participation in the program established under this
37 division will enable the state board to effectively reduce greenhouse
38 gas emissions and monitor compliance with the statewide
39 greenhouse gas emissions limit.

1 (j) “Leakage” means a reduction in emissions of greenhouse
2 gases within the state that is offset by an increase in emissions of
3 greenhouse gases outside the state.

4 (k) “Market-based compliance mechanism” means either of the
5 following:

6 (1) A system of market-based declining annual aggregate
7 emissions limitations for sources or categories of sources that emit
8 greenhouse gases.

9 (2) Greenhouse gas emissions exchanges, banking, credits, and
10 other transactions, governed by rules and protocols established by
11 the state board, that result in the same greenhouse gas emission
12 reduction, over the same time period, as direct compliance with a
13 greenhouse gas emission limit or ~~emission~~ *emissions* reduction
14 measure adopted by the state board pursuant to this division.

15 (l) “State board” means the State Air Resources Board.

16 (m) “Statewide greenhouse gas emissions” means the total
17 annual emissions of greenhouse gases in the state, including all
18 emissions of greenhouse gases from the generation of electricity
19 delivered to and consumed in California, accounting for
20 transmission and distribution line losses, whether the electricity
21 is generated in state or imported. Statewide emissions shall be
22 expressed in tons of carbon dioxide equivalents.

23 (n) “Statewide greenhouse gas emissions limit” or “statewide
24 emissions limit” means the maximum allowable level of statewide
25 greenhouse gas emissions in 2020, as determined by the state board
26 pursuant to Part 3 (commencing with Section 38550).

27 *SEC. 4. Section 38574.5 is added to the Health and Safety*
28 *Code, to read:*

29 *38574.5. (a) For purposes of this section, the following terms*
30 *have the following meanings:*

31 *(1) “Allowance” means a tradeable compliance instrument that*
32 *is equal to one metric ton of carbon dioxide equivalent and is*
33 *issued by the state board as part of the regulation adopted pursuant*
34 *to this section or is issued by the appropriate governing body of*
35 *an external market-based compliance mechanism to which the*
36 *program established pursuant to this section has been linked*
37 *pursuant to Section 12894 of the Government Code.*

38 *(2) “Annual compliance event” means an annual process to*
39 *demonstrate compliance with the program established pursuant*
40 *to this section in which covered entities submit allowances to the*

1 state board equal to a minimum specified proportion of their
2 verified emissions of greenhouse gases for the prior year, as
3 reported to the state board pursuant to Section 38530.

4 (3) “Carbon offset credits” means credits awarded to projects
5 or programs for voluntary greenhouse gas emissions reductions
6 that occur outside of the scope of covered entities’ greenhouse gas
7 emissions, including all credits issued by the state board pursuant
8 to Section 38562.

9 (4) “Consumer Price Index” means the California Consumer
10 Price Index, All Urban Consumers, published by the Department
11 of Industrial Relations.

12 (5) “Covered entity” means a source of emissions of greenhouse
13 gases that is within a source category that is subject to compliance
14 obligations pursuant to subdivision (c) of Section 38562 as of
15 January 1, 2017. For a new source of emissions of greenhouse
16 gases commencing operation after January 1, 2017, “covered
17 entity” means a source that would have been within a source
18 category subject to compliance obligations under subdivision (c)
19 of Section 38562 if it had began emitting greenhouse gases on or
20 before January 1, 2017. If, after January 1, 2018, the state board
21 determines that a future adjustment to the definition of “covered
22 entity” is warranted, the adjustment shall result in at least an
23 equal percentage of statewide greenhouse gas emissions remaining
24 subject to the program established pursuant to this section as if
25 the initial definition of “covered entity” developed under this
26 subdivision were to apply.

27 (6) “Covered imported product” has the some meaning as in
28 Section 38575.

29 (b) The state board shall adopt a regulation establishing as a
30 compliance mechanism program of market-based emissions limits,
31 applicable on and after January 1, 2021, to covered entities. The
32 regulation shall do all of the following:

33 (1) Set annual aggregate emissions limits for greenhouse gas
34 emissions from covered entities that the state board determines in
35 conjunction with other policies applicable to statewide greenhouse
36 gas emissions are sufficient to ensure the emissions target specified
37 in Section 38566.

38 (2) Require, beginning January 1, 2021, the state board to
39 conduct quarterly allowance auctions that are open to participation
40 from covered entities, importers or sellers of covered imported

1 *products, and any other participants who register with the state*
2 *board for the purposes of participating in quarterly allowance*
3 *auctions.*

4 *(3) Offer at each auction a number of allowances equal to the*
5 *auction's quarterly share of the annual aggregate emissions limit*
6 *established in paragraph (1).*

7 *(4) Require a covered entity to submit allowances equal to at*
8 *least 90 percent of its annual carbon dioxide equivalent emissions*
9 *at each annual compliance event, with the option to submit*
10 *additional allowances without penalty to account for the remainder*
11 *of its annual emissions, if any, at the subsequent year's annual*
12 *compliance event. The state board shall determine the timing of*
13 *the annual compliance event taking into account the availability*
14 *of covered entities' verified emissions data as reported to the state*
15 *board pursuant to Section 38530.*

16 *(5) Require that all allowances created pursuant to this section*
17 *be offered for sale at auction and not allocated to covered entities*
18 *either for free or for consignment sale, unless subsequent events*
19 *trigger the creation of a free allowance allocation program*
20 *pursuant to Section 38575.*

