BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
REGULAR MEETING
OCTOBER 7, 2020

THIS MEETING WILL BE CONDUCTED UNDER PROCEDURES AUTHORIZED BY EXECUTIVE ORDER N-29-20 ISSUED BY GOVERNOR GAVIN NEWSOM

- **THE PUBLIC MAY OBSERVE THIS MEETING THROUGH THE WEBCAST OF THE MEETING BY CLICKING THE LINK AVAILABLE ON THE AIR DISTRICT'S AGENDA WEBPAGE FOR THE MEETING AVAILABLE AT**

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- **THE PUBLIC MAY PARTICIPATE REMOTELY VIA ZOOM AT THE FOLLOWING LINK OR BY PHONE**

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- **THOSE PARTICIPATING BY PHONE WHO WOULD LIKE TO MAKE A COMMENT CAN USE THE "RAISE HAND" FEATURE BY DIALING "*9". IN ORDER TO RECEIVE THE FULL ZOOM EXPERIENCE, PLEASE MAKE SURE YOUR APPLICATION IS UP TO DATE**

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Comments@baaqmd.gov

BOARD OF DIRECTORS REGULAR MEETING AGENDA

WEDNESDAY
OCTOBER 7, 2020
9:30 A.M.

Chairperson, Rod Sinks

1. **CALL TO ORDER - ROLL CALL**

PUBLIC MEETING PROCEDURE

The Board Chair shall call the meeting to order and the Clerk of the Boards shall take roll of the Board members.

This meeting will be webcast. To see the webcast, please visit www.baaqmd.gov/bodagendas at the time of the meeting. Closed captioning may contain errors and omissions and are not certified for their content or form.

Email Comment on Agenda Items: *The public may comment on each item on the agenda. Email Comments for items on the agenda must be submitted to Comments@baaqmd.gov prior to the Board taking up the particular item and indicate the agenda item to which the comment relates. Emailed comments will be considered as the agenda item is taken up by the Board. Emailed comments containing 250 words or less will be read aloud by staff. Emailed comments exceeding 250 words may be summarized during the meeting, if feasible.*

CONSENT CALENDAR (ITEMS 2-6) **Staff/Phone (415) 749-**

2. Minutes of the Board of Directors Meeting of September 16, 2020

Clerk of the Boards/5073

The Board of Directors will consider approving the draft minutes of the Board of Directors Meeting of September 16, 2020

3. Board Communications Received from September 16, 2020 through October 6, 2020

J. Broadbent/5052
jbroadbent@baaqmd.gov

A copy of communications directed to the Board of Directors received by the Air District from September 16, 2020 through October 6, 2020, if any, will be distributed to the Board Members by way of email.

4. Notices of Violations Issued and Settlements in Excess of $10,000 in the Month of August 2020

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 August 2020.

5. Authorization to Execute Contract with Regional Climate Protection Authority of Sonoma County

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Board of Directors will consider authorizing the Executive Officer/APCO to execute a contract with the Regional Climate Protection Authority of Sonoma County for $80,000.

6. Consider Adopting Proposed Amendments to the Air District's Administrative Code, Division II: Fiscal Policies and Procedures, Section 4: Purchasing Procedures, Section 4.6: Contract, Section 4.6 (d): Bid Award

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Board of Directors will consider adopting an amendment to the Air District's Administrative Code, Division II: Fiscal Policies and Procedures, Section 4: Purchasing Procedures, Section 4.6 Contracts, Section 4.6(d): Bid Award.

RESOLUTION

7. Consider Adopting Resolution No. 2020-10 Reaffirming the Bay Area Air Quality Management District's (Air District) Commitment to Diversity, Equity, Access, and Inclusion

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Board of Directors will consider adopting Resolution No. 2020-10, reaffirming the Bay Area Air Quality Management District's commitment to Diversity, Equity, Access, and Inclusion. The Board of Directors will also in consideration of this resolution formally apologize to Dr. Henry Clark and recognize and honor Dr. Clark as a pioneer and advocate in the environmental justice movement.

COMMITTEE REPORTS

8. Report of the Community and Public Health Meeting of September 17, 2020

CHAIR: S. Zane **J. Broadbent/5052**
jbroadbent@baaqmd.gov

The Committee received the following reports:

A) Update on Owning Our Air: The West Oakland Community Action Plan

1) None; receive and file.

B) Assembly Bill (AB) 617 Community Emissions Reduction Plan Recommendation and Program Next Steps

1) *The Community and Public Health Committee will consider recommending the Board of Directors approve staff's recommendation of the Richmond-San Pablo area for a community emission reduction plan under Year 3 of the State's Community Air Protection Program.*

For the full Committee agenda packet and materials, click on the link below:
www.baaqmd.gov/bodagendas

9. Report of the Mobile Source Committee Meeting of September 24, 2020

CHAIR: D. Canepa **J. Broadbent/5052**
jbroadbent@baaqmd.gov

The Committee received the following reports:

A) Projects and Contracts with Proposed Grant Awards Over $100,000

1) *Approve recommended projects with proposed grant awards over $100,000 as shown in Attachment 1; and*

2) *Authorize the Executive Officer/APCO to enter into all necessary agreements with applicants for the recommended projects.*

B) Amendments to the Transportation Fund for Clean Air's Regional Fund and County Program Manager Policies for Fiscal Years Ending 2018, 2019, 2020, and 2021

1) *Recommend the Board of Directors approve amendments to the Transportation Fund for Clean Air (TFCA) Regional Fund and County Program Manager (CPM) Policies for Fiscal Years Ending (FYE) 2018, 2019, 2020, and 2021, to allow up to 24 months for projects to commence and to remove restrictions regarding match funding requirements for the Existing Shuttle/Feeder Bus Service project category, as shown in Attachment A.*

For the full Committee agenda packet and materials, click on the link below:
www.baaqmd.gov/bodagendas

10. Report of the Climate Protection Committee Meeting of September 30, 2020

CHAIR: T. Barrett **J. Broadbent/5052**
jbroadbent@baaqmd.gov

The Committee received the following reports:

A) Presentation on the Clean Building Compass

1) *None; receive and file.*

B) Outreach on Climate and Food

1) None; receive and file.

For the full Committee agenda packet and materials, click on the link below:
www.baaqmd.gov/bodagendas

11. Report of the Legislative Committee Meeting of September 30, 2020

CHAIR: M. Abe-Koga **J. Broadbent/5052**
jbroadbent@baaqmd.gov

The Committee received the following reports:

A) Recap of the 2020 Legislative Year

1) None; receive and file.

B) Federal Legislative Update

1) None; receive and file.

C) Consideration of Proposition 16 (2020)

1) The Legislative Committee (Committee) will consider recommending the Board of Directors take a "Support" position on Proposition 16 (2020) to repeal Section 31 of Article I of the California Constitution.

D) 2021 Legislative Activities

1) The Legislative Committee (Committee) will receive a report from staff on potential legislative activities in 2021, providing direction as necessary.

E) Overview of Governor's Executive Order N-79-20

1) None; receive and file.

For the full Committee agenda packet and materials, click on the link below:
www.baaqmd.gov/bodagendas

12. Report of the Budget and Finance Committee Meeting of September 30, 2020

CHAIR: C. Groom **J. Broadbent/5052**
jbroadbent@baaqmd.gov

A) Update on Economic Impact of COVID-19

1) None; receive and file.

B) Review Fiscal Year Ending (FYE) 2021 Budget

1) None; receive and file.

For the full Committee agenda packet and materials, click on the link below:
www.baaqmd.gov/bodagendas

13. Report of the Stationary Source Committee Meeting of October 1, 2020

CHAIR: J. Bauters **J. Broadbent/5052**
jbroadbent@baaqmd.gov

The Committee received the following report:

A) Update on the Development of Amendments to Regulation 6, Rule 5 (Rule 6-5): Particulate Emissions from Petroleum Refinery Fluidized Catalytic Cracking Units

1) None; receive and file.

For the full Committee agenda packet and materials, click on the link below:
www.baaqmd.gov/bodagendas

14. Report of the Personnel Committee Meeting of October 5, 2020

CHAIR: J. Spering **J. Broadbent/5052**
jbroadbent@baaqmd.gov

The Committee will receive the following report:

A) Conduct Interviews and Consider Recommending Board of Directors Approval of Candidates for Appointment to the Air District's Hearing Board Units

1) None; receive and file.

For the full Committee agenda packet and materials, click on the link below:
www.baaqmd.gov/bodagendas

PRESENTATIONS

15. **CUT THE COMMUTE PROGRAM**

The Board of Directors will receive an update on the Air District's Cut the Commute program.

16. **OVERVIEW OF GOVERNOR'S EXECUTIVE ORDER N-79-20**

The Board of Directors will receive an overview of Governor Newsom's September 23, 2020, Executive Order N-79-20 related to climate change.

CLOSED SESSION

17. **CONFERENCE WITH LEGAL COUNSEL**

EXISTING LITIGATION (Government Code § 54956.9(a))

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

Associated Industries Insurance Company v. Bay Area AQMD, U.S. District Court, N.D. Cal. No. 4:19-cv-05277-DMR

OPEN SESSION

PUBLIC COMMENT ON NON-AGENDA MATTERS

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

Emailed comments indicating the comment pertains to non-agenda matters will be considered under this item. Emailed comments containing 250 words or less will be read aloud by staff. Emailed comments exceeding 250 words may be summarized during the meeting, if feasible.

BOARD MEMBERS' COMMENTS

19. *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

20. Report of the Executive Officer/APCO

21. Chairperson's Report

22. Time and Place of Next Meeting:

Wednesday, November 18, 2020, at 10:00 a.m., via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom.

23. Adjournment

The Board meeting shall be adjourned by the Board Chair.

CONTACT:
MANAGER, EXECUTIVE OPERATIONS **(415) 749-4941**
375 BEALE STREET, SAN FRANCISCO, CA 94105 **FAX: (415) 928-8560**
vjohnson@baaqmd.gov **BAAQMD homepage:**
www.baaqmd.gov

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

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, CA 94105
FOR QUESTIONS PLEASE CALL (415) 749-4941

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF AIR DISTRICT MEETINGS

OCTOBER 2020

TYPE OF MEETING	DAY	DATE	TIME	ROOM
Board of Directors Personnel Committee	**Monday**	**5**	**9:00 a.m.**	**Webcast only pursuant to Executive Order N-29-20**
Board of Directors Regular Meeting	**Wednesday**	**7**	**9:30 a.m.**	**Webcast only pursuant to Executive Order N-29-20**
Advisory Council Meeting	**Friday**	**9**	**9:00 a.m.**	**Webcast only pursuant to Executive Order N-29-20**
Board of Directors Mobile Source Committee	**Monday**	**19**	**9:30 a.m.**	**Webcast only pursuant to Executive Order N-29-20**
Executive Committee	**Wednesday**	**21**	**9:30 a.m.**	**Webcast only pursuant to Executive Order N-29-20**
Board of Directors Budget & Finance Committee – CANCELLED	**Thursday**	**22**	**9:30 a.m.**	**Webcast only pursuant to Executive Order N-29-20**
Board of Directors Mobile Source Committee – CANCELLED AND RESCHEDULED TO MONDAY, OCTOBER 19, 2020 AT 9:30 A.M.	**Thursday**	**22**	**11:30 a.m.**	**Webcast only pursuant to Executive Order N-29-20**

NOVEMBER 2020

TYPE OF MEETING	DAY	DATE	TIME	ROOM
Board of Directors Nominating Committee - CANCELLED AND RESCHEDULED TO WEDNESDAY, NOVEMBER 18, 2020 AT 9:00 A.M.	**Wednesday**	**4**	**9:00 a.m.**	**Webcast only pursuant to Executive Order N-29-20**
Board of Directors Special Meeting - CANCELLED AND RESCHEDULED TO WEDNESDAY, NOVEMBER 18, 2020 AT 10:00 A.M.	**Wednesday**	**4**	**10:00 a.m.**	**Webcast only pursuant to Executive Order N-29-20**
Board of Directors Community & Public Health Committee	**Thursday**	**5**	**9:30 a.m.**	**Webcast only pursuant to Executive Order N-29-20**
Advisory Council Meeting	**Monday**	**9**	**9:00 a.m.**	**Webcast only pursuant to Executive Order N-29-20**
Board of Directors Nominating Committee	**Wednesday**	**18**	**9:00 a.m.**	**Webcast only pursuant to Executive Order N-29-20**

NOVEMBER 2020

TYPE OF MEETING	DAY	DATE	TIME	ROOM
Board of Directors Special Meeting	Wednesday	18	10:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Mobile Source Committee	Thursday	19	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Climate Protection Committee	Thursday	19	11:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Budget & Finance Committee	Monday	23	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Rod Sinks and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 2, 2020

Re: Minutes of the Board of Directors Meetings of September 16, 2020

RECOMMENDED ACTION

Approve the attached draft minutes of the Board of Directors Meeting of September 16, 2020.

DISCUSSION

Attached for your review and approval are the draft minutes of the Board of Directors Meeting of September 16, 2020.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

Attachment 2A: Draft Minutes of the Board of Directors Meeting of September 16, 2020

Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105
(415) 749-5073

Board of Directors Regular Meeting
Wednesday, September 16, 2020

DRAFT MINUTES

Note: Audio recordings of the meeting are available on the website of the Bay Area Air Quality Management District at www.baaqmd.gov/bodagendas

This meeting was conducted under procedures authorized by executive order N-29-20 issued by Governor Gavin Newsom. Members of the committee participated by teleconference.

CALL TO ORDER

1. **Opening Comments:** Board of Directors (Board) Chairperson, Rod Sinks, called the meeting to order at 9:31 a.m.

   Roll Call:

   Present: Chairperson Rod Sinks; Vice Chairperson Cindy Chavez; Secretary Karen Mitchoff; and Directors Margaret Abe-Koga, Teresa Barrett, John Bauters, David Canepa, Pauline Russo Cutter, John Gioia, Carole Groom, Scott Haggerty, David Hudson, Davina Hurt, Tyrone Jue, Liz Kniss, Katie Rice, Mark Ross, Jim Spering, Brad Wagenknecht, Shamann Walton, Lori Wilson, and Shirlee Zane.

   Absent: Director Nate Miley.

COMMENDATIONS/PROCLAMATIONS/AWARDS

2. The Board of Directors recognized Willie Robinson, Linda Whitmore, Nain Lopez, Randy Joseph, and Dr. Naama Raz-Yaseef for their work on the Assembly Bill (AB) 617 Path to Clean Air in Richmond/San Pablo's Community Air Monitoring Plan. Those being recognized gave individual statements regarding their experiences as Co-Leads and collaboration with the Air District to improve air quality in their community.

Public Comments

Public comments were given by Matt Holmes, Groundwork Richmond; Ladonna Williams, All Positives Possible; and Dr. Raymond Tompkins, Clean Air Health Alliance.

Board Comments

Board members thanked the awardees for their time and feedback about the program thus far.

COMMITTEE REPORTS

3. **Report of the Ad Hoc Committee on Equity, Access, and Inclusion Meeting of September 10, 2020 (OUT OF ORDER, ITEM 16A)**

A) Resolution Reaffirming the Bay Area Air Quality Management District's (Air District) Commitment to Diversity, Equity, Access, and Inclusion

1) The Ad Hoc Committee on Equity, Access, and Inclusion will consider recommending that the Board of Directors adopt the resolution reaffirming the Air District's commitment to Diversity, Equity, Access, and Inclusion.

Chair Sinks requested that Item 16A be considered at the beginning of the meeting. Ad Hoc Committee on Equity, Access, and Inclusion Chair, Davina Hurt, explained that the Committee, at its September 10, 2020 meeting, voted to recommend proposed Resolution No. 2020-10 to the Board. This resolution includes a formal apology from the Air District to Dr. Henry Clark, who was subjected to disrespectful and unacceptable treatment some years ago while exercising his right to provide public testimony at a Board meeting. Air District staff has requested that action on this item be deferred to a future board meeting to allow time to work with Dr. Clark to revise the language to accurately capture his experience.

Public Comments

Public comments were given by Ladonna Williams, All Positives Possible; Janet Johnson, Sunflower Alliance; and Andres Soto, Communities for a Better Environment (CBE).

Board Comments

The Board and staff discussed Dr. Clark's wish to accurately reflect his experience, per a Board member who was in direct correspondence with him, and the request that Air District staff reach out to Dr. Clark directly; the suggestion of inviting Dr. Clark to speak at a future Committee meeting without the constraint of the public comment timer to clarify the language of the resolution; and the appreciation for Chair Hurt's leadership in addressing this matter.

Board Action

None, as the recommendation for this item will be deferred to the October 7, 2020, Board of Directors meeting.

CONSENT CALENDAR (ITEMS 3 - 12)

4. Minutes of the Board of Directors Meeting of July 15, 2020
5. Board Communications Received from July 15, 2020 through September 15, 2020
6. Notices of Violations Issued and Settlements in Excess of $10,000 in the Month of July 2020
7. Air District Personnel on Out-of-State Business Travel
8. Quarterly Report of the Executive Office and Division Activities for the Months of April 2020 June 2020
9. Authorization to Execute Contract for Microsoft Software Licensing
10. Notice of Proposed Amendments to the Air District's Administrative Code, Division II: Fiscal Policies and Procedures, Section 4: Purchasing Procedures, Section 4.6: Contracts, Section 4.6(d): Bid Award
11. Authorization to Execute Contracts for Agricultural Waste and Wildfire Prevention Chipping
12. Authorization to Execute Contract Amendments for Production System Office
13. Authorization to Execute Expansion of Existing Cylogy and Avant Contracts

Public Comments

No requests received.

Board Comments

None.

Board Action

Director Cutter made a motion, seconded by Director Wagenknecht, to **approve** the Consent Calendar Items 3 through 12, inclusive; and the motion **carried** by the following vote of the Board:

AYES:	Abe-Koga, Barrett, Bauters, Canepa, Chavez, Cutter, Gioia, Groom, Haggerty, Hurt, Jue, Kniss, Mitchoff, Rice, Ross, Sinks, Spering, Wagenknecht, Walton, Wilson, Zane.
NOES:	None.
ABSTAIN:	None.
ABSENT:	Hudson, Miley.

COMMITTEE REPORTS

14. **Report of the Stationary Source Committee Meeting of June 29, 2020 (ITEM 13)**

Stationary Source Committee Chair, John Bauters, read the following Committee report:

The Stationary Source Committee met on Wednesday, July 29, 2020, and approved the minutes of June 17, 2020. This meeting was conducted under procedures authorized by executive order N-29-20 issued by Governor Gavin Newsom. Members of the committee participated by teleconference.

The Committee reviewed and discussed the staff presentations Update on the Development of Amendments to Rule 6-5 *and* Fine Particulate Matter Concentration Impacts from a Bay Area Petroleum Refinery.

The next meeting of the Stationary Source Committee will be held on Thursday, October 1, 2020, at 9:30 a.m., via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom. This concludes the Chair report of the Stationary Source Committee.

Public Comments

Public comments were given by Andres Soto, CBE; Todd Osterberg, Chevron; Kevin Olson, Chevron; Stephen Rosenblum, Palo Alto resident.

Board Comments

The Board and staff discussed the ways to improve the protocol for responding to letters sent to the Air District by stakeholders regarding rule development.

Board Action

None; receive and file.

15. **Report of the Executive Committee Meeting of July 29, 2020 (ITEM 14)**

Executive Committee Chair, Rod Sinks, read the following Committee report:

The Executive Committee met on Wednesday, July 29, 2020, and approved the minutes of April 1, 2020. This meeting was conducted under procedures authorized by executive order N-29-20 issued by Governor Gavin Newsom. Members of the committee participated by teleconference.

The Committee received the presentation Hearing Board Quarterly Reports: January – March 2020 and April – June 2020, *given by Hearing Board Chairperson, Valerie Armento.*

The Committee then received the guest presentation Bay Area Regional Collaborative Work Plan Update, *given by Program Coordinator, Lucian Go.*

The Committee then reviewed and discussed the staff presentation Air District Efforts to Encourage Remote Work Update.

The Committee then reviewed and discussed the staff presentation Wildfire Program Update.

Finally, the Committee reviewed and discussed the staff presentation Climate Tech Finance Program Update.

The next meeting of the Executive Committee will be held at the Call of the Chair. This concludes the Chair Report of the Executive Committee.

Public Comments

No requests received.

Board Comments

None.

Board Action

None; receive and file.

16. **Report of the Advisory Council Meeting of July 31, 2020 (ITEM 15)**

Chair Sinks, Board Liaison to the Advisory Council, read the following report:

The Advisory Council met on Friday, July 31, 2020, and approved the minutes of May 12, 2010. This meeting was conducted under procedures authorized by executive order N-29-20 issued by Governor Gavin Newsom. Members of the Council participated by teleconference.

The Council then received presentations from regulated industry representatives to help inform discussion on particulate matter reduction strategies. Presentations were given by Frances Keeler, Vice President of the California Council for Environmental and Economic Balance, and Dr. Julie E. Goodman, Principal at Gradient.

The Council then received the staff presentation Bay Area Particulate Matter: Modeling-Based Assessments and Next Steps.

Finally, the Council continued its deliberations on reducing fine Particulate Matter in the Bay Area and potential recommended measures to further protect public health. Cognizant of the Particulate Matter Symposium timeline, which began in October 2019, and the Council's meeting schedule for the remainder of 2020, Council Chairperson, Stan Hayes, displayed a chart of potential strategies to reduce Particulate Matter that will be presented to the Air District's Board of Directors at the end of the year. Deliberations will continue at the upcoming Council meeting.

The next meeting of the Council will be held on Friday, October 9, 2020, at 9:00 a.m., via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom. This concludes the Chair Report of the Advisory Council.

Public Comments

Public comments were given by Frances Keeler, California Council for Environmental and Economic Balance; Andres Soto, CBE; Jed Holtzman, 350 Bay Area.

Board Comments

Director Zane expressed her feelings about the oil industry and Chair Sinks acknowledged the Advisory Council for its foundation work on PM.

Board Action

None; receive and file.

At this time, the Board revisited Item 16, specifically 16B-E: Report of the Ad Hoc Committee on Equity, Access, and Inclusion Meeting of September 10, 2020

B) Review of the Advisory Council Recruitment Process

1) None; receive and file.

C) Update on Assembly Bill (AB) 617 Richmond/San Pablo Path to Clean Air

1) None; receive and file.

D) Community Storytelling

1) None; receive and file.

E) Update on Office of Diversity, Equity & Inclusion | Internal and External Efforts to Advance Equity

1) None; receive and file.

Ad Hoc Committee on Equity, Access, and Inclusion Chair, Davina Hurt, read the following Committee report:

The Committee met on Thursday, September 10, 2020, and approved the minutes of July 1, 2020. This meeting was conducted under procedures authorized by executive order N-29-20 issued by Governor Gavin Newsom. Members of the committee participated by teleconference.

The Committee reviewed and discussed the staff presentation Resolution Reaffirming the Air District's Commitment to Diversity, Equity, Access, and Inclusion. *The Committee recommends the Board:*

1. *Adopt Board Resolution 2020-10, "**Reaffirming the Air District's Commitment to Diversity, Equity, Access, and Inclusion"**, which includes a formal apology from the Air District to Dr. Henry Clark, who was subjected to disrespectful and unacceptable treatment some years ago while Dr. Clark was exercising his right to provide public testimony at a Board meeting. However, after further discussion, regarding the content of this resolution, the recommendation for this item will be deferred to the October 7, 2020, Board of Directors meeting.*

The Committee then reviewed and discussed the staff presentation Discussion of Advisory Council Recruitment Process. *This item induced a robust discussion of how to best bring voices of people living in communities inequitably burdened by air pollution into Air District decision-making. Air District staff will bring this item back to the Committee for further discussion so that the Committee can provide feedback on the recruitment process to the Personnel Committee. Staff will also bring an update on the progress toward developing a Community Advisory Committee made up of Bay Area environmental justice advocates.*

The Committee then reviewed and discussed the presentation Assembly Bill 617 – Richmond/San Pablo Path to Clean Air.

The Committee then welcomed several members of the Co-Lead Team that helps lead AB 617 efforts in the Richmond/San Pablo area to share their experiences regarding air monitoring plan development in that community and the development of the Richmond/San Pablo Monitoring Plan Steering Committee.

Finally, the Committee reviewed and discussed the staff presentation Air District's Approach to Assessment of Diversity, Equity, and Inclusion, Employee Engagement and Culture.

The next meeting of this committee will be held at the Call of the Chair. I move that the Board approve the Committee's recommendation. This concludes this committee's report.

(No report was provided at this time on the proposed resolution, as that item had been discussed earlier in the meeting following Agenda Item 2.)

Public Comments

Public comments were given by Andres Soto, CBE; and Dr. Naama Raz-Yaseef, Richmond resident.

Board Comments

The Board and staff discussed the suggestion of conducting the recruitment for the Advisory Council in early 2021; the request that Air District staff brings forward diverse group of candidates for Board selection as part of this recruitment; the desire to have members of impacted communities represented on the Advisory Council; the suggestion to enhance Advisory Council publications by having community members review them before publication; and the desire of the Ad Hoc Committee on Equity, Access, and Inclusion to work with the Personnel Committee on developing a transparent process for the Advisory Council recruitment.

Board Action

None; receive and file.

PRESENTATIONS

17. Update on Wildfires and Air Quality

Jack P. Broadbent, Executive Officer/Air Pollution Control Officer (APCO), introduced Wayne Kino, Deputy APCO of Operations, and Kristine Roselius, Acting Communications Officer, who gave the staff presentation *Update on Wildfire and Air Quality*, including: overview; outline; current meteorology report; key wildfire events; air quality impact due to wildfires; $PM_{2.5}$ from current wildfires; communications; and Air District actions and next steps.

Public Comments

Public comments were given by Jed Holtzman, 350 Bay Area; Janet Johnson, Sunflower Alliance; Jan Warren, Interfaith Climate Action Network of Contra Costa County; Bruce Naegel, Sustainable Silicon Valley; Andres Soto, CBE; Jared Johnson, Acterra; and Dr. Claire Broome, Berkeley resident.

Board Comments

The Board and staff discussed the accuracy and reliability of the air quality data offered by PurpleAir and Clarity Movement Co., and concerns that those types of sources are becoming the public's preferred authority on air quality, rather than the Air District monitors; appreciation to the Air District for posting "Air Quality Data Frequently Asked Questions" on the homepage of its website; the suggestion that all air quality sensors in California that are funded by the California Air Resources Board be included on www.fire.airnow.gov; the request for enhanced messaging regarding wildfire smoke protection for all people, and not just for sensitive groups; appreciation for the Air District's monitoring of the burning areas in Solano, Sonoma, and Napa Counties; the status of the Wildfire Smoke Clean Air Centers for Vulnerable Populations Incentive Pilot Program; and appreciation for the Bay Area Regional Air Quality Messaging Toolkit.

Board Action

None; receive and file.

18. Overview of Petroleum Refining Market in California

Mr. Broadbent introduced Gordon Schremp, Senior Fuels Specialist with the California Energy Commission, who gave the presentation *Transportation Fuels Trends, Refinery and Market Changes, and Expanded Use of Renewables.*

Following this presentation, Damian Breen, Deputy APCO of Technology, introduced Tom Lu, General Manager of the Marathon refinery in Martinez, who gave the presentation *Pivoting from Fossil to Renewable Energy.*

Following this presentation, Mr. Breen introduced Richard Harbison, Plant Manager of the Phillips 66 Rodeo refinery, who gave the presentation *Rodeo Renewed.*

Following this presentation, Mr. Breen introduced Greg Karras of Community Energy resource, who gave the presentation *Climate and Health Paths in an Oil State.*

Public Comments

Public comments were given by Stephen Rosenblum, Palo Alto resident; Jed Holtzman, 350 Bay Area; Richard Gray, 350 Bay Area; Dr. Claire Broome, Berkeley resident; Andres Soto, CBE; Charles Davidson, Hercules resident; Jan Warren, Interfaith Climate Action Network of Contra Costa County; Greg Feere; Chè Timmons, Local 342 Plumbers and Steamfitters; Mike Miller, United Steel Workers Local 326; Tom Hansen, International Brotherhood of Electrical Workers Local Union 302; Tyson Bagley, Phillips 66; Bill Whitney, Contra Costa County Building and Construction Trades Council; Glen Loveall, Iron Workers Union Local 378; Tim Jefferies, Boilermakers Local 549; Anthony Viscuso, Heat and Frost Insulators Local 16; Mark Plubell, Heat and Frost Insulators Local 16; Chris Greaney, Heat and Frost Insulators Local 16; and Gary Hughes, Biofuelwatch.

Board Comments

The Board and staff discussed the difference between Low Carbon Fuels Standard credits for conventional versus renewable sources, and how much California subsidizes for renewable diesel; whether renewable jet fuel and gasoline are anticipated to experience a similar growth trajectory; how the presence of supersonic aircraft technology in California may affect fuel trends and market changes; the potential emissions profiles at the Marathon Martinez and Rodeo refineries after they transition to renewable energy production; the feedstock of the transition fuel; the status of Phillips 66's Marine Terminal (Wharf) Expansion project; the anticipated global carbon footprint if the demand for the renewable fuels remains the same; and the benefits that the City of San Francisco is analyzing since its fleet transitioned to 100% renewable diesel six years ago.

Committee Action

None; receive and file.

PUBLIC COMMENT ON NON-AGENDA MATTERS

19. **Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3 (ITEM 20)**

Public comments received via electronic mail, and read aloud by Ms. Buenaflor, were submitted by Rhoda Fry, Cupertino resident; Leah Louis-Prescott, Rocky Mountain Institute; and Diane Bailey, Menlo Spark.

BOARD MEMBERS' COMMENTS

20. **Board Members' Comments (ITEM 21)**

None.

OTHER BUSINESS

21. **Report of the Executive Officer/APCO (ITEM 22)**

Mr. Broadbent announced that the Board will receive an update on the Air District's "Cut the Commute" pledge at the October 7, 2020 Board meeting.

22. **Chairperson's Report (ITEM 23)**

Chair Sinks had nothing to report.

CLOSED SESSION (2:47 p.m.)

23. **CONFERENCE WITH LEGAL COUNSEL (ITEM 19)**

EXISTING LITIGATION (Government Code § 54956.9(a))

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

A. **Associated Industries Insurance Company v. Bay Area AQMD,** U.S. District Court, N.D. Cal. No. 4:19-cv-05277-DMR

REPORTABLE ACTION: Chair Sinks said that there was no reportable action.

OPEN SESSION (3:12 p.m.)

24. **Time and Place of Next Meeting**

Wednesday, October 7, 2020, at 9:30 a.m., via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom.

25. **Adjournment**

The meeting adjourned at 3:13 p.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Rod Sinks and Members of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 2, 2020

Re: Board Communications Received from September 16, 2020 through October 6, 2020

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Copies of communications directed to the Board of Directors received by the Air District from September 16, 2020 through October 6, 2020, if any, will be distributed to the Board Members by way of email.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Aloha de Guzman
Reviewed by: Vanessa Johnson

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Rod Sinks and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 2, 2020

Re: Notices of Violations Issued and Settlements in Excess of $10,000 in the month of August 2020

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 Violations issued, and all settlements for amounts in excess of $10,000 during the calendar months 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. Bunger

Attachment 4A: Notices of Violations for the Month of August 2020

NOTICES OF VIOLATIONS ISSUED

The following Notice(s) of Violations were issued in August 2020:

Alameda

Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
AMP Oakwood Investment, LLC	Z7897	San Lorenzo	A59483A	8/25/2020	11-2-401.5	ASB115278. Failure to revise.
Kaiser Permanente Berkeley Campus	B4067	Berkeley	A58838A	8/20/2020	2-1-302	No permit to operate. Permit expired 10/01/2018.
Restoration Management Company	Z7864	Hayward	A59136A	8/13/2020	11-2-303.6	J# ASB115586No View Port.
SFD	Z7852	Hayward	A59170A	8/5/2020	11-2-401.5	Failure to revise start date.
Tesla, Inc.	A1438	Fremont	A58770A	8/31/2020	2-6-307	Failure to meet permit conditionsS-1002 was not abated at all times of operation (dev#6016).
Tesla, Inc.	A1438	Fremont	A58770B	8/31/2020	1-523.3	RCA was not reported within 96 hours of occurrence.

Contra Costa

Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
Chevron Products Company	A0010	Richmond	A59533A	8/19/2020	2-6-307	Late Reporting of RCA # 07R81.
Chevron Products Company	A0010	Richmond	A59534A	8/19/2020	2-6-307	RCA # 07R82CO excess & Late reporting of RCA.
Chevron Products Company	A0010	Richmond	A59535A	8/19/2020	2-6-307	RCA # 07R93FCC opacity excess / failure to meet Permit Condition.

Contra Costa (Cont'd)						
Chevron Products Company	A0010	Richmond	A59881A	8/18/2020	2-6-307	07L16 PC#8773 Part 5. V475 exceeded 160ppm 3-hr & 50ppm 24-hr average H2S limits.
Chevron Products Company	A0010	Richmond	A59882A	8/18/2020	2-1-307	07M45 PC#24136 Part 14a. F2100 exceeded NOx 5ppm 1-hr average limit.
Chevron Products Company	A0010	Richmond	A59883A	8/18/2020	2-6-307	07M90 PC#24136 Part 84a. SRU2 exceeded 50ppm 3-hr average limit.
Chevron Products Company	A0010	Richmond	A59884A	8/18/2020	2-6-307	07N24 PC#24136 Part 98d. V701 exceeded 200ppm 1-hr average of total sulfur.
Chevron Products Company	A0010	Richmond	A59885A	8/18/2020	2-6-307	07N69 PC#24136 Part 84a. SRU2 exceeded 50ppm 3-hr average NOX limit.

Marin						
Site Name	**Site #**	**City**	**NOV #**	**Issuance Date**	**Regulation**	**Comment**
German Motors	Z7853	Novato	A59008A	8/4/2020	2-1-302	Permit expired October 2, 2019.

San Mateo						
Site Name	**Site #**	**City**	**NOV #**	**Issuance Date**	**Regulation**	**Comment**
Sewer Authority Mid-Coastside	A1533	Half Moon Bay	A59356A	8/20/2020	2-1-301	No Authority to Construct.
Sewer Authority Mid-Coastside	A1533	Half Moon Bay	A59356B	8/20/2020	2-1-302	No permit to Operate
Sewer Authority Mid-Coastside	A1533	Half Moon Bay	A59357A	8/20/2020	2-1-301	No authority to construct.

San Mateo (Cont'd)

Sewer Authority Mid-Coastside	A1533	Half Moon Bay	A59357B	8/20/2020	2-1-302	No permit to operate.