21 *(6) Require an initial minimum auction reserve price equal to*
22 *twenty dollars (\$20) per allowance. The state board shall not*
23 *auction allowances to bidders at a price less than the currently*
24 *applicable auction reserve price.*

25 *(7) Require an initial auction offer price equal to thirty dollars*
26 *(\$30) per allowance. At each auction, the state board shall make*
27 *an unlimited number of allowances available at the currently*
28 *applicable auction offer price.*

29 *(8) Require, beginning April 1, 2022, a quarterly increase in*
30 *the auction reserve price on April 1, July 1, October 1, and January*
31 *1 of each year equal to one dollar and twenty-five cents (\$1.25)*
32 *plus a quarterly share of the percentage, if any, by which the*
33 *Consumer Price Index increased for the preceding calendar year.*

34 *(9) Require, beginning April 1, 2021, a quarterly increase in*
35 *the auction offer price on April 1, July 1, October 1, and January*
36 *1 of each year equal to two dollars and fifty cents (\$2.50) plus a*
37 *quarterly share of the percentage, if any, by which the Consumer*
38 *Price Index increased for the preceding calendar year.*

39 *(10) Require allowances to be valid for compliance purposes*
40 *only in the calendar year in which they are introduced into*

1 *circulation by the state board or for covering any remaining*
2 *compliance obligations from the prior year pursuant to paragraph*
3 *(4).*

4 *(11) Prohibit carbon offset credits from being used to meet a*
5 *covered entity's compliance obligation required pursuant to*
6 *paragraph (4).*

7 *(12) Prohibit an allowance or any other compliance instrument*
8 *issued pursuant to a regulation adopted pursuant to Section 38562*
9 *from being used to meet a covered entity's compliance obligation*
10 *required pursuant to paragraph (4).*

11 *(13) Prohibit compliance instruments issued by external*
12 *market-based compliance mechanisms that have been linked*
13 *pursuant to Section 12894 of the Government Code to a regulation*
14 *adopted pursuant to Section 38562 from being used to meet a*
15 *covered entity's compliance obligation required pursuant to*
16 *paragraph (4).*

17 *(14) Allow for the use of compliance instruments issued by*
18 *external market-based compliance mechanisms that have been*
19 *linked pursuant to Section 12894 of the Government Code to the*
20 *program established pursuant to this section to satisfy a covered*
21 *entity's compliance obligation required pursuant to paragraph*
22 *(4).*

23 *(c) All moneys collected pursuant to this section shall be*
24 *deposited in the California Climate Dividend Fund, the California*
25 *Climate and Clean Energy Research Fund, and the California*
26 *Climate Infrastructure Fund, which are all created pursuant to*
27 *Section 16428.87 of the Government Code, as follows:*

28 *(1) The first ____ per year shall be deposited into the California*
29 *Climate and Clean Energy Research Fund.*

30 *(2) The next ____ per year shall be deposited into the California*
31 *Climate Dividend Fund.*

32 *(3) All other remaining moneys shall be deposited into the*
33 *California Climate Infrastructure Fund.*

34 *(d) On a quarterly and annual basis, the state board shall*
35 *determine the net amount of moneys collected from covered entities*
36 *pursuant to this section and Part 5.5 (commencing with Section*
37 *38575).*

38 *(e) (1) The state board, in consultation with the Franchise Tax*
39 *Board, shall prepare an annual report summarizing the collection*
40 *and disposition of all moneys collected pursuant to this section*

1 and Part 5.5 (commencing with Section 38575). The state board
2 shall make the report publicly available by posting the report on
3 its Internet Web site.

4 (2) In addition to any other reporting requested by the Joint
5 Legislative Committee on Climate Change Policies, the state board
6 shall provide quarterly summary statistics of the moneys collected
7 pursuant to this section and Part 5.5 (commencing with Section
8 38575) and make that summary publicly available by posting the
9 summary on its Internet Web site.

10 (f) The state board, in consultation with the Franchise Tax
11 Board, shall project and analyze the expected emissions of
12 greenhouse gases and future revenue collection, taking into
13 account uncertainty over future economic growth, energy
14 consumption, and other relevant factors that affect the emissions
15 of greenhouse gases. The projections shall include at least one-year
16 and five-year emissions of greenhouse gases and revenue outlooks
17 and shall be included in the annual report required pursuant to
18 paragraph (1) of subdivision (e).

19 (g) In administering the collection and disposition of the moneys
20 collected pursuant to this section and Part 5.5 (commencing with
21 Section 38575), the state board and the Franchise Tax Board shall
22 use conservative accounting management practices to maintain
23 sufficient reserves in each of the funds established pursuant to
24 Section 16428.87 of the Government Code. The appropriate
25 accounting management practices may include reasonable
26 projections determined on an annual basis of expected revenue
27 collection to achieve the money collection and disposition
28 requirements of this section, Part 5.5 (commencing with Section
29 38575), and Part 5.6 (commencing with Section 38577).

30 SEC. 5. Part 5.5 (commencing with Section 38575) is added
31 to Division 25.5 of the Health and Safety Code, to read:

32

33 PART 5.5. ECONOMIC COMPETITIVENESS ASSURANCE
34 PROGRAM

35

36 38575. (a) For purposes of this part, the following terms have
37 the following meanings:

38 (1) "Allowance" has the same meaning as set forth in Section
39 38574.5.

1 (2) “Annual compliance event” has the same meaning as set
2 forth in Section 38574.5.