Santa Clara

Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
Buccaneer Demolition	Z7875	San Jose	A59484A	8/26/2020	11-2-401.5	Failure to Revise.
Kulwant Virdi	Z7895	Milpitas	A59171A	8/25/2020	11-2-401.3	ASB115748 Late Notification.
Varex Imaging	A9848	Santa Clara	A58382A	8/18/2020	2-1-302	Permit Condition #13494, exceeded solvent usage limit.

Solano

Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
Valero Refining Company	B2611	Benicia	A59610A	8/6/2020	8-33-309.5	Vapor hose failed to meet vapor tight requirement Source test # 21001.

Sonoma

Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
Harris Construction Company	Z7844	Penngrove	A55950A	8/18/2020	11-2-401.5	J# ASB114924Failure to update start date.
Northgate Ready Mix	E0297	Windsor	A59854A	8/6/2020	2-1-307	Violation of permit condition 29853.1.

District Wide

Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
BP West Coast Products LLC	Z4251	Artesia	A59323A	8/18/2020	8-7-301.1	Uncertified PHI equipment: 87g - vapor adapter, 91g - fill adapter.
Jenkins Construction	Z7848	Browns Valley	A55948A	8/11/2020	11-2-303.8	No Survey.
Jenkins Construction	Z7848	Browns Valley	A55948B	8/11/2020	11-2-303.9	No on-site Asbestos representative.
Jenkins Construction	Z7848	Browns Valley	A55949A	8/11/2020	11-2-304.1	Waste dry & not properly bagged.
Jenkins Construction	Z7848	Browns Valley	A55949B	8/11/2020	11-2-401.3	No Notification.
Waterhouse Management Corp.	Z7896	Roseville	A59482A	8/26/2020	11-2-401.3	C# 244135 Failure to notify.

SETTLEMENTS FOR $10,000 OR MORE REACHED

There was 1 settlement for $10,000 or more completed in August 2020.

1) On August 4, 2020, the District reached settlement with East Bay Municipal Utility District for $35,000, regarding the allegations contained in the following 6 Notices of Violation:

NOV #	Issuance Date	Occurrence Date	Regulation	Comments from Enforcement
A56067A	4/26/2018	11/9/2017	2-1-307	P/C# 18860, part 9; NOx <0.06 lbs/MMBtu, ST OS-6961, OS-6962/NST-4720.
A56070A	9/17/2018	6/15/2018	2-1-307	Blend tank #2 not abated by A-9, A-10, A-11.
A56072A	5/6/2019	1/31/2019	2-6-307	Failure to meet permit condition. RCA# 07K69 - unabated digester gas released.
A56391A	8/22/2017	6/4/2017	2-6-307	Excess H2S from digesters/ breakdown denied late reporting.
A58828A	8/27/2019	8/13/2019	2-6-307	RCA #07N35 PRV vented digester gas.
A58320A	12/17/2018	12/17/2018	8-7-301.2	Product cap not installed per CARB 5.0 VR-402.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Rod Sinks and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 2, 2020

Re: Authorization to Execute Contract with Regional Climate Protection Authority of Sonoma County

RECOMMENDED ACTION

Recommend the Board of Directors authorize the Executive Officer/APCO to execute a contract with the Regional Climate Protection Authority of Sonoma County for $80,000. This contract is for a third phase of collaboration to implement climate protection activities, bringing the total amount for all three phases of the collaboration to $240,000.

BACKGROUND

The Regional Climate Protection Authority (RCPA) of Sonoma County was formed in 2009 through locally sponsored State legislation to coordinate countywide climate protection efforts among Sonoma County's nine cities and multiple county agencies. In July 2016, the RCPA issued the Sonoma County Regional Climate Action Plan (RCAP), which provides a common template for climate action by cities throughout the county. The RCPA is working with cities in Sonoma County to implement the greenhouse gas (GHG) reduction measures described in the RCAP, as well as to update their local climate action plans to address the long-range GHG reduction targets for 2030 and 2050.

DISCUSSION

The Air District has a long history of collaboration with Sonoma County to implement a variety of programs and activities to reduce GHG emissions. Many measures included in the RCAP complement the control strategy in the Air District's Clean Air Plan. In 2018, the Air District executed an $80,000 contract with the RCPA to promote the implementation, by local jurisdictions throughout Sonoma County, of key climate protection policies and measures common to both the Sonoma RCAP and the Clean Air Plan. The Air District executed a second contract for $80,000 to further this work in 2019. The RCPA has proposed a third phase to this work in 2020 with an additional $80,000, focusing on additional collaborative projects and further facilitating the implementation of the Sonoma RCAP. Specifically, the RCPA will develop a 2030 Climate Emergency Mobilization Strategy, including collaboration on activities supporting the Air District's Diesel Free initiative and work to facilitate decarbonizing buildings. The three-year cost of these contracts will total $240,000.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. Funding for this contract is included in the Fiscal Year Ending 2021 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Abby Young
Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Rod Sinks and Members of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 2, 2020

Re: Consider Adopting Proposed Amendments to the Air District's Administrative Code, Division II: Fiscal Policies and Procedures, Section 4: Purchasing Procedures, Section 4.6: Contracts, Section 4.6(d): Bid Award

RECOMMENDED ACTION

The Board of Directors will consider adopting an amendment to the Air District's Administrative Code, Division II: Fiscal Policies and Procedures, Section 4: Purchasing Procedures, Section 4.6 Contracts, Section 4.6(d): Bid Award, to require that contracts for financial audit services be rebid every five years instead of every three.

BACKGROUND

The Air District contracts with auditing firms that conduct financial audits and independent single audits annually in compliance with Government Auditing Standards. The Air District is also required to conduct an independent audit of its Transportation Fund for Clean Air program expenditures at least every two years.

Auditors are selected through a competitive process, involving a review of responses to a Request for Proposals, reference checks, and interviews. Following this review, Staff brings a recommendation for award of the highest-ranked proposal to the Air District's Board of Directors for their consideration. The Air District's Administrative Code requires contracts for financial auditing services be rebid every three years. The proposed change to the Administrative Code is as follows:

The District shall rebid a contract for financial audit services every five years.

DISCUSSION

The proposed five-year term is consistent with the Government Finance Officers Association's best practices. Administrative Code Section 14.1, Amendments Mechanism, requires the noticing of proposed amendments at a preceding meeting of the Board of Directors before adoption can take place. Adoption of these proposed amendments will be considered at a subsequent meeting of the Board of Directors.

These proposed amendments were noticed at the Board of Directors' meeting of September 16, 2020. Adoption of these proposed amendments can now be considered. These amendments are reflected in the attached underline/strikethrough version of the Administrative Code. The proposed amendments to the Administrative Code are attached for your review and consideration.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Stephanie Osaze and Karen Schkolnick
Reviewed by: Jeff McKay and Damian Breen

Attachment 6A: Air District's Administrative Code, Division II: Fiscal Policies and Procedures, Section 4: Purchasing Procedures, Section 4.6: Contracts, Section 4.6(d): Bid Award

SECTION 4 PURCHASING PROCEDURES

4.1 DISTRICT PURCHASING AGENT. (Revised 4/19/95)

The APCO shall be ex-officio Purchasing Agent for the Bay Area Air Quality Management District. The APCO shall negotiate to obtain the best price obtainable on all goods and services required by the District.

4.2 SPECIFICATIONS. (Revised 10/15/03)

In all cases where written specifications are prepared and submitted for public bidding, wherever a trade name is specified the specifications shall contain the phrase "or equal" and a bidder shall be allowed to bid upon a specified trade name product or its equivalent in quality and performance. Specifications must include all criteria to be considered by the District in selecting a successful bidder. Wherever possible, purchasing of items of supply shall be through member counties or businesses in the nine (9) county District Area.

4.3 CONTRACT LIMITATIONS. (Revised 9/21/16)

The APCO or designee shall execute, on behalf of the Bay Area Air Quality Management District, contracts for purchase of supplies and materials and services costing not more than one hundred thousand dollars ($100,000). Contracts for more than one hundred thousand dollars ($100,000) shall be signed by either the Chairperson of the Board of Directors, or the APCO after being directed to execute such a contract by resolution of the Board of Directors.

For efficiency, recurring payments for routine business needs such as utilities, licenses, office supplies and the like, more than, or accumulating to more than one hundred thousand dollars ($100,000) shall be presented in the quarterly Financial Report.

4.4 CONTRACTS WITH MINORITY BUSINESS ENTERPRISES AND WOMEN'S BUSINESS ENTERPRISES. (Revised 12/7/11)

It is the policy of the Board of Directors of the Bay Area Air Quality Management District that the District comply with its DBE Program where lawful and appropriate and to encourage minority, veteran, and women owned businesses bid on contracts with the District to the extent allowable by law.

4.5 PURCHASE REQUESTS. (Revised 10/15/03)

Purchase requests for supplies, equipment and/or services must be completed and submitted to the Business Manager in the Administrative Services Division prior to any order being given to a vendor. The name of the suggested vendor should be included in the request, as well as the cost, tax and estimated shipping charges.

Any deviation from this procedure must have prior written approval of the Business Manager, Finance Manager or Director of Administrative Services.

Purchases requests exceeding the remaining balance of unexpended funds within the budget for each line item for a section must be accompanied by an approval for a transfer of funds as described in Section II-3.3. The approval document must indicate the line item for the source and destination of the transfer of funds.

4.6 CONTRACTS. (Revised 12/7/11)

(a) PURCHASING POLICY.

(1) Methods of Purchasing:

(A) FORMAL BID - A bid obtained under sealed bid procedures and which is publicly opened and read.

(B) INFORMAL BID - A written bid solicited from a vendor when the cost of the equipment or services/supplies is so low as to not justify the costs of the formal bidding procedures.

(C) TELEPHONE BID - Telephone bids may be utilized by the Business Manager/designee when, in the judgment of the APCO or Director of Administrative Services, the best interest of the District may be served due to the need for immediate delivery or for other valid reasons.

(D) MONOPOLY/SINGLE SOURCE BID - An award may be made without a formal bid when the item to be purchased can be obtained from only one source and the item/service is one which does not lend itself to substitution. Said bids must be confirmed in writing.

(E) PRIOR BID/LAST PRICE - An award may be made on the basis of a prior bid or on the basis of a last price, if the conditions of a previous purchase are the same.

(F) LETTER QUOTATION - Letter quotation is an informal, written offer made to the District by a vendor.

(2) Formal bidding shall be used by the District when economies of scale can be achieved or when there are equal or competitive products and also when discounts are applicable.

(3) Where federal money will fund all or part of the goods/services that will be purchased the proposals, bids or other documents prepared, shall include the following information: 1) the percentage of the total costs of the goods or services which will be financed with federal funds; 2) the dollar amount of federal funds for the goods or services; and 3) the percentage and dollar amount of the total costs of the goods or services that will be financed by non-governmental sources (per Public Notification Requirement Appropriation Laws).

(4) In all cases in which written specifications are prepared and submitted for public bid and a trade name is specified, the specifications shall contain the phrase "or equivalent" and the bidder shall be allowed to bid upon such. The Director of Administrative Services shall determine whether the proposed alternative is equivalent.

(5) The District reserves the right to accept one part of a bid and reject another, and to waive technical defects, if to do so best serves the interests of the District.

(6) Subject to other provisions of District policy, a bid will be awarded to the bidders offering the best value for quality goods and services. The following may be considered in determining the bid that provides the best value: bid price, proven cost-effectiveness, extended warranty, extended quality discount, esthetic value, expedient delivery of goods or services or other features of sufficient value.

(7) The preparation of detail specifications may be waived by the APCO if any of the following circumstances are present:

(A) Public health or property may be endangered by delay.

(B) Cost of labor will exceed savings.

(C) Required dates cannot be met.

(D) Monopoly/single source items are required.

(E) Prior experience has proven that a particular material, type of equipment, supplies or service is more economical to the District.

(F) The cost to prepare detailed plans/specifications or bids will exceed possible savings that could be derived from such plans/specifications or bids.

(G) Emergency purchases.

(H) Value of contract is less than $25,000.

(b) SERVICES OF CONSULTANTS.

(1) Consultant Selection Policy

(A) Due to the nature of the work to be performed or the level of staffing required, it may, from time to time, be necessary to utilize the services of outside consultants who are not employees of the District.

(B) It is the policy of the District in the selection of any required outside consultants to encourage participation of minority, women and/or disadvantaged business enterprises in the bidding process in accordance with Section II-4.4 to the extent allowable by law.

(C) Prior to release of a request for consulting services, the following shall be prepared:

(i) A statement of the work to be performed,

(ii) A statement of the qualifications of persons necessary to perform the requested work, which can include a specification of experience/education/training in general or specific fields; and

(iii) An assessment of the resources needed to carry out the project, i.e. capital equipment or supplies.

(D) Determination of Provider Services
Based on an evaluation of the information prepared according to Section II-4.6 (b)(1)(C), and any other information gathered, the APCO or designee shall evaluate the ability of staff to perform all or part of the work. If it is determined that all or part of the work should be performed by an outside consultant, the APCO shall determine if the work should be performed by sole source or whether it should be performed after a bid solicitation and award.

(E) Contracts for temporary employment services or consultant services shall meet the requirement of the District Purchasing Policy.

(c) BID SOLICITATION.

(1) For all contracts for goods or services with a value of $70,000 or greater, the following documents shall be prepared as required by the person(s) designated by the APCO.
(A) Instructions to Bidders (for written bids)
(B) Proposal Submittal Requirements
(C) Draft contract, including all terms and conditions of the work to be performed, and
(D) A list of potential bidders

(2) The following steps will be followed to identify potential bidders for all contracts for goods or services with a value of $40,000 or more, but less than $70,000.
(A) All qualified suppliers of the required goods or services with outlets in the Bay Area shall be contacted (in the case of informal or telephone bids); or
(B) At least one supplier of the required goods or services in each of the Bay Area counties shall be contacted (in the case of informal or telephone bids); or
(C) The steps listed in Section (3) shall be followed.

(3) The following steps will be followed to identify potential bidders for all contracts for goods or services with a value of $70,000 or more.
(A) Bids shall be solicited by any method as allowed in Section 4.6 (a) on purchases of services, materials or supplies excluding scientific and technical equipment and services uniquely available from a sole source. Where all sources of such services, materials or supplies in the Bay Area are known, bids may be requested from such sources by all means when it is deemed by the APCO or designee to be in the best interest of the District.

(4) The APCO may waive the provisions of this section or award a sole-source bid if:
(A) The cost of labor for preparation of the documents exceeds the possible savings that could be derived from such detailed documents; or

(B) Public health or property may be endangered by delay; or

(C) Prior experience has shown that the desired services are only available from the sole-source; or

(D) Other circumstances exist which require such waiver in the satisfactory interests of the District.

(d) BID AWARD.

(1) Prior to accepting a bid that is not the lowest of three qualified and responsive bids, other qualified and responsive bidders will be provided with an opportunity to match the additional features provided in the bid of highest value. These bidders will be provided with a list of the features, but not the price.

(2) The requesting staff person shall present to the APCO their evaluation of the bids and a recommendation for the award. Upon approval of the recommendation, staff shall negotiate an agreement and prepare it for the APCO's signature.

(3) If the APCO determines that no bidder could satisfactorily serve the interests of the District, the APCO may decline to make an award.

(4) The District reserves the right to have an Evaluation Panel comprised of District employees to review and analyze the bids and offer a recommendation of acceptance of a bid to the Director of Administrative Services. Upon review of the recommendation of the panel, the Director may accept or reject the recommendation of the panel. If accepted, the Director will recommend award of the bid to the APCO for his review/approval. If the recommendation of the panel is rejected by the Director of Administrative Services, the panel will reconvene to review the bids further.

(5) Further renewal of any contract that has been awarded for two consecutive years without competitive bid shall require APCO or Board approval depending upon authorization of the contract to be extended. Service contracts with the original manufacturer of equipment or software are exempt from this requirement.

(6) The District shall rebid a contract for financial auditing services every ~~three~~ five years.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Sinks and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 2, 2020

Re: Consider Adopting Resolution No. 2020-10 Reaffirming the Bay Area Air Quality Management District's (Air District) Commitment to Diversity, Equity, Access, and Inclusion

RECOMMENDED ACTION

Recommend the Board of Directors consider adopting Resolution No. 2020-10 Reaffirming the Bay Area Air Quality Management District's (Air District) commitment to Diversity, Equity, Access, and Inclusion. The Board of Directors will also in consideration of this resolution formally apologize to Dr. Henry Clark and recognize and honor Dr. Clark as a pioneer and advocate in the environmental justice movement.

BACKGROUND

On September 10, 2020, the Ad Hoc Committee on Equity, Access, and Inclusion considered recommending that the Board of Directors adopt Resolution No. 2020-10.

On September 16, 2020, the Board of Directors considered Resolution No. 2020-10 Reaffirming the Bay Area Air Quality Management District's Commitment to Diversity, Equity, Access, and Inclusion.

DISCUSSION

Some years ago, Dr. Clark was subjected to disrespectful and unacceptable treatment during a Board of Directors meeting. Dr. Clark recalls two San Francisco Police Officers approaching him while seated after exercising his right to provide public testimony at a Board of Directors' meeting.

The Air District strives to ensure all public meetings are conducted in a fair and inclusive manner.

The Air District firmly believes in respect for the inherent dignity of all individuals, and that marginalization of community members must not just be condemned, but eradicated. Every person's constitutional rights must be protected.

Dr. Clark is a pioneer in the environmental justice movement with his advocacy for vulnerable communities in North Richmond, California experiencing disproportionate health disparities from air pollution as well as socioeconomic impacts of systemic racism.

As the Executive Director of the West County Toxics Coalition, under Dr. Clark's leadership, the Coalition implemented environmental justice in West County via protests and hard-charging appeals to politicians, elected officials, and business leaders. Dr. Clark has also been an absolute protector of community health as a member of the Contra Costa Hazardous Materials Commission from which he retired in 2016.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Mary Ann Okpalaugo
Reviewed by: Veronica Eady

Attachment 7A: Draft Resolution No. 2020-10 Reaffirming Bay Area Air Quality Management District's Commitment to Diversity, Equity, Access, and Inclusion

AGENDA 7A – ATTACHMENT

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

RESOLUTION No. 2020 - 10

Resolution Reaffirming Commitment to Diversity, Equity, Access and Inclusion

WHEREAS, it has come to the attention of the Bay Area Air Quality Management District that Dr. Henry Clark was subjected to egregious, disrespectful, and unacceptable treatment some years ago, when two San Francisco Police Officers were summoned by a Board member. They then approached him while seated, after exercising his right to provide public testimony at a Board of Directors' meeting.

WHEREAS, the Bay Area Air Quality Management District Board of Directors recently adopted Resolution 2020-08 Condemning Racism and Injustice and Affirming Commitment to Diversity, Equity, Access, and Inclusion. We are committed to building a culture of belonging for all people who partner with the Air District – this includes people of all races, colors, gender identities, ages, abilities, sexual orientations, and religions.

WHEREAS, the Bay Area Air Quality Management District strives to ensure all public meetings are conducted in a fair and inclusive manner.

WHEREAS, we firmly believe in respect for the inherent dignity of all individuals, and that marginalization of community members must not just be condemned, but eradicated.

WHEREAS, we commit to listen to, and work alongside, our employees and community to ensure they are equipped with the tools and support needed to dismantle racism in any form that has enabled systemic inequities.

WHEREAS, we will review our policies and practices and commence dismantling institutionalized racism in our own institution by uplifting BIPOC (Black, Indigenous, People of Color) voices in our communities. We will lead conversations centered around racial justice in the context of air pollution measures to reduce disparities in overburdened communities throughout the Bay Area.

WHEREAS, the Board of Directors, executive leadership, and employees of the Air District will engage in ongoing training on racial bias and institutionalized racism and will find ways to share our growth with the communities we serve.

NOW THEREFORE BE IT RESOLVED, the Bay Area Air Quality Management District Board of Directors extends a formal apology to Dr. Henry Clark and once again unequivocally condemns racism, discrimination, and police brutality, in all their destructive manifestations.

WE FURTHERMORE, acknowledge and honor Dr. Henry Clark's expertise and authentic lived experience. We express our deep gratitude for Dr. Clark's legacy, leadership, and advocacy for communities in North Richmond, California, that experience disproportionate health impacts from air pollution and other environmental stressors.

The foregoing resolution was duly and regularly introduced, passed and adopted at a meeting of the Board of Directors of the Bay Area air Quality Management District on the Motion of _____, seconded by _____, on the 7th day of October, 2020, by the following vote of the Board:

AYES:

NOES:

ABSENT:

ABSTAIN:

_____

Rod Sinks
Chairperson of the Board of Directors

ATTEST:

_____

Karen Mitchoff
Secretary of the Board of Directors

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Rod Sinks and Members of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 2, 2020

Re: Report of the Community and Public Health Committee Meeting of September 17, 2020

RECOMMENDED ACTION

The Community and Public Health Committee (Committee) recommends Board of Directors (Board) approval of the following item:

A) Update on Owning Our Air: The West Oakland Community Action Plan; and

1) None; receive and file.

B) Assembly Bill (AB) 617 Community Emissions Reduction Plan Recommendation and Program Next Steps

1) The Community and Public Health Committee will consider recommending the Board of Directors approve staff's recommendation of the Richmond-San Pablo area for a community emission reduction plan under Year 3 of the State's Community Air Protection Program.

BACKGROUND

The Committee met on Thursday, September 17, 2020, and received the following reports:

A) Update on Owning Our Air: The West Oakland Community Action Plan; and

B) Assembly Bill (AB) 617 Community Emissions Reduction Plan Recommendation and Program Next Steps.

Chairperson Shirlee Zane will provide an oral report of the Committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

A) None; and

B) Funding for this work is included in the Fiscal Year Ending 2021 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Aloha de Guzman
Reviewed by: Vanessa Johnson

Attachment 8A: 09/17/2020 – Community and Public Health Committee Meeting Agenda #3
Attachment 8B: 09/17/2020 – Community and Public Health Committee Meeting Agenda #4

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Shirlee Zane and Members
of the Community and Public Health Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 11, 2020

Re: Update on Owning Our Air: The West Oakland Community Action Plan

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Assembly Bill (AB) 617, signed in 2017, focuses on improving local air quality and health in disproportionately impacted communities. The law requires the California Air Resources Board (CARB) to work with community groups, air districts and others to select locations around the state where communities and their air district will work together to reduce local air pollution. In September 2018, CARB approved the Bay Area Air Quality Management District's (Air District) recommendation to develop and implement a community emission reduction plan for West Oakland.

The West Oakland Environmental Indicators Project (WOEIP) partnered with the Air District to develop *Owning Our Air: The West Oakland Community Action Plan* (*Owning Our Air* or Plan). Together, WOEIP and the Air District (the Co-leads) convened and led a Steering Committee of local stakeholders, including residents, community leaders, public agency staff, business representatives, and non-profit groups. The Board of Directors adopted *Owning Our Air* on October 2, 2019. Over the last 12 months, the Steering Committee and the Co-leads have worked together to implement *Owning Our Air*. The Plan is available on the West Oakland Community Action Plan webpage http://www.baaqmd.gov/ab617woak.

DISCUSSION

At the upcoming Community and Public Health Committee meeting, staff will present the committee with an update on *Owning Our Air* implementation activities conducted since the Board of Directors adopted the Plan.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Alison Kirk
Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Shirlee Zane and Members
of the Community and Public Health Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 11, 2020

Re: Assembly Bill (AB) 617 Community Emissions Reduction Plan Recommendation and Program Next Steps

RECOMMENDED ACTION

The Community and Public Health Committee will consider recommending the Board of Directors approve staff's recommendation of the Richmond-San Pablo area for a community emission reduction plan under Year 3 of the State's Community Air Protection Program.

BACKGROUND

Assembly Bill (AB) 617 was passed in 2017 to improve local air quality and health in disproportionately impacted communities. The law requires the California Air Resources Board (CARB) to work with community groups, air districts, and others to select locations from around the state where communities will work with local air districts to measure and reduce air pollution. Since the passage of AB 617, the Air District has been fully dedicated to its successful implementation. In 2018, we succeeded in meeting several implementation milestones. The most notable being the state's approval of the Air District's recommendation for West Oakland as a Community Emission Reduction Planning community, and the Richmond-San Pablo area as a Community Air Monitoring Planning community in year one of the state's Community Air Protection Program. At the same time, we received state approval on our nomination of six "high priority" communities; communities who would be prioritized for selection to do monitoring and/or emission reduction plans in future years of the program. The high-priority communities include: East Oakland/San Leandro, Eastern San Francisco, East (Contra Costa) County, San Jose, the Tri-Valley, and Vallejo.

Each year, the state selects new communities that will go forward with either action plans or monitoring campaigns in the coming year. State selection of priority communities is to be based on local air district community recommendations. The Air District is required to submit Year 3 community recommendations to the Air Resources Board by October 16, 2020.

DISCUSSION

Staff will discuss their recommendation for moving the Richmond-San Pablo area from a Community Air Monitoring Planning process into a Community Emission Reduction Planning process beginning in 2021.

In addition, staff will discuss the next steps in the AB 617 program, which includes a discussion of the work plan guiding our efforts over the next several years to build capacity in high priority communities and to do necessary early technical and planning work. Staff will also present a summary of the Air District-funded Community Health Protection Grant Program, which awarded seven grants in 2019 to help build capacity in the high-priority communities. Summaries of these grants are found in Attachment 4A.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding for this work is included in the Fiscal Year Ending 2021 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Christy Riviere
Reviewed by: Elizabeth Yura

Attachment 4A: Summary of the 2019 Community Health Protection Grant Program

Summary of the 2019 Community Health Protection Grant Program

In recognition that community capacity building is essential, the Air District distributed capacity building grants to seven community groups in the high-priority Assembly Bill (AB) 617 communities. The AB 617 high-priority communities include: East Oakland/San Leandro, Eastern San Francisco, East (Contra Costa) County, San Jose, the Tri-Valley, and Vallejo. Despite the COVID-19 pandemic and the ensuing changes in the way we live, work, and socialize, the grant recipients were able to successfully reimagine how they do community engagement. They identified and implemented alternative strategies that have enabled progress in each of their communities, as summarized below:

- **La Clinica, East Contra Costa County:** Formed a relationship with Pittsburg Unified School District to engage parents through the school district's online virtual platform, where parents are invited to participate in workshops. Through this platform, La Clinica was able to bring its Air Quality 101 Workshop to over 100 parents in English and Spanish. Conducted 10 additional bilingual presentations with a total of 116 participants. Working with the School District to resume their engagement when the new school year begins.

- **Breathe CA, San Jose:** Team of nine Emerging Community Leaders (ECL) recruited 20 community participants to help define air quality issues in their communities. The ECLs are conducting an Air Quality Assessment interview/survey to determine the scope and root cause of local air quality issues. ECLs are also engaging with regional agencies, including the Air District and Metropolitan Transportation Commission, and the local planning commission.

- **Communities for a Better Environment, East Oakland:** Established an Environmental Justice Work Group, which meets weekly. Successfully completed their first virtual "Toxic Tour" for elementary school students, attended by approximately 30 people, a mixture of students and parents. Grantee is also using Instagram polls to engage with people online and share/collect information about air quality issues.

- **Bay View Hunters Point Community Advocates, Eastern San Francisco:** Launched the Southeast Community Council of residents from low-income neighborhoods in Bayview-Hunters Point (BVHP), Visitacion Valley, and the south side of Potrero to weigh in on neighborhood issues. Council meets monthly and 10 committees have been formed. Council is working on developing community participatory planning process for BVHP.

- **Tri-Valley Air Quality Community Alliance, Tri-Valley:** Expanded their Advisory Group and engagement with multiple stakeholders, including local officials and businesses, with many agreeing to distribute their outreach materials and survey materials via their mailing lists or on their social media platforms. Grantees continue to develop understanding of local air quality issues in the Tri-Valley and some possible actions. Have developed an air quality/issues briefing deck for use in outreach to stakeholders. Grantee is working with Councilmember Trish Monroe, City of Livermore, to schedule a presentation for the entire city council.

- **International Children Assistance Network, San Jose:** EmployeD a wide range of outreach methods, e.g. radio announcements, emails, flyers, social media posts, surveys and interviews. Completed 80 interviews within the Vietnamese community to determine how knowledgeable they are of local air quality issues and to discuss air quality concerns. Grantee is working on a virtual Air Quality Forum for the Vietnamese community, with participation from the Air District.

- **All Positives Possible, Vallejo:** Completed a virtual tour of local sources in the region for members east and south Vallejo community residents. Helped community members engage with local and regional government agencies, e.g. the Air District, Department of Toxics Substance Control (DTSC) and the local water district around vapor intrusion. Conducted research on air filtration devices for in-home use. Working with DTSC to schedule a meeting, where members of the community can engage with the agency.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Rod Sinks and Members of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 2, 2020

Re: Report of the Mobile Source Committee Meeting of September 24, 2020

RECOMMENDED ACTION

The Mobile Source Committee (Committee) recommends Board of Directors (Board) approval of the following items:

A) Projects and Contracts with Proposed Grant Awards Over $100,000; and

1) Approve recommended projects with proposed grant awards over $100,000 as shown in Attachment 1; and

2) Authorize the Executive Officer/APCO to enter into all necessary agreements with applicants for the recommended projects.

B) Amendments to the Transportation Fund for Clean Air's Regional Fund and County Program Manager Policies for Fiscal Years Ending 2018, 2019, 2020, and 2021

1) Recommend the Board of Directors approve amendments to the Transportation Fund for Clean Air (TFCA) Regional Fund and County Program Manager (CPM) Policies for Fiscal Years Ending (FYE) 2018, 2019, 2020, and 2021, to allow up to 24 months for projects to commence and to remove restrictions regarding match funding requirements for the Existing Shuttle/Feeder Bus Service project category, as shown in Attachment A.

BACKGROUND

The Committee met on Thursday, September 24, 2020, and received the following reports:

A) Projects and Contracts with Proposed Grant Awards Over $100,000; and

B) Amendments to the Transportation Fund for Clean Air's Regional Fund and County Program Manager Policies for Fiscal Years Ending 2018, 2019, 2020, and 2021.

Chairperson David Canepa will provide an oral report of the Committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

A) None. The Air District distributes the CMP, MSIF, Community Health Protection Grant Program, and TFCA funding to project sponsors on a reimbursement basis. Funding for administrative costs is provided by each funding source; and

B) None. TFCA funds are generated from the Department of Motor Vehicles registration fees and distributed to sponsors of eligible projects on a reimbursement basis. Administrative costs are also covered by TFCA.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Aloha de Guzman
Reviewed by: Vanessa Johnson

Attachment 9A: 09/24/2020 – Mobile Source Committee Meeting Agenda #3
Attachment 9B: 09/24/2020 – Mobile Source Committee Meeting Agenda #4

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson David Canepa and Members
of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 17, 2020

Re: Projects and Contracts with Proposed Grant Awards Over $100,000

RECOMMENDED ACTIONS

Recommend Board of Directors:

1. Approve recommended projects with proposed grant awards over $100,000 as shown in Attachment 1; and

2. Authorize the Executive Officer/APCO to enter into all necessary agreements with applicants for the recommended projects.

BACKGROUND

The Bay Area Air Quality Management District (Air District) has participated in the Carl Moyer Program (CMP), in cooperation with the California Air Resources Board (CARB), since the program began in fiscal year 1998-1999. The CMP provides grants to public and private entities to reduce emissions of nitrogen oxides (NOx), reactive organic gases (ROG), and particulate matter (PM) from existing heavy-duty engines by either replacing or retrofitting them. Eligible heavy-duty diesel engine applications include on-road trucks and buses, off-road equipment, marine vessels, locomotives, and stationary agricultural pump engines.

Assembly Bill 923 (AB 923 - Firebaugh), enacted in 2004 (codified as Health and Safety Code (HSC) Section 44225), authorized local air districts to increase their motor vehicle registration surcharge up to an additional $2 per vehicle. The revenues from the additional $2 surcharge are deposited in the Air District's Mobile Source Incentive Fund (MSIF). AB 923 stipulates that air districts may use the revenues generated by the additional $2 surcharge for projects eligible under the CMP.

On March 4, 2020, the Board of Directors (Board) authorized Air District participation in Year 22 of the CMP and authorized the Executive Officer/APCO to execute grant agreements and amendments for projects funded with CMP funds or MSIF revenues with individual grant award amounts up to $100,000.

In 2017, AB 617 directed CARB, in conjunction with local air districts to establish the Community Air Protection Program (CAPP). AB 617 provides a new community-focused action framework to improve air quality and reduce exposure to criteria air pollutants and toxic air contaminants in communities most impacted by air pollution. AB 617 includes a variety of strategies to address air quality issues in impacted communities, including community-level monitoring, uniform emission reporting across the State, stronger regulation of pollution sources, and incentives for both mobile and stationary sources. Funding for incentives to support the AB 617 effort was approved by the California Legislature beginning in fiscal year ending 2018. In May 2020, the Governor issued a revised budget that authorized up to $200 million for a third cycle of CAPP incentive funding. Funding for the CAPP comes from the State's Greenhouse Gas Reduction Fund (GGRF), which is used to reduce emissions including criteria pollutants, toxic air contaminants, and greenhouse gases. On June 17, 2020, the Board authorized the Air District to accept, obligate, and expend up to $40 million in year-3 CAPP funding. These funds are primarily distributed through the Air District's Community Health Protection Grant Program to implement projects eligible under the CMP and optionally on-road truck replacements under the Proposition 1B Goods Movement Emission Reduction Program. Staff has also been working with CARB to expand eligibility to potentially also include non-regulated stationary source projects that will result in direct reductions of toxic air contaminants or criteria air pollutants and projects that are identified as priorities in communities with a State-approved Community Emissions Reduction Program, pursuant to HSC Section 44391.2.

CARB developed the Funding Agricultural Replacement Measures for Emission Reductions (FARMER) Program Guidelines in February 2018 that outlines requirements for eligible equipment, e.g., agricultural harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment used in agricultural operations. On October 21, 2019, CARB's Executive Officer approved an additional project category, demonstration projects, eligible under the FARMER Program. The 2020 California State Budget appropriated $65 million in Fiscal Year 2019-20 GGRF funds to the CARB for the continued reduction of criteria, toxic, and greenhouse gas emissions from the agricultural sector through the FARMER Program. On November 20, 2019, the Board authorized the Air District's participation in the current cycle of the FARMER program.

In 1991, the California State Legislature authorized the Air District to impose a $4 surcharge on motor vehicles registered within the nine-county Bay Area to fund projects that reduce on-road motor vehicle emissions within the Air District's jurisdiction. The statutory authority and requirements for the Transportation Fund for Clean Air (TFCA) are set forth in the Health and Safety Code (HSC) Sections 44241 and 44242. Sixty percent of TFCA funds are awarded by the Air District to eligible projects and programs implemented directly by the Air District (e.g., Spare the Air program) and to a program referred to as the Regional Fund. Each year, the Board allocates funding and adopts policies and evaluation criteria that govern the expenditure of TFCA monies. The remaining forty percent of TFCA funds are pass-through funds that are awarded to the designated County Program Manager in each of the nine counties within the Air District's jurisdiction.

On April 15, 2020 and July 15, 2020, the Board authorized funding allocations for use of the 60% of the TFCA revenue in Fiscal Year Ending (FYE) 2021, cost-effectiveness limits for Air District-sponsored FYE 2021 programs, and the Executive Officer/APCO to execute grant agreements and amendments for projects with individual grant award amounts up to $100,000. On June 3, 2020, the Board adopted policies and evaluation criteria for the FYE 2021 Regional Fund program.

Projects with grant award amounts over $100,000 are brought to the Mobile Source Committee for consideration at least on a quarterly basis. Staff reviews and evaluates grant applications based upon the respective governing policies and guidelines established by the CARB, the Board, and other funding agencies.

DISCUSSION

Carl Moyer Program and Community Health Protection Grant Program:

For the FYE 2021, the Air District has more than $42 million available from MSIF, Community Health Protection Grant Program, FARMER and CMP funds for eligible projects, including approximately $3.4 million from prior year funds. The Air District accepts project applications on a rolling basis and evaluates them on a first-come, first-served basis.

As of August 24, 2020, the Air District had received or evaluated 13 project applications. Of the applications that have been evaluated between July 1, 2020 and August 24, 2020, three eligible projects have proposed grant awards over $100,000. These projects will replace 12 pieces of mobile, diesel powered, agricultural equipment. These projects will reduce over 1.21 tons of NOx, ROG and PM per year. Staff recommends the allocation of $555,700 for these projects from a combination of CMP, FARMER, Community Health Protection, and MSIF revenues. Attachment 1, Table 1, provides additional information on these projects.

Attachment 2 lists all of the eligible projects that have been awarded by the Air District as of August 24, 2020, and includes information about equipment category, award amounts, estimated emissions reductions, and county location. Approximately 9% of the funds awarded to date have been awarded to projects that reduce emissions in highly impacted Bay Area communities.

Transportation Fund for Clean Air Program:

For the FYE 2021, the Air District has approximately $33.23 million in TFCA monies available for eligible Vehicle Trip Reduction and Clean Air Vehicle projects and programs. The Air District accepts project applications for the open Regional Fund project categories on a rolling basis and evaluates them on a first-come, first-served basis.

As of August 24, 2020, the Air District had received or evaluated four project applications. Of the applications that have been evaluated between July 1, 2020 and August 24, 2020, one eligible project has a proposed grant award over $100,000. This project will install 1.9 miles of Class IV bikeway and is estimated to reduce over 0.22 tons of NOx, ROG, and PM per year. Staff recommends an allocation of $200,790 for this project. Attachment 1, Table 2, provides additional information on this project.

Attachment 3, Table 1, lists all eligible TFCA projects that have been evaluated and awarded between July 1, 2019 and August 24, 2020, including information about project category, award amount, estimated emissions reduction, and county location. Approximately 34% of TFCA funds have been awarded to projects that reduce emissions in highly impacted Bay Area communities.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. The Air District distributes the CMP, MSIF, Community Health Protection Grant Program, and TFCA funding to project sponsors on a reimbursement basis. Funding for administrative costs is provided by each funding source.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Alona Davis, Linda Hui, and Ken Mak
Reviewed by: Karen Schkolnick and Chengfeng Wang

Attachment 1: Projects with grant awards greater than $100,000
Attachment 2: CMP/MSIF, FARMER and Community Health Protection Grant Program projects awarded and allocated between 7/1/20 and 8/24/20
Attachment 3: TFCA projects awarded and allocated projects between 7/1/20 and 8/24/20
Attachment 4: Summary of funding awarded and allocated between 7/1/20 and 8/24/20

AGENDA 3 - ATTACHMENT 1

Table 1 - Carl Moyer Program/ Mobile Source Incentive Fund, FARMER, and Community Health Protection Grant Program projects with grant awards greater than $100k (Evaluated between 7/1/20 and 8/24/20)

Project #	Applicant name	Project Category	Project Description	Proposed contract award	Total project cost	Emission Reductions (Tons per year)			County
						NO_X	ROG	PM	
21MOY214	Robledo Vineyard Mgmt LLC	Ag/ off-road	Replacement of five diesel powered agricultural tractors	$255,400	$319,464	0.563	0.092	0.061	Sonoma/ Napa
21MOY228	Turnbull Wine Cellars	Ag/ off-road	Replacement of three diesel powered agricultural tractors	$130,200	$162,894	0.191	0.037	0.026	Napa
21MOY239	Michael Wolf Vineyard Services Inc.	Ag/ off-road	Replacement of four diesel powered agricultural tractors	$170,100	$213,552	0.206	0.016	0.021	Napa
		3 Projects		**$ 555,700**	**$ 695,910**	**0.960**	**0.144**	**0.108**	

Table 2 - Transportation Fund for Clean Air projects with grant awards greater than $100k (Evaluated between 7/1/20 and 8/24/20)

Project #	Applicant name	Project Category	Project Description	Proposed contract award	Total project cost	Emission Reductions (Tons per year)			County
						NO_X	ROG	PM	
20R32	City of Hayward	Bicycle Facilities	Install 1.9 miles of Class IV bikeways in Hayward	$ 200,790	$ 223,100	0.040	0.055	0.134	Alameda
		1 Project		**$ 200,790**	**$ 223,100**	**0.040**	**0.055**	**0.134**	

AGENDA 3 - ATTACHMENT 2

CMP/MSIF, FARMER and Community Health Protection Grant Program projects awarded and allocated (between 7/1/20 and 8/24/20)

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
						NOx	ROG	PM		
21MOY203	Ag/ off-road	Equipment replacement	1	$ 60,000.00	Rider Vineyards dba Joseph Rider	0.104	0.005	0.006	APCO	Napa
21MOY198	On-road	Equipment replacement	1	$ 10,000.00	EPP Transport, LLC	0.181	0.015	0.000	APCO	Alameda
21MOY206	Ag/ off-road	Equipment replacement	2	$ 90,840.00	Hudson Vineyards LLC	0.162	0.005	0.009	APCO	Napa
21MOY210	On-road	Equipment replacement	1	$ 20,000.00	Samuel's Trucking	0.466	0.039	0.003	APCO	Alameda
21MOY217	On-road	Equipment replacement	1	$ 25,000.00	Daxin Trucking, LLC.	0.566	0.048	0.000	APCO	Alameda
21MOY208	Ag/ off-road	Equipment replacement	2	$ 76,300.00	M. German & Son Partnership	0.345	0.055	0.028	APCO	Solano
21MOY209	Ag/ off-road	Equipment replacement	1	$ 48,800.00	Lum Family Farms Inc	0.145	0.026	0.018	APCO	Solano
21MOY214	Ag/ off-road	Equipment replacement	5	$ 255,400.00	Robledo Vineyard Mgmt LLC	0.563	0.092	0.061	TBD	Sonoma/ Napa
21MOY212	On-road	Equipment replacement	1	$ 40,000.00	Ram Harak & Son Trucking	0.352	0.030	0.002	APCO	Alameda
21MOY235	Ag/ off-road	Equipment replacement	1	$ 82,580.00	Mertens Dairy	0.213	0.038	0.028	APCO	Sonoma
21MOY228	Ag/ off-road	Equipment replacement	3	$ 130,200.00	Turnbull Wine Cellars	0.191	0.037	0.026	TBD	Napa
21MOY239	Ag/ off-road	Equipment replacement	4	$ 170,100.00	Michael Wolf Vineyard Services Inc.	0.206	0.016	0.021	TBD	Napa
	12	**Projects**	**23**	**$ 1,009,220.00**		**3.495**	**0.405**	**0.203**		

AGENDA 3 - ATTACHMENT 3

Table 1 - TFCA projects awarded and allocated (between 7/1/20 and 8/24/20)

Project #	Project Category	Project Description	Award Amount	Applicant Name	Emission Reductions (Tons per year)			Board/ APCO Approval Date	CARE Area	County
					NO_X	ROG	PM			
20R30	Bicycle Facilities	Upgrade 12.6 miles of Class II bikeways to Class IV in Fremont	$130,000	City of Fremont	0.005	0.006	0.014	7/15/20	No	Alameda
20R31	Bicycle Facilities	Install and maintain 520 electronic bicycle locker spaces at 22 Caltrain stations in San Francisco, San Mateo and Santa Clara counties	$1,041,000	Peninsula Corridor Joint Powers Board	0.097	0.139	0.306	7/15/20	No	Multi-County
20R32	Bicycle Facilities	Install 1.9 miles of Class IV bikeways in Hayward	$200,790	City of Hayward	0.040	0.055	0.134	Pending	Yes	Alameda
21HMF01	LD Vehicles	Lease and operate 200 light-duty electric vehicles	$1,000,000	Flexdrive Services, LLC	0.241	0.132	0.297	7/15/20	Yes	Regional
21R02	LD Vehicles	Vehicle Buy Back Program	$300,000	BAAQMD	N/A	N/A	N/A	6/3/20	No	Regional
21R04	LD Vehicles	Clean Cars For All	$5,000,000	BAAQMD	N/A	N/A	N/A	7/15/20	TBD*	Regional
21R01	Trip Reduction	Enhanced Mobile Source & Commuter Benefits Enforcement	$850,000	BAAQMD	N/A	N/A	N/A	6/3/20	No	Regional
21R03	Trip Reduction	Spare The Air/Intermittent Control Programs	$2,290,000	BAAQMD	N/A	N/A	N/A	6/3/20	No	Regional
Total		**8 Projects**	**$10,811,790**		**0.383**	**0.333**	**0.750**			

*Funds have been allocated to the Clean Cars for All Program and will be awarded to eligible individuals on a first-come, first-served basis.

AGENDA 3 - ATTACHMENT 4

Figures 1-3 Summary of funding awarded and allocated between 7/1/20 and 8/24/20 from the following revenue sources:

- Carl Moyer Program (CMP)
- Community Health Protection Program (CHP)
- Funding Agricultural Replacement Measures for Emission Reductions (FARMER)
- Mobile Source Incentive Fund (MSIF)
- Transportation Fund for Clean Air (TFCA)

Figure 1. Status of FYE 2021 funding by source

includes funds awarded, recommended for award, and available

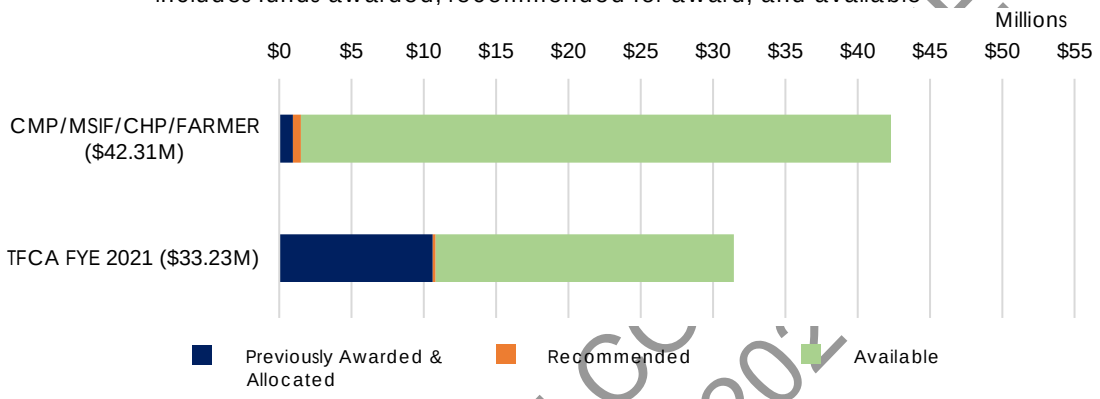


Figure 2. Funding awarded and allocated in FYE 2021 by county:

includes funds awarded & recommended for award

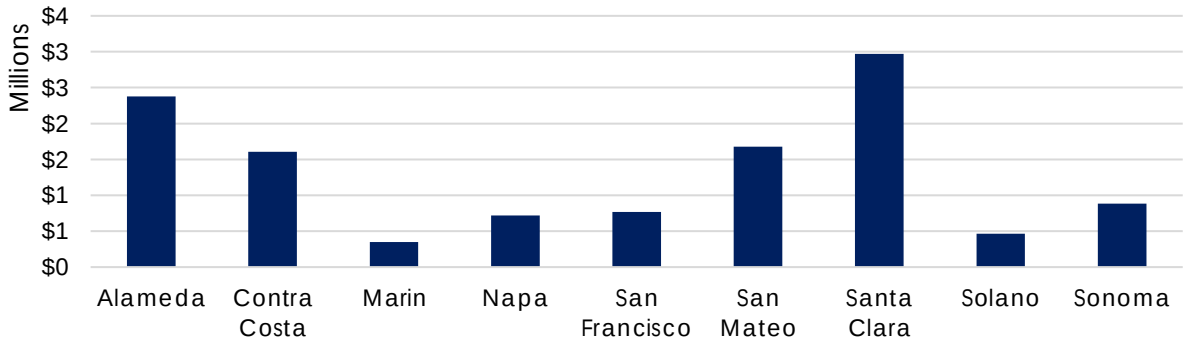
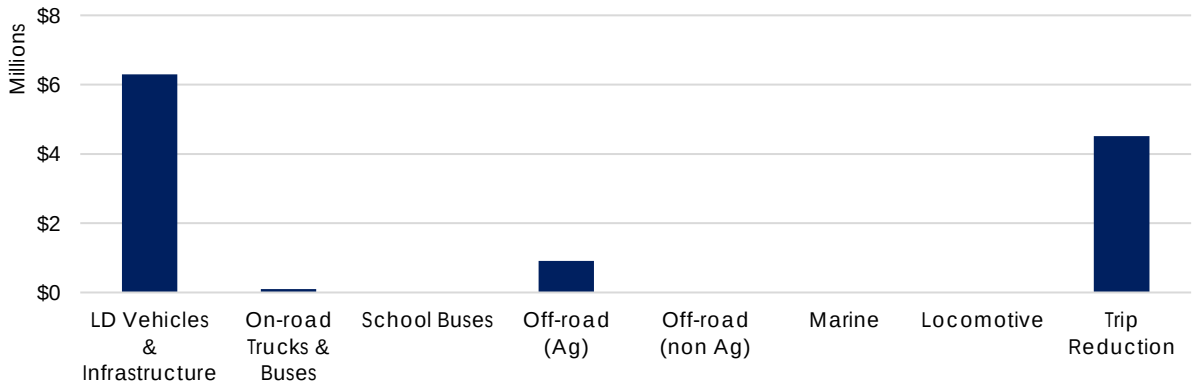


Figure 3. Funding awarded and allocated in FYE 2021 by project category

includes funds awarded & recommended for award



BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson David Canepa and Members of the Mobile Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 17, 2020

Re: Amendments to the Transportation Fund for Clean Air's Regional Fund and County Program Manager Policies for Fiscal Years Ending 2018, 2019, 2020, and 2021

RECOMMENDED ACTION

Recommend the Board of Directors approve amendments to the Transportation Fund for Clean Air (TFCA) Regional Fund and County Program Manager (CPM) Policies for Fiscal Years Ending (FYE) 2018, 2019, 2020, and 2021, to allow up to 24 months for projects to commence and to remove restrictions regarding match funding requirements for the Existing Shuttle/Feeder Bus Service project category, as shown in Attachment A.

BACKGROUND

In 1991, the California State Legislature authorized the Bay Area Air Quality Management District (Air District) to impose a $4 surcharge on each motor vehicle registered within the nine-county Bay Area to fund projects that reduce on-road motor vehicle emissions within the Air District's jurisdiction. The statutory authority and requirements for the TFCA are set forth in California Health and Safety Code (HSC) Sections 44241 and 44242. The authorizing legislation requires that the Air District's Board of Directors (Board) adopt cost-effectiveness criteria that govern the use of the TFCA funds.

Sixty percent of TFCA funds are allocated annually by the Board to eligible projects and programs implemented directly by the Air District (e.g., Spare the Air) and to a program referred to as the Regional Fund. The remaining forty percent (40%) of TFCA funds are passed-through to the CPM Fund, based on each county's proportionate share of vehicle registration fees paid, and awarded by the nine designated agencies within the Air District's jurisdiction.

At least annually, the Board considers updates to the Regional Fund Policies and Evaluation Criteria and the CPM Fund Policies, both of which establish the eligibility and evaluation criteria for projects and award of TFCA funding. These policies include both general requirements, applicable to all TFCA-funded projects, and project category-specific requirements. This report discusses proposed amendments to the TFCA Regional Fund and CPM Fund Policies for FYE 2018, 2019, 2020, and 2021.

DISCUSSION

Given the recent economic uncertainties and impacts from the shelter-in-place orders, many project sponsors and potential applicants have contacted the Air District regarding concerns about their TFCA-funded projects. Staff have been working to identify opportunities for streamlining requirements and have identified two opportunities, regarding project commencement dates and matching funds requirements (for shuttle projects), that require Board action that are discussed below. Staff will continue to review streamlining opportunities and will bring any that require Board action to future Mobile Source Committee meetings for discussion and Board consideration.

Readiness (Regional Fund Policy #8 & County Program Manager Fund Policy #6):

Staff is recommending a change to the Regional Fund and CPM Fund Policies to allow active and newly awarded projects up to 24 months of time to commence. The authorizing legislation requires that TFCA-funded projects be completed within two years unless a project sponsor's application states that the project will take a longer period to implement and is approved by the Air District or the designated CPM agency. A longstanding interpretation of this policy has been to require projects to be "shovel-ready" at the time of application to ensure their timely completion and reduction of air pollution; however, given the current conditions, staff is recommending this change to proactively provide additional flexibility to project sponsors and reduce their administrative burden.

Existing Shuttle/Feeder Bus Services (Regional Fund Policy #28):

Staff is also proposing a policy change to remove language under Regional Fund policy 28.g., that specifies that only driver wages and fuel costs may be applied toward the matching fund requirement for shuttle projects. Removal of this limitation would align the requirements of matching funds for shuttle projects with all other project categories, which are subject to Policy #5: Viable Project and Matching Funds, and Policy #20: Administrative Costs.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. TFCA funds are generated from the Department of Motor Vehicles registration fees and distributed to sponsors of eligible projects on a reimbursement basis. Administrative costs are also covered by TFCA.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Linda Hui
Reviewed by: Karen Schkolnick and Chengfeng Wang

Attachment A: Amendments to the TFCA Regional Fund and County Program Manager Fund Policies (redlined)

TFCA Regional Fund Policies

FYE 2018

8. **Readiness:** Unless otherwise specified in policies #22 through 32, projects must commence by the end of calendar year 2018 or a total of 24~~12~~ months from the date of execution of funding agreement by the Air District, whichever is later. For purposes of this policy, "commence" means a tangible preparatory action taken in connection with the projects' operation or implementation, for which the project sponsor can provide documentation of the commencement date and action performed. "Commence" can mean the issuance of a purchase order to secure project vehicles and equipment; commencement of shuttle/feeder bus and ridesharing service; or the delivery of the award letter for a construction contract.

28. **Existing Shuttle/Feeder Bus Services:**

    g. Reserved.~~Matching funds must be provided to cover at least 10% of the total project cost and must include only direct operational costs. Administrative costs are not eligible for use as matching funds. For shuttle/feeder bus service projects, the total project cost is the sum of direct operational costs (i.e., shuttle driver wages and fuel) and the administrative costs paid for by TFCA Regional Funds;~~

FYE 2019

8. **Readiness:** Unless otherwise specified in policies #22 through 32, projects must commence by the end of calendar year 2019 or within 24~~12~~ months from the date of execution of the funding agreement with the Air District, whichever is later. For purposes of this policy, "commence" means a tangible preparatory action taken in connection with the project's operation or implementation, for which the project sponsor can provide documentation of the commencement date and action performed. "Commence" includes, but is not limited to, the issuance of a purchase order to secure project vehicles and equipment; commencement of shuttle/feeder bus and ridesharing service; or the delivery of the award letter for a construction contract.

28. **Existing Shuttle/Feeder Bus Services:**

    g. Reserved.~~Matching funds must be provided to cover at least 10% of the total project cost and must include only direct operational costs. Administrative costs are not eligible for use as matching funds. For shuttle/feeder bus service projects, the total project cost is the sum of direct operational costs (i.e., shuttle driver wages and fuel) of the project;~~

FYE 2020

8. **Readiness:** Unless otherwise specified in policies #22 through 32, projects must commence by the end of calendar year 2020 or within 24~~12~~ months from the date of execution of the funding agreement with the Air District, whichever is later. For purposes of this policy, "commence" means a tangible preparatory action taken in connection with the project's operation or implementation, for which the project sponsor can provide documentation of the commencement date and action performed. "Commence" includes, but is not limited to, the issuance of a purchase order to secure project vehicles and equipment; commencement of shuttle/feeder bus and ridesharing service; or the delivery of the award letter for a construction contract.

28. **Existing Shuttle/Feeder Bus Services:**

g. Reserved.~~Matching funds must be provided to cover at least 10% of the total project cost and must include only direct operational costs. Administrative costs are not eligible for use as matching funds. For shuttle/feeder bus service projects, the total project cost is the sum of direct operational costs (i.e., shuttle driver wages and fuel) of the project;~~

FYE 2021

8. **Readiness:** Unless otherwise specified in policies #22 through 33, projects must commence by the end of calendar year 2021 or within 24~~12~~ months from the date of execution of the funding agreement with the Air District, whichever is later. For purposes of this policy, "commence" means either (a) a discrete, necessary and tangible action, such as the issuance of a purchase order to secure project vehicles or equipment or the delivery of the award letter for a construction contract, taken for a project to begin implementation, or (b) commencement or continuation of transportation service, such as shuttle/feeder bus or ridersharing service, for which the project sponsor can provide documentation of date the action occurred.

28. **Existing Shuttle/Feeder Bus Services:**

g. Reserved.~~Matching funds must be provided to cover at least 10% of the total project cost and must include only direct operational costs. Administrative costs are not eligible for use as matching funds. For shuttle/feeder bus service projects, the total project cost is the sum of direct operational costs (i.e., shuttle driver wages and fuel) of the project;~~

TFCA County Program Manager Fund Policies

FYE 2018

6. **Readiness:** Projects must commence by the end of calendar year 2018 or within 24 months from the date of execution of the funding agreement with the subgrantee, whichever is later. For purposes of this policy, "commence" means a tangible ~~-~~action taken in connection with the project's operation or implementation, for which the grantee can provide documentation of the commencement date and action performed. "Commence" can mean the issuance of a purchase order to secure project vehicles and equipment, commencement of shuttle/feeder bus and ridesharing service, or the delivery of the award letter for a construction contract.

FYE 2019

6. **Readiness:** Projects must commence by the end of calendar year 2019 or within 24 months from the date of execution of the funding agreement with the subgrantee, whichever is later. For purposes of this policy, "commence" means a tangible action taken in connection with the project's operation or implementation, for which the grantee can provide documentation of the commencement date and action performed. "Commence" can mean the issuance of a purchase order to secure project vehicles and equipment, commencement of shuttle/feeder bus and ridesharing service, or the delivery of the award letter for a construction contract.

FYE 2020

6. **Readiness:** Projects must commence by the end of calendar year 2020 or within 24 months from the date of execution of the funding agreement with the subgrantee, whichever is later. For purposes of this policy, "commence" means a tangible preparatory action taken in connection with the project's operation or implementation, for which the grantee can provide documentation of the commencement date and action performed. "Commence" includes, but is not limited to, the issuance of a purchase order to secure project vehicles and equipment, commencement of shuttle/feeder bus and ridesharing service, or the delivery of the award letter for a construction contract.

FYE 2021

6. **Readiness:** Projects must commence by the end of calendar year 2021 or within 24 months from the date of execution of the funding agreement with the subgrantee, whichever is later. For purposes of this policy, "commence" means a tangible preparatory action taken in connection with the project's operation or implementation, for which the grantee can provide documentation of the commencement date and action performed. "Commence" includes, but is not limited to, the issuance of a purchase order to secure project vehicles and equipment, commencement of shuttle/feeder bus and ridesharing service, or the delivery of the award letter for a construction contract.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Rod Sinks and Members of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 2, 2020

Re: Report of the Climate Protection Committee Meeting of September 30, 2020

RECOMMENDED ACTION

The Climate Protection Committee (Committee) received only informational items and have no recommendations of approval by the Board of Directors (Board).

BACKGROUND

The Committee met on Wednesday, September 30, 2020, and received the following reports:

A) Presentation on the Clean Building Compass; and

B) Outreach on Climate and Food.

Chairperson Teresa Barrett will provide an oral report of the Committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

A) None. Funding for the development of the Clean Building Compass was included in the Fiscal Year Ending 2019 budget; and

B) None. Funding to implement the *Healthy Plate – Healthy Planet Climate Friendly Food Webinar Series* was included in the Fiscal Year Ending 2020 Budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Aloha de Guzman
Reviewed by: Vanessa Johnson

Attachment 10A: 09/30/2020 – Climate Protection Committee Meeting Agenda #3
Attachment 10B: 09/30/2020 – Climate Protection Committee Meeting Agenda #4

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Teresa Barrett and Members of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 22, 2020

Re: Presentation on the Clean Building Compass

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

In the Bay Area, natural gas use in residential and commercial buildings is responsible for eleven percent of all greenhouse gas (GHG) emissions. Switching this natural gas use to low-carbon electricity is a critical component of the Air District's climate protection strategy. State and local policies have set aggressive renewable energy supply targets for the electric grid. In 2018, Senate Bill (SB) 100 established a new statewide target of zero carbon electricity by 2045, with an interim goal of sixty percent carbon-free power by 2030. The many community choice energy programs serving the Bay Area are also fast-tracking the elimination of fossil fuels from their electricity supply. Because of this greening of the electric grid, switching energy use in buildings from fossil fuels to electricity for space heating, water heating, cooking and clothes drying, will similarly fast-track a decarbonization of the building stock.

Local governments have taken the lead in adopting policies and reach codes limiting the use of natural gas. In July 2019, the City of Berkeley became the first jurisdiction in the country to adopt a policy banning the use of natural gas in new construction. Other local governments immediately began following Berkeley's example. To date, thirty-three local governments in California have adopted decarbonization reach codes, twenty-six of those from the Bay Area. A further forty jurisdictions statewide have decarbonization policies in development.

DISCUSSION

The Air District has launched a region-wide Building Decarbonization Initiative to support the transition to carbon-free buildings. The focus of the initiative is to provide policy support, tools and resources to local governments to accelerate fuel-switching in buildings away from natural gas. Developing new policies and reach codes is often challenging to local government staff who may not have the requisite expertise or resources available. To help local governments meet this challenge, the Air District has collaborated with the Building Decarbonization Coalition and the Bay Area Regional Collaborative to develop the Clean Building Compass (Compass), a centralized clearinghouse of policy tools on building decarbonization for local governments. The Compass was developed with local government input, and includes resources such as model ordinances, case studies, policy reports, and other tools. The Compass provides targeted, high-level assistance to local government staff that may not have the time, expertise or resources to do the research and technical work required to bring projects or policies to fruition.

Staff will present on the Clean Building Compass, including a discussion of the local government involvement in its development, its content, and a walk-through of the website.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. Funding for the development of the Clean Building Compass was included in the Fiscal Year Ending 2019 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Abby Young
Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Teresa Barrett and Members of the Climate Protection Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 22, 2020

Re: Outreach on Climate and Food

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

In 2017, the Board of Directors adopted the 2017 Clean Air Plan, *Spare the Air – Cool the Climate* (2017 Plan), which sets a blueprint for reducing Bay Area greenhouse gas (GHG) emissions 40 percent below 1990 levels by 2030 and 80 percent below 1990 levels by 2050. The 2017 Plan includes a vision for what the Bay Area may look like in a post-carbon year 2050—where people will live, how they will travel, what the region will produce, and what people will consume. Our relationship with food – what we consume and how we handle food waste – is an important part of the effort to achieve deep reductions in GHG emissions.

The global food system as a whole – the raising and harvesting of plants, animals, and animal products as well as processing, packaging, and shipping food to markets all over the world – is a major driver of climate change. In particular, animal-based food production dominates GHG food-related emissions at both the local and global scales. Numerous studies analyzing the environmental impacts of diets have concluded that diets rich in plant-based foods confer both improved health and environmental benefits. Reducing the amount of meat in daily diets can lower certain health risks including those for heart disease, obesity, high blood pressure, high cholesterol, stroke, and many types of cancer.

DISCUSSION

The Air District has launched a Climate and Food Program to address GHG emissions from the food sector, specifically through changes to diet and reducing food waste. Key components of this Program are providing public education and outreach, and collaboration with local governments on these topics. Staff will present on a new public outreach effort, the *Healthy Plate – Healthy Planet Climate Friendly Food Webinar Series*. This effort is being implemented through a partnership with the non-profit organization Acterra. The presentation will describe the webinar series and additional activities planned as part of the Air District's Climate and Food Program.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. Funding to implement the *Healthy Plate – Healthy Planet Climate Friendly Food Webinar Series* was included in the Fiscal Year Ending 2020 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Abby Young
Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Rod Sinks and Members of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 2, 2020

Re: Report of the Legislative Committee Meeting of September 30, 2020

RECOMMENDED ACTION

The Legislative Committee (Committee) recommends Board of Directors (Board) approval of the following items:

A) Recap of the 2020 Legislative Year;

1) None; receive and file.

B) Federal Legislative Update;

1) None; receive and file.

C) Consideration of Proposition 16 (2020);

1) That the Legislative Committee (Committee) will consider recommending the Board of Directors take a "Support" position on Proposition 16 (2020) to repeal Section 31 of Article I of the California Constitution.

D) 2021 Legislative Activities; and

1) The Legislative Committee (Committee) will receive a report from staff on potential legislative activities in 2021, providing direction as necessary.

E) Overview of Governor's Executive Order N-79-20

1) None; receive and file.

BACKGROUND

The Committee met on Wednesday, September 30, 2020, and received the following reports:

A) Recap of the 2020 Legislative Year;

B) Federal Legislative Update;

C) Consideration of Proposition 16 (2020);

D) 2021 Legislative Activities; and

E) Overview of Governor's Executive order N-79-20.

Chairperson Margaret Abe-Koga will provide an oral report of the Committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

A) None;

B) None;

C) None;

D) None; and

E) None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Aloha de Guzman
Reviewed by: Vanessa Johnson

Attachment 11A: 09/30/2020 – Legislative Committee Meeting Agenda #3
Attachment 11B: 09/30/2020 – Legislative Committee Meeting Agenda #4
Attachment 11C: 09/30/2020 – Legislative Committee Meeting Agenda #5
Attachment 11D: 09/30/2020 – Legislative Committee Meeting Agenda #6
Attachment 11E: 09/30/2020 – Legislative Committee Meeting Agenda #7

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Margaret Abe-Koga and Members of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 24, 2020

Re: Recap of the 2020 Legislative Year

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Staff will provide Legislative Committee (Committee) a brief summary of bills on the attached list.

BACKGROUND

On August 31, 2020, the California Legislature ended its work for the 2019-2020 session, with only 384 bills being sent to the Governor for consideration. Due to COVID-19, the California Legislature took a long recess in March and April, and a second recess in July which resulted in most bills either being dropped by their author or not being able to get committee hearings due to the shortened hearing schedule. Additionally, the final days of session were very tense after most Senate Republicans were not allowed to attend floor sessions in person, Senate Democrats attempted to limit debate in order to speed votes on bills, and important bills on housing and police reform were slow to move between houses prior to the midnight deadline.

As a result, most bills that didn't have a direct link to COVID-19, wildfires, or the state budget did not make it through the process. Both Air District-sponsored bills failed, with our school bill, Assembly Bill (AB) 2882 (Chu), making it through the Assembly but getting stuck in Senate Environmental Quality, and our indirect source bill AB 3211 (Bauer-Kahan), being dropped early on by the author. All 4 variants of the wildfire/emergency generator bills were eventually dropped by their authors or did not receive committee hearings, as well as bills that exempted the wine industry and mobile fueling industry from air quality requirements.