3 (3) “Covered entity” has the same meaning as set forth in
4 Section 38574.5.

5 (4) “Covered imported product” means a product or category
6 of imported product that the state board has determined, after an
7 evaluation of relevant market prices and associated lifecycle
8 greenhouse gas emissions to exhibit a material price difference.

9 (5) (A) “Material price difference” means a substantial
10 difference in the price of a covered imported product or prospective
11 covered imported product that arises solely as a result of whether
12 or not a substantial component of the product’s lifecycle
13 greenhouse gas emissions is not subject to the program established
14 pursuant to Section 38574.5.

15 (B) In determining whether a material price difference exists,
16 the state board shall consider only the economic consequences of
17 the program established pursuant to Section 38574.5 and not other
18 factors that are merely coincident with the program. The state
19 board, at its discretion and based upon the availability of sufficient
20 data, may evaluate whether a material price difference exists with
21 respect to the retail or wholesale prices of the product.

22 (b) The Economic Competitiveness Assurance Program is hereby
23 established, to be administered by the state board to ensure that
24 importers that sell, supply, or offer for sale in the state a
25 greenhouse gas emission intensive product have economically fair
26 and competitive conditions. The purpose of the Economic
27 Competitiveness Assurance Program is to maintain economic
28 parity between producers, the prices of whose goods are materially
29 impacted by the implementation of the program established
30 pursuant to Section 38574.5, and those who sell like goods instate
31 that are not subject to the program established pursuant to Section
32 38574.5. The state board shall adopt a regulation implementing
33 this part that does all of the following:

34 (1) Applies to all covered imported products.

35 (2) Establishes a process for evaluating the prices and
36 greenhouse gas emission intensities of major categories of products
37 manufactured, sold, or consumed in the state. The state board shall
38 use its expert discretion, emissions inventory data, state economic
39 and trade data, and any other supplemental data sources necessary

1 to conduct a thorough analysis of the flow of greenhouse gas
2 emission intensive products through the state economy.

3 (3) Establishes, and periodically updates, a list, based on
4 analysis conducted pursuant to paragraph (2), of covered imported
5 products and their associated greenhouse gas emissions intensities.
6 The list shall include estimates of the lifecycle greenhouse gas
7 emissions of covered imported products that the state board
8 calculates by product type, production process, or any other
9 aggregated category that the state board deems relevant, with
10 lifecycle greenhouse gas emissions reported on a per product unit
11 basis at the aggregated category level for each covered imported
12 product.

13 (4) Creates a process for private parties involved in the sale of
14 greenhouse gas emission intensive products manufactured instate
15 to petition the state board to have a product listed as a covered
16 imported product as a result of a material price difference. The
17 state board shall evaluate private party petitions using consistent
18 criteria for establishing the presence of a material price difference.
19 The state board may prioritize the order in which it addresses the
20 petitions according to reasonable factors, including the relative
21 quantity of potentially affected greenhouse gas emissions and the
22 relative impact of any economic disparities petitioners claim are
23 created by the program established pursuant to Section 38574.5.
24 To the maximum extent practicable, the state board shall be
25 consistent across the evaluation of private party petitions and
26 between the evaluation of private petitions and the state board's
27 own determinations of covered imported products pursuant to
28 paragraph (3).

29 (5) Creates a process for removing a covered imported product
30 from the list of covered imported products created pursuant to
31 paragraph (3) if at any time the state board concludes the program
32 adopted pursuant to Section 38574.5 does not result in a material
33 price difference for a listed product or covered imported product.

34 (6) Imposes an obligation on any person who sells, supplies, or
35 offers for sale instate a covered imported product to surrender
36 allowances equal to the lifecycle greenhouse gas emissions
37 associated with each covered imported product sold or supplied
38 for consumption in the state and that would have been subject to
39 the program established pursuant to Section 38574.5 if the product
40 had been manufactured instate. The person shall submit to the

1 *state board allowances equal to at least 70 percent of the annual*
2 *lifecycle greenhouse gas emissions obligated under this paragraph*
3 *at the time of the annual compliance event established pursuant*
4 *to Section 38574.5, with an option to submit additional allowances*
5 *without penalty to account for the remainder, if any, at the*
6 *subsequent year's annual compliance event. The obligation to*
7 *surrender allowances established by this paragraph does not apply*
8 *to individual products for which covered entities face compliance*
9 *obligations for all substantial components of the covered imported*
10 *product's lifecycle greenhouse gas emissions. If one or more*
11 *covered entities are subject to compliance obligations for one or*
12 *more substantial components, but not all substantial components,*
13 *of the covered imported product's lifecycle greenhouse gas*
14 *emissions, the state board, to the maximum extent practicable,*
15 *shall reduce the obligation imposed by this paragraph on importers*
16 *of those covered imported products to account only for the*
17 *proportion of total lifecycle greenhouse gas emissions for which*
18 *covered entities do not already face compliance obligations.*

19 *(7) Develops, to the maximum extent practicable, a process to*
20 *exempt covered entities from the obligation to surrender*
21 *allowances pursuant to Section 38574.5 for the production of*
22 *covered imported products for which a covered entity faces a*
23 *compliance obligation for a substantial component of the lifecycle*
24 *greenhouse gas emissions of a covered imported product that is*
25 *exported for final sale outside of the state or, at the state board's*
26 *discretion, to instead develop a process for returning or issuing*
27 *to covered entities the same number of valid allowances that the*
28 *covered entity submitted to the state board to account for a*
29 *substantial component of the lifecycle greenhouse gas emissions*
30 *from covered imported products that are exported for final sale*
31 *outside the state.*