As discussed in previous Committee meetings, the Air District was successful in maintaining statewide AB 617 Implementation funding at a level equivalent to last year coming from the Air Pollution Control Fund (APCF) rather than being split from the APCF and Greenhouse Gas Revenue Fund (GGRF). As the Committee is aware, recent Cap and Trade proceeds to the GGRF have been less than previous years, which caused the Legislature to forgo even sending a

GGRF budget to the Governor this year. Coupled with declining reserves in the APCF, this will make it even more difficult to get allocations for AB 617 in future budgets.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Alan Abbs
Reviewed by: Jack P. Broadbent

Attachment 3A: Bill Matrix, as of September 15, 2020
Attachment 3B: CapitolTrack – 2020 Deadlines Recap

BILL #	AUTHOR	SUBJECT	Location	Last Status - As of 9/15/2020	Position	PSPS Related	Priority (Low/Medium/High)
AB 78	Committee on Budget	Bergeson-Peace Infrastructure and Economic Development Bank.	Assembly - Chaptered	6/29/2020-Approved by the Governor. Chaptered by Secretary of State - Chapter 10, Statutes of 2020.			**CHAPTERED**
AB 841	Ting	Energy: transportation electrification: energy efficiency programs: School Energy Efficiency Stimulus Program.	Assembly - Enrolled	9/14/2020-Enrolled and presented to the Governor at 4 p.m.			**MEDIUM**
AB 2421	Quirk	~~Land use: permitting: wireless communications.~~ Land use: permitting: wireless communications: emergency standby generators.	Assembly - Enrolled	9/11/2020-Enrolled and presented to the Governor at 3 p.m.		PSPS Related	**LOW**
AB 3163	Salas	~~Biogas.~~ Energy: biomethane: procurement.	Assembly - Enrolled	9/4/2020-Enrolled and presented to the Governor at 2 p.m.			**LOW**
ACA 5	Weber	Government preferences.	Assembly - Chaptered	6/25/2020-Chaptered by Secretary of State- Chapter 23, Statutes of 2020			**CHAPTERED**
SB 74	Mitchell	Budget Act of 2020.	Senate - Chaptered	6/29/2020-Approved by the Governor with item veto. Chaptered by Secretary of State. Chapter 6, Statutes of 2020. In Senate.			**CHAPTERED**
SB 702	Hill	California Renewables Portfolio Standard Program: procurement.	Senate - Enrolled	9/8/2020-Enrolled and presented to the Governor at 2 p.m.			**LOW**
SB 895	Archuleta	Energy: zero-emission fuel, infrastructure, and transportation technologies.	Senate - Enrolled	9/10/2020-Enrolled and presented to the Governor at 3 p.m.			**LOW**
SB 1207	Jackson	Skilled nursing facilities: backup power system.	Senate - Enrolled	9/8/2020-Enrolled and presented to the Governor at 2 p.m.		PSPS Related	**LOW**
SB 1320	Stern	Climate change: California Climate Change Assessment.	Senate - Enrolled	9/11/2020-Enrolled and presented to the Governor at 11 a.m.			**LOW**
~~**AB 126**~~	~~Cooper~~	~~Air Quality Improvement Program: Clean Vehicle Rebate Project.~~	~~8/18/2020-S. DEAD~~	~~8/18/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was TRANS. on 6/24/2019)~~			
~~**AB 291**~~	~~Chu~~	~~Local Emergency Preparedness and Hazard Mitigation Fund.~~	~~8/18/2020-S. DEAD~~	~~8/18/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was S. G.O. on 6/23/2020)~~			
~~**AB 326**~~	~~Muratsuchi~~	~~Electric mobility manufacturers.~~	~~9/1/2020-S. DEAD~~	~~9/1/2020-Read third time. Refused passage. Died on call pursuant to Article IV, Section 10(c) of the Constitution.~~			
~~**AB 345**~~	~~Muratsuchi~~	~~Natural resources: environmental justice: oil and gas: regulation of operations.~~	~~8/31/2020-S. DEAD~~	~~8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. N.R. & W. on 8/5/2020)~~			
~~**AB 352**~~	~~Garcia, Eduardo~~	~~Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020.~~	~~8/31/2020-S. DEAD~~	~~8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. E.Q. on 8/14/2019)~~			
~~**AB 409**~~	~~Limón~~	~~Climate change: agriculture: Agricultural Climate Adaptation Tools Program: grants.~~	~~8/21/2020-S. DEAD~~	~~8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was S. 2 YEAR on 8/30/2019)~~			
~~**AB 464**~~	~~C. Garcia~~	~~California Global Warming Solutions Act of 2006.~~	~~8/18/2020-S. DEAD~~	~~8/18/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was S. E.Q. on 6/23/2020)~~			
~~**AB 839**~~	~~Mullin~~	~~Climate adaptation strategy: strategic resiliency framework: Resiliency through Adaptation, Economic Vitality, and Equity Account.~~	~~8/21/2020-S. DEAD~~	~~8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was S. 2 YEAR on 8/30/2019)~~			
~~**AB 1002**~~	~~Quirk-Silva~~	~~California Global Warming Solutions Act of 2006: Low-Carbon Fuel Standard regulations: Greenhouse Gas Reduction Fund.~~	~~8/18/2020-S. DEAD~~	~~8/18/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was S. E.Q. on 7/1/2020)~~			
~~**AB 1071**~~	~~Limón~~	~~Climate change: agriculture: Agricultural Climate Adaptation Tools Program: grants.~~	~~8/21/2020-S. DEAD~~	~~8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was S. APPR. SUSPENSE FILE on 8/13/2020)~~			
~~**AB 1112**~~	~~Friedman~~	~~Micromobility devices: relocation.~~	~~8/18/2020-S. DEAD~~	~~8/18/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was S. TRANS. on 7/22/2020)~~			
~~**AB 1142**~~	~~Friedman~~	~~Regional transportation plans: transportation network companies.~~	~~8/21/2020-S. DEAD~~	~~8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was S. 2 YEAR on 8/30/2019)~~			
~~**AB 1276**~~	~~Bonta~~	~~Local redistricting.~~	~~8/31/2020-A. ENROLLED~~	~~8/31/2020-Enrolled and presented to the Governor at 5 p.m.~~			
~~**AB 1350**~~	~~Gonzalez~~	~~Retroactive grant of high school diplomas: COVID-19 crisis.~~	~~9/11/2020-A. CHAPTERED~~	~~9/11/2020-Approved by the Governor. Chaptered by Secretary of State - Chapter 66, Statutes of 2020.~~			
~~**AB 1406**~~	~~O'Donnell~~	~~Alternative and Renewable Fuel and Vehicle Technology Program.~~	~~8/21/2020-S. DEAD~~	~~8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was S. 2 YEAR on 8/30/2019)~~			
~~**AB 1424**~~	~~Berman~~	~~Electric Vehicle Charging Stations Open Access Act.~~	~~8/21/2020-S. DEAD~~	~~8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was S. 2 YEAR on 8/30/2019)~~			
~~**AB 1441**~~	~~Levine~~	~~Unemployment compensation: employers: contribution rates.~~	~~8/31/2020-S. DEAD~~	~~8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. L., P.E. & R. on 7/1/2020)~~			
~~**AB 1567**~~	~~Aguiar-Curry~~	~~Organic waste: scoping plan.~~	~~8/18/2020-S. DEAD~~	~~8/18/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was S. N.R. & W. on 6/23/2020)~~			
~~**AB 1659**~~	~~Bloom~~	~~Large electrical corporations: wildfire mitigation: securitization.~~	~~8/31/2020-S. DEAD~~	~~8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. THIRD READING on 8/30/2020)~~			
~~**AB 1714**~~	~~Aguiar-Curry~~	~~Emissions limitations: wine fermentation.~~	~~8/18/2020-S. DEAD~~	~~8/18/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was S. E.Q. on 9/15/2019)~~	~~Oppose~~		

BILL #	AUTHOR	SUBJECT	Location	Last Status - As of 9/15/2020	Position	PSPS Related	Priority (Low/Medium/High)
AB 1839	Bonta	Economic, environmental, and social recovery: California COVID-19 Recovery Deal.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was NAT. RES. on 4/24/2020)			
AB 1915	Chu	Electrical corporations: deenergization events.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was U. & E. on 1/17/2020)		PSPS Related	
AB 1917	Ting	Budget Act of 2020.	8/31/2020-A. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. BUDGET on 1/17/2020)			
AB 1920	Boerner Horvath	Climate change: California Climate Adaptation Center and Regional Support Network.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was NAT. RES. on 4/24/2020)			
AB 1922	Rivas, Luz	Pupil instruction: science requirements: climate change.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was ED. on 1/23/2020)			
AB 1942	Gallagher	Forestry and fire protection: reduction of emissions of greenhouse gases.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was NAT. RES. on 1/30/2020)			
AB 1972	Voepel	Vehicular air pollution.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was TRANS. on 2/6/2020)	Propose Oppose		
AB 1991	Friedman	Transit and Intercity Rail Capital Program: passenger tramways.	8/31/2020-A. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. TRANS. on 2/6/2020)			
AB 1992	Friedman	Transportation: transportation infrastructure: climate change.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was TRANS. on 2/6/2020)			
AB 2031	Rivas, Luz	School Pavement to Parks Grant Program.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was ED. on 2/14/2020)			
AB 2057	Chiu	San Francisco Bay area: public transportation.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was TRANS. on 4/24/2020)			
AB 2089	Rivas, Luz	Resilient Economies and Community Health Pilot Program.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was NAT. RES. on 2/20/2020)			
AB 2145	Ting	Transportation electrification: electric vehicle charging ports.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was U. & E. on 4/24/2020)			
AB 2148	Quirk	Climate change: adaptation: regional climate adaptation planning groups: regional climate adaptation plans.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was NAT. RES. on 3/5/2020)			
AB 2162	O'Donnell	School facilities: indoor air quality.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was ED. on 2/20/2020)			
AB 2168	McCarty	Planning and zoning: electric vehicle charging stations: permit application: approval.	8/31/2020-A. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. L. GOV. on 3/2/2020)			
AB 2178	Levine	Emergency services.	8/31/2020-S. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. G.O. on 6/23/2020)		PSPS Related	
AB 2182	Rubio, Blanca	Emergency backup generators: water and wastewater facilities: exemption.	6/5/2020-A. DEAD	6/5/2020-Failed Deadline pursuant to Rule 61(b)(6). (Last location was A. U. & E. on 3/2/2020)	Oppose	PSPS Related	
AB 2188	Calderon	Charge Ahead California Initiative: Air Quality Improvement Program: Clean Vehicle Rebate Project.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was TRANS. on 4/24/2020)			
AB 2215	Chau	Service stations: definition: electric vehicle charging stations.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was TRANS. on 3/2/2020)			
AB 2225	Grayson	Smog check: exemption: historic vehicles.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was TRANS. on 2/20/2020)	Propose Oppose		
AB 2241	Calderon	State Air Resources Board: report.	6/5/2020-A. DEAD	6/5/2020-Failed Deadline pursuant to Rule 61(b)(6). (Last location was A. PRINT on 2/13/2020)			
AB 2255	Eggman	Long-duration energy storage systems.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was NAT. RES. on 4/24/2020)			
AB 2260	Fong	Vehicles: registration fraud.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was TRANS. on 2/20/2020)			
AB 2262	Berman	Greenhouse gases: zero-emission vehicle charging or fueling infrastructure: statewide assessment and zero-emission readiness plans.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was TRANS. on 2/24/2020)			
AB 2331	Muratsuchi	Greenhouse gases: aviation sector: reporting.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was NAT. RES. on 2/24/2020)			
AB 2371	Friedman	Climate change: Office of Planning and Research: science advisory team: climate adaptation and hazard mitigation.	8/18/2020-S. DEAD	8/18/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was S. E.Q. on 6/23/2020)			
AB 2413	Ting	Greenhouse Gas Reduction Fund: study: securitization.	8/18/2020-S. DEAD	8/18/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was S. E.Q. on 7/2/2020)			
AB 2441	Rivas, Luz	Climate change: Safeguarding California Plan: Extreme Heat and Community Resilience Program.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was NAT. RES. on 2/27/2020)			
AB 2446	Bonta	Cement plants.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was NAT. RES. on 2/27/2020)			
AB 2455	Medina	Natural gas and electric battery vehicles: weight limits.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was TRANS. on 3/2/2020)			
AB 2475	Flora	Electrical corporations: electrical grid monitoring equipment pilot program.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was U. & E. on 2/27/2020)		PSPS Related	
AB 2498	Chu	Interscholastic athletics: California Interscholastic Federation: air quality activity recommendations.	6/5/2020-A. DEAD	6/5/2020-Failed Deadline pursuant to Rule 61(b)(6). (Last location was A. ED. on 2/27/2020)	Support		

BILL #	AUTHOR	SUBJECT	Location	Last Status - As of 9/15/2020	Position	PSPS Related	Priority (Low/Medium/High)
AB 2539	Bigelow	Electrical corporations: deenergization events: elections.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was U. & E. on 3/9/2020)		PSPS Related	
AB 2566	Garcia, C.	Consumption-based greenhouse gas inventory.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was NAT. RES. on 3/2/2020)			
AB 2577	Chiu	Environmental protection: vulnerable population: identification.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was NAT. RES. on 3/12/2020)			
AB 2585	Chau	California-China Climate Institute.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was HIGHER ED. on 4/24/2020)			
AB 2587	McCarty	Capitol Corridor rail line: capital improvements: appropriation.	8/31/2020-A. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. TRANS. on 4/24/2020)			
AB 2612	Maienschein	Greenhouse Gas Reduction Fund: recycling: appropriation.	8/31/2020-A. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. NAT. RES. on 3/2/2020)			
AB 2621	Mullin	Office of Planning and Research: regional climate networks: climate adaptation action plans.	8/21/2020-S. DEAD	8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was S. APPR. SUSPENSE FILE on 8/19/2020)			
AB 2653	Kalra	Smart climate agriculture.	6/5/2020-A. DEAD	6/5/2020-Failed Deadline pursuant to Rule 61(b)(6). (Last location was A. PRINT on 2/20/2020)			
AB 2667	Boerner Horvath	Air Quality Improvement Program: Clean Vehicle Rebate Project: electric bicycles.	6/5/2020-A. DEAD	6/5/2020-Failed Deadline pursuant to Rule 61(b)(6). (Last location was A. PRINT on 2/20/2020)			
AB 2689	Kalra	Electrical and gas corporations: reporting.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was U. & E. on 4/24/2020)			
AB 2698	Gray	High-Speed Rail Authority: trains powered by fossil fuel combustion engines.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was TRANS. on 3/2/2020)			
AB 2737	Garcia, C.	Community emissions reduction programs.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was NAT. RES. on 3/2/2020)			
AB 2766	Gray	Vehicles: retirement and replacement.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was TRANS. on 3/2/2020)			
AB 2772	Reyes	Alternative and Renewable Fuel and Vehicle Technology Program.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was TRANS. on 3/12/2020)			
AB 2789	Kamlager	State Energy Resources Conservation and Development Commission: distributed energy resources: study.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was U. & E. on 3/2/2020)		PSPS Related	
AB 2792	Quirk	Mobile fueling on-demand tank vehicles.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was TRANS. on 3/12/2020)	Oppose		
AB 2824	Bonta	Bay Bridge Fast Forward Program.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was TRANS. on 4/24/2020)			
AB 2831	Flora	Carbon offset credits: whole orchard recycling: healthy soils.	8/31/2020-A. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. NAT. RES. on 4/24/2020)			
AB 2832	Garcia, C.	Greenhouse gases: carbon neutrality.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was NAT. RES. on 3/2/2020)			
AB 2860	O'Donnell	California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was TRANS. on 3/5/2020)			
AB 2866	Garcia, Eduardo	Vehicular air pollution: Clean Fleet Program.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was TRANS. on 3/5/2020)			
AB 2882	Chu C. Garcia	Hazardous emissions and substances: schoolsites: private and charter schools.	8/18/2020-S. DEAD	8/18/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was S. E.Q. on 7/1/2020)	Support Sponsor		
AB 2940	Quirk	Energy: hydrogen.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was U. & E. on 3/5/2020)			
AB 2954	Rivas, Robert	California Global Warming Solutions Act of 2006: climate goal: natural and working lands.	8/21/2020-S. DEAD	8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was S. APPR. SUSPENSE FILE on 8/19/2020)			
AB 3021	Ting	School facilities: energy resilient schools: grant program.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was ED. on 3/5/2020)			
AB 3027	O'Donnell	California Global Warming Solutions Act of 2006: Low-Carbon Fuel Standard regulations.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was NAT. RES. on 3/12/2020)			
AB 3046	Mathis	The Energy, Environment, and Economy Council.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was NAT. RES. on 3/5/2020)			
AB 3100	Garcia, Eduardo	State Energy Resources Conservation and Development Commission: Blue Ribbon Commission on Lithium Extraction in California: report.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was NAT. RES. on 4/24/2020)		PSPS Related	
AB 3109	Ting	State Air Resources Board: report.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was NAT. RES. on 3/9/2020)			
AB 3111	Gipson	Carl Moyer Memorial Air Quality Standards Attainment Program.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was TRANS. on 4/24/2020)			
AB 3128	Burke	Electricity: deenergization events: fuel cells.	6/5/2020-A. DEAD	6/5/2020-Failed Deadline pursuant to Rule 61(b)(6). (Last location was A. PRINT on 2/21/2020)		PSPS Related	
AB 3211	Bauer-Kahan	Toxic air contaminants.	6/5/2020-A. DEAD	6/5/2020-Failed Deadline pursuant to Rule 61(b)(6). (Last location was A. NAT. RES. on 3/9/2020)	Support Sponsor		
AB 3217	Gloria	Greenhouse gases: crude oil emissions.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was NAT. RES. on 3/9/2020)	Support		

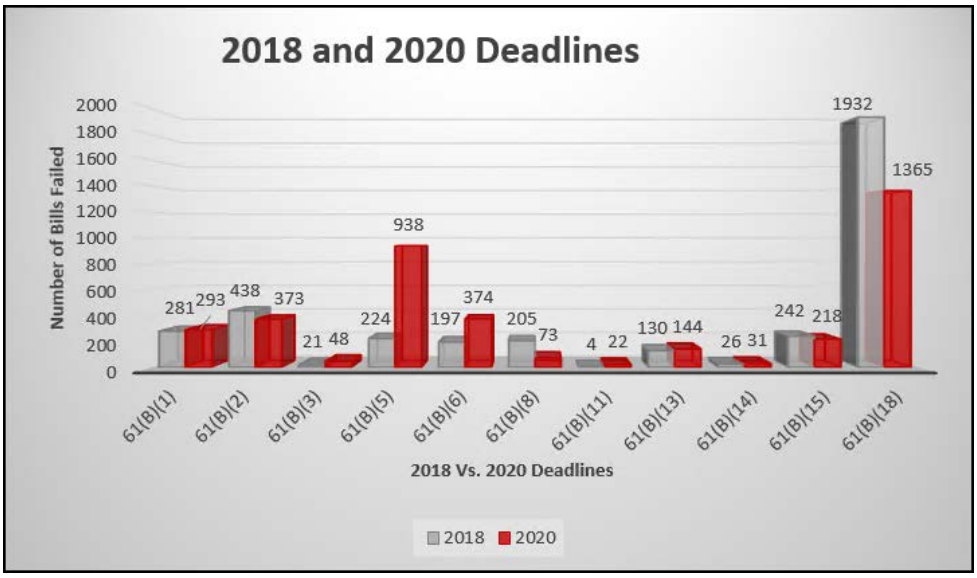
BILL #	AUTHOR	SUBJECT	Location	Last Status - As of 9/15/2020	Position	PSPS Related	Priority (Low/Medium/High)
AB 3251	Bauer-Kahan	Electricity: resource adequacy requirements.	5/29/2020-A. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was U. & E. on 3/9/2020)			
AB 3256	Garcia, Eduardo	Economic Recovery, Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020.	8/31/2020-A. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. RLS. on 6/3/2020)			
ACR 143	Quirk	Climate crisis.	8/31/2020-A. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. NAT. RES. on 1/23/2020)			
SB 43	Allen	Carbon intensity and pricing: retail products.	8/14/2020-A. DEAD	8/14/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was REV. & TAX on 6/24/2019)			
SB 45	Allen	Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020.	8/31/2020-A. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. DESK on 1/29/2020)	Support		
SB 59	Allen	California Transportation Commission: advisory committee: autonomous vehicle technology.	8/21/2020-A. DEAD	8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was A. 2 YEAR on 8/30/2019)			
SB 69	Wiener	Ocean Resiliency Act of 2019.	8/21/2020-A. DEAD	8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was A. 2 YEAR on 8/30/2019)			
SB 168	Wieckowski	Climate change: Chief Climate Resilience Officer.	8/21/2020-A. DEAD	8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was A. 2 YEAR on 8/30/2019)			
SB 278	Beall	Metropolitan Transportation Commission.	8/14/2020-A. DEAD	8/14/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was A. TRANS. on 6/18/2020)			
SB 369	Hertzberg	Prisoners: California Reentry Commission.	9/8/2020-S. ENROLLED	9/8/2020-Enrolled and presented to the Governor at 2 p.m.			
SB 378	Wiener	Probation: eligibility: crimes relating to controlled substances.	8/31/2020-A. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. RLS. on 7/27/2020)			
SB 431	McGuire	Telecommunications service: backup electrical supply rules.	8/21/2020-A. DEAD	8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was A. APPR. SUSPENSE FILE on 8/18/2020)		PSPS Related	
SB 498	Hurtado	Trade Corridors Improvement Fund: grant program: short-line railroads.	8/14/2020-A. DEAD	8/14/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was TRANS. on 6/6/2019)			
SB 515	Caballero	Public Utilities Commission: high hazard zone fuel: report.	8/21/2020-A. DEAD	8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was A. 2 YEAR on 8/30/2019)			
SB 535	Moorlach	Greenhouse gases: wildfires and forest fires: air emissions.	8/21/2020-A. DEAD	8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was A. 2 YEAR on 8/30/2019)			
SB 613	Stern	State agency greenhouse gas emission reduction report cards.	8/21/2020-A. DEAD	8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was A. 2 YEAR on 8/30/2019)			
SB 629	McGuire	Public peace: media access.	9/9/2020-S. ENROLLED	9/9/2020-Enrolled and presented to the Governor at 3 p.m.			
SB 633	Stern	California Electric Vehicle Authority.	8/31/2020-A. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. E.S. & T.M. on 7/27/2020)			
SB 662	Archuleta	Energy: transportation sector: hydrogen.	8/14/2020-A. DEAD	8/14/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was A. U. & E. on 6/25/2020)			
SB 667	Hueso	Greenhouse gases: recycling and organic waste reduction: needs assessment.	8/31/2020-A. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was A. INACTIVE FILE on 8/26/2020)			
SB 795	Beall	Economic development: housing: workforce development: climate change infrastructure.	8/21/2020-A. DEAD	8/21/2020-Failed Deadline pursuant to Rule 61(b)(15). (Last location was A. APPR. SUSPENSE FILE on 8/11/2020)			
SB 801	Glazer McGuire	Electrical corporations: wildfire mitigation plans: deenergization: public safety protocol.	8/14/2020-A. DEAD	8/14/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was A. U. & E. on 6/29/2020)		PSPS Related	
SB 802	Glazer	Emergency backup generators: health facilities: permit operating condition exclusion.	5/29/2020-S. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was E.Q. on 5/12/2020)	Oppose Unless Amended	PSPS Related	
SB 808	Mitchell	Budget Act of 2020.	8/31/2020-S. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. BUDGET & F.R. on 1/10/2020)			
SB 858	Beall	Thermal powerplants: exemption: emergency backup and standby generators: data centers.	5/29/2020-S. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was E. U., & C. on 1/22/2020)	Author Requested Support No position at this time.		
SB 862	Dodd	Planned power outage: public safety.	8/14/2020-A. DEAD	8/14/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was A. U. & E. on 6/29/2020)		PSPS Related	

BILL #	AUTHOR	SUBJECT	Location	Last Status - As of 9/15/2020	Position	PSPS Related	Priority (Low/Medium/High)
SB 917	Wiener	California Consumer Energy and Conservation Financing Authority: eminent domain: Northern California Local Energy Utility District: Northern California Energy Utility Services.	5/29/2020-S. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was GOV. & F. on 5/12/2020)			
SB 925	Glazer	Mobile telephony service base transceiver station towers: performance reliability standards.	5/29/2020-S. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was E. U., & C. on 2/12/2020)		PSPS Related	
SB 964	Skinner	Chemicals: outdoor application: residential areas.	8/31/2020-S. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. RLS. on 2/11/2020)			
SB 986	Allen	Coastal resources: new development: greenhouse gas emissions.	5/29/2020-S. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was N.R. & W. on 2/20/2020)			
SB 995	Atkins	Environmental quality: Jobs and Economic Improvement Through Environmental Leadership Act of 2011: housing projects.	8/31/2020-S. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. CONCURRENCE on 8/31/2020)			
SB 1020	Dahle	Income taxes: credits: generators.	8/31/2020-S. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. GOV. & F. on 2/27/2020)		PSPS Related	
SB 1070	Leyva	Land use: general plans.	8/31/2020-S. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. RLS. on 2/18/2020)			
SB 1099	Dodd	Emergency backup generators: critical facilities: exemptions.	8/14/2020-A. DEAD	8/14/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was A. NAT. RES. on 6/29/2020)	Oppose	PSPS Related	
SB 1113	Gonzalez, Lena	State Air Resources Board: report.	8/31/2020-S. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. RLS. on 2/19/2020)			
SB 1122	Skinner	Green electrolytic hydrogen.	5/29/2020-S. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was E. U., & C. on 2/27/2020)	Author Requested Support		
SB 1164	Grove	Petroleum refineries: air monitoring systems.	8/31/2020-S. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. RLS. on 2/20/2020)			
SB 1183	Hertzberg	Electric vehicle charging master plan.	5/29/2020-S. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was E. U., & C. on 5/12/2020)			
SB 1185	Moorlach	Emergency backup generators: operation during deenergization events.	8/14/2020-A. DEAD	8/14/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was A. NAT. RES. on 6/29/2020)	Oppose	PSPS Related	
SB 1195	Gonzalez, Lena	Vehicular air pollution: State Air Resources Board: regulations.	8/31/2020-S. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. RLS. on 2/20/2020)			
SB 1215	Stern	Electricity: microgrids.	8/14/2020-A. DEAD	8/14/2020-Failed Deadline pursuant to Rule 61(b)(13). (Last location was A. U. & E. on 6/29/2020)		PSPS Related	
SB 1258	Stern	California Climate Technology and Infrastructure Financing Act.	8/31/2020-S. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. APPR. SUSPENSE FILE on 6/9/2020)			
SB 1314	Dodd	Community Energy Resilience Act of 2020.	5/29/2020-S. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was N.R. & W. on 5/12/2020)		PSPS Related	
SB 1321	Bradford	Transportation electrification: electric vehicles: grid integration.	5/29/2020-S. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was E. U., & C. on 3/12/2020)			
SB 1323	Skinner	Carbon sequestration: state goals: natural and working lands: registry of projects.	5/29/2020-S. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was E.Q. on 5/12/2020)			
SB 1330	Umberg	Sales and Use Tax Law: zero emissions vehicle exemption.	8/31/2020-S. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. RLS. on 2/21/2020)			
SB 1332	Allen	Solid waste: recycling and composting infrastructure.	8/31/2020-S. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. RLS. on 2/21/2020)			
SB 1363	Allen	Regional transportation plans: sustainable communities strategies: greenhouse gas emissions and vehicle miles traveled reduction targets.	5/29/2020-S. DEAD	5/29/2020-Failed Deadline pursuant to Rule 61(b)(5). (Last location was TRANS. on 5/12/2020)			
SB 1415	Borgeas	Income taxes: credits: backup electricity generators.	8/31/2020-S. DEAD	8/31/2020-Failed Deadline pursuant to Rule 61(b)(18). (Last location was S. GOV. & F. on 3/12/2020)		PSPS Related	
Total Active Bills	**10**					**Low:**	**6**
						Medium:	**1**
						High:	**0**
						Chaptered:	**3**

CapitolTrack Analysis and Tips

The 2020 Deadlines

The 2020 Legislative Session has concluded with nothing left but 384 bills awaiting the Governor's signature. As promised, here is a graphical comparison of all 2020 Legislative Deadlines and how they stacked up against their 2018 counterparts:



Below is a quick-reference of the Joint Rules, the dates on which they fell in 2020 and a description of the Legislative Deadline:

61(b)(1)	1/17/2020	Carry-over, 1st House, Fiscal Bills must reach Appropriations.
61(b)(2)	1/24/2020	Carry-over, 1st House, Bills must reach the Floor.
61(b)(3)	1/31/2020	Carry-over, 1st House, Bills must pass to the 2nd House.
61(b)(5)	5/29/2020	1st House, Fiscal Bills must reach Appropriations.
61(b)(6)	6/5/2020	1st House, Non-Fiscal Bills Must reach the Floor.
61(b)(8)	6/19/2020	1st House, Fiscal Bills must reach the Floor.
61(b)(11)	6/26/2020	1st House, Bills must pass to the 2nd House.
61(b)(13)	8/14/2020	Fiscal Bills must reach Appropriations.
61(b)(14)	8/14/2020	Non-Fiscal Bills must reach the Floor.
61(b)(15)	8/21/2020	Fiscal Bills must reach the Floor.
61(b)(18)	8/31/2020	Last day for each House to pass Bills.

While most Deadlines were remarkably similar with little variance from the prior session, two obvious exceptions stand out; The Policy Committee deadlines - 61(b)(5) and 61(b)(6) - saw far more bills fail in 2020 likely due to leadership's decision to prioritize certain Legislation after returning from their extended Spring Recess. This resulted in fewer bills remaining unfinished as Session concluded, as seen in the 61(b)(18) Dealine.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Margaret Abe-Koga and Members of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 24, 2020

Re: Federal Legislative Update

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Legislative staff are following and providing feedback on several bills at the federal level. Unlike the better-defined state process for passing legislation, the federal process is a little more opaque. The upcoming election has limited meaningful, recent progress on many of them, but at the conclusion of the election we hope to have some initiatives moving forward and funded in future budgets.

Clean Corridors (DeSaulnier - CA) - Staff has worked extensively over the past year to support (successfully) Congressman DeSaulnier's Clean Corridor's Act being inserted into the next Transportation Bill called the INVEST in America Act. Transportation bills are generally passed in increments of five (5) years; however, the current version is a year behind schedule. Our work on this has also been to advocate for priority funding in areas with high freight and cargo handling traffic, and in areas with high pollution burden. As of now, Section 1303 establishes a $350 million annual competitive grant program to deploy electric vehicle charging and hydrogen fueling infrastructure. The program will prioritize projects that demonstrate the highest levels of carbon pollution reductions and that are installed on designated alternative fueling corridors. Electric vehicle charging stations installed under this section must be usable by the majority of electric vehicle drivers and accessible to all members of the public.

Smoke Planning and Research Act (Eshoo - CA) - This bill is similar to our Air District-sponsored bill, Assembly Bill 836 (Wicks; Chapter 393, Statutes of 2019), that was signed into law in 2019. Congresswoman Eshoo's bill is a companion bill to a Senate version introduced by Senator Merkley (OR) and co-sponsored by Senators Feinstein (CA) and Harris (CA). Congresswoman Eshoo recently renewed her focus on the bill per the attached letter and the language of the Smoke Planning and Research Act is being inserted into an Energy Bill package. The language is largely unchanged, except now the authorizations are through 2025 instead of permanent. The Smoke Planning and Research Act establishes four Centers of Excellence for Wildfire Smoke at colleges or universities to research the risks communities face due to wildfire smoke ($10 million/annually to establish the Centers of Excellence and $20 million/annually toward the research). It also directs the Environmental Protection Agency (EPA) to study this

issue and provide grants to states, tribes, and local governments to plan and respond to wildfire smoke ($50 million/annually). These efforts can include creating shelters for at-risk populations and retrofitting schools with air filters so students can safely attend school.

Special Districts Provide Essential Services Act (Garamendi - CA) - This bill by Congressman Garamendi would allow special districts such as municipal utilities, fire protection districts, resource conservation districts, and health care districts access to the Coronavirus Relief Fund. Currently, when states receive relief funding, there is no requirement to provide funds to special districts. Under the bill, each state would be required to allocate no less than 5 percent of future Coronavirus Relief Fund disbursements received by the state to special districts. Doing so remedies concerns and uncertainty surrounding special districts' future access to much-needed assistance for previously-unbudgeted expenses and revenue loss due to COVID-19. It seems unlikely that air districts would benefit much given the needs of other special districts.

Energy Resilient Communities (Barragan - CA) - This is a bill that will be introduced in October, related to microgrids. Along with the South Coast Air Quality Management District, we have indicated our desire to be involved as the bill moves forward. Per Congresswoman Barragan's staff, the Energy Resilient Communities Act will empower communities through $50 million in grants for technical assistance and $500 million in annual grants for clean energy microgrids to support the critical infrastructure needed in the aftermath of an extreme weather event. This includes but is not limited to municipal buildings, public safety facilities, hospitals, senior housing, and the homes of medical baseline customers. The bill will help to reverse environmental inequities by prioritizing grants for environmental justice communities, while also helping our country to fight climate change and build the clean energy economy.

In addition to the above-mentioned bills, there is interest on the Democratic side for future air quality and climate change bills that will be of interest. Depending on the results of the election, 2021 could be a busy year at the federal level.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Alan Abbs
Reviewed by: Jack P. Broadbent

Attachment 4A: H.R.4924 (Eshoo) – Letter from Representative Eshoo to Representative Pallone, Chair, House Committee on Energy and Commerce.

Congress of the United States
House of Representatives
Washington, D.C. 20515

Anna G. Eshoo
Eighteenth District
California

September 2, 2020

The Honorable Frank Pallone, Jr., Chairman
Committee on Energy and Commerce
United States House of Representatives
2107 Rayburn House Office Building
Washington, D.C. 20515

Dear Chairman Pallone, Frank

As California faces historic wildfires, including my Congressional District, I write to urge you to consider my legislation, H.R. 4924, the *Smoke Planning and Research Act* at the Energy and Commerce Committee's next markup.

Since August 15th nearly 14,000 lightning strikes ignited over 900 fires in California which have burned nearly 1.5 million acres. The San Francisco Bay Area is surrounded by fires on all sides, and the fire complexes north and east of my district are the second and third largest fires on record in California. A third fire complex west of Silicon Valley has forced 77,000 of my constituents in Santa Cruz County to evacuate and it has destroyed over 900 homes.

Every one of my constituents has been impacted by the smoke that has blanketed the region for more than two weeks. At times during these fires, Bay Area cities have endured the worst air quality in the world, and over one-third of the state experienced air quality that the Environmental Protection Agency determined was unsafe even for otherwise healthy individuals. Wildfire smoke contains toxic contaminants that are particularly dangerous to children and the elderly and can trigger wheezing, burning eyes, and even aggravate chronic heart and lung diseases. The Centers for Disease Control and Prevention has also warned that those exposed to wildfire smoke may be more susceptible to lung infections, including COVID-19.

Although the lightning siege that ignited the current fires was highly unusual, wildfires and the smoke they cause have become increasingly common in California due to drought, heat waves, and high wind speeds. Climate change has made wildfires more frequent and deadlier, and eight of the ten largest wildfires in California's history occurred in the last decade. While California has faced the most frequent wildfires, it is not the only state at risk. There are currently 84 large fires in

numerous western states including Oregon, Colorado, New Mexico, and Arizona. Wildfire smoke can drift hundreds of miles from these fires, impacting the air quality of millions of people.

The *Smoke Planning and Research Act* directs the EPA to study the health effects of wildfire smoke and provide grants to states, tribes, and local governments to plan and respond to wildfire smoke. These efforts can include creating shelters for at-risk populations and retrofitting schools with air filters so students can safely attend schools when they reopen. My legislation also establishes four Centers of Excellence at colleges and universities to further study this issue.

As our country continues to grapple with the COVID-19 pandemic, it is critical that we do not lose sight of other public health threats, including wildfire smoke. My legislation is a modest investment to help communities address the poor air quality that is likely to remain a persistent concern for years to come.

Thank you for your high consideration of my important request.

Most gratefully,

Anna G. Eshoo

cc: The Hon. Greg Walden, Ranking Member, Energy and Commerce Committee
The Honorable Paul Tonko, Chairman, Environment Subcommittee
The Honorable John Shimkus, Ranking Member, Environment Subcommittee

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Margaret Abe-Koga and Members of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 24, 2020

Re: Consideration of Proposition 16 (2020)

RECOMMENDED ACTION

That the Legislative Committee (Committee) will consider recommending the Board of Directors take a "Support" position on Proposition 16 (2020) to repeal Section 31 of Article I of the California Constitution.