32 *(8) Reduces, to the maximum extent practicable, the obligation*
33 *to surrender allowances at the annual compliance event pursuant*
34 *to paragraph (6) to account for any legally binding carbon pricing*
35 *policies that apply in the place of origin of a covered imported*
36 *product. For the purposes of this paragraph, carbon pricing*
37 *policies may include carbon fees, carbon taxes, emissions limits*
38 *programs, and other market-based compliance mechanisms that*
39 *impose an explicit cost on greenhouse gas emissions. If a carbon*
40 *pricing policy exists in the place or places of origin of a covered*

1 *imported product, but that policy does not impose carbon prices*
2 *that are equivalent to those resulting from the program established*
3 *pursuant to Section 38574.5, the state board shall use reasonable*
4 *methods to account for the adjustments specified in this paragraph*
5 *on a partial basis that reflect the difference between carbon pricing*
6 *policies across applicable jurisdictions to the lifecycle greenhouse*
7 *gas emissions of the covered imported product.*

8 *(9) Creates a process for a manufacturer or importer of a*
9 *covered imported product to petition for an entity-specific lifecycle*
10 *greenhouse gas emissions factor if it can provide credible*
11 *documentation supporting the claim.*

12 *(10) Creates, if at any time a judicial opinion, settlement, or*
13 *other legally binding decision reduces or eliminates the state*
14 *board's authority to implement the Economic Competitiveness*
15 *Assurance Program, a system that freely allocates allowances to*
16 *the manufacturers subject to Section 38574.5 whose products the*
17 *state board is no longer able to include as covered imported*
18 *products in the Economic Competitiveness Assurance Program.*
19 *The free allowance program is subject to all of the following:*

20 *(A) The purpose of a free allowance allocation pursuant to this*
21 *paragraph is to maintain economic parity between producers of*
22 *greenhouse gas intensive goods that are subject to Section 38574.5*
23 *and those who produce or sell similar products that are not.*

24 *(B) The state board shall design, to the extent feasible and*
25 *subject to other conditions in this paragraph, a free allowance*
26 *allocation program to treat manufacturers of greenhouse gas*
27 *intensive goods that are subject to Section 38574.5 on an equal*
28 *basis with respect to producers and sellers of similar goods that*
29 *are not.*

30 *(C) The state board shall allocate any free allowances to*
31 *covered entities according to a formula that accounts for the*
32 *volumetric output of greenhouse gas intensive products produced,*
33 *the greenhouse gas intensity of the product, the lifecycle*
34 *greenhouse gas emissions of the average and best performing*
35 *manufacturers instate, the impact of free allocation on the dividend*
36 *distributed pursuant to subdivision (c) of Section 38577.2, and*
37 *any other factors the state board finds appropriate.*

38 *(D) The state board, subject to the limited authority to allocate*
39 *free allowances pursuant to this paragraph, shall require that the*
40 *process for considering and prioritizing the eligibility of product*

1 *categories to receive free allowances be governed by the*
2 *decisionmaking criteria and process provisions of this section.*

3 *(c) All moneys collected pursuant to this part shall be deposited*
4 *in the California Climate Dividend Fund, created pursuant to*
5 *Section 16428.87 of the Government Code.*

6 *SEC. 6. Part 5.6 (commencing with Section 38577) is added*
7 *to Division 25.5 of the Health and Safety Code, to read:*

8

9

PART 5.6. FUNDS

10

11 *38577. For purposes of this part, “covered entity” has the*
12 *same meaning as set forth in Section 38574.5.*

13 *38577.2. (a) The California Climate Dividend Program is*
14 *hereby established to be administered by the Franchise Tax Board*
15 *for allocation of the moneys in the California Climate Dividend*
16 *Fund, created pursuant to Section 16428.87 of the Government*
17 *Code, in the form dividends to all residents of the state on a per*
18 *capita basis pursuant to subdivision (c) for the public purpose of*
19 *mitigating the costs of transitioning to a low-carbon economy.*

20 *(b) (1) The Climate Dividend Access Board is hereby*
21 *established and shall consist of six representatives with at least*
22 *one member from each of the following groups:*

23 *(A) Nonprofit organizations working in the area of*
24 *environmental justice.*

25 *(B) Nonprofit organizations working in the area of immigration*
26 *reform.*

27 *(C) Nonprofit or government organizations providing direct*
28 *social services to low-income or homeless communities.*

29 *(D) Organizations providing financial services and assistance*
30 *to unbanked and underbanked communities.*

31 *(2) (A) The Senate Committee on Rules shall appoint two*
32 *members.*

33 *(B) The Speaker of the Assembly shall appoint two members.*

34 *(C) The Governor shall appoint two members.*

35 *(3) The Climate Dividend Access Board shall conduct periodic*
36 *public workshops and make recommendations to the Franchise*
37 *Tax Board on how to effectively and safely distribute climate*
38 *dividends to residents of communities in the state that are difficult*
39 *to reach, including, but not limited to, homeless, unbanked,*
40 *underbanked, and undocumented residents.*

1 (4) *The Climate Dividend Access Board, in making*
2 *recommendations to the Franchise Tax Board pursuant to*
3 *paragraph (3), shall consider methods to minimize the cost both*
4 *to the state and to residents of alternative climate dividend*
5 *distribution methods, with the goal of maximizing the degree to*
6 *which climate dividend moneys benefit residents.*