DISCUSSION

The Committee will discuss and consider a position to recommend to the Board of Directors on California Proposition 16, appearing on the November 3, 2020 General Election Ballot.

BACKGROUND

Proposition 16 is a constitutional amendment to repeal Proposition 209 (1996), which prohibits the state from discriminating against, or granting preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting. Proposition 16 is the result of the passage of Assembly Constitutional Amendment (ACA) 5 *(Weber; Resolution Chapter 23 of 2020)*. ACA 5 is a resolution to propose to the people of the State of California an amendment to the Constitution of the State, by repealing Section 31 of Article I thereof, relating to government preferences.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Alan Abbs
Reviewed by: Jack P. Broadbent

Attachment 5A: California Constitution – Article 1 of Section 31 – Text
Attachment 5B: Proposition 16 – Official Voter Information Guide – Analysis
Attachment 5C: Proposition 16 – Official Voter Information Guide – Arguments and Rebuttals

*** CALIFORNIA CONSTITUTION - CONS**

ARTICLE I DECLARATION OF RIGHTS [SECTION 1 - SEC. 32] *(Article 1 adopted 1879.)*

SEC. 31. (a) The State shall not discriminate against, or grant preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting.

(b) This section shall apply only to action taken after the section's effective date.

(c) Nothing in this section shall be interpreted as prohibiting bona fide qualifications based on sex which are reasonably necessary to the normal operation of public employment, public education, or public contracting.

(d) Nothing in this section shall be interpreted as invalidating any court order or consent decree which is in force as of the effective date of this section.

(e) Nothing in this section shall be interpreted as prohibiting action which must be taken to establish or maintain eligibility for any federal program, where ineligibility would result in a loss of federal funds to the State.

(f) For the purposes of this section, "State" shall include, but not necessarily be limited to, the State itself, any city, county, city and county, public university system, including the University of California, community college district, school district, special district, or any other political subdivision or governmental instrumentality of or within the State.

(g) The remedies available for violations of this section shall be the same, regardless of the injured party's race, sex, color, ethnicity, or national origin, as are otherwise available for violations of then-existing California antidiscrimination law.

(h) This section shall be self-executing. If any part or parts of this section are found to be in conflict with federal law or the United States Constitution, the section shall be implemented to the maximum extent that federal law and the United States Constitution permit. Any provision held invalid shall be severable from the remaining portions of this section.

(Sec. 31 added Nov. 5, 1996, by Prop. 209. Initiative measure.)

PROP 16 ALLOWS DIVERSITY AS A FACTOR IN PUBLIC EMPLOYMENT, EDUCATION, AND CONTRACTING DECISIONS. LEGISLATIVE CONSTITUTIONAL AMENDMENT.

ANALYSIS BY THE LEGISLATIVE ANALYST

BACKGROUND

State and Federal Constitutions Require Equal Protection. The state and federal constitutions provide all people equal protection, which generally means that people in similar situations are treated similarly under the law.

In 1996, California Voters Banned Consideration of Race, Sex, Color, Ethnicity, or National Origin in Public Programs. In 1996, California voters approved Proposition 209, adding a new section to the State Constitution—Section 31 of Article I. The new section generally banned the consideration of race, sex, color, ethnicity, or national origin in public employment, public education, and public contracting in California.

There Are Some Exceptions to Proposition 209. State and local entities can consider sex when it is necessary as part of normal operations. For example, the state can consider the sex of an employee when staffing specific jobs at state prisons where it is necessary for staff and inmates be the same sex. Additionally, state and local entities may consider specified characteristics when it is required to receive federal funding. For example, the state is required to set goals for the portion of contracts awarded to certain groups for federally funded transportation projects, like businesses owned by women and people of color.

Proposition 209 Affected Certain Public Policies and Programs. Before Proposition 209, state and local entities had policies and programs intended to increase opportunities and representation for people who faced inequalities as a result of their race, sex, color, ethnicity, or national origin. These types of programs often are called "affirmative action" programs. For example, some of the state's public universities considered race and ethnicity as factors when making admissions decisions and offered programs to support the academic achievement of those students. State and local entities had employment and recruitment policies intended to increase the hiring of people of color and women. The state also established programs to increase the participation of women-owned and minority-owned businesses in public contracts. The state set goals for the portion of state contracts that were awarded to those types of businesses. After voters approved Proposition 209, these policies and programs were discontinued or modified unless they qualified for one of the exceptions.

Federal Law Allows Policies and Programs That Consider Certain Characteristics, Within Limits. Before Proposition 209, state and local policies and programs that considered race, sex, color, ethnicity, or national origin still had to comply with federal law. Federal law establishes a right to equal protection and as a result limits the use of these considerations. For example, under federal law, universities may consider these characteristics as one of several factors when making admission decisions in an effort to make their campuses more diverse. To ensure compliance with federal law, these policies and programs must meet certain conditions that limit the consideration of these characteristics. These conditions are intended to prevent discrimination that violates equal protection. State law also has a number of antidiscrimination provisions that are similar to those in federal law.

Policies and Programs Created or Modified After Proposition 209. After voters approved Proposition 209, some public entities in California created or modified policies and programs to instead consider characteristics not banned by Proposition 209. For example, many of the state's universities provide outreach and support programs for students who are first in their family to attend college. Many university campuses also consider where students attended high school and where they live when making admissions decisions. The universities view these policies and programs as ways to increase diversity without violating Proposition 209.

PROPOSAL

Eliminates Ban on the Consideration of Certain Characteristics in Public Education, Public Employment, and Public Contracting. If approved, the measure would repeal Proposition 209—Section 31 of Article I of the California Constitution. This would eliminate the ban on the consideration of race, sex, color, ethnicity, or national origin in public education, public employment, and public contracting. As a result, state and local entities could establish a wider range of policies and programs so long as they are consistent with federal and state law related to equal protection.

FISCAL EFFECTS

No Direct Fiscal Effects on Public Entities. The measure would have no direct fiscal effect on state and local entities because the measure would not require any change to current policies or programs. Instead, any fiscal effects would depend on future choices by state and local entities to implement policies or programs that consider race, sex, color, ethnicity, or national origin in public education, public employment, and public contracting.

Potential Fiscal Effects of Implementing Programs Highly Uncertain. State and local entities could make any number of decisions about policies and programs that consider race, sex, color, ethnicity, or national origin. Because the specific choices state and local entities would make if voters approved this measure are unknown, the potential fiscal effects are highly uncertain.

Visit *http://cal–access.sos.ca.gov/campaign/measures/* (http://cal-access.sos.ca.gov/campaign/measures/) for a list of committees primarily formed to support or oppose this measure.

Visit *http://www.fppc.ca.gov/transparency/top–contributors.html* (http://www.fppc.ca.gov/transparency/top-contributors.html) to access the committee's top 10 contributors.

PROP 16 ALLOWS DIVERSITY AS A FACTOR IN PUBLIC EMPLOYMENT, EDUCATION, AND CONTRACTING DECISIONS. LEGISLATIVE CONSTITUTIONAL AMENDMENT.

ARGUMENT IN FAVOR OF PROPOSITION 16

YES on Prop. 16 means EQUAL OPPORTUNITY FOR ALL CALIFORNIANS.

All of us deserve equal opportunities to thrive with fair wages, good jobs, and quality schools.

Despite living in the most diverse state in the nation, white men are still overrepresented in positions of wealth and power in California. Although women, and especially women of color, are on the front lines of the COVID-19 response, they are not rewarded for their sacrifices. Women should have the same chance of success as men.

Today, nearly all public contracts, and the jobs that go with them, go to large companies run by older white men. White women make 80¢ on the dollar. The wage disparity is even worse for women of color and single moms. As a result, an elite few are able to hoard wealth instead of investing it back into communities. Prop. 16 opens up contracting opportunities for women and people of color.

We know that small businesses are the backbone of our economy. Yet, Main Street businesses owned by women and people of color lose over $1,100,000,000 in government contracts every year because of the current law. We need to support those small businesses, especially as we rebuild from COVID-19. Wealth will be invested back into our communities.

YES on Prop. 16 helps rebuild California stronger with fair opportunities for all.

YES on Prop. 16 means:

• Supporting women and women of color who serve disproportionately as essential caregivers/frontline workers during COVID-19

• Expanding access to solid wages, good jobs, and quality schools for all Californians, regardless of gender, race, or ethnicity

• Creating opportunities for women and people of color to receive public contracts that should be available to all of us

• Improving access to quality education, both K–12 schools and higher education, for all of California's kids

• Taking action to prevent discrimination and ensure equal opportunity for all

• Rebuilding an economy that treats everyone equally

• Investing wealth back into our communities as opposed to continuing to allow the rich to get richer

• Strong anti-discrimination laws remain in effect

• Quotas are still prohibited

We live in the middle of an incredible historic moment. In 2020, we have seen an unprecedented number of Californians take action against systemic racism and voice their support for real change.

At the same time, our shared values are under attack by the Trump administration's policies. We are seeing the rise of overt racism: white supremacists on the march, the daily demonization of Latino immigrants, Black people gunned-down in our streets, anti-Asian hate crimes on the rise, women's rights under attack, and COVID-19 ravaging Native communities.

By voting YES on Prop. 16, Californians can take action to push back against the Trump administration's racist agenda.

By voting YES on Prop. 16, Californians can take action to push back against racism and sexism and create a more just and fair state for all.

Equal opportunity matters. Yes on Prop. 16.

ARGUMENT AGAINST PROPOSITION 16

The California Legislature wants you to strike these precious words from our state Constitution: *"The state shall not discriminate against, or grant preferential treatment to, any individual or group, on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting."*

Don't do it! Vote NO.

Those words—adopted by California voters in 1996 as Proposition 209—should remain firmly in place. Only by treating everyone equally can a state as brilliantly diverse as California be fair to everyone.

REPEAL WOULD BE A STEP BACKWARD

Discrimination of this kind is poisonous. It will divide us at a time we desperately need to unite. Politicians want to give preferential treatment to their favorites. They think they can "fix" past discrimination against racial minorities and women by discriminating against *other* racial minorities and men who are innocent of any wrongdoing. Punishing innocent people will only cause a never-ending cycle of resentment. *The only way to stop discrimination is to stop discriminating.*

HELP THOSE WHO REALLY NEED IT

Not every Asian American or white is advantaged. Not every Latino or black is disadvantaged. Our state has successful men and women of all races and ethnicities. Let's not perpetuate the stereotype that minorities and women can't make it unless they get special preferences.

At the same time, our state also has men and women—of all races and ethnicities—who could use a little extra break. Current law allows for "affirmative action" of this kind so long as it doesn't discriminate or give preferential treatment based on race, sex, color, ethnicity or national origin. For example, state universities can give a leg-up for students from low-income families or students who would be the first in their family to attend college. The state can help small businesses started by low-income individuals or favor low-income individuals for job opportunities.

But if these words are stricken from our state Constitution, the University of California will again be free to give a wealthy lawyer's son a preference for admission over a farmworker's daughter simply because he's from an "under-represented" group. *That's unjust.*

GIVE TAXPAYERS A BREAK

Prior to the passage of Proposition 209, California and many local governments maintained costly bureaucracies that required preferential treatment in public contracting based on a business owner's race, sex or ethnicity. The lowest qualified bidder could be rejected. A careful, peer-reviewed study by a University of California economist found that CalTrans contracts governed by Proposition 209 saved 5.6% over non-209 contracts in the two-year period after it took effect. If the savings for other government contracts are anywhere near that, repealing this constitutional provision could cost taxpayers *many BILLIONS of dollars.*

EQUAL RIGHTS ARE FUNDAMENTAL

Prohibiting preferential treatment based on race, sex, color, ethnicity or national origin is a fundamental part of the American creed. It's there in our Constitution for all of us. . .now and for future generations. *Don't throw it away.*

VOTE NO.

WARD CONNERLY, President

Californians for Equal Rights

***VoteYesOnProp16.org* (https://voteyesonprop16.org/)**

CAROL MOON GOLDBERG, President

League of Women Voters of California

THOMAS A. SAENZ, President

Mexican American Legal Defense and Educational Fund

EVA PATERSON, President

Equal Justice Society

REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 16

TOM CAMPBELL: "This proposition will allow California's public universities to keep students out because of their race, in order to help students of another race get in. That's currently illegal. Berkeley's business school was rated among the best for recruiting minority graduates, and we did it without using race. We also gave no favoritism to children of donors, alums, or politicians. We were strictly merit-based. That's how it should stay. (I'm neither a Democrat nor a Republican.)"

LEO TERRELL: "I'm a black man, civil rights attorney for 30 years, lifelong Democrat, now independent. Proposition 16 is a scam to use government money to benefit politically connected HIGH-BID contractors who are supposedly 'minority' or who hire a so-called 'minority' as window dressing. Taxpayers get shafted. Also, we certainly don't need to favor one race over another in government jobs, promotions, or layoffs. And for education, let's help those who need it, regardless of race!"

KALI FONTANILLA: "My father was a Jamaican immigrant, but I was raised in poverty by my single mother. My husband is Mexican/Puerto Rican: we are proudly multiracial. An honors multi-degreed University of California graduate, I tutored black students in Compton; now I help Latinos enter UC on MERIT (like I did), NOT quotas! Proposition 16, a giant step backward, would hurt the very students we want to help. There is no need to lower standards! I love teaching, but Proposition 16 would totally disrupt K–12."

Don't divide us. Unite us. Vote NO!

TOM CAMPBELL, Former Dean

Haas School of Business, University of California, Berkeley

LEO TERRELL, Civil Rights Lawyer

KALI FONTANILLA, Public School Teacher

GAIL HERIOT, Professor of Law

BETTY TOM CHU, Former California Constitution Revision Commissioner

REBUTTAL TO ARGUMENT AGAINST PROPOSITION 16

Stand for Our California Values. Stand Against Discrimination.

Californians agree everyone deserves equal opportunity to succeed—regardless of their gender, what they look like, or where they were born. We agree that women should be paid the same as men; that all children, regardless of their background or skin color, deserve access to a great school.

The opposition uses deceptive language to claim that they care about California's future. In fact, their approach would take us backwards.

Businesses owned by women and people of color lose $1.1 billion each year because lucrative contracts are given to a wealthy few. Women make 80 cents on the dollar, and women of color make even less.

The only way to move California forward is to pass Proposition 16—extending equal opportunity for all and actively combating systemic racism.

By passing Proposition 16, Californians can:

• Tackle all forms of discrimination, removing barriers to equal opportunity

• Fight gender wage discrimination

• Give women of color an equal shot at job promotions and leadership positions

• Expand career and educational opportunities in science and technology for girls

California can join 42 other states in taking action towards equal opportunity for all by voting Yes on Proposition 16.

As Californians, we value diversity and fairness, we know that ending discrimination and promoting equality is the right thing to do.

During this uncertain time of COVID-19, we can build a future California that reflects our values by *voting YES on Proposition 16.*

Get the facts at ***VoteYesOnProp16.org***
(https://voteyesonprop16.org/)

E. TOBY BOYD, President

California Teachers Association

NORMA CHAVEZ-PETERSON, Executive Director

ACLU of San Diego and Imperial Counties

DR. BERNICE A. KING, CEO

The Martin Luther King, Jr. Center

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Margaret Abe-Koga and Members of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 24, 2020

Re: 2021 Legislative Activities

RECOMMENDED ACTION

The Legislative Committee (Committee) will receive a report from staff on potential legislative activities in 2021, providing direction as necessary.

DISCUSSION

In addition to the usual work on the state budget, below is a list of potential legislative activities for 2021, including ideas for Air District-sponsored bills as well as other potential bill activity of interest.

Previous Air District-Sponsored Bills

Expansion of Indirect Source or Magnet Source Authority – In 2020, the Air District sponsored Assembly Bill (AB) 3211, authored by Assemblymember Bauer-Kahan, to expand indirect source authority to include air toxics in addition to pollutants in excess of state ambient air quality standards. This bill was an early casualty of the reduction in bills due to COVID-19 in March as it had been double-referred. In that time, the California Air Resources Board (CARB) has passed new emission standards for heavy duty trucks, as well as a future fleet standard requiring increasing numbers of zero emission trucks. If the Air District wants to move forward with a similar bill in 2021, we may want to look at a different approach.

Private/Charter School Requirements for Air Quality Review Under the California Environmental Quality Act (CEQA) – In 2020, the Air District sponsored AB 2882, authored by Assemblymember Chu, to require new private and charter schools to work with their local air district to identify nearby sources of air emissions that could have public health impacts to school students and employees. The bill easily passed the Assembly but did not receive a hearing in the Senate due to another round of bill hearing reductions in August. This bill is a good candidate for reintroduction but will need a new author as Assemblymember Chu is termed out.

Other Legislative Ideas

Bay Area Air Quality Management District Meeting Compensation – Existing meeting compensation for Board of Directors (Board) members, and generally for other air districts and public agencies, limits meeting compensation to $100 per day, without recognizing the number of meetings. Board members in the past have expressed a desire to increase compensation as a way to group meetings for more efficient use of Board members' time. A minor adjustment to our portion of the Health and Safety Code Section 40227 could change the cap to $100/mtg and a maximum per day amount, as an example, without impacting meeting compensation for other public agencies.

Extension of Air District Intellectual Property Authority Senate Bill (SB) 170 (Pavley; Chapter 586, Statutes of 2011) – This was a bill that the South Coast Air Quality Management District sponsored as a way to potentially receive some royalties from R&D investments. The idea may have been ahead of its time as it was never used by any air districts. Health and Safety Code Sections 40004 and 40005 describe the concept, but the provisions sunset in 2017. Having this authority restored could help fund programs out of the Technology Implementation Office (TIO).

AB 617 (C. Garcia; Chapter 136, Statutes of 2017) Amendments – After three years of experience with the AB 617 program, and the prospect of declining state funding, the Air District could propose amendments to AB 617 that maintain the core concepts and requirements but provide opportunities for efficiency and flexibility. This type of bill would be very difficult without support from the original authors of AB 617, community groups across the state, environmental organizations, other air districts, and CARB.

Potential Other Bills

Responses to Legislation Involving the Composition of the Board – There may be legislative proposals that could affect the composition of this Air District's Board. In past years, the Board has opposed any legislation regarding Board composition that did not originate with the Board but was instead proposed by others. Ultimately, in 2020, no such proposals were submitted as bills. The passage of AB 423 (Gloria; Chapter 744, Statutes of 2019), however, revised the composition of the San Diego County Air Pollution Control District Board of Directors effective March 2021, which may lead to a renewed effort towards other air districts. Staff suggests the Board consider retaining its previous position.

Wildfire/Climate Change – It seems likely that 2021 will have many bills to address aspects of wildfire impacts and forest health, as well as the broader issue of climate change, both causes and effects. The Air District may want to consider taking a more active role in future climate change legislation related to emissions, or even to sponsor a bill.

Carl Moyer/AB 923 (Firebaugh; Chapter 707, Statutes of 2004) Reauthorization or Other Program Changes – Authorization for the majority of Carl Moyer and AB 923 Mobile Source Incentive Fund (MSIF) funding expires at the end of 2023. It is unlikely that air districts will want to introduce a bill this early, however, the expiration coincides with expiration of another non-air district program, the Alternative and Renewable Fuel and Vehicle Technology Program administered by the State Resources Energy and Conservation Commission. The next year will likely be spent preparing for bill introduction in 2022 or 2023.

CalPERS Changes – The Air District's Chief Financial Officer has alerted us to potential changes at CalPERS that we may want to track, related to proposed changes in investment policy that would have been made easier by AB 2473 (Cooper), which did not make it through the legislative process. Attached is an article that concisely explains the issue and the potential impact on volatility, which could affect future District budgets.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Alan Abbs
Reviewed by: Jack P. Broadbent

Attachment 6A: Health and Safety Code Sections 40004 and 40005
Attachment 6B: CalPERS Article – Published by CalMatters 7/9/2020

HEALTH AND SAFETY CODE - HSC

DIVISION 26. AIR RESOURCES [39000 - 44474] *(Division 26 repealed and added by Stats. 1975, Ch. 957.)*
PART 3. AIR POLLUTION CONTROL DISTRICTS [40000 - 41357] *(Part 3 added by Stats. 1975, Ch. 957.)*

CHAPTER 1. General Provisions [40000 - 40006] *(Chapter 1 added by Stats. 1975, Ch. 957.)*

40004. A district may sponsor, coordinate, and promote projects that will lead to the prevention, mitigation, or cure of the adverse effects of air pollution, including the adverse health effects of air pollution.

(Added by Stats. 2011, Ch. 586, Sec. 1. (SB 170) Effective January 1, 2012.)

DIVISION 26. AIR RESOURCES [39000 - 44474] *(Division 26 repealed and added by Stats. 1975, Ch. 957.)*

PART 3. AIR POLLUTION CONTROL DISTRICTS [40000 - 41357] *(Part 3 added by Stats. 1975, Ch. 957.)*

CHAPTER 1. General Provisions [40000 - 40006] *(Chapter 1 added by Stats. 1975, Ch. 957.)*

40005. (a) A district may negotiate what share, if any, of the intellectual property, or benefits resulting from intellectual property, developed from the use of district funds, including funds discharged as grants, will accrue to that district.

(b) A district may negotiate revenue sharing agreements with recipients of district funds, including the collection of royalties. Proceeds obtained by the district from these revenue sharing agreements shall accrue to the district and be deposited into a special account that may only be used, subject to the district's ability to recover its expenses and its administrative costs, for any of the following purposes:

(1) To fund projects pursuant to Section 40004 that will lead to the prevention, mitigation, or cure of the adverse effects of air pollution, including the adverse health effects of air pollution.

(2) To fund projects to reduce or mitigate air pollution through the development or implementation of pollution controls, low or zero polluting fuels or technologies, or pollution prevention measures.

(c) A district shall not receive a benefit pursuant to this section in excess of the amount of the district's investment in the development of a process, machine, or article of manufacture, if the district adopts a rule or regulation that mandates the use of that process, machine, or article of manufacture and that regulation or rule was adopted after the development of the process, machine, or article of manufacture.

(d) If the state or a subdivision of the state purchases or licenses a process, machine, or article of manufacture for which a district accrues a benefit resulting from an intellectual property interest negotiated pursuant to subdivision (a) or (b), upon the request of the Department of General Services, the district shall prepare reimbursement to the General Fund for the amount of the benefit accrued.

(e) (1) A district that attempts to negotiate for benefits pursuant to this section shall report annually to the Legislature. The report shall include all of the following:

(A) The number of district-funded projects and the number of district-funded projects for which a benefit was negotiated, regardless of the outcome of the negotiation.

(B) The outcome of all negotiations regarding intellectual property pursuant to this section, including agreed terms for revenue sharing.

(C) A list of all district-funded projects from previous years that have resulted in a benefit pursuant to this section, if any, and the total amount of that benefit to date.

(2) A district may include a report required by this section as part of another report submitted to the Legislature by the district.

(f) This section does not apply to a contract governed by Chapter 14.27 (commencing with Section 67325) of Part 40 of Division 5 of Title 3 of the Education Code.

(g) Subdivisions (a) to (f), inclusive, of this section shall become inoperative on January 1, 2017. An agreement made pursuant to this section prior to January 1, 2017, shall remain in effect for the duration of the agreement.

(Added by Stats. 2011, Ch. 586, Sec. 2. (SB 170) Effective January 1, 2012. Inoperative January 1, 2017, as provided in subd. (g).)

CALIFORNIA'S PENSION CRISIS

Riskier bet: Why CalPERS, the country's largest pension fund, is getting into banking

BY BEN CHRISTOPHERJULY 9, 2020

Link to Article

Chasing greater returns, CalPERS prepares to enter the banking business and take on private debt. is Image via iStock

IN SUMMARY

How does the nation's biggest public pension system pay down its debts amid a global economic collapse? One idea: Become a banker.

Retired DMV clerks, former firefighters and aging government bean-counters across California, put on your three piece suits: You might be getting into the banking business.

The California Public Employees' Retirement System, which manages a nearly $400 billion basket of nest eggs for retired public workers across the state, is wading into the rollicking market for private debt.

It used to be that lending directly to small and medium-sized companies not traded on public stock exchanges was the business of big banks. But after the financial crisis of 2008, those traditional lenders were forced to park their money into less risky ventures. And that left behind

a financial vacuum into which “shadow bankers” such as private equity financiers have been rushing ever since.

Now CalPERS, the nation’s largest pension fund, wants in on the action.

The pension fund staff calls it a “prudent” calculated risk. Critics call it a desperation move. Both agree that the fund — which faces hundreds of billions in unfunded future pension debt, persistently basement-scraping interest rates and now a pandemic-ravaged economy — is under pressure to perform.

“We need every arrow in the quiver we can get, and private debt is one of the critical ones,” said Dan Bienvenue, CalPERS’ deputy chief investment officer. “There isn’t a no-risk choice.”

Rather than simply invest the money with Wall Street firms that then dole it out to borrowers — something CalPERS has already started doing — CalPERS managers want to cut out the middlemen and begin making and holding those loans themselves.

The board-approved policy allows CalPERS to put up to 5% of its total value into “opportunistic” investments, which includes private debt. That works out to about $20 billion, though Bienvenue said he doesn’t “expect to grow this to anything like that anytime soon.”

CalPERS’ turn to direct lending is part of a broader rethinking of the pension fund’s money-making strategy, approved by the organization’s board last month. The plan also allows the fund to borrow up to $80 billion to goose potential profits — an 11-figure sum has generated skepticism from some financial experts and howls of protest from some corners of the political and financial commentariat.

“Hopefully it works and they’re lucky and the taxpayers of California will be lucky,” said Matt Gelfand, a managing director of the investment advising firm Moreland Associate. “But there’s a greater risk.”

Susan Webber, a longtime critic of CalPERS management who writes under the pen name Yves Smith on her widely read finance blog Naked Capitalism, summed up her point in the title of her post: “CalPERS Plans to Blow Its Brains Out.”

Bienvenue said the new leverage policy just consolidates how much individual departments across the fund were already allowed to borrow into one total, which is actually lower than the prior policy.

“What we’re doing is in fact far more boring than the headlines,” he said.

But both CalPERS’ money managers and its sharpest critics agree that the fund faces a daunting task: trying to earn sufficiently high returns to meet its future obligations without putting too much at risk.

A veil of secrecy?

Before CalPERS can start writing checks like a bank, the staff at the pension fund is asking for a little bank-like confidentiality.

Earlier this year, the pension fund sponsored legislation that would shield many of the documents and data related to its future private loans from California's Public Records Act. The bill, authored by Elk Grove Democratic Assemblymember Jim Cooper, would make it impossible for journalists or anyone else to compel public pension funds to divulge any borrower's personal identifying information, their financial statements, details about the collateral backing a loan and anything that might be considered a "trade secret."

If the public pension fund is going to get into the business of making loans, CalPERS staff argued, it has to be able to assure borrowers that their closely guarded financial information remains secret.

"If we have to disclose it," pension fund lobbyist Danny Brown told a February board meeting, "then they're likely going to go to someone that doesn't have to disclose it. So in order to make sure that we're competitive in this market and getting the best opportunities, we need to (have) these similar rules that other folks will be playing by."

Under the pending bill, the Public Records Act could still be invoked to learn who a borrower is, what the basic terms of a loan are, and whether a borrower has been in default for at least six months.

A central part of the pension fund's new plan is to venture further from the well-trafficked coves of traditional stock and bond markets into the open, lightly-regulated waters of private investments. These include both private debt and private equity — in which the board purchases a direct ownership stake in a business.

These financial arrangements are unavailable to your average investor and are trickier to get out of. That makes them riskier, and as a result, investors can demand a higher return.

William Wang, emeritus professor of corporate finance at the University of California Hastings College of Law, warned that setting up a private loan-making operation inside the pension fund will require "hiring away the masters of the universe" who currently work at private equity and venture capital firms. "Those people make a lot of money."

Margaret Brown, one of CalPERS' 13 board members and one of six who is elected, said she worries the pension fund staff does not have enough experience in making and managing loans. And this is not the right time to be learning on the job, she said.

"CalPERS has a habit of jumping in the market at the wrong time," said Brown. "It's one thing if we do private debt and we take small steps, right? You don't give your new puppy the big 32-ounce can of food. You don't do it. He'll choke on it."

Brown, a regular contrary voice on the board, cast the lone dissenting vote last month against expanding the fund venture into "opportunistic" investments, which includes private debt. Earlier this year she also voted against sponsoring the Public Records Act exclusion bill.

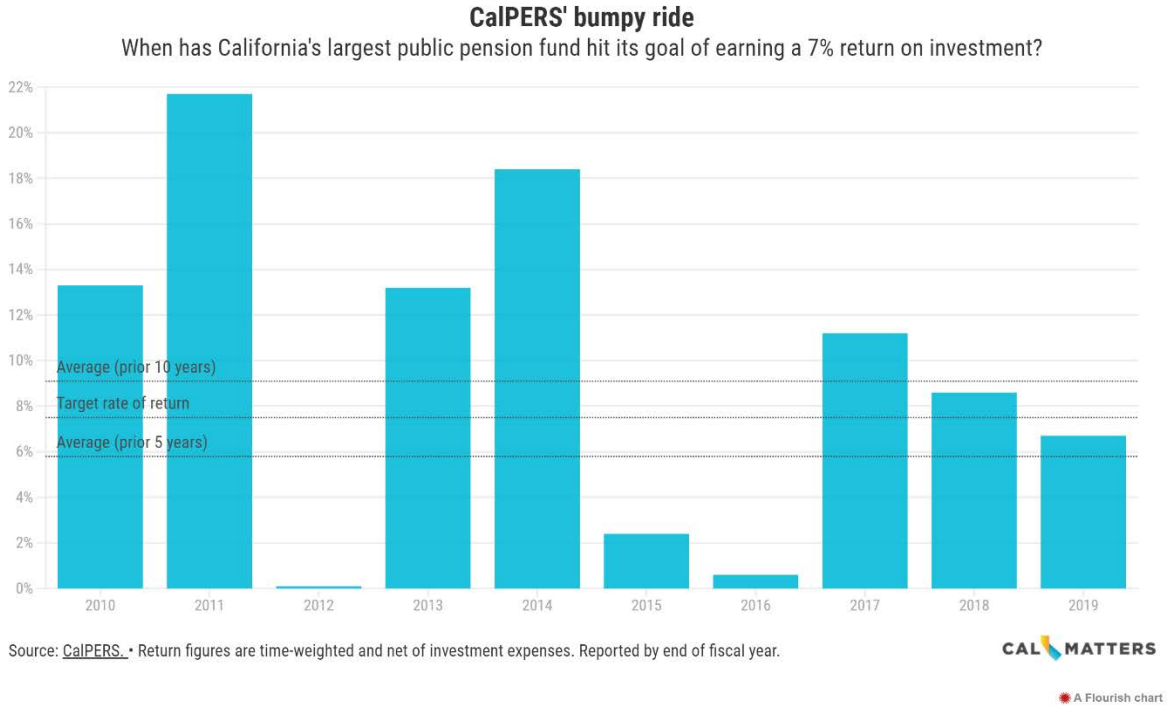
(No love lost: Brown recently sued the organization and the rest of the board after it penalized her for her use of the CalPERS name on her social media accounts.)

Bienvenue, the deputy chief investment officer, insisted that although the pension fund's investment team does not have direct experience extending loans, the "experience and

expertise” of those who have worked with other debt-related investments “are very similar and analogous to what would be required for this.”

“Sense of desperation”

CalPERS, like most public pension funds in the country, does face a tricky math problem: The board expects the fund’s investments to grow at an average rate of 7% each year. That number is more than an aspirational target; it’s also a vision of the future with major financial and political consequences.



The less that CalPERS makes in from its investments, the more it has to draw from employers — that is, taxpayers via their state and local governments — and public sector employees to pay for current and future retirement benefits. Few in state government are eager to ask cities or workers to cough up high contributions. Especially not now.

But in a period of prolonged low interest rates, it’s tough to earn that 7% without parking your money in some chancy investments, said Matt Gelfand, a managing director of the investment advising firm Moreland Associates. That puts pension fund managers in a bind.

“Either they generate a (lower rate of) return and it’s not enough to fund benefits, so somebody’s got to cover the cost of those benefits,” he said. “Or they do what CalPERS is aiming to do now…taking on a risk that might or might not work out.”

The story of public pension officers scrambling for increasingly scant financial opportunities is four decades in the making.

According to an analysis by the Pew Charitable Trust, beginning in the 1980s pension fund managers began to diversify away from the safe, steady and thoroughly boring world of highly rated bonds, choosing to ride the stock market's roller coaster. After the turn of the century, with ever-lower interest rates making it even harder for investors to make money from traditional bonds, pensions ventured further into the Wild West of "alternative investments" — private equity, one-off infrastructure projects and real estate. Each step took the funds into potentially more profitable, but also more perilous, terrain.

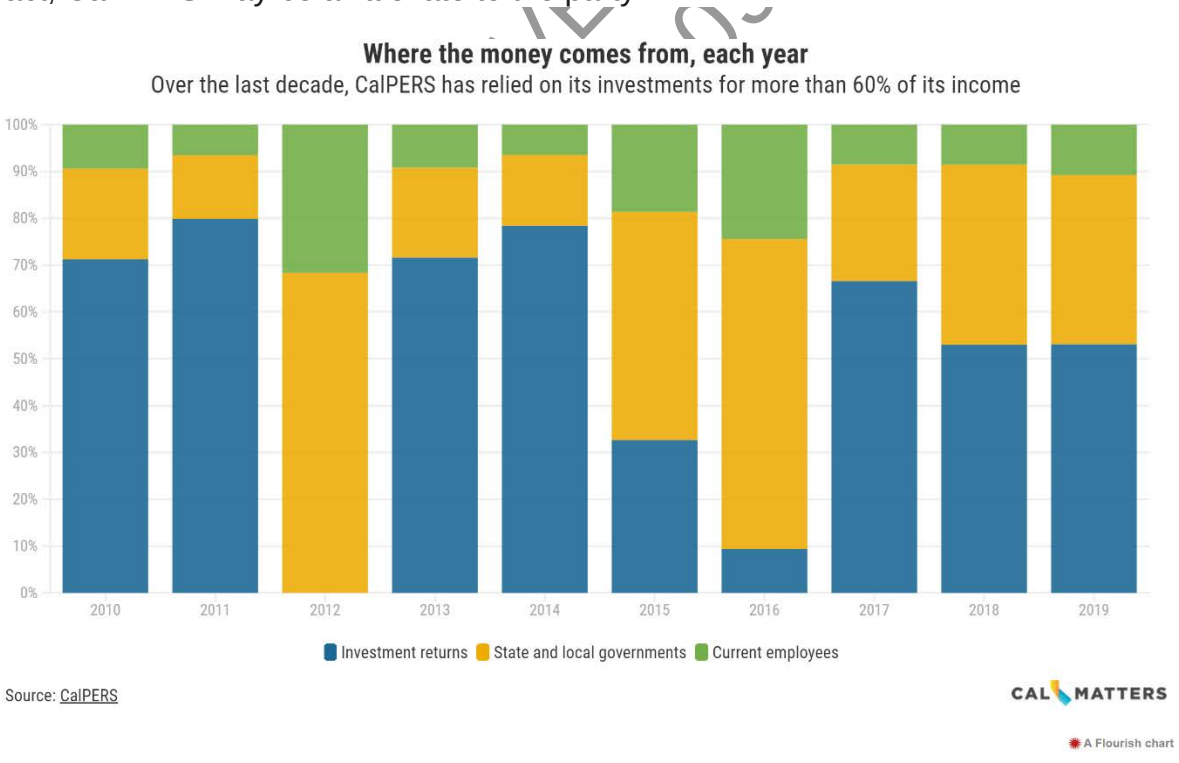
"It's completely driven by the accounting rules and the accounting rules themselves are driving people to these choices," said Tom Sgouros, a policy advisor who has argued that the fiscal threat of unfunded pension liabilities is overstated. "The sense of desperation makes people make policy decisions that are unwise."

Private credit appears to be the latest target for high-return seekers. According to the London-based financial data company Preqin, the total value of the global private credit market has ballooned from roughly $263 billion at the end of 2009 to $854 billion by the end of last year.

Too much money chasing too little opportunity?

Following the global financial crisis, "a lot of banks began to stop offering loans to middle-market firms and that created a large kind of chasm in that space," said Ash Chauhan, a Preqin analyst. "When you're looking at institutional investors like CalPERS, it was only a matter of time before they started investing."

In fact, CalPERS may be a little late to the party.



The Arizona State Retirement System has been investing in private debt since 2013. Alabama's state pension fund followed suit and has since emerged as a kind of cautionary tale. The Retirement Systems of Alabama lent directly to iPic, a perk-ified theater chain known for its reclining chairs and menu of sweet potato fries and sliders. When iPic went bust last summer, Alabama's state retirees ended up owning the chain outright. These are hardly boom times for movie theaters.

Given the amount of interest in private lending, "the question now is whether there is too much money there chasing too few opportunities," said Wang of UC Hastings.

Before CalPERS can find out, the pension fund's staff is counting on state legislators and Gov. Gavin Newsom to sign off on its transparency exemption bill. It passed the Assembly with Marin County Democrat Marc Levine casting the lone "no" vote.

"It's hypocritical for Democrats in the Legislature to allow CalPERS to hide the critical information about investments and investors while seeking disclosure from the president on his investments," Levine told CalMatters. "Can you look more dopey than that?"

Nonetheless, the California Newspaper Publishers Association has moved from opposed to neutral on the bill.

"We recognize that when dealing with information in this area there is going to be a concern about the privacy of borrowers, notwithstanding that this is a government agency involved in a lending program," said Jim Ewert, the association's general counsel. "To the extent that there is questionable decision-making that's going on, we may revisit this issue and attempt to tighten things up a bit more."

Ben Christopher

ben@calmatters.org

Ben covers California politics and elections. Prior to that, he was a contributing writer for CalMatters reporting on the state's economy and budget. Based out of the San Francisco Bay Area, he has written... **More by Ben Christopher**

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Margaret Abe-Koga and Members of the Legislative Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 24, 2020

Re: Overview of Governor's Executive Order N-79-20

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

The Committee will receive an overview of Governor Newsom's September 23, 2020, Executive Order N-79-20 related to climate change.

On September 23, 2020, Governor Newsom signed a far-reaching Executive Order primarily focused on the freight and transportation sector. Per a press release:

"… the California Air Resources Board will develop regulations to mandate that 100 percent of in-state sales of new passenger cars and trucks are zero-emission by 2035 – a target which would achieve more than a 35 percent reduction in greenhouse gas emissions and an 80 percent improvement in oxides of nitrogen emissions from cars statewide. In addition, the Air Resources Board will develop regulations to mandate that all operations of medium- and heavy-duty vehicles shall be 100 percent zero emission by 2045 where feasible, with the mandate going into effect by 2035 for drayage trucks. To ensure needed infrastructure to support zero-emission vehicles, the order requires state agencies, in partnership with the private sector, to accelerate deployment of affordable fueling and charging options. It also requires support of new and used zero-emission vehicle markets to provide broad accessibility to zero-emission vehicles for all Californians. The executive order will not prevent Californians from owning gasoline-powered cars or selling them on the used car market."

Legislative staff and other Air District staff will discuss the Executive Order, our understanding of the process going forward, potential effects on the Bay Area Region, and opportunities for District involvement or related legislative or regulatory activity.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Alan Abbs
Reviewed by: Jack P. Broadbent

Attachment 7A: Governor's Executive Order N-79-20

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

EXECUTIVE ORDER N-79-20

WHEREAS the climate change crisis is happening now, impacting California in unprecedented ways, and affecting the health and safety of too many Californians; and

WHEREAS we must accelerate our actions to mitigate and adapt to climate change, and more quickly move toward our low-carbon, sustainable and resilient future; and

WHEREAS the COVID-19 pandemic has disrupted the entire transportation sector, bringing a sharp decline in demand for fuels and adversely impacting public transportation; and

WHEREAS as our economy recovers, we must accelerate the transition to a carbon neutral future that supports the retention and creation of high-road, high-quality jobs; and

WHEREAS California's long-term economic resilience requires bold action to eliminate emissions from transportation, which is the largest source of emissions in the State; and

WHEREAS the State must prioritize clean transportation solutions that are accessible to all Californians, particularly those who are low-income or experience a disproportionate share of pollution; and

WHEREAS zero emissions technologies, especially trucks and equipment, reduce both greenhouse gas emissions and toxic air pollutants that disproportionately burden our disadvantaged communities of color; and

WHEREAS California is a world leader in manufacturing and deploying zero-emission vehicles and chargers and fueling stations for cars, trucks, buses and freight-related equipment; and

WHEREAS passenger rail, transit, bicycle and pedestrian infrastructure, and micro-mobility options are critical components to the State achieving carbon neutrality and connecting communities, requiring coordination of investments and work with all levels of governments including rail and transit agencies to support these mobility options; and

WHEREAS California's policies have contributed to an on-going reduction in in-state oil extraction, which has declined by over 60 percent since 1985, but demand for oil has not correspondingly declined over the same period of time; and

WHEREAS California is already working to decarbonize the transportation fuel sector through the Low Carbon Fuel Standard, which recognizes the full life cycle of carbon in transportation emissions including transport into the State; and

WHEREAS clean renewable fuels play a role as California transitions to a decarbonized transportation sector; and

WHEREAS to protect the health and safety of our communities and workers the State must focus on the impacts of oil extraction as it transitions away from fossil fuel, by working to end the issuance of new hydraulic fracturing permits by 2024; and

WHEREAS a sustainable and inclusive economic future for California will require retaining and creating high-road, high-quality jobs through sustained engagement with communities, workers and industries in changing and growing industries.

NOW THEREFORE, I, GAVIN NEWSOM, Governor of the State of California by virtue of the power and authority vested in me by the Constitution and the statutes of the State of California, do hereby issue the following Order to pursue actions necessary to combat the climate crisis.

IT IS HEREBY ORDERED THAT:

1. It shall be a goal of the State that 100 percent of in-state sales of new passenger cars and trucks will be zero-emission by 2035. It shall be a further goal of the State that 100 percent of medium- and heavy-duty vehicles in the State be zero-emission by 2045 for all operations where feasible and by 2035 for drayage trucks. It shall be further a goal of the State to transition to 100 percent zero-emission off-road vehicles and equipment by 2035 where feasible.

2. The State Air Resources Board, to the extent consistent with State and federal law, shall develop and propose:

    a) Passenger vehicle and truck regulations requiring increasing volumes of new zero-emission vehicles sold in the State towards the target of 100 percent of in-state sales by 2035.

    b) Medium- and heavy-duty vehicle regulations requiring increasing volumes of new zero-emission trucks and buses sold and operated in the State towards the target of 100 percent of the fleet transitioning to zero-emission vehicles by 2045 everywhere feasible and for all drayage trucks to be zero-emission by 2035.

    c) Strategies, in coordination with other State agencies, U.S. Environmental Protection Agency and local air districts, to achieve 100 percent zero-emission from off-road vehicles and equipment operations in the State by 2035.

    In implementing this Paragraph, the State Air Resources Board shall act consistently with technological feasibility and cost-effectiveness.

3. The Governor's Office of Business and Economic Development, in consultation with the State Air Resources Board, Energy Commission, Public Utilities Commission, State Transportation Agency, the

Department of Finance and other State agencies, local agencies and the private sector, shall develop a Zero-Emissions Vehicle Market Development Strategy by January 31, 2021, and update every three years thereafter, that:

a) Ensures coordinated and expeditious implementation of the system of policies, programs and regulations necessary to achieve the goals and orders established by this Order.

b) Outlines State agencies' actions to support new and used zero-emission vehicle markets for broad accessibility for all Californians.

4. The State Air Resources Board, the Energy Commission, Public Utilities Commission and other relevant State agencies, shall use existing authorities to accelerate deployment of affordable fueling and charging options for zero-emission vehicles, in ways that serve all communities and in particular low-income and disadvantaged communities, consistent with State and federal law.

5. The Energy Commission, in consultation with the State Air Resources Board and the Public Utilities Commission, shall update the biennial statewide assessment of zero-emission vehicle infrastructure required by Assembly Bill 2127 (Chapter 365, Statues of 2018) to support the levels of electric vehicle adoption required by this Order.

6. The State Transportation Agency, the Department of Transportation and the California Transportation Commission, in consultation with the Department of Finance and other State agencies, shall by July 15, 2021 identify near term actions, and investment strategies, to improve clean transportation, sustainable freight and transit options, while continuing a "fix-it-first" approach to our transportation system, including where feasible:

a) Building towards an integrated, statewide rail and transit network, consistent with the California State Rail Plan, to provide seamless, affordable multimodal travel options for all.

b) Supporting bicycle, pedestrian, and micro-mobility options, particularly in low-income and disadvantaged communities in the State, by incorporating safe and accessible infrastructure into projects where appropriate.

c) Supporting light, medium, and heavy duty zero-emission vehicles and infrastructure as part of larger transportation projects, where appropriate.

7. The Labor and Workforce Development Agency and the Office of Planning and Research, in consultation with the Department of Finance and other State agencies, shall develop by July 15, 2021 and expeditiously implement a Just Transition Roadmap, consistent with the recommendations in the "Putting California on the High Road: A Jobs and Climate Action Plan for 2030" report pursuant to Assembly Bill 398 (Chapter 135, Statutes of 2017).

8. To support the transition away from fossil fuels consistent with the goals established in this Order and California's goal to achieve carbon neutrality by no later than 2045, the California Environmental Protection Agency and the California Natural Resources Agency, in consultation with other State, local and federal agencies, shall expedite regulatory processes to repurpose and transition upstream and downstream oil production facilities, while supporting community participation, labor standards, and protection of public health, safety and the environment. The agencies shall report on progress and provide an action plan, including necessary changes in regulations, laws or resources, by July 15, 2021.

9. The State Air Resources Board, in consultation with other State agencies, shall develop and propose strategies to continue the State's current efforts to reduce the carbon intensity of fuels beyond 2030 with consideration of the full life cycle of carbon.

10. The California Environmental Protection Agency and the California Natural Resources Agency, in consultation with the Office of Planning and Research, the Department of Finance, the Governor's Office of Business and Economic Development and other local and federal agencies, shall develop strategies, recommendations and actions by July 15, 2021 to manage and expedite the responsible closure and remediation of former oil extraction sites as the State transitions to a carbon-neutral economy.

11. The Department of Conservation's Geologic Energy Management Division and other relevant State agencies shall strictly enforce bonding requirements and other regulations to ensure oil extraction operators are responsible for the proper closure and remediation of their sites.

12. The Department of Conservation's Geologic Energy Management Division shall:

    a) Propose a significantly strengthened, stringent, science-based health and safety draft rule that protects communities and workers from the impacts of oil extraction activities by December 31, 2020.

    b) Post on its website for public review and consultation a draft rule at least 60 days before submitting to the Office of Administrative Law.

IT IS FURTHER ORDERED that as soon as hereafter possible, the Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 23rd day of September 2020.

GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State

AGENDA: 12

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Rod Sinks and Members of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 2, 2020

Re: Report of the Budget and Finance Committee Meeting of September 30, 2020

RECOMMENDED ACTION

The Budget and Finance Committee (Committee) received only informational items and have no recommendations of approval by the Board of Directors (Board).

BACKGROUND

The Committee met on Wednesday, September 30, 2020, and received the following reports:

A) Update on Economic Impact of COVID-19; and

B) Review Fiscal Year Ending (FYE) 2021 Budget.

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

BUDGET CONSIDERATION/FINANCIAL IMPACT

A) None; and

B) No impact, discussion only.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Aloha de Guzman
Reviewed by: Vanessa Johnson

Attachment 12A: 09/30/2020 – Budget and Finance Committee Meeting Agenda #3
Attachment 12B: 09/30/2020 – Budget and Finance Committee Meeting Agenda #4

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: September 23, 2020

Re: Update on Economic Impact of COVID-19

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Air District staff will present an updated view of economic activity and expectations for the remainder of 2020 across the United States, California, and the Bay Area.

The previous update in May 2020 included discussion and forecasts of economic activity based on economic data releases available up to May 2020. The current presentation will discuss how these assumptions have since changed and offer a view of impacts going forward.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Leonid Bak
Reviewed by: 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: September 23, 2020

Re: Review Fiscal Year Ending (FYE) 2021 Budget

RECOMMENDED ACTIONS

None; receive and file.

BACKGROUND

Annually, staff develops recommended amendments to the Air District's fee regulation as part of the budget preparation process. Fee amendments are based on the March 7, 2012, Board of Directors (Board) adopted Cost Recovery Policy that established a goal of increasing fee revenue sufficient to achieve a minimum of 85 percent recovery of regulatory program costs. Progress towards this target is reported to the Board annually by staff and the methodology of implementation of fees to achieve this goal is periodically reviewed by outside consultants.

However, fee increases were not implemented concurrent with the Fiscal Year Ending (FYE) 2021 budget due to economic challenges associated with COVID-19.

In addition, the Board postponed discretionary funding of Other Post-Employment Benefits (OPEB) and California Public Employees' Retirement System (CalPERS) obligations.

To match expenditures with revenue, staff projected fee revenue at 85% of the expected value prior to the pandemic.

The Budget and Finance Committee (Committee) expressed interest in re-visiting the decisions near the end of the calendar year. To that end, this item is meant to set up discussion on possible modifications to the adopted budget, anticipating that the discussion will continue into future Committee meetings.

DISCUSSION

The following materials were provided during the original budget deliberations and are provided as a resource for the current re-evaluation.

Consistent with the Cost Recovery Policy, draft amendments to specific fee schedules were made in consideration of recommendations made in the 2017-18 Matrix Consultant Group cost recovery and containment analysis. This work, conducted at the fee schedule-level, recommends larger increases being proposed for the schedules that have larger cost recovery gaps.

Based on the recommendations of that study, and to remain in line with direction on cost recovery (see Attachment 4A – BAAQMD 2020 Cost Recovery Report), staff proposed the following changes to existing fee schedules (see Attachment 4B - Proposed Regulation 3: Fees) to the Board on April 15, 2020:

- 3.1 percent increase for fee schedules that are recovering 95 to 110 percent of costs.
- 7 percent increase for fee schedules that are recovering 85 to 94 percent of costs.
- 8 percent increase for fee schedules that are recovering 75 to 84 percent of costs.
- 9 percent increase for fee schedules that are recovering 50 to 74 percent of costs.
- 15 percent increase for fee schedules that are recovering less than 50 percent of costs.

Additionally, a number of fees that are administrative in nature: permit application filing fees, alternative compliance plan fees, permit to operate renewal processing fees, transfer fees, emissions banking filing and withdrawal fees, school toxic inventory maximum fees, and exemption fees were proposed. Staff had initially proposed that they be increased by 3.1 percent in line with annual Consumer Price Index for Bay Area Urban Wage Earners and Clerical Workers (CPI-W) from 2019 to 2020.

The following additional amendments were also initially proposed by staff to the Board at its April 15, 2020, meeting:

- A revision to Section 3-327, Permit to Operate, Renewal Fees as follows:
    - A new fee for each facility subject to California Air Resource Board's (CARB's) Criteria Pollutant and Toxics Emissions Reporting (CTR) Regulation would be charged during permit renewal.
        - As part of AB 617, CARB recently adopted the CTR Regulation for the reporting of criteria air pollutants and toxic air contaminants for stationary sources.
        - The Air District is tasked with implementing the CTR Regulation in the Bay Area and estimate costs of $1.5 million per year.
        - Staff had proposed the tiered fees below based on the number of sources at each facility, since the costs are commensurate with the number of sources at each facility. The maximum fee per facility would be capped at $50,000 per year.

Number of Permitted Sources per Facility	$ per Permitted Source
1 to 4	25
5 to 9	75
10 to 14	150
15 to 19	200
20 to 24	250
25 and greater	300

- A new community health impact fee would be charged during permit renewal to each permitted facility.
    - This fee would help cover the Air District's costs associated with CARB's AB 617 "Community Air Protection Program."
    - Air District staff is tasked with implementing AB 617 in the Bay Area and estimate costs of $2.4 million per year in excess of direct funding from CARB.
    - Staff had proposed a fee equal to 5.7% of the annual total permit/registration renewal fees for each facility with a maximum cap of $70,000 per year per facility.
- Adding references to Schedule W (Petroleum Refining Emissions Tracking Fees) and Schedule X (Major Stationary Source Community Air Monitoring Fees), since fees assessed during permit renewal are typically listed in this section.

- To recover costs from administrative activities for managing Authority to Construct (A/C) permits, staff had proposed revising Section 3-330 to add a minimum A/C renewal fee, Section 3-330.1 to add a fee for requesting A/C renewal after the A/C expiration date, and Section 3-405 to add a fee for late start-up notifications of a source under an A/C within a year from the start-up date.

- Other proposed Fee Schedule changes included:
    - Revising the language in Fee Schedule N (Toxic Inventory Fees) to clarify the methodology used by the Air District to calculate the facility's weighted toxic inventory and amend the language in Fee Schedule V (Open Burning) to reflect recent Regulation 5 amendments.
    - Increasing Fee Schedule D, Gasoline Transfer at Gasoline Dispensing Facilities, Bulk Plants and Terminals, by 3.1%, even though the matrix cost study would have recommended an 7% increase, since this would affect many gasoline dispensing facilities, which are small businesses.
    - Increasing Fee Schedule E, Solvent Evaporating Sources, by 3.1%, even though the matrix cost study would have recommended a 9% increase, since many auto body shops are small businesses.

The staff report for the initially proposed fee options is available in Attachment 4C.

On April 15, 2020, based on the extraordinary circumstances surrounding the current pandemic and shelter-in-place order, staff proposed to suspend all fee increases until later in 2020. At that meeting, the Board requested that staff analyze increases in select fee schedules to ensure that essential facilities, those that remain in production throughout the shelter-in-place, continue to be subject to cost recovery.

In response, staff prepared that analysis and an alternative proposal - the adoption of an AB 617 fee with a $100,000 per facility cap - and presented it to the Budget and Finance Committee (Committee) on April 22, 2020. The Committee discussed the staff's proposal and explored several motions on fee options before deciding to return to consider this item at a future meeting. Additionally, the Committee directed staff to deliver an updated analysis of fee options (including those proposed in motions) at the Budget and Finance Committee's April 29, 2020, meeting.

At the April 29, 2020, meeting, staff presented eight separate fee options to the Committee for discussion. Following a robust exploration of the options, the Committee voted to request the Board of Directors:

1. Adopt a new fee for implementation of AB 617 on Title V Facilities for Fiscal Year Ending 2021; and

2. Revisit imposition of additional fees in October 2020, as the economic and facility activity level picture become clearer.

BUDGET CONSIDERATION/FINANCIAL IMPACT

No impact, discussion only

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jeff McKay and Barry Young

Attachment 4A: BAAQMD 2020 Cost Recovery Study
Attachment 4B: Proposed Regulation 3: Fees
Attachment 4C: Staff Report for Proposed Amendments to Air District Regulation 3: Fees

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

2020 COST RECOVERY STUDY

Prepared by the staff of the
Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA

January 2020

Table of Contents

Figures

Executive Summary

The 2020 Cost Recovery Study includes the latest fee-related cost and revenue data gathered for FYE 2019 (i.e., July 1, 2018 - June 30, 2019). The results of this 2020 Cost Recovery Study will be used as a tool in the preparation of the FYE 2021 budget, and for evaluating potential amendments to the Air District's Regulation 3: Fees.

The completed cost recovery analysis indicates that in FYE 2019 there continued to be a revenue shortfall, as overall direct and indirect costs of regulatory programs exceeded fee revenue (see Figure 2). For FYE 2017 to 2019, the Air District is recovering approximately 84 percent of its fee-related activity costs (see Figure 3). The overall magnitude of this cost recovery gap was determined to be approximately $8.4 million. This cost recovery gap was filled using General Fund revenue received by the Air District from the counties' property tax revenue.

The 2020 Cost Recovery Study also addressed fee-equity issues by analyzing whether there is a revenue shortfall at the individual Fee Schedule level. It was noted that of the twenty-three Fee Schedules for which cost recovery could be analyzed, seven of the component Fee Schedules had fee revenue contributions exceeding total cost.

Background

The Air District is responsible for protecting public health and the environment by achieving and maintaining health-based national and state ambient air quality standards, and reducing public exposure to toxic air contaminants, in the nine-county Bay Area region. Fulfilling this task involves reducing air pollutant emissions from sources of regulated air pollutants and maintaining these emission reductions over time. In accordance with State law, the Air District's primary regulatory focus is on stationary sources of air pollution.

The Air District has defined units for organizational purposes (known as "Programs") to encompass activities which are either dedicated to mission-critical "direct" functions, such as permitting, rule-making, compliance assurance, sampling and testing, grant distribution, etc., or are primarily dedicated to support and administrative "indirect" functions. The Air District has also defined revenue source categories (known as "Billing Codes") for the permit fee schedules, grant revenue sources, and general support activities.

The Air District's air quality regulatory activities are primarily funded by revenue from regulatory fees, government grants and subventions, and county property taxes. Between 1955 and 1970, the Air District was funded entirely through property taxes. In 1970, the California Air Resources Board (CARB) and U.S. Environmental Protection Agency began providing grant funding to the Air District. After the passage of Proposition 13, the Air District qualified as a "special district" and became eligible for AB-8 funds, which currently make up the county revenue portion of the budget.

State law authorizes the Air District to impose a schedule of fees to generate revenue to recover the costs of activities related to implementing and enforcing air quality programs.

On a regular basis, the Air District has considered whether these fees result in the collection of a sufficient and appropriate amount of revenue in comparison to the cost of related program activities.

In 1999, a comprehensive review of the Air District's fee structure and revenue was completed by the firm KPMG Peat Marwick LLP (*Bay Area Air Quality Management District Cost Recovery Study, Final Report: Phase One – Evaluation of Fee Revenues and Activity Costs; February 16, 1999*). The Study recommended an activity-based costing model, which has been implemented. Also, as a result of that Study, the Air District implemented a time-keeping system. These changes improved the Air District's ability to track costs by program activities. The 1999 Cost Recovery Study indicated that fee revenue did not offset the full costs of program activities associated with sources subject to fees as authorized by State law. Property tax revenue (and in some years, fund balances) have been used to close this gap.

In 2004, the Air District's Board of Directors approved funding for an updated Cost Recovery Study that was conducted by the accounting/consulting firm Stonefield Josephson, Inc. (*Bay Area Air Quality Management District Cost Recovery Study, Final Report; March 30, 2005*). This Cost Recovery Study analyzed data collected during the three-year period FYE 2002 through FYE 2004. It compared the Air District's costs of program activities to the associated fee revenues and analyzed how these costs are apportioned amongst the fee-payers. The Study indicated that a significant cost recovery gap existed. The results of this 2005 report and subsequent internal cost recovery studies have been used by the Air District in its budgeting process, and to set various fee schedules.

In March 2011, another study was completed by the Matrix Consulting Group (*Cost Recovery and Containment Study, Bay Area Air Quality Management District, Final Report; March 9, 2011*). The purpose of this Cost Recovery and Containment Study was to provide the Air District with guidance and opportunities for improvement regarding its organization, operation, and cost recovery/allocation practices. A Cost Allocation Plan was developed and implemented utilizing FYE 2010 expenditures. This Study indicated that overall, the Air District continued to under-recover the costs associated with its fee-related services. In order to reduce the cost recovery gap, further fee increases were recommended for adoption over a period of time in accordance with a Cost Recovery Policy to be adopted by the Air District's Board of Directors. Also, Matrix Consulting Group reviewed and discussed the design and implementation of the new Production System which the Air District is developing in order to facilitate cost containment through increased efficiency and effectiveness.

Air District staff initiated a process to develop a Cost Recovery Policy in May 2011, and a Stakeholder Advisory Group was convened to provide input in this regard. A Cost Recovery Policy was adopted by the Air District's Board of Directors on March 7, 2012. This policy specifies that the Air District should amend its fee regulation, in conjunction with the adoption of budgets for Fiscal Year Ending (FYE) 2014 through FYE 2018, in a manner sufficient to increase overall recovery of regulatory program activity costs to 85%. The policy also indicates that amendments to specific fee schedules should continue to be made in consideration of cost recovery analyses conducted at the fee

schedule-level, with larger increases being adopted for the schedules that have the larger cost recovery gaps.

In February 2018, the Matrix Consulting Group completed an update of the 2011 cost recovery and containment study for the fiscal year that ended June 30, 2017. The primary purpose of this Study was to evaluate the indirect overhead costs associated with the Air District and the cost recovery associated with the fees charged, by the Air District. The project team evaluated the Air District's FYE 2017 Programs to assess their classification as "direct" or "indirect". In addition, they audited the time tracking data associated with each of the different fee schedules. The Study provided specific recommendations related to direct and indirect cost recovery for the Air District, as well as potential cost efficiencies.

This 2018 Cost Recovery Study incorporated the accounting methodologies developed by KPMG in 1999, Stonefield Josephson, Inc. in 2005 and Matrix Consulting Group in 2011. The Study included the latest cost and revenue data gathered for FYE 2017 (i.e., July 1, 2016 - June 30, 2017). The results of the 2018 Cost Recovery Study were used as a tool in the preparation of the budgets for FYE 2019 and FYE 2020, and for evaluating potential amendments to the Air District's Regulation 3: Fees.

Legal Authority

In the post-Prop 13 era, the State Legislature determined that the cost of programs to address air pollution should be borne by the individuals and businesses that cause air pollution through regulatory and service fees. The primary authority for recovering the cost of Air District programs and activities related to stationary sources is given in Section 42311 of the Health and Safety Code (HSC), under which the Air District is authorized to:

- Recover the costs of programs related to permitted stationary sources
- Recover the costs of programs related to area-wide and indirect sources of emissions which are regulated, but for which permits are not issued
- Recover the costs of certain hearing board proceedings
- Recover the costs related to programs that regulate toxic air contaminants

The measure of the revenue that may be recovered through stationary source fees is the full cost of all activities related to these sources, including all direct Program costs and a commensurate share of indirect Program costs. Such fees are valid so long as they do not exceed the reasonable cost of the service or regulatory program for which the fee is charged, and are apportioned amongst fee payers such that the costs allocated to each fee-payer bears a fair or reasonable relationship to its burden on, and benefits from, the regulatory system.

Air districts have restrictions in terms of the rate at which permit fees may be increased. Under HSC Section 41512.7, permit fees may not be increased by more than 15 percent on a facility in any calendar year.

Study Methodology

The methodology for determining regulatory program revenue and costs is summarized as follows:

Revenue

Revenue from all permit renewals and applications during the FYE 2019 was assigned to the appropriate Permit Fee Schedules. This is a continued improvement over prior years' process due to the more detailed data available in the New Production System.

Costs

Costs are expenditures that can be characterized as being either direct or indirect. Direct costs can be identified specifically with a particular program activity. Direct costs include wages and benefits, operating expenses, and capital expenditures used in direct support of the particular activities of the Air District (e.g., permit-related activities, grant distribution, etc.).

Indirect costs are those necessary for the general operation of the Air District as a whole. Often referred to as "overhead", these costs include accounting, finance, human resources, facility costs, information technology, executive management, etc. Indirect costs are allocated to other indirect Programs, using the reciprocal (double-step down) method, before being allocated to direct Programs.

Employee work time is tracked by the hour, or fraction thereof, using both Program and Billing Code detail. This time-keeping system allows for the capture of all costs allocatable to a revenue source on a level-of-effort basis.

Employee work time is allocated to activities within Programs by billing codes (BC1-BC99), only two of which indicate general support. One of these two general support codes (BC8) is identified with permitting activities of a general nature, not specifically related to a particular Fee Schedule.

Operating and capital expenses are charged through the year to each Program, as incurred. In cost recovery, these expenses, through the Program's Billing Code profile, are allocated on a pro-rata basis to each Program's revenue-related activity. For example, employees working in grant Programs (i.e., Smoking Vehicle, Mobile Source Incentive Fund, etc.) use specific billing codes (i.e., BC3, BC17, etc.), and all operating/capital expense charges are allocated pro-rata to those grant activities. Employees working in permit-related Programs (i.e., Air Toxics, Compliance Assurance, Source Testing, etc.) also use specific billing codes (i.e., BC8, BC21, BC29, etc.) and all operating/capital expense charges incurred by those Programs are allocated pro-rata to those Program's activity profiles as defined by the associated billing codes.

Direct costs for permit activities include personnel, operating and capital costs based on employee work time allocated to direct permit-related activities, and to general permit-related support and administrative activities (allocated on pro-rata basis). Indirect costs

for permit activities include that portion of general support personnel, operating and capital costs allocated pro-rata to permit fee revenue-related program activities.

Study Results

Figure 1 shows a summary of overall regulatory program costs and revenue for FYE 2019. Figure 2 shows the details of costs and revenue on a fee schedule basis for FYE 2019 by schedule. Figure 3 shows the details of average schedule costs and revenue for the three-year period FYE 2017 through FYE 2019 by schedule.

Discussion of Results

Figure 1 indicates that in FYE 2019 there continued to be a revenue shortfall, as the direct and indirect costs of regulatory programs exceeded fee revenue. The overall magnitude of the cost recovery gap was determined to be $7.9 million for FYE 2019. This cost recovery gap was filled by General Fund revenue received by the Air District from the counties.

Figure 2 shows that in FYE 2019 there were revenue shortfalls for most of the twenty-three fee schedules for which cost recovery can be analyzed. For FYE 2019, the Air District is recovering approximately 86% of its fee-related activity costs. The revenue collected exceeded Program costs for seven fee schedules. These are Schedule B (Combustion of Fuels), Schedule C (Stationary Containers for the Storage of Organic Liquids), Schedule D (Gasoline Transfer at Gasoline Dispensing Facilities, Bulk Plants and Terminals), Schedule G-5 (Miscellaneous Sources), Schedule L (Asbestos Operations), Schedule R (Equipment Registration Fees), and Schedule X (Community Air Monitoring). The revenue collected was less than program costs for 16 fee schedules. These are Schedule A (Hearing Board), Schedule E (Solvent Evaporating Sources), Schedule F (Miscellaneous Sources), Schedule G-1 (Miscellaneous Sources), Schedule G-2 (Miscellaneous Sources), Schedule G-3 (Miscellaneous Sources), Schedule G-4 (Miscellaneous Sources), Schedule H (Semiconductor and Related Operations), Schedule I (Dry Cleaners), Schedule K (Solid Waste Disposal Sites), Schedule N (Toxic Inventory Fees), Schedule P (Major Facility Review Fees), Schedule S (Naturally Occurring Asbestos Operations), Schedule T (Greenhouse Gas Fees), Schedule V (Open Burning), and Schedule W (Refinery Emissions Tracking),.

Figure 3 shows that over a three-year period (FYE 2017 through FYE 2019) there were revenue shortfalls for most of the twenty-three fee schedules for which cost recovery can be analyzed. For this three-year period, the Air District is recovering approximately 84% of its fee-related activity costs. The revenue collected exceeded costs for five fee schedules. These are Schedule B (Combustion of Fuel), Schedule C (Stationary Containers for the Storage of Organic Liquids), Schedule G-5 (Miscellaneous Sources), Schedule L (Asbestos Operations), and Schedule X (Community Air Monitoring). The revenue collected was lower than costs for 18 fee schedules. These are Schedule A (Hearing Board), Schedule D (Gasoline Transfer at Gasoline Dispensing Facilities, Bulk Plants and Terminals), Schedule E (Solvent Evaporating Sources), Schedule F (Miscellaneous Sources), Schedule G-1 (Miscellaneous Sources), Schedule G-2 (Miscellaneous Sources), Schedule G-3 (Miscellaneous Sources), Schedule G-4 (Miscellaneous Sources), Schedule H (Semiconductor and Related Operations),

Schedule I (Dry Cleaners), Schedule K (Solid Waste Disposal Sites), Schedule N (Toxic Inventory Fees), Schedule P (Major Facility Review Fees), Schedule R (Equipment Registration Fees), Schedule S (Naturally Occurring Asbestos Operations), Schedule T (Greenhouse Gas Fees), Schedule V (Open Burning), and Schedule W (Refinery Emissions Tracking).

The Air District uses the three-year averages shown in Figure 3 in evaluating proposed amendments to Regulation 3, Fees at the fee schedule level because longer averaging periods are less sensitive to year-to-year variations in activity levels that occur due to economic or market variations and regulatory program changes affecting various source categories.

Conclusions

Air District staff has updated the analysis of cost recovery of its regulatory programs based on the methodology established by the accounting firms KPMG in 1999 and Stonefield Josephson, Inc. in 2005 and updated by Matrix Consulting Group in 2011 and in 2018. The analysis shows that fee revenue continues to fall short of recovering activity costs. For FYE 2017 to 2019, the Air District is recovering approximately 84% of its fee-related activity costs. The overall magnitude of this cost recovery gap was determined to be approximately $8.4 million.