7 (c) (1) *The Franchise Tax Board, in consultation with the*
8 *Climate Dividend Access Board convened pursuant to subdivision*
9 *(b), shall develop and implement a program to deliver quarterly*
10 *per capita dividends to all residents and shall maximize the ease*
11 *with which residents may enroll in the program. The program may*
12 *include the automatic enrollment of residents who have filed a*
13 *state income tax return in the prior year. The program shall*
14 *provide per capita dividends on a quarterly basis unless the*
15 *Franchise Tax Board, in consultation with the Climate Dividend*
16 *Access Board, makes a finding that a quarterly dividend is*
17 *impracticable for any particular category of residents. The*
18 *Franchise Tax Board may determine an appropriate frequency of*
19 *dividends provided to a category of residents of not less than at*
20 *least once per year.*

21 (2) *If the Franchise Tax Board determines, after consultation*
22 *with the Climate Dividend Access Board, that it cannot create a*
23 *workable mechanism to distribute dividends to categories of*
24 *residents, the Franchise Tax Board, in consultation with the*
25 *Climate Access Dividend Board, may allocate dividends for those*
26 *residents to nonprofit organizations providing direct services to*
27 *those residents.*

28 (3) *In determining the per capita refund amount, the Franchise*
29 *Tax Board shall employ reasonable estimates of expected carbon*
30 *revenue collection and the projected number of residents, setting*
31 *aside reasonable reserve margins from period to period to ensure*
32 *that the per capita refund does not deplete available moneys in*
33 *the California Climate Dividend Fund.*

34 38577.4. *All revenues generated pursuant to Section 38574.5*
35 *and Part 5.5 (commencing with Section 38575) constitute state*
36 *funds for the purposes of the False Claims Act (Article 9*
37 *(commencing with Section 12650) of Chapter 6 of Part 2 of*
38 *Division 3 of Title 2 of the Government Code).*

1 38577.6. *This part does not affect the implementation of any*
2 *other requirements of this division, including regulations developed*
3 *pursuant to Part 5 (commencing with Section 38570).*

4 *SEC. 7. This act is an urgency statute necessary for the*
5 *immediate preservation of the public peace, health, or safety within*
6 *the meaning of Article IV of the California Constitution and shall*
7 *go into immediate effect. The facts constituting the necessity are:*

8 *It is necessary to provide for the reauthorization, extension, and*
9 *reform of the state's cap and trade program implemented pursuant*
10 *to Part 5 (commencing with Section 38570) of Division 25.5 of the*
11 *Health and Safety Code to provide certainty in the marketplace*
12 *and to reduce the emissions of greenhouse gases in furtherance*
13 *of achieving the statewide greenhouse gas emission target specified*
14 *in Section 38566 of the Health and Safety Code at the earliest*
15 *possible date.*

16 ~~SECTION 1. Section 38564 of the Health and Safety Code is~~
17 ~~amended to read:~~

18 ~~38564. The state board shall consult with local agencies, other~~
19 ~~states, the federal government, and other nations to identify the~~
20 ~~most effective strategies and methods to reduce greenhouse gases,~~
21 ~~manage greenhouse gas control programs, and facilitate the~~
22 ~~development of integrated and cost-effective regional, national,~~
23 ~~and international greenhouse gas reduction programs.~~

AMENDED IN ASSEMBLY APRIL 17, 2017

CALIFORNIA LEGISLATURE—2017—18 REGULAR SESSION

ASSEMBLY BILL

No. 476

Introduced by Assembly Member Gipson

February 13, 2017

An act to amend ~~Sections 39033, 39035, and 39037.5~~ *Section 39033* of the Health and Safety Code, relating to vehicular air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 476, as amended, Gipson. Vehicular air ~~pollution~~: *pollution: heavy-duty vehicles*.

Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution. Existing law defines a heavy-duty vehicle as having a manufacturer's maximum gross vehicle weight rating of 6,001 or more pounds, a light-duty vehicle as having a manufacturer's gross vehicle weight rating of under 6,001 pounds, and a medium duty vehicle as a heavy-duty vehicle having a manufacturer's gross vehicle weight rating under a limit established by the state board.

This bill instead would define a heavy-duty vehicle as having a manufacturer's maximum gross vehicle weight rating of 26,001 or more pounds, ~~a light-duty vehicle as having a manufacturer's gross vehicle weight rating of under 10,001 pounds, and a medium-duty vehicle as having a manufacturer's gross vehicle weight rating of between 10,001 and 26,000 pounds.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 39033 of the Health and Safety Code is
- 2 amended to read:
- 3 39033. “Heavy-duty” means having a manufacturer’s maximum
- 4 gross vehicle weight rating of 26,001 or more pounds.
- 5 ~~SEC. 2. Section 39035 of the Health and Safety Code is~~
- 6 ~~amended to read:~~
- 7 ~~39035. “Light-duty” means having a manufacturer’s maximum~~
- 8 ~~gross vehicle weight rating of under 10,001 pounds.~~
- 9 ~~SEC. 3. Section 39037.5 of the Health and Safety Code is~~
- 10 ~~amended to read:~~
- 11 ~~39037.5. “Medium duty” means having a manufacturer’s gross~~
- 12 ~~vehicle weight rating of between 10,001 and 26,000 pounds,~~
- 13 ~~inclusive.~~

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Brad Wagenknecht and
Members of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 2, 2017

Re: Legislative Update

RECOMMENDED ACTION

None; informational item.

BACKGROUND

At the time of this writing, the deadline in Sacramento for bills with fiscal implications to pass policy committees in the first house has expired. Non-fiscal bills have until May 12, 2017, to pass policy committees, and until May 26, 2017, to pass fiscal committees. All non-urgency measures have until June 2, 2017, to pass the floor in their house of origin.

Additionally, the Legislature has an upcoming constitutional deadline of June 15, 2017, to pass a budget.

Staff will give an oral update on the status of bills that the District has adopted positions on as well as other bills of note. A list of bills of air quality significance is attached.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Thomas Addison
Reviewed by: Jean Roggenkamp

Attachment 5A: Bill List

BAAQMD BILL DISCUSSION LIST

May 2, 2017

BILL NO.	AUTHOR	SUBJECT	STATUS	POSITION (Positions in italics are staff recommendations)
AB 1	Frazier	Transportation infrastructure funding proposal; new fees and taxes.	Similar SB 1 Chaptered	
AB 13	Eggman	Directs \$85M for marine highway between Ports of Oakland and Stockton.	Asm. Trans.	
AB 17	Holden	Free or reduced-fare transit passes to students.	Asm. Approps.	
AB 18	E. Garcia	Clean Water, Climate and Coastal Protection and Outdoor Access For All: \$3B in bonds, with \$600M for climate adaptation and resiliency projects.	Sen. Desk	
AB 33	Quirk	Utilities to provide level 2 EV charging for used vehicle purchasers.	Asm. Approps.	
AB 79	Levine	Requires ARB to improve GHG calculation for unspecified electricity imports	Asm. Approps.	
AB 151	Burke	Increases legislative oversight over ARB on scoping plan and related issues.	Asm. Approps.	
AB 179	Cervantes	Requires California Transportation Commission members to have expertise in various categories, including air pollution.	Asm. Approps.	
AB 188	Salas	Allows EMFP Plus Up recipients to trade a pickup for a cleaner pickup.	Asm. Approps.	
AB 193	Cervantes	Clean Reused Vehicle Rebate Project; rebates limited to consumers in disadvantaged communities.	Asm. Approps.	Oppose Unless Amended
AB 196	Bigelow	Allows cap-and-trade funds to go to waste and wastewater systems, drinking water system losses, and pumps and pump efficiency.	Asm. Approps.	
AB 246	Santiago	Hazardous waste facilities to install and maintain fence-line monitoring.	Asm. Approps.	
AB 247	C. Garcia	Establishes 20-member OEHHA-convened Lead Advisory Taskforce, with one air district representative.	Asm. Approps.	
AB 262	Bonta	Requires state agencies to incorporate GHG emissions in contracts.	Asm. Approps.	
AB 302	Gipson	Authorizes SCAQMD to adopt fleet rules requiring zero and near-zero vehicles	Asm. Trans.	
AB 311	Mathis	Spot bill on methane from livestock.	Asm. Desk	

AB 378	C. Garcia	Previous version extended cap-and-trade; now limits cap-and-trade post-2020 in different ways, and gives stationary source authority to ARB	Asm. Approps.	Previously Support; <i>Oppose unless amended</i>
AB 388	Mullin	Allows cap-and-trade funds for wetlands restoration, flood protection, and carbon sequestration using dredge spoils.	Senate Desk	
AB 398	E. Garcia	Specifies details on Dept. of Finance annual report on use of cap-and-trade funds, including benefits to residents of disadvantaged communities; requires air districts to coordinate with ARB on data issues around stationary sources.	Asm. Approps.	
AB 419	Salas	Requires CEC report on zero net energy residential building program.	Asm. Floor	
AB 421	Santiago	Specifies that air emissions are eligible for cost recovery under California's Hazardous Substances Account Act.	Asm. Judiciary	
AB 438	Caballero	Requires ARB in consultation with local air district to analyze GHG emissions from transporting construction aggregate from new or renewed permit mining.	Asm. Nat. Resources	
AB 458	Frazier	Reduces fleet size for permanent fleet registration program	Asm. Approps.	
AB 476	Gibson	Increases vehicle weights for heavy-duty vehicles from 6,000 to 20,000 lbs., and also increases light and medium-duty vehicle weights.	Asm. Trans. (reconsideration granted)	<i>Oppose</i>
AB 498	Harper	Spot bill on fire rings at state and local beaches.		
AB 509	Frazier	Tire Recycling Incentive Program Act; new tire fee of up to \$1 per new tire.	Asm. Approps.	
AB 544	Bloom	Allows new HOV lane white or green stickers a four-year lifespan, and sunsets existing HOV lane stickers.	Asm. Approps.	
AB 555	Cunningham	Uses cap-and-trade funds for clean schoolbuses for 3 years.	Asm. Nat. Resources	
AB 582	C. Garcia	ARB to work to detect defeat devices or other software to cheat emissions.	Asm. Approps.	
AB 615	Cooper	Removes sunset on CVRP income eligibility requirements, and provisions that increase incentive for low-income purchasers.	Asm. Floor	
AB 630	Cooper	Codifies the EFMP Plus-Up program and expands it to areas with more than 1 million people; various modifications to EFMP and Plus-up programs.	Asm. Approps.	
AB 655	O'Donnell	Categorizes certain municipal solid waste energy producers as renewables.	Asm. Nat. Resources	
AB 733	Berman	Allows local enhanced infrastructure finance districts to fund climate adaptation projects.	Asm. Floor	
AB 739	Chau	Requires that by 2030 30% of state heavy duty fleet purchases be ZEVs, and 15% by 2025.	Asm. Approps.	