To reduce or stabilize expenditures, the Air District has implemented various types of cost containment strategies, including developing an online permitting system for high-volume source categories, maintaining unfilled positions when feasible, and reducing service and supply budgets. In order to reduce the cost recovery gap, further fee increases will need to be evaluated in accordance with the Cost Recovery Policy adopted by the Air District's Board of Directors.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

2020 Cost Recovery Study

FIGURES

Figure 1: Total Permit Fee Revenue, Costs and Gap for FYE 2019

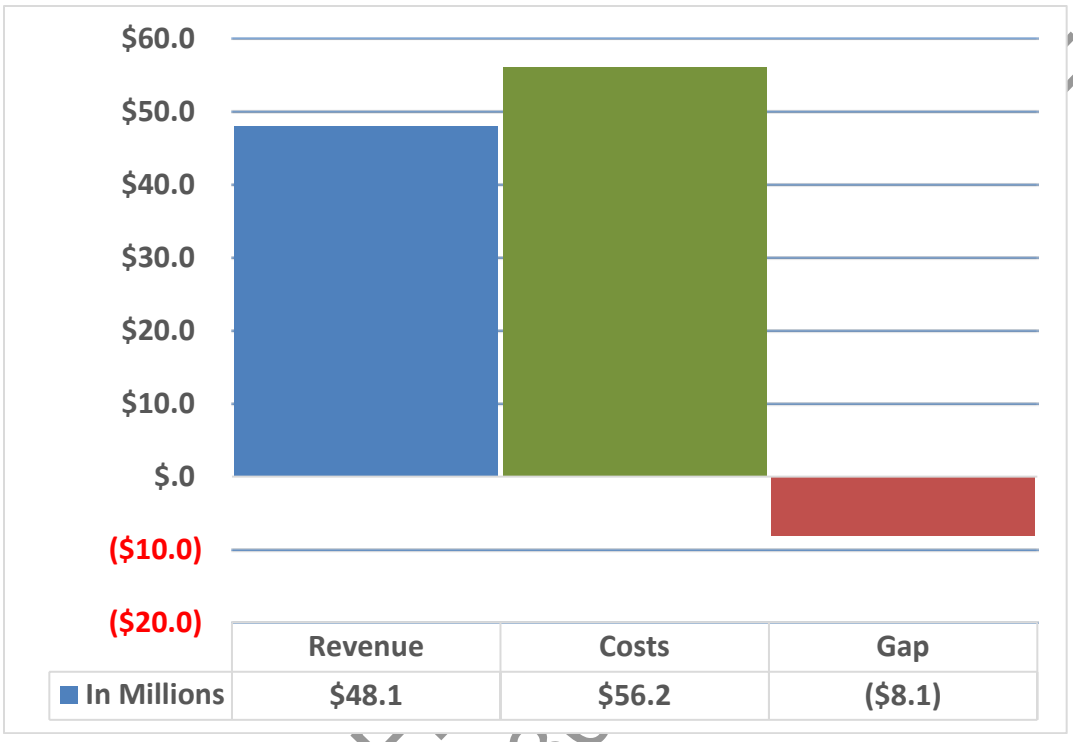


Figure 2: Fee Revenue and Program Costs by Fee Schedule, FYE 2019

	A-Hearing Board	B - Combustion of Fuel	C - Storage Organic Liquid	D - Gasoline Dispensing / Bulk Terminals	E - Solvent Evaporation	F - Miscellaneous	G1 - Miscellaneous	G2 - Miscellaneous	G3 - Miscellaneous	G4 - Miscellaneous	G5 - Miscellaneous	H - Semiconductor	I - Dryleaners	K - Waste Disposal	L - Asbestos	N - Toxic Inventory (AB2588)	P - Major Facility Review (Title V)	R-Registration	S - Naturally Occurring Asbestos	T - GreenHouse Gas	V - Open Burning	W - Refinery Emissions Tracking	X - Community Air Monitoring	Total
Revenues	47,628	7,679,636	2,233,077	6,249,199	3,200,202	2,102,701	2,637,196	761,955	656,420	1,527,227	647,983	184,622	4,498	177,413	5,057,006	263,358	5,638,883	336,060	100,513	2,963,989	211,132	139,905	933,739	43,754,341
Schedule M	-	880,691	109,905	12,636	39,061	267,090	60,344	17,111	6,668	755,273	14,796	-	-	123,213	-	-	-	592	-	-	-	-	-	2,287,380
Reg 3- 312 - Bubble	-	197,342	302,807	15,038	19,286	101,639	96,373	36,772	28,545	22,542	23,063	-	-	329	-	-	-	1,547	-	-	-	-	-	845,282
Reg 3- 327 - Renewal Processing	-	459,251	47,484	227,953	202,246	140,586	45,833	8,221	1,149	544	806	6,265	2,195	4,153	-	-	-	13,064	-	-	-	-	-	1,159,751
Reg 3- 311 - Banking	-	27,318	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27,318
Total Revenue	**47,628**	**9,244,239**	**2,693,273**	**6,504,826**	**3,460,795**	**2,612,016**	**2,839,747**	**824,058**	**692,782**	**2,305,587**	**686,648**	**190,887**	**6,693**	**305,109**	**5,057,006**	**263,358**	**5,638,883**	**351,262**	**100,513**	**2,963,989**	**211,132**	**139,905**	**933,739**	**48,074,073**
Direct Costs																								
Direct Labor	67,327	4,951,822	447,138	3,423,477	2,725,197	1,782,297	3,621,802	1,033,054	467,078	1,778,054	215,908	161,040	4,238	1,753,926	1,410,266	491,786	3,369,463	146,277	383,252	1,290,338	390,970	328,888	111,697	30,355,293
Services and Supplies	3,848	379,147	28,953	279,042	182,076	120,927	293,144	92,450	38,213	183,018	14,853	10,362	275	127,296	58,859	26,394	284,528	4,805	28,943	1,272,092	18,527	27,000	21,914	3,496,666
Capital Outlay	0	579,062	53,363	399,066	326,431	212,485	415,586	117,470	55,410	207,326	25,134	19,387	501	209,089	8,198	55,698	392,886	701	45,591	148,906	638	41,542	16,806	3,331,277
Indirect Costs	36,534	3,029,925	275,540	2,061,635	1,707,535	1,072,870	2,218,968	638,292	296,327	1,105,686	138,277	100,276	1,949	1,114,653	964,944	270,820	1,989,325	98,405	251,662	752,107	272,501	201,766	72,791	18,672,787
Total Costs	**107,708**	**8,939,955**	**804,994**	**6,163,220**	**4,941,239**	**3,188,579**	**6,549,500**	**1,881,266**	**857,029**	**3,274,084**	**394,172**	**291,065**	**6,962**	**3,204,965**	**2,442,267**	**844,698**	**6,036,202**	**250,189**	**709,447**	**3,463,443**	**682,636**	**599,195**	**223,207**	**55,856,023**
Net Surplus/(Deficit)	**(60,081)**	**304,283**	**1,888,278**	**341,606**	**(1,480,444)**	**(576,563)**	**(3,709,753)**	**(1,057,208)**	**(164,247)**	**(968,497)**	**292,477**	**(100,178)**	**(269)**	**(2,899,856)**	**2,614,739**	**(581,340)**	**(397,319)**	**101,073**	**(608,934)**	**(499,454)**	**(471,504)**	**(459,290)**	**710,532**	**(7,781,950)**
Cost Recovery	**44.2%**	**103.4%**	**334.6%**	**105.5%**	**70.0%**	**81.9%**	**43.4%**	**43.8%**	**80.8%**	**70.4%**	**174.2%**	**65.6%**	**96.1%**	**9.5%**	**207.1%**	**31.2%**	**93.4%**	**140.4%**	**14.2%**	**85.6%**	**30.9%**	**23.3%**	**418.3%**	**86.07%**

Figure 3: Fee Revenue and Program Costs by Fee Schedule, FYE 2017-2019, 3-Year Average

	A-Hearing Board	B - Combustion of Fuel	C - Storage Organic Liquid	D - Gasoline Dispensing / Bulk Terminals	E - Solvent Evaporation	F - Miscellaneous	G1 - Miscellaneous	G2 - Miscellaneous	G3 - Miscellaneous	G4 - Miscellaneous	G5 - Miscellaneous	H - Semiconductor	I - Drycleaners	K - Waste Disposal	L - Asbestos	N - Toxic Inventory (AB2588)	P - Major Facility Review (Title V)	R-Registration	S - Naturally Occurring Asbestos	T - GreenHouse Gas	V - Open Burning	W - Refinery Emissions Tracking	X - Community Air Monitoring	Total
Revenues	22,923	7,920,402	2,189,106	5,736,757	2,823,092	1,982,551	2,481,798	650,061	635,241	1,210,547	718,798	168,356	4,454	159,372	4,387,279	268,240	5,397,772	278,599	91,026	2,629,967	177,519	201,285	1,038,541	41,173,687
Schedule M	0	676,296	205,639	32,594	31,872	753,812	84,019	13,837	4,129	258,966	120,150	0	0	112,147	0	0	0	1,441	0	0	0	0	0	2,294,901
Reg 3- 312 - Bubble	0	382,759	182,101	21,304	12,701	43,794	45,413	18,158	13,141	64,204	13,078	201	4,537	110	0	0	0	558	0	0	0	0	0	802,058
Reg 3- 327 - Renewal Processing	0	318,734	44,762	219,539	211,637	145,415	46,920	7,895	1,006	1,022	1,056	5,885	1,806	4,228	0	0	0	8,559	0	0	0	0	0	1,018,464
Reg 3- 311 - Banking	0	13,312	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	13,312
Total Revenue	**22,923**	**9,311,503**	**2,621,608**	**6,010,195**	**3,079,302**	**2,925,573**	**2,658,149**	**689,950**	**653,516**	**1,534,739**	**853,082**	**174,442**	**10,798**	**275,857**	**4,387,279**	**268,240**	**5,397,772**	**289,158**	**91,026**	**2,629,967**	**177,519**	**201,285**	**1,038,541**	**45,302,422**
Direct Costs																								
Direct Labor	87,863	5,207,508	408,889	3,776,161	2,392,210	1,693,044	3,366,754	752,538	413,754	1,795,291	205,756	175,929	8,628	1,253,014	1,386,782	288,379	3,518,663	199,071	275,024	1,577,642	334,785	276,526	197,033	29,591,245
Services and Supplies	3,222	394,927	22,228	332,682	149,335	145,450	262,324	65,327	29,638	216,275	12,012	8,826	394	88,231	109,172	17,486	340,749	10,928	20,491	582,878	32,483	23,761	24,181	2,893,001
Capital Outlay	0	482,898	32,210	346,812	204,803	146,233	394,677	70,623	38,133	220,071	15,075	12,722	2,510	135,886	153,306	23,994	318,018	1,347	29,922	178,994	3,779	41,803	24,878	2,878,694
Indirect Costs	52,344	3,161,086	258,496	2,296,770	1,513,246	998,097	2,057,059	450,666	267,299	1,056,336	134,506	110,872	5,265	802,166	1,098,563	164,659	2,072,453	163,066	180,016	924,193	279,575	165,118	121,449	18,333,302
Total Costs	**143,428**	**9,246,418**	**721,823**	**6,752,424**	**4,259,595**	**2,982,824**	**6,080,815**	**1,339,155**	**748,824**	**3,287,973**	**367,350**	**308,350**	**16,798**	**2,279,298**	**2,747,823**	**494,517**	**6,249,883**	**374,413**	**505,453**	**3,263,707**	**650,623**	**507,208**	**367,541**	**53,696,241**
Total Surplus/(Deficit)	**(120,505)**	**65,084**	**1,899,786**	**(742,229)**	**(1,180,293)**	**(57,252)**	**(3,422,665)**	**(649,205)**	**(95,308)**	**(1,753,234)**	**485,732**	**(133,907)**	**(6,000)**	**(2,003,441)**	**1,639,456**	**(226,278)**	**(852,111)**	**(85,255)**	**(414,427)**	**(633,740)**	**(473,104)**	**(305,923)**	**671,001**	**(8,393,819)**
Cost Recovery	**16%**	**101%**	**363%**	**89%**	**72%**	**98%**	**44%**	**52%**	**87%**	**47%**	**232%**	**57%**	**64%**	**12%**	**160%**	**54%**	**86%**	**77%**	**18%**	**81%**	**27%**	**40%**	**283%**	**84.37%**

REGULATION 3
FEES

INDEX

3-400 ADMINISTRATIVE REQUIREMENTS

3-401 Permits
3-402 Single Anniversary Date
3-403 Change in Operating Parameters
3-404 Deleted June 7, 2000
3-405 Fees Not Paid
3-406 Deleted June 4, 1986
3-407 Deleted August 2, 1995
3-408 Permit to Operate Valid for 12 Months
3-409 Deleted June 7, 2000
3-410 Deleted August 2, 1995
3-411 Advance Deposit of Funds
3-412 Deleted December 2, 1998
3-413 Toxic "Hot Spots" Information and Assessment Act Revenues
3-414 Deleted December 2, 1998
3-415 Failure to Pay - Further Actions
3-416 Adjustment of Fees
3-417 Temporary Amnesty for Unpermitted and Unregistered Sources
3-418 Temporary Incentive for Online Production System Transactions

3-500 MONITORING AND RECORDS (None Included)

3-600 MANUAL OF PROCEDURES (None Included)

FEE SCHEDULES

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

REGULATION 3
FEES

(Adopted June 18, 1980)

3-100 GENERAL

3-101 Description: This regulation establishes the regulatory fees charged by the District.

(Amended 7/6/83; 11/2/83; 2/21/90; 12/16/92; 8/2/95; 12/2/98; 5/21/03; 5/21/08; 5/20/09; 6/19/13)

3-102 Deleted July 12, 1989

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

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

3-104 Deleted August 2, 1995

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

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

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

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

3-106 Deleted December 2, 1998

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

(Adopted June 7, 2000)

3-200 DEFINITIONS

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

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

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

(Amended February 20, 1985)

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

(Amended June 4, 1986)

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

(Amended June 4, 1986)

3-205 **Authority to Construct:** Written authorization from the APCO, pursuant to Section 2-1-301, for a source to be constructed or modified or for a source whose emissions will be reduced by the construction or modification of an abatement device.

(Amended June 4, 1986)

3-206 **Modification:** See Section 1-217 of Regulation 1.

3-207 **Permit to Operate Fee:** The fee required for the annual renewal of a permit to operate or for the first year of operation (or prorated portion thereof) of a new or modified source which received an authority to construct.

(Amended 6/4/86; 7/15/87; 12/2/98; 6/7/00)

3-208 **Deleted June 4, 1986**

3-209 **Small Business:** A business with no more than 10 employees and gross annual income of no more than $750,000 that is not an affiliate of a non-small business.

(Amended 6/4/86; 6/6/90; 6/7/00; 6/15/05; 6/16/10)

3-210 **Solvent Evaporating Source:** Any source utilizing organic solvent, as part of a process in which evaporation of the solvent is a necessary step. Such processes include, but are not limited to, solvent cleaning operations, painting and surface coating, rotogravure coating and printing, flexographic printing, adhesive laminating, etc. Manufacture or mixing of solvents or surface coatings is not included.

(Amended July 3, 1991)

3-211 **Source:** See Section 1-227 of Regulation 1.

3-212 **Deleted August 2, 1995**

3-213 **Major Stationary Source:** For the purpose of Schedule M, a major stationary source shall be any District permitted plant, building, structure, stationary facility or group of facilities under the same ownership, leasehold, or operator which, in the base calendar year, emitted to the atmosphere organic compounds, oxides of nitrogen (expressed as nitrogen dioxide), oxides of sulfur (expressed as sulfur dioxide), or PM_{10} in an amount calculated by the APCO equal to or exceeding 50 tons per year.

(Adopted 11/2/83; Amended 2/21/90; 6/6/90; 8/2/95; 6/7/00)

3-214 **Deleted October 20, 1999, effective March 1, 2000**

3-215 **Deleted October 20, 1999, effective March 1, 2000**

3-216 **Deleted October 20, 1999, effective March 1, 2000**

3-217 **Deleted October 20, 1999, effective March 1, 2000**

3-218 **Deleted October 20, 1999, effective March 1, 2000**

3-219 **Deleted October 20, 1999, effective March 1, 2000**

3-220 **Deleted October 20, 1999, effective March 1, 2000**

3-221 **Deleted October 20, 1999, effective March 1, 2000**

3-222 **Deleted October 20, 1999, effective March 1, 2000**

3-223 **Start-up Date:** Date when new or modified equipment under an authority to construct begins operating. The holder of an authority to construct is required to notify the APCO of this date at least 3 days in advance. For new sources, or modified sources whose authorities to construct have expired, operating fees are charged from the startup date.

(Adopted 6/4/86; Amended 6/6/90)

3-224 **Permit to Operate:** Written authorization from the APCO pursuant to Section 2-1-302.

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

3-225 **Deleted June 3, 2015**

3-226 **Air Toxics "Hot Spots" Information and Assessment Act of 1987:** The Air Toxics "Hot Spots" Information and Assessment Act of 1987 directs the California Air Resources Board and the Air Quality Management Districts to collect information from industry on emissions of potentially toxic air contaminants and to inform the public about such emissions and their impact on public health. It also directs the Air Quality Management District to collect fees sufficient to cover the necessary state and District costs of implementing the program.

(Adopted 10/21/92; Amended 6/15/05)

3-227 **Toxic Air Contaminant, or TAC:** An air pollutant that may cause or contribute to an increase in mortality or in serious illness or that may pose a present or potential hazard to human health. For the purposes of this rule, TACs consist of the substances listed in Table 2-5-1 of Regulation 2, Rule 5.

(Adopted 10/21/92; Amended 6/15/05)

3-228 **Deleted December 2, 1998**

3-229 **Deleted December 2, 1998**

3-230 **Deleted December 2, 1998**

3-231 **Deleted December 2, 1998**

3-232 **Deleted December 2, 1998**

3-233 **Deleted December 2, 1998**

3-234 **Deleted December 2, 1998**

3-235 **Deleted December 2, 1998**

3-236 **Deleted December 2, 1998**

3-237 **PM_{10}:** See Section 2-1-229 of Regulation 2, Rule 1.

(Adopted June 7, 2000)

3-238 **Risk Assessment Fee:** Fee for a new or modified source of toxic air contaminants for which a health risk assessment (HRA) is required under Regulation 2-5-401, for an HRA required under Regulation 11, Rule 18, or for an HRA prepared for other purposes (e.g., for determination of permit exemption in accordance with Regulations 2-1-316, 2-5-301 and 2-5-302; or for determination of exemption from emission control requirements pursuant to Regulation 8-47-113 and 8-47-402).

(Adopted June 15, 2005; Amended: June 21, 2017)

3-239 **Toxic Surcharge**: Fee paid in addition to the permit to operate fee for a source that emits one or more toxic air contaminants at a rate which exceeds a chronic trigger level listed in Table 2-5-1.

(Adopted June 15, 2005)

3-240 **Biogenic Carbon Dioxide:** Carbon dioxide emissions resulting from materials that are derived from living cells, excluding fossil fuels, limestone and other materials that have been transformed by geological processes. Biogenic carbon dioxide originates from carbon (released in the form of emissions) that is present in materials that include, but are not limited to, wood, paper, vegetable oils, animal fat, and food, animal and yard waste.

(Adopted May 21, 2008)

3-241 **Green Business:** A business or government agency that has been certified under the Bay Area Green Business Program coordinated by the Association of Bay Area Governments and implemented by participating counties.

(Adopted June 16, 2010)

3-242 **Incident:** A non-routine release of an air contaminant that may cause adverse health consequences to the public or to emergency personnel responding to the release, or that may cause a public nuisance or off-site environmental damage.

(Adopted June 19, 2013)

3-243 **Incident Response:** The District's response to an incident. The District's incident response may include the following activities: i) inspection of the incident-emitting equipment and facility records associated with operation of the equipment; ii) identification and analysis of air quality impacts, including without limitation, identifying areas impacted by the incident, modeling, air monitoring, and source sampling; iii) engineering analysis of the specifications or operation of the equipment; and iv) administrative tasks associated with processing complaints and reports.

(Adopted June 19, 2013)

3-244 **Permit to Operate Renewal Date:** The first day of a Permit to Operate's Permit Renewal Period.

(Adopted June 19 ,2013))

3-245 **Permit Renewal Period:** The length of time the source is authorized to operate pursuant to a Permit to Operate.

(Adopted June 19, 2013)

3-300 **STANDARDS**

3-301 **Hearing Board Fees:** Applicants for variances or appeals or those seeking to revoke or modify variances or abatement orders or to rehear a Hearing Board decision shall pay the applicable fees, including excess emission fees, set forth in Schedule A.

(Amended June 7, 2000)

3-302 **Fees for New and Modified Sources:** Applicants for authorities to construct and permits to operate new sources shall pay for each new source: a filing fee of $~~508~~524, the initial fee, the

risk assessment fee, the permit to operate fee, and toxic surcharge (given in Schedules B, C, D, E, F, H, I or K). Applicants for authorities to construct and permits to operate modified sources shall pay for each modified source, a filing fee of $~~508~~524, the initial fee, the risk assessment fee, and any incremental increase in permit to operate and toxic surcharge fees. Where more than one of the schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules. If any person requests more than three HRA scenarios required pursuant to Regulation 2, Rule 5 in any single permit application, they shall pay an additional risk assessment fee for each of these scenarios. Except for gasoline dispensing facilities (Schedule D) and semiconductor facilities (Schedule H), the size to be used for a source when applying the schedules shall be the maximum size the source will have after the construction or modification. Where applicable, fees for new or modified sources shall be based on maximum permitted usage levels or maximum potential to emit including any secondary emissions from abatement equipment. The fee rate applied shall be based on the fee rate in force on the date the application is declared by the APCO to be complete according to 2-1-402, excluding 2-1-402.3 fees. The APCO may reduce the fees for new and modified sources by an amount deemed appropriate if the owner or operator of the source attends an Industry Compliance School sponsored by the District.

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

302.2 Deleted July 3, 1991

302.3 Fees for Abatement Devices: Applicants for an authority to construct and permit to operate abatement devices where there is no other modification to the source shall pay a $~~508~~524 filing fee and initial and risk assessment fees that are equivalent to 50% of the initial and risk assessment fees for the source being abated, not to exceed a total of $10,588. For abatement devices abating more than one source, the initial fee shall be 50% of the initial fee for the source having the highest initial fee.

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

302.5 Deleted June 3, 2015

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

(Amended 5/19/82; 7/6/83; 6/4/86; 7/15/87; 6/6/90; 7/3/91; 6/15/94; 10/8/97; 7/1/98; 5/19/99; 6/7/00; 6/6/01; 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14: 6/3/15; 6/15/16, 6/21/17, 6/6/18, 6/5/19)

3-303 Back Fees: An applicant required to obtain a permit to operate existing equipment in accordance with District regulations shall pay back fees equal to the permit to operate fees and toxic surcharges given in the appropriate Schedule (B, C, D, E, F, H, I or K) prorated from the effective date of permit requirements. Where more than one of these schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules. The applicant shall also pay back fees equal to toxic inventory fees pursuant to Section 3-320 and Schedule N. The maximum back fee shall not exceed a total of five years' permit, toxic surcharge, and toxic inventory fees. An owner/operator required to register existing equipment in accordance with District regulations shall pay back fees equal to the annual renewal fee given in Schedule R prorated from the effective date of registration requirements, up to a maximum of five years.

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

3-304 Alteration: Except as provided below, an applicant to alter an existing permitted source shall pay the filing fee and 50% of the initial fee for the source, provided that the alteration does not result in an increase in emissions of any regulated air pollutant. For gasoline dispensing facilities subject to Schedule D, an applicant for an alteration shall pay a fee of 1.75 times the filing fee.

304.1 Schedule D Fees: Applicants for alteration to a gasoline dispensing facility subject to Schedule D shall pay a fee of 1.75 times the filing fee.

304.2 Schedule G Fees: Applicants for alteration to a permitted source subject to Schedule G-3, G-4, or G-5 shall pay the filing fee, 100% of the initial fee,~~,~~ and, if District regulations require a health risk assessment of the alteration, the risk assessment fee provided for in Schedule G-2. The applicant shall pay the permit renewal and the toxic surcharge fees applicable to the source under Schedules G-3, G-4, or G-5.

(Amended 6/4/86; 11/15/00; 6/2/04; 6/3/15, 6/15/16, 6/6/18, 6/5/19)

3-305 Cancellation or Withdrawal: There will be no refund of the initial fee and filing fee if an application is cancelled or withdrawn. There will be no refund of the risk assessment fee if the risk assessment has been conducted prior to the application being cancelled or withdrawn. If an application for identical equipment is submitted within six months of the date of cancellation or withdrawal, the initial fee will be credited in full against the fee for the new application.

(Amended 7/6/83; 4/6/88; 10/8/97; 6/15/05, 6/21/17)

3-306 Change in Conditions: If an applicant applies to change the conditions on an existing authority to construct or permit to operate, the applicant will pay the following fees. There will be no change in anniversary date.

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

1.1 The condition change applies to a single source or a group of sources with shared permit conditions.

1.2 The condition change does not subject the source(s) to any District Regulations or requirements that were not previously applicable.

1.3 The condition change does not result in any increase in emissions of POC, NPOC, NO_x, CO, SO_2, or PM_{10} at any source or the emission of a toxic air contaminant above the trigger levels identified in Table 2-5-1

1.4 The condition change does not require a public notice.

306.2 Other Condition Changes: Applicant shall pay the filing, initial, and risk assessment fees required for new and modified equipment under Section 3-302. If the condition change will result in higher permit to operate fees, the applicant shall also pay any incremental increases in permit to operate fees and toxic surcharges.

(Amended 7/6/83; 6/4/86; 6/6/90; 10/8/97; 6/7/00; 6/15/05, 6/21/17)

3-307 Transfers: The owner/operator of record is the person to whom a permit is issued or, if no permit has yet been issued to a facility, the person who applied for a permit. Permits are valid only for the owner/operator of record. Upon submittal of a $102 transfer of ownership fee, permits are re-issued to the new owner/operator of record with no change in expiration dates.

(Amended 2/20/85; 6/4/86; 11/5/86; 4/6/88; 10/8/97, 5/1/02; 5/21/03; 6/02/04; 6/19/13; 6/4/14, 6/15/16)

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

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

3-309 Deleted June 21, 2017

(Amended 5/19/99; 5/1/02; 5/21/03; 6/02/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 6/19/13; 6/4/14; 6/3/15, 6/15/16, 6/21/17)

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

310.1 Sources subject to permit requirements on the date of initial operation shall pay fees for new construction pursuant to Section 3-302, any back fees pursuant to Section 3-303, and a late fee equal to 100% of the initial fee. A modified gasoline dispensing facility subject to Schedule D that is not required to pay an initial fee shall pay fees for a modified source pursuant to Section 3-302, back fees, and a late fee equal to 100% of the filing fee.

310.2 Sources previously exempt from permit requirements that lose their exemption due to changes in District, state, or federal regulations shall pay a permit to operate fee and toxic surcharge for the coming year and any back fees pursuant to Section 3-303.

310.3 Sources previously exempt from permit requirements that lose their exemption due to

a change in the manner or mode of operation, such as an increased throughput, shall pay fees for new construction pursuant to Section 3-302. In addition, sources applying for permits after commencing operation in a non-exempt mode shall also pay a late fee equal to 100% of the initial fee and any back fees pursuant to Section 3-303.

310.4 Sources modified without a required authority to construct shall pay fees for modification pursuant to Section 3-302 and a late fee equal to 100% of the initial fee.

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

3-311 Emission Banking Fees: An applicant to bank emissions for future use, to convert an emission reduction credit (ERC) into an Interchangeable Emission Reduction Credit (IERC), or to transfer ownership of ERCs shall pay the following fees:

311.1 Banking ERCs: An applicant to bank emissions for future use shall pay a filing fee of $~~508~~524 per source plus the initial fee given in Schedules B, C, D, E, F, H, I or K. Where more than one of these schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules.

311.2 Converting Existing ERCs: An applicant to convert an existing ERC into an IERC shall pay a filing fee of $~~508~~524 per source plus the initial fee given in Schedules B, C, D, E, F, H, I or K. Where more than one of these schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules.

311.3 Transferring ERC Ownership: An applicant to transfer an ERC it currently owns to another owner shall pay a filing fee of $~~508~~524.

(Amended 7/6/83; 6/4/86; 7/15/87; 7/3/91; 6/15/94; 7/1/98; 5/19/99; 6/7/00; 6/6/01; 5/1/02; 5/21/03; 6/02/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, TBD)

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

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

312.2 Regulation 2, Rule 9, or Regulation 9, Rule 10 shall pay an annual fee of $1,326~~1,286~~ for each source included in the alternative compliance plan, not to exceed $13,259~~12,860~~.

(Adopted 5/19/82; Amended 6/4/86; 5/19/99; 6/7/00; 6/6/01; 5/1/02; 5/23/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, TBD)

3-313 Deleted May 19, 1999

3-314 Deleted August 2, 1995

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

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

3-316 Deleted June 6, 1990

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

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

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

318.1 A fee of $2,272 per application, and

318.2 The District's cost exceeding $2,272 of preparing and distributing the public notice.

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

(Adopted 11/1/89; Amended 10/8/97; 7/1/98; 5/19/99; 6/7/00; 5/21/03; 6/2/04; 6/16/10, 6/15/16, 6/21/17, 6/6/18)

3-319 Major Stationary Source Fees: Any major stationary source emitting 50 tons per year of organic compounds, sulfur oxides, nitrogen oxides, or PM_{10} shall pay a fee based on Schedule M. This fee is in addition to permit and other fees otherwise authorized to be collected from such facilities and shall be included as part of the annual permit renewal fees.

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

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

320.1 An applicant who qualifies as a small business under Regulation 3-209 shall pay a Toxic Inventory Fee as set out in Schedule N up to a maximum fee of $10,368~~10,056~~ per year.

(Adopted 10/21/92; Amended 5/19/99; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/20/09; 6/16/10; 5/4/11, 6/15/16, 6/21/17, 6/5/19, TBD)

3-321 Deleted December 2, 1998

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

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

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

(Adopted June 7, 1995)

3-324 Deleted June 7, 2000

3-325 Deleted December 2, 1998

3-326 Deleted December 2, 1998

3-327 Permit to Operate, Renewal Fees: After the expiration of the initial permit to operate, the permit to operate shall be renewed on an annual basis or other time period as approved by the APCO. The fee required for the renewal of a permit to operate is the permit to operate fee and toxic surcharge listed in Schedules B, C, D, E, F, H, I, and K, prorated for the period of coverage. When more than one of the schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules. This renewal fee is applicable to all sources required to obtain permits to operate in accordance with District regulations. The permit renewal invoice shall also specify any applicable major stationary source fees based on Schedule M, toxic inventory fees based on Schedule N, major facility review fees based on Schedule P, ~~and~~ greenhouse gas fees based on Schedule T, petroleum refining emissions tracking fees based on schedule W, and community air monitoring fees based on Schedule X. Where applicable, renewal fees shall be based on actual usage or emission levels that have been reported to or calculated by the District.

In addition to these renewal fees, each facility subject to the Criteria Pollutant and Toxics Emissions Reporting Regulation (California Code of Regulations, Title 17, Division 3, Chapter 1, Subchapter 7.7, Article 1) shall pay a fee, up to a maximum fee of $50,000 per year, of:

Number of Permitted Sources per Facility	$ per Permitted Source
1 to 4	25
5 to 9	75
10 to 14	150
15 to 19	200
20 to 24	250
25 and greater	300

Also, each permitted and registered facility shall pay an Assembly Bill 617 community health

impact fee of 5.7 percent of the facility's total renewal fee, up to a maximum fee of $70,000 per year.

In addition ~~to these renewal fees for the sources at a facility~~, the facility shall also pay a processing fee at the time of renewal that covers each Permit Renewal Period as follows:

327.1 $103~~100~~ for facilities with one permitted source, including gasoline dispensing facilities,
327.2 $204~~198~~ for facilities with 2 to 5 permitted sources,
327.3 $407~~395~~ for facilities with 6 to 10 permitted sources,
327.4 $611~~593~~ for facilities with 11 to 15 permitted sources,
327.5 $811~~787~~ for facilities with 16 to 20 permitted sources,
327.6 $1,014~~984~~ for facilities with more than 20 permitted sources.

(Adopted 6/7/00; Amended 6/2/04; 6/16/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, 6/15/16, 6/21/17,6/6/18, 6/5/19, TBD)

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

(Adopted June 7, 2000)

3-329 **Fees for New Source Review Health Risk Assessment**: Any person required to submit a health risk assessment (HRA) pursuant to Regulation 2-5-401 shall pay an appropriate Risk Assessment Fee pursuant to Regulation 3-302 and Schedules B, C, D, E, F, H, I or K. In addition, any person that requests that the District prepare or review an HRA (e.g., for determination of permit exemption in accordance with Regulations 2-1-316, 2-5-301 and 2-5-302; or for determination of exemption from emission control requirements pursuant to Regulation 8-47-113 and 8-47-402) shall pay a Risk Assessment Fee. A Risk Assessment Fee shall be assessed for each source that is proposed to emit a toxic air contaminant (TAC) at a rate that exceeds a trigger level in Table 2-5-1: Toxic Air Contaminant Trigger Levels. If a project requires an HRA due to total project emissions, but TAC emissions from each individual source are less than the Table 2-5-1 trigger levels, a Risk Assessment Fee shall be assessed for the source in the project with the highest TAC emissions.

(Adopted June 15, 2005; Amended 6/21/17)

3-330 **Fee for Renewing an Authority to Construct:** An applicant seeking to renew an authority to construct in accordance with Regulation 2-1-407 shall pay a fee of 50% of the initial fee in effect at the time of the renewal. If there is no initial fee for the source, the renewal fee shall be 50% of the filing fee in effect at the time of the renewal. If the District determines that an authority to construct cannot be renewed, any fees paid under this section shall be credited in full against the fee for a new authority to construct for functionally equivalent equipment submitted within six months of the date the original authority to construct expires.

330.1 Any request to renew an authority to construct after the authority to construct expiration date shall pay an additional 25% of the authority to construct renewal fee.

(Adopted June 15, 2005, TBD)

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

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

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

(Adopted June 6, 2007;,Amended 6/5/19)

3-333 **Major Facility Review (MFR) and Synthetic Minor Application Fees**: Any facility that applies for, or is required to undergo, an initial MFR permit, an amendment to an MFR permit, a minor or significant revision to an MFR permit, a reopening of an MFR permit, a renewal of an MFR

permit, an initial synthetic minor operating permit, or a revision to a synthetic minor operating permit, shall pay the applicable fees set forth in Schedule P.