AB 771	Quirk	Requires steps to attempt to make prescribed burning easier, with a Cal FIRE & ARB website with uniform prescribed burn template and other information.	Asm. Approps.	
AB 863	Cervantes	In the cap-and-trade funded Affordable Housing and Sustainable Communities program, boosts workforce training and local entrepreneurs.	Asm. Approps.	
AB 891	E. Garcia	Requires ARB to add cross-border air monitoring data into CalEnviroscreen.	Asm. Approps.	
AB 920	Aguiar-Curry	Encourages development of renewable baseload power.	Asm. Approps.	
AB 954	Chiu	Encourages uniform food labeling to reduce organic waste.	Asm. Approps.	
AB 964	Gomez	California Clean Vehicle Affordable Program; loans to low-income and high financial risk individuals to help them purchase clean vehicles.	Asm. Approps.	
AB 1014	Cooper	Attempts to require testing of hospital backup generators only monthly.	Asm. Floor	Support if Amended
AB 1036	McCarty	Requires reporting on organics waste diversion goals to include progress on SB 1383 of 2016 (bill dealing with short-lived climate pollutants).	Asm. Floor	
AB 1073	E. Garcia	Extends from 2018 to 2023 the requirement that 20% of Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program go to deployment of existing technology.	Asm. Floor	
AB 1081	Burke	Eliminates sales tax on value of traded-in vehicle during new clean vehicle purchase.	Asm. Approps.	
AB 1082	Burke	Requires utilities to install and operate EV charging equipment at schools, with priority to schools in disadvantaged communities.	Asm. Approps.	
AB 1083	Burke	Requires utilities to install and operate EV charging equipment at state parks.	Asm. Approps.	
AB 1088	Eggman	Requires CEC to increase efforts to involve renters and owners of multi-unit residential buildings in efficiency upgrade, EV infrastructure, and more.	Asm. Approps.	
AB 1103	Obernalte	Allows bicycles to treat stop signs as yields when safe to do so.	Asm. Trans.	
AB 1117	Fong	Prohibits lead agency in CEQA from evaluating aesthetics of a project.	Asm. Nat. Resources	
AB 1132	C. Garcia	Allows APCO to issue emergency abatement order in cases of imminent and substantial public endangerment.	Asm. Floor	Support
AB 1180	Holden	Increases tire fee by \$1.50 to fund municipal storm sewer projects.	Asm. Approps.	
AB 1187	E. Garcia	Crowdsourcing and Citizen Science Act. Encourages CalEPA and ARB to have the public formulate their research agendas; collect, analyze, and interpret data; and ensure broad public participation.	Asm. Env. Safety and Toxic Materials	
AB 1218	Obernalte	Removes sunset on CEQA provisions exempting certain bicycle projects.	Senate Desk	

AB 1239	Holden	Requires development of building standards for EV parking for multifamily housing.	Asm. Approps.	
AB 1259	Calderon	Expands Capital Access loan program EV purchases by low- and middle-income purchasers	Asm. Approps.	
AB 1274	O'Donnell	Will become bill to exempt 7-8 yr. old vehicles from Smog Check, and increase funding for Moyer program using their exemption fee.	Asm. Approps.	Support in Concept
AB 1301	Fong	Establishes mission of Joint Legislative Committee on Climate Change Policies; includes effects on gas and electric prices, and cost-effectiveness.	Asm. Nat. Resources	
AB 1317	Gray	Expands projects eligible for Moyer grants to include stationary irrigation or water conveyance engines.	Asm. Floor	
AB 1341	Calderon	Cuts sales tax on clean vehicle purchases by low-income.	Asm. Approps.	
AB 1342	Flora	Allows cap-and-trade funds for healthy forests, for organic waste reduction and reuse, and for in-state recycling.	Asm. Approps.	
AB 1369	Gray	Directs 25% of cap-and-trade funds to water storage projects.	Asm. Nat. Resources	
AB 1374	Salas	Defines biodiesel for fuel tax purposes.	Asm. Rev. & Tax	
AB 1383	Fong	Requires ARB to do various things prior to adopting new GHG regulations.	Asm. Nat. Resources	
AB 1433	Wood	Climate Adaptation and Resilience Based on Nature Act; tree thinning.	Asm. Approps.	
AB 1452	Muratsuchi	Allows local authorities to ticket non-EVs parked in public space EV charging.	Senate Desk	
AB 1469	Grayson	Requires public noncharter schools to provide free transportation to school.	Asm. Approps.	
AB 1530	Gonzalez Fletcher	Amends Urban Forestry Act by adding new goals, and changing its definition of disadvantaged community from low-income to CalEnviroScreen-based.	Asm. Approps.	
AB 1531	Berman	Expands Local Government Renewable Energy Self Generation Bill Credit Transfer Program.	Asm. Utilities and Energy	
AB 1608	Kalra	Establishes Vibrant Landscape Program to cut GHGs through land management and conservation.	Asm. Approps.	
AB 1623	Acosta	ARB spot bill.		
AB 1640	E. Garcia	Requires each RTIP to direct 25% of funds to projects benefitting low income.	Asm. Trans.	
AB 1645	Muratsuchi	Phases out use of hydrofluoric acid at refineries.	Asm. Env. Safety and Toxic Materials	
AB 1646	Muratsuchi	Would require refineries to have automatic notifications, alarms, and alerts.	Asm. Approps.	

AB 1647	Muratsuchi	Requires air districts to require refineries to install community monitors by 2020 and fence-line monitors by 2019, and make that real-time data public.	Asm. Approps.	Support if Amended
AB 1648	Muratsuchi	Requires CalOSHA to increase the number of refinery safety inspectors.	Asm. Labor	
AB 1649	Muratsuchi	Codifies existing Governor's Interagency Task Force on Refinery Safety.	Asm. Approps.	
AB 1683	Burke	Requires new Strategic Growth Council report on Transformative Climate Communities	Asm. Approps.	
SB 1	Beall	Transportation infrastructure funding proposal; new fees and taxes.	Chaptered	
SB 4	Mendoza	\$600M Goods Movement and Clean Trucks Bond Act, with \$400M to ARB; \$200M for clean trucks in severe or extreme nonattainment areas only.	Sen. Approps.	Support if Amended
SB 5	De Leon	\$3B in bonds; CA Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All; setasides for severely disadvantaged communities.	Sen. Approps.	
SB 41	Galgiani	Allows owners of recalled Cleaire Long Mile filter systems an additional 5 years of operation, contrary to regulatory requirements from ARB.	Sen. Env. Quality	Oppose
SB 49	De Leon	CA Environmental, Public Health, and Workers Defense Act of 2017; attempts to impose no backsliding requirements on ARB and air districts prior to potential federal rollbacks.	Sen. Approps.	Support if Amended
SB 53	Hueso	Allows natural gas trucks to exceed weight limits by the amount of the difference between a diesel and a natural gas truck.	Sen. Approps.	
SB 79	Allen	Cuts sales tax for purchasers of used electric and plug-in vehicles.	Sen. Approps.	
SB 80	Wieckowski	Requires CEQA lead agencies to post material on the web.	Asm. Desk	
SB 100	De Leon	Tightens Renewable Portfolio Standard to 100% renewables by 2045	Sen. Energy and Utilities	
SB 174	Lara	Blocks registration of trucks not in compliance with air quality regulations.	Included in chaptered SB1	Support
SB 262	Wieckowski	Specifies that Office of Planning and Research climate adaptation advisory council members serve staggered 4-year terms.	Assembly Desk	
SB 263	Leyva	Requires Strategic Growth Council to establish 10 regional climate assistance centers to help disadvantaged communities compete for cap-and-trade funds.	Sen. Approps.	
SB 276	Dodd	State Water Efficiency and Enhancement Program; water-saving farming techniques eligible for cap-and-trade funds.	Sen. Approps.	
SB 338	Skinner	Clean Peak Reliability Requirement.	Sen. Approps.	
SB 376	Bradford	Requires CEC Chair to report directly to legislature on various activities.	Asm. Desk	
SB 406	Leyva	Allows blood transport vehicles to use HOV lanes regardless of occupancy.	Sen. Approps.	

SB 498	Skinner	Requires 50% of light-duty vehicles purchased to be ZEV by 2024; ARB to review ZEV targets.	Sen. Approps.	
SB 521	Leyva	Extends from 2018 to 2021 sunset on requirement that automotive service providers check tire inflation pressure.	Sen. Rules	
SB 560	Allen	Requires CalPERS and others to report on financial climate risks of their investment portfolios, and their carbon footprint.	Sen. Approps.	
SB 563	Lara	Establishes the Woodsmoke Reduction Program using cap-and-trade funds to replace old wood-burning stoves.	Sen. Approps.	Support
SB 584	De Leon	Previously Renewable Portfolio Standard's from 50% in 2030 to 2025, and adds 100% renewables requirement by 2045; now unrelated.		
SB 638	Leyva	Requires heavy duty vehicles to undergo regular emissions testing in order to be registered with DMV.	Sen. Trans.	
SB 659	Stern	Spot bill on Alternative Energy and Advanced Transportation Financing Act.		
SB 660	Newman	Allows private entities to provide funding to ARB to expedite testing and certification of vehicle aftermarket equipment.	Sen. Floor	
SB 702	Stern	Requires DGS to expand statewide bike-sharing program for state employees.	Sen. Approps.	
SB 713	Anderson	Intent to provide legal relief to owners of commercial vehicles with faulty diesel particulate filters.	Sen. Judiciary	
SB 745	Stern	Spot bill on AB 32 (CA Global Warming Solutions Act of 2006).		
SB 760	Wiener	Establishes Division of Active Transportation in Caltrans, and incorporates 'complete streets' concept into Highway Design Manual.	Sen. Trans.	
SB 721	De Leon	Previously required continuing education for public agency employees with CEQA responsibilities; now amended into bill irrelevant to air districts.		
SB 775	Wieckowski	Establishes new post-2020 cap-and-trade program.	Sen. Env. Quality	

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Liz Kniss and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 10, 2017

Re: Briefing on the Valero Benicia Refinery Incident of May 5, 2017

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

A loss of power at the Valero Benicia Refinery on May 5, 2017 resulted in serious air quality impacts. The Air District staff was a major part of a multi-agency response and continues to monitor the situation at Valero.

DISCUSSION

Staff will discuss the incident, response, air quality impacts and continuing investigation associated with this incident.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Wayne Kino
Reviewed by: Rex Sanders