(Adopted May 21, 2008)

3-334 **Greenhouse Gas Fees:** Any permitted facility with greenhouse gas emissions shall pay a fee based on Schedule T. This fee is in addition to permit and other fees otherwise authorized to be collected from such facilities, and shall be included as part of the annual permit renewal fees.

(Adopted May 21, 2008)

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

(Adopted May 20, 2009)

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

(Adopted June 19, 2013; Amended TBD)

3-337 **Exemption Fee:** An applicant who wishes to receive a certificate of exemption shall pay a filing fee of $~~508~~524 per exempt source.

(Adopted June 19, 2013; Amended 6/4/14; 6/3/15, 6/21/17,)

3-338 **Incident Response Fee:** Any facility required to obtain a District permit, and any District-regulated area-wide or indirect source, that is the site where an incident occurs to which the District responds, shall pay a fee equal to the District's actual costs in conducting the incident response as defined in Section 3-243, including without limitation, the actual time and salaries, plus overhead, of the District staff involved in conducting the incident response and the cost of any materials.(Adopted June 19, 2013)

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

(Adopted 6/15/16)

3-340 **Major Stationary Source Community Air Monitoring Fees:** Any major stationary source emitting 35 tons per year of organic compounds, sulfur oxides, nitrogen oxides, carbon monoxide or PM_{10} shall pay a community air monitoring fee based on Schedule X. This fee is in addition to permit and other fees otherwise authorized to be collected from such facilities and shall be included as part of the annual permit renewal fees.

(Adopted 6/15/16)

3-341 **Fee for Risk Reduction Plan:** Any person required to submit a Risk Reduction Plan in accordance with Regulation 11, Rule 18 shall pay the applicable fees set forth below:

341.1 $1,607~~1,559~~ for facilities with one source subject to risk reduction pursuant to Regulation 11, Rule 18, including gasoline dispensing facilities;

341.2 $3,214~~3,117~~ for facilities with 2 to 5 sources subject to risk reduction pursuant to Regulation 11, Rule 18;

341.3 $6,427~~6,234~~ for facilities with 6 to 10 sources subject to risk reduction pursuant to Regulation 11, Rule 18;

341.4 $12,855~~12,468~~ for facilities with 11 to 15 sources subject to risk reduction pursuant to Regulation 11, Rule 18;

341.5 $25,709~~24,936~~ for facilities with 16 to 20 sources subject to risk reduction pursuant to Regulation 11, Rule 18;

341.6 $34,279~~33,248~~ for facilities with more than 20 sources subject to risk reduction pursuant to Regulation 11, Rule 18.

(Adopted 6/21/17, Amended 6/5/19, TBD)

3-342 **Fee for Facility-Wide Health Risk Assessment:** Any person required to undergo a health risk assessment (HRA) to assess compliance with the Regulation 11, Rule 18 risk action levels

shall pay a risk assessment fee for each source pursuant to Regulation 3-329 and Schedules B, C, D, E, F, H, I or K. The maximum fee required for any single HRA of a facility conducted pursuant to Regulation 11, Rule 18 shall not exceed a total of $160,681~~155,850~~.

If a facility retains a District-approved consultant to complete the required facility-wide HRA, the facility shall pay a fee to cover the District's costs of performing the review of the facility-wide HRA, including the costs of any outside consulting assistance which the District may employ in connection with any such review, as well as the District's reasonable internal costs (including overhead) of processing, reviewing, or approving the facility-wide HRA. The total HRA review cost shall be determined based on the District's actual review time in hours multiplied by an hourly charge of $213 per hour. Facilities shall pay an HRA review fee as indicated below and the District's cost exceeding the applicable HRA review fees indicated below for performing the review of the facility-wide HRA:

342.1 $2,679~~2,598~~ for facilities with one to 10 sources subject to risk reduction pursuant to Regulation 11, Rule 18, including gasoline dispensing facilities;

342.2 $7,070~~6,857~~ for facilities with 11 to 50 sources subject to risk reduction pursuant to Regulation 11, Rule 18;

342.3 $14,997~~14,546~~ for facilities with more than 50 sources subject to risk reduction pursuant to Regulation 11, Rule 18.

The District shall refund to the applicant the portion of any fee paid under this Section that exceeds the District's cost of performing the review of the facility-wide HRA.

(Adopted 6/21/17, Amended 6/6/18,6/5/19, TBD)

3-343 Fees for Air Dispersion Modeling: An applicant for an Authority to Construct or Permit to Operate shall pay, in addition to the fees required under Section 3-302 and 3-329 and in any applicable schedule, the District's costs of performing any air dispersion modeling needed to determine compliance with any District regulatory requirement. The total air dispersion modeling fee cost shall be determined based on the District's actual review time in hours multiplied by an hourly charge of $220~~213~~ per hour. This fee shall also apply for costs incurred in reviewing air dispersion modeling submittals by applicants and the costs of any outside consulting assistance which the District may employ in connection with the preparation of any such evaluation or documentation, as well as the District's reasonable internal costs (including overhead) of processing, reviewing, or approving the air dispersion modeling.

(Adopted 6/5/19)

3-400 ADMINISTRATIVE REQUIREMENTS

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

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

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

3-404 Deleted June 7, 2000

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

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

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

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

2.2 Fees received more than 30 days after the due date must include a late fee equal to 25 percent of all fees specified on the invoice.

2.3 If an owner/operator fails to notify the District of a start-up of a source under~~from~~

an authority to construct within a year from the start-up date where an adjustment to the application invoice amount is required, the owner/operator shall pay an additional fee of 10 percent of the permit to operate fee, prorated for the lapsed period of coverage, currently in effect for each applicable source.

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

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

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

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

4.1.2 Fees received more than 30 days after the due date, but less than one year after the due date, must include all fees specified on the permit renewal invoice plus a reinstatement fee equal to 25 percent of all fees specified on the invoice.

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

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

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

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

5.2 Fees received more than 30 days after the due date must include an additional late fee equal to 25 percent of all fees specified on the invoice.

(Amended 7/6/83; 6/4/86; 11/5/86; 2/15/89; 6/6/90; 7/3/91; 8/2/95; 12/2/98; 6/15/05; 6/7/06; 6/6/12; 6/19/13; 6/4/14, 6/6/18,6/5/19, TBD)

3-406 Deleted June 4, 1986

3-407 Deleted August 2, 1995

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

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

3-409 Deleted June 7, 2000

3-410 Deleted August 2, 1995

3-411 Advance Deposit of Funds: The APCO may require that at the time of the filing of an application for an Authority to Construct for a project for which the District is a lead agency under the California Environmental Quality Act (Public Resources Code, Section 21000, et

seq.), the applicant shall make an advance deposit of funds, in an amount to be specified by the APCO, to cover the costs which the District estimates to incur in connection with the District's performance of its environmental evaluation and the preparation of any required environmental documentation. In the event the APCO requires such an estimated advance payment to be made, the applicant will be provided with a full accounting of the costs actually incurred by the District in connection with the District's performance of its environmental evaluation and the preparation of any required environmental documentation.

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

3-412 **Deleted December 2, 1998**

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

(Adopted October 21, 1992)

3-414 **Deleted December 2, 1998**

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

415.1 Issuance of a Notice to Comply.

415.2 Issuance of a Notice of Violation.

415.3 Revocation of an existing Permit to Operate. The APCO shall initiate proceedings to revoke permits to operate for any person who is delinquent for more than one month. The revocation process shall continue until payment in full is made or until permits are revoked.

415.4 The withholding of any other District services as deemed appropriate until payment in full is made.

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

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

(Adopted October 8, 1997)

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

(Adopted June 16, 2010)

3-418 **Temporary Incentive for Online Production System Transactions:** The APCO has the authority to declare an incentive period for transactions made using the online production system, during which the District may waive all or any part of the fees for these transactions.

(Adopted 6/6/18)

SCHEDULE A
HEARING BOARD FEES[1]

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

		Large Companies	Small Business	Third Party
1.	For each application for variance exceeding 90 days, in accordance with §42350, including applications on behalf of a class of applicants, which meet the requirements of the Hearing Board Rules for a valid and proper class action for variance ..... Plus, for each hearing in addition to the first hearing necessary to dispose of said variance application in accordance with §42350, the additional sum of	$6,9996,086 $3,5043,047	$1,047910 $35307	
2.	For each application for variance not exceeding 90 days, in accordance with §42350, including applications on behalf of a class of applicants, which meet the requirements of the Hearing Board Rules for a valid and proper class action for variance ..... Plus, for each hearing in addition to the first hearing necessary to dispose of said variance application, in accordance with §42350, the additional sum of	$4,2023,654 $2,0981,824	$1,047910 $35307	
3.	For each application to modify a variance in accordance with §42356 ... Plus, for each hearing in addition to the first hearing on said application to modify a variance, in accordance with §42345, necessary to dispose of the application, the additional sum of.....	$2,7882,424 $2,0981,824	$35307 $35307	
4.	For each application to extend a variance, in accordance with §42357 .. Plus, for each hearing in addition to the first hearing on an application to extend a variance, in accordance with §42357, necessary to dispose of the application, the additional sum of.....	$2,7882,424 $2,0981,824	$35307 $35307	
5.	For each application to revoke a variance	$4,2023,654	$35307	
6.	For each application for approval of a Schedule of Increments of Progress in accordance with §41703.....	$2,7882,424	$35307	
7.	For each application for variance in accordance with §41703, which exceeds 90 days ..... Plus, for each hearing in addition to the first hearing on said application for variance in accordance with §41703, the additional sum of.....	$6,9996,086 $3,5043,047	$1,047910 $35307	
8.	For each application for variance in accordance with §41703, not to exceed 90 days ..... Plus, for each hearing in addition to the hearing on said application for a variance in accordance with §41703, the additional sum of	$4,2023,654 $2,0981,824	$1,047910 $35307	

		Large Companies	Small Business	Third Party
9.	For each Appeal (Permit, Banking, Title V).....	$6,9996,086 per hearing day	$3,5043,047 per hearing day	$3,5043,047 for entire appeal period
10.	For each application for intervention in accordance with Hearing Board Rules §§2.3, 3.6 & 4.6.....	$3,5043,047	$70412	
11.	For each application to Modify or Terminate an abatement order.....	$6,9996,086 per hearing day	$2,5043,047 per hearing day	
12.	For each application for an interim variance in accordance with §42351	$3,5043,047	$70412	
13.	For each application for an emergency variance in accordance with §42359.5	$1,7471,519	$35307	
14.	For each application to rehear a Hearing Board decision in accordance with §40861	100% of previous fee charged	100% of previous fee charged	
15.	Excess emission fees.....	See Attachment I	See Attachment I	
16.	Miscellaneous filing fee for any hearing not covered above	$3,5043,047	$1,047910	$1,04710
17.	For each published Notice of Public Hearing.....	Cost of Publication	$0	$0
18.	Court Reporter Fee (to be paid only if Court Reporter required for hearing)	Actual Appearance and Transcript costs per hearing solely dedicated to one Docket	$0	Actual Appearance and Transcript costs per hearing solely dedicated to one Docket

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

(Amended 10/8/97; 5/19/99; 6/7/00; 6/6/01, 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, TBD)

SCHEDULE A
ATTACHMENT I
EXCESS EMISSION FEE

A. General

(1) Each applicant or petitioner for a variance from these Rules and Regulations shall pay to the Clerk or Deputy Clerk of the Hearing Board, in addition to the other filing fees required in Schedule A, an emission fee based on the total weight of emissions discharged, per source or product, other than those described in division (B) below, during the variance period in excess of that allowed by these rules in accordance with the schedule set forth in Table I.

(2) Where the total weight of emission discharged cannot be easily calculated, the petitioner shall work in concert with District staff to establish the amount of excess emissions to be paid.

(3) In the event that more than one rule limiting the discharge of the same contaminant is violated, the excess emission fee shall consist of the fee for violation which will result in the payment of the greatest sum. For the purposes of this subdivision, opacity rules and particulate mass emissions shall not be considered rules limiting the discharge of the same contaminant.

B. Excess Visible Emission Fee

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

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

C. Applicability

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

D. Fee Determination

(1) The excess emission fees shall be calculated by the petitioner based upon the requested number of days of operation under variance multiplied by the expected excess emissions as set forth in subdivisions (A) and (B) above. The calculations and proposed fees shall be set forth in the petition.

(2) The Hearing Board may adjust the excess emission fee required by subdivisions (A) and (B) of this rule based on evidence regarding emissions presented at the time of the hearing.

E. Small Businesses

(1) A small business shall be assessed twenty percent (20%) of the fees required by subdivisions (A) and (B), whichever is applicable. "Small business" is defined in the Fee Regulation.

(2) Request for exception as a small business shall be made by the petitioner under penalty of perjury on a declaration form provided by the Executive Officer which shall be submitted to the Clerk or Deputy Clerk of the Hearing Board at the time of filing a petition for variance.

F. Group, Class and Product Variance Fees

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

G. Adjustment of Fees

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

H. Fee Payment/Variance Invalidation

(1) Excess emission fees required by subdivisions (A) and (B), based on an estimate provided during the variance Hearing, are due and payable within fifteen (15) days of the granting of the variance. The petitioner shall be notified in writing of any adjustment to the amount of excess emission fees due, following District staff's verification of the estimated emissions. Fee payments to be made as a result of an adjustment are due and payable within fifteen (15) days of notification of the amount due.

(2) Failure to pay the excess emission fees required by subdivisions (A) and (B) within fifteen (15) days of notification that a fee is due shall automatically invalidate the variance. Such notification may be given by personal service or by deposit, postpaid, in the United States mail and shall be due fifteen (15) days from the date of personal service or mailing. For the purpose of this rule, the fee payment shall be considered to be received by the District if it is postmarked by the United States Postal Service on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been postmarked on the expiration date.

TABLE I
SCHEDULE OF EXCESS EMISSIONS FEES

Air Contaminants	All at $6.705.83 per pound

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

Toxic Air Contaminants	All at $33.3529.00 per pound

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

TABLE II
SCHEDULE OF EXCESS VISIBLE EMISSION FEE

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

Fee = (Opacity* equivalent - 20) x number of days allowed in variance x $6.855.96

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

Fee = (Opacity* equivalent - 40) x number of days allowed by variance x $6.855.96

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

(Adopted 6/7/00; Amended 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, TBD)

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

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

1. INITIAL FEE: $69.7167.61 per MM BTU/HOUR
   a. The minimum fee per source is: $372361
   b. The maximum fee per source is: $130,027126,117
2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
   a. RAF for first toxic air contaminant (TAC) source in application: $508524 plus $69.7167.61 per MM BTU/hr
   b. Minimum RAF for first TAC source: $896869
   c. RAF for each additional TAC source: $69.7167.61 per MM BTU/hr *
   d. Minimum RAF per additional TAC source: $372361*
   e. Maximum RAF per source is: $130,027126,117
      * RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: $34.8433.79 per MM BTU/HOUR
   a. The minimum fee per source is: $264256
   b. The maximum fee per source is: $65,01363,058
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.
5. ROUNDING: Fees for each source will be rounded to the nearest dollar. The fee for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.
6. Applicants for an authority to construct and permit to operate a project, which burns municipal waste or refuse-derived fuel, shall pay in addition to all required fees, an additional fee to cover the costs incurred by the State Department of Health Services, and/or a qualified contractor designated by the State Department of Health Services, in reviewing a risk assessment as required under H&S Code Section 42315. The fee shall be transmitted by the District to the Department of Health Services and/or the qualified contractor upon completion of the review and submission of comments in writing to the District.
7. A surcharge equal to 100% of all required initial and permit to operate fees shall be charged for sources permitted to burn one or more of the following fuels: coke, coal, wood, tires, black liquor, and municipal solid waste.

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

(Amended 6/5/85; 6/4/86; 3/4/87; 6/6/90; 7/3/91; 6/15/94; 10/8/97; 7/1/98; 7/1/98; 5/19/99; 6/7/00; 6/6/01, 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, 6/15/16, 6/21/17,6/6/18,6/5/19, TBD)

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

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

1. INITIAL FEE: 0.185 cents per gallon
   a. The minimum fee per source is: $204
   b. The maximum fee per source is: $27,858
2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
   a. RAF for first toxic air contaminant (TAC) source in application: $~~508~~524 plus 0.185 cents per gallon
   b. Minimum RAF for first TAC source: $678
   c. RAF for each additional TAC source: 0.185 cents per gallon *
   d. Minimum RAF per additional TAC source: $204 *
   e. Maximum RAF per source is: $27,858
      * RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: 0.093 cents per gallon
   a. The minimum fee per source is: $147
   b. The maximum fee per source is: $13,928
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.
5. ROUNDING: Fees for each source will be rounded to the nearest dollar. The fee for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.

(Amended 2/20/85; 6/5/85; 6/4/86; 7/3/91; 6/15/94; 7/1/98; 5/19/99; 6/7/00; 6/6/01; 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/20/09; 6/16/10; 6/6/12; 6/19/13; 6/4/14; 6/3/15, 6/15/16, 6/21/17, 6/6/18,6/5/19, TBD)

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

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

1. INITIAL FEE: $361.66~~350.79~~ per single product nozzle (spn)
$361.66~~350.79~~ per product for each multi-product nozzle (mpn)

2. PERMIT TO OPERATE FEE: $138.53~~134.36~~ per single product nozzle (spn)
$138.53~~134.36~~ per product for each multi-product nozzle (mpn)

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

$$\$500.18\text{~~485.14~~} \times \{[(mpn_{proposed})(\text{products per nozzle}) + spn_{proposed}] - [(mpn_{existing})(\text{products per nozzle}) + spn_{existing}]\}$$

mpn = multi-product nozzles
spn = single product nozzles

The above formula includes a toxic surcharge.

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

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

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

4. RISK ASSESSMENT FEE (RAF) of $~~508~~524 per application, if required pursuant to Regulation 3-329 or 3-342 [including increases in permitted throughput for which a health risk assessment is required.]

5. Nozzles used exclusively for the delivery of diesel fuel or other fuels exempt from permits shall pay no fee. Multi-product nozzles used to deliver both exempt and non-exempt fuels shall pay fees for the non-exempt products only.

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

1. INITIAL FEE: $4,750.49~~4,607.65~~ per single product loading arm
$4,750.49~~4,607.65~~ per product for multi-product arms

2. RISK ASSESSMENT FEE (RAF) , if required pursuant to Regulation 3-329 or 3-342.
   a. RAF for first toxic air contaminant (TAC) source in application: $5,379~~5,217~~
   b. RAF for each additional TAC source: $475~~14,608~~ *
   * RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE: $1,324~~1,284~~ per single product loading arm
$1,324~~1,284~~ per product for multi-product arms

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

C. Fees in (A) above are in lieu of tank fees. Fees in (B) above are in addition to tank fees.

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

(Amended 2/20/85; 6/5/85; 6/4/86; 7/3/91; 6/15/94; 10/8/97; 7/1/98; 5/19/99; 6/7/00; 6/6/01; 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, TBD)

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

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

1. INITIAL FEE:
   a. The fee per source is: $1,806~~1,752~~ per 1,000 gallons
   b. The minimum fee per source is: $899~~872~~
   c. The maximum fee per source is: $71,769~~69,611~~
2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
   a. RAF for first toxic air contaminant (TAC) source in application:$~~508~~524 plus initial fee
   b. Minimum RAF for first TAC source: $1,481~~1,436~~
   c. RAF for each additional TAC source: equal to initial fee *
   d. Minimum RAF per additional TAC source: $899~~872~~ *
   e. Maximum RAF per source is: $71,769~~69,611~~
      * RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE:
   a. The fee per source is: $899~~872~~ per 1,000 gallons
   b. The minimum fee per source is: $648~~629~~
   c. The maximum fee per source is: $35,882~~34,803~~
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.
5. Fees for each source will be rounded to the nearest dollar. The fee for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.

(Amended 5/19/82; 10/17/84; 6/5/85; 6/4/86; 10/8/87; 7/3/91; 6/15/94; 7/1/98; 5/19/99; 6/7/00; 6/6/01, 5/1/02, 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, TBD)

SCHEDULE F
MISCELLANEOUS SOURCES
(Adopted June 18, 1980)

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

1. INITIAL FEE: $681~~661~~

2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.

   a. RAF for first (toxic air contaminant) TAC source in application: $1,279~~1,241~~
   b. RAF for each additional TAC source: $681~~661~~*
      * RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE: $495~~480~~

4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1. List of special classifications requiring graduated fees is shown in Schedules G-1, G-2, G-3, G-4, and G-5.

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

1. INITIAL FEE: $5,741~~4,992~~

2. RISK ASSESSMENT FEE (RAF) , if required pursuant to Regulation 3-329 or 3-342.

   a. RAF for first toxic air contaminant (TAC) source in application: $6,515~~5,665~~
   b. RAF for each additional TAC source: $5,741~~4,992~~*
      * RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE: $2,866~~2,492~~

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

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

1. INITIAL FEE: $7,579~~6,953~~

2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.

   a. RAF for first toxic air contaminant (TAC) source in application: $8,352~~7,662~~
   b. RAF for each additional TAC source: $7,579~~6,953~~*
      * RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE: $3,787~~3,474~~

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

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

1. INITIAL FEE: $39,259~~36,691~~

2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.

   a. RAF for first toxic air contaminant (TAC) source in application: $39,900~~37,290~~
   b. RAF for each additional TAC source: $39,259~~36,691~~ *

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

3. PERMIT TO OPERATE FEE: $19,62618,342

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

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

1. INITIAL FEE: $105,72391,933

2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.

   a. RAF for first toxic air contaminant (TAC) source in application: $106,53992,643
   b. RAF for each additional TAC source: $105,72391,933*

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

3. PERMIT TO OPERATE FEE: $52,85945,964

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

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

1. INITIAL FEE: $51,731

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

   a. RAF for first TAC source in application: $52,193
   b. RAF for each additional TAC source: $51,731*

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

3. PERMIT TO OPERATE FEE: $25,865

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

(Amended 5/19/82; 6/5/85; 6/4/86; 6/6/90; 7/3/91; 6/15/94; 10/8/97; 7/1/98; 5/19/99; 6/7/00; 6/6/01; 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, TBD)

SCHEDULE G-1
(Adopted June 18, 1980)

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

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

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

(Amended 6/4/86; 6/6/90; 5/19/99; 6/7/00; 6/2/04; 6/15/05, 6/6/18)

SCHEDULE G-2
(Adopted June 6, 1990)

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

(Amended June 7, 2000)

SCHEDULE G-3
(Adopted June 18, 1980)

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

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

SCHEDULE G-4
(Adopted June 6, 1990)

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

(Amended June 7, 2000)

SCHEDULE G-5

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

(Adopted May 2, 2007)

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

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

1. INITIAL FEE:

   a. The minimum fee per source is: $828~~760~~

   b. The maximum fee per source is: $66,292~~60,818~~

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

   c. SOLVENT CLEANING OPERATIONS, such as usage of:

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

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

   $560~~514~~ per 1,000 gallon

   d. COATING OPERATIONS, such as application of:

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

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

   $1,664~~1,527~~ per 1,000 gallon

2. RISK ASSESSMENT FEE (RAF) , if required pursuant to Regulation 3-329 or 3-342.

   a. RAF for first toxic air contaminant (TAC) source in application: $508524 plus initial fee

   b. Minimum RAF for first TAC source: $1,441~~1,322~~

   c. RAF for each additional TAC source: equal to initial fee *

   d. Minimum RAF per additional TAC source: $828~~760~~ *

   e. Maximum RAF per source is: $66,292~~60,818~~

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

3. PERMIT TO OPERATE FEE:

   a. The minimum fee per source is: $600~~550~~

   b. The maximum fee per source is: $33,140~~30,404~~

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

   c. SOLVENT CLEANING OPERATIONS, such as usage of:

   Solvent Sinks (as defined in Regulation 8-30-214);

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

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

$281~~258~~ per 1,000 gallon

d. COATING OPERATIONS, such as application of:

Photoresist (as defined in Regulation 8-30-215); other wafer coating;
Solvent-Based Photoresist Developer (as defined in Regulation 8-30-219); and other miscellaneous solvent usage.
The fee is based on the gross throughput of organic solvent processed through the coating operations on an annual basis (or anticipated to be processed, for new sources):
$828~~760~~ per 1,000 gallon

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

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

(Amended 1/9/85; 6/5/85; 6/4/86; 7/3/91; 6/15/94; 10/8/97; 7/1/98; 5/19/99; 10/20/99; 6/7/00; 6/6/01; 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, TBD)

SCHEDULE I
DRY CLEANERS
(Adopted July 6, 1983)

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

1. INITIAL FEE FOR A DRY CLEANING MACHINE (per drum):
   a. If the washing or drying capacity is no more than 100 pounds: $763~~700~~
   b. If the washing or drying capacity exceeds 100 pounds: $763~~700~~ plus
      For that portion of the capacity exceeding 100 pounds: $22.84~~20.95~~ per pound

2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
   a. RAF for first toxic air contaminant (TAC) source in application: $~~508~~524 plus initial fee
   b. Minimum RAF for first TAC source: $1,357~~1,245~~
   c. RAF for each additional TAC source: equal to initial fee*
   d. Minimum RAF per additional TAC source: $763~~700~~*
      * RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE FOR A DRY CLEANING MACHINE (per drum):
   a. If the washing or drying capacity is no more than 100 pounds: $557~~511~~
   b. If the washing or drying capacity exceeds 100 pounds: $557~~511~~ plus
      For that portion of the capacity exceeding 100 pounds: $11.47~~10.52~~ per pound

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

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

(Amended 10/17/84; 6/5/85; 6/4/86; 7/3/91; 6/15/94; 10/8/97; 7/1/98; 5/19/99; 6/7/00; 6/6/01; 5/1/02; 5/21/03; 6/02/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, TBD)

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

1. INITIAL FEE:

a.	Landfill (Decomposition Process)	$6,679~~5,808~~
b.	Active Landfill (Waste and Cover Material Dumping Process)	$3,338~~2,903~~
c.	Active Landfill (Excavating, Bulldozing, and Compacting Processes)	$3,338~~2,903~~

2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.

a.	RAF for first toxic air contaminant (TAC) source in application:	$~~508~~524 plus initial fee
b.	RAF for each additional TAC source:	equal to initial fee*

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

3. PERMIT TO OPERATE FEE:

a.	Landfill (Decomposition Process)	$3,338~~2,903~~
b.	Active Landfill (Waste and Cover Material Dumping Process)	$1,669~~1,451~~
c.	Active Landfill (Excavating, Bulldozing, and Compacting Processes)	$1,669~~1,451~~

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

5. Evaluation of Reports and Questionnaires:

a.	Evaluation of Solid Waste Air Assessment Test Report as required by Health & Safety Code Section 41805.5(g)	$3,680~~3,200~~
b.	Evaluation of Inactive Site Questionnaire as required by Health & Safety Code Section 41805.5(b)	$1,845~~1,604~~
c.	Evaluation of Solid Waste Air Assessment Test Report in conjunction with evaluation of Inactive Site Questionnaire as required by Health & Safety Code Section 41805.5(b)	$1,845~~1,604~~
d.	Evaluation of Initial or Amended Design Capacity Reports as required by Regulation 8, Rule 34, Section 405	$1,357~~1,180~~
e.	Evaluation of Initial or Periodic NMOC Emission Rate Reports as required by Regulation 8, Rule 34, Sections 406 or 407	$3,375
f.	Evaluation of Closure Report as required by Regulation 8, Rule 34, Section 409	$1,357~~1,180~~
g.	Evaluation of Annual Report as required by Regulation 8, Rule 34, Section 411	$3,396~~2,953~~

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

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

(Amended 7/3/91; 6/15/94; 10/8/97; 7/1/98; 5/19/99; 10/6/99; 6/7/00; 6/6/01; 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, TBD)

SCHEDULE L
ASBESTOS OPERATIONS
(Adopted July 6, 1988)

1. Asbestos Operations conducted at single family dwellings are subject to the following fees:

a.	OPERATION FEE:	$185	for amounts 100 to 500 square feet or linear feet.
		$679	for amounts 501 square feet or linear feet to 1000 square feet or linear feet.
		$988	for amounts 1001 square feet or liner feet to 2000 square feet or linear feet.
		$1,358	for amounts greater than 2000 square feet or linear feet.
b.	Cancellation:	$90	of above amounts non-refundable for notification processing.

2. Asbestos Operations, other than those conducted at single family dwellings, are subject to the following fees:

a.	OPERATION FEE:	$524	for amounts 100 to 159 square feet or 100 to 259 linear feet or 35 cubic feet
		$754	for amounts 160 square feet or 260 linear feet to 500 square or linear feet or greater than 35 cubic feet.
		$1,098	for amounts 501 square feet or linear feet to 1000 square feet or linear feet.
		$1,620	for amounts 1001 square feet or liner feet to 2500 square feet or linear feet.
		$2,309	for amounts 2501 square feet or linear feet to 5000 square feet or linear feet.
		$3,169	for amounts 5001 square feet or linear feet to 10000 square feet or linear feet.
		$4,031	for amounts greater than 10000 square feet or linear feet.
b.	Cancellation:	$248	of above amounts non-refundable for notification processing.

3. Demolitions (including zero asbestos demolitions) conducted at a single-family dwelling are subject to the following fee:

a.	OPERATION FEE:	$90	
b.	Cancellation:	$90	(100% of fee) non-refundable, for notification processing.

4. Demolitions (including zero asbestos demolitions) other than those conducted at a single family dwelling are subject to the following fee:

a.	OPERATION FEE:	$372	
b.	Cancellation:	$248	of above amount non-refundable for notification processing.

5. Asbestos operations with less than 10 days prior notice (excluding emergencies) are subject to the following additional fee:

a.	OPERATION FEE:	$619	

6. Asbestos demolition operations for the purpose of fire training are exempt from fees.

(Amended 9/5/90; 1/5/94; 8/20/97; 10/7/98; 7/19/00; 8/1/01; 6/5/02; 7/2/03; 6/2/04; 6/6/07; 5/21/08; 5/20/09; 6/16/10; 6/15/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, 6/15/16,6/5/19)

SCHEDULE M
MAJOR STATIONARY SOURCE FEES
(Adopted June 6, 1990)

For each major stationary source emitting 50 tons per year or more of Organic Compounds, Sulfur Oxides, Nitrogen Oxides, and/or PM_{10}, the fee shall be based on the following:

1.	Organic Compounds	$128.37~~124.51~~ per ton
2.	Sulfur Oxides	$128.37~~124.51~~ per ton
3.	Nitrogen Oxides	$128.37~~124.51~~ per ton
4.	PM_{10}	$128.37~~124.51~~ per ton

Emissions calculated by the APCO shall be based on the data reported for the most recent 12-month period prior to billing. In calculating the fee amount, emissions of Organic Compounds, Sulfur Oxides, Nitrogen Oxides, or PM_{10}, if occurring in an amount less than 50 tons per year, shall not be counted.

(Amended 7/3/91; 6/15/94; 7/1/98; 5/9/99; 6/7/00; 6/6/01, 5/1/02, 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 6/4/14; 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, TBD)

SCHEDULE N
TOXIC INVENTORY FEES
(Adopted October 21, 1992)

For each stationary source emitting substances covered by California Health and Safety Code Section 44300 *et seq.*, the Air Toxics "Hot Spots" Information and Assessment Act of 1987, which have trigger levels listed in Table 2-5-1, a fee based on the weighted emissions of the facility shall be assessed based on the following formulas:

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1. A fee of $5 for each gasoline product dispensing nozzle in a Gasoline Dispensing Facility; or
2. A fee calculated by multiplying the facility's weighted toxic inventory (w_i) by the following factor:

Air Toxic Inventory Fee Factor $0.87~~0.80~~ per weighted pound per year

Using the last reported data, the facility's weighted toxic inventory (w_i) is calculated as a sum of the individual TAC emissions multiplied by either the inhalation cancer potency factor ~~(CP, in kilogram-day/milligram)~~ for the TAC (see Regulation 2, Rule 5, Table 2-5-1, column 10) times 28.6 if the emission is a carcinogen, or by the reciprocal of the chronic inhalation ~~chronic~~ reference exposure level ~~(CREL)~~ for the TAC ~~(in cubic meters/microgram)~~ (see Regulation 2, Rule 5, Table 2-5-1, column 8) if the emission is not a carcinogen~~, using the CP and CREL weighting factors listed in Table 2-5-1~~.

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

(Amended 12/15/93; 6/15/05; 5/2/07; 6/16/10; 5/4/11; 6/4/14; 6/3/15, 6/15/16,6/6/18,6/5/19, TBD)

SCHEDULE P
MAJOR FACILITY REVIEW FEES
(Adopted November 3, 1993)

1. MFR / SYNTHETIC MINOR ANNUAL FEES

Each facility, which is required to undergo major facility review in accordance with the requirements of Regulation 2, Rule 6, shall pay annual fees (1a and 1b below) for each source holding a District Permit to Operate. These fees shall be in addition to and shall be paid in conjunction with the annual renewal fees paid by the facility. However, these MFR permit fees shall not be included in the basis to calculate Alternative Emission Control Plan (bubble) or toxic air contaminant surcharges. If a major facility applies for and obtains a synthetic minor operating permit, the requirement to pay the fees in 1a and 1b shall terminate as of the date the APCO issues the synthetic minor operating permit.

a. MFR SOURCE FEE ..... $930~~869~~ per source

b. MFR EMISSIONS FEE..... $36.59~~34.20~~ per ton of regulated air pollutants emitted

Each MFR facility and each synthetic minor facility shall pay an annual monitoring fee (1c below) for each pollutant measured by a District-approved continuous emission monitor or a District-approved parametric emission monitoring system.

c. MFR/SYNTHETIC MINOR MONITORING FEE $9,296~~8,688~~ per monitor per pollutant

2. SYNTHETIC MINOR APPLICATION FEES

Each facility that applies for a synthetic minor operating permit or a revision to a synthetic minor operating permit shall pay application fees according to 2a and either 2b (for each source holding a District Permit to Operate) or 2c (for each source affected by the revision). If a major facility applies for a synthetic minor operating permit prior to the date on which it would become subject to the annual major facility review fee described above, the facility shall pay, in addition to the application fee, the equivalent of one year of annual fees for each source holding a District Permit to Operate.

a. SYNTHETIC MINOR FILING FEE ..... $1,295~~1,210~~ per application

b. SYNTHETIC MINOR INITIAL PERMIT FEE..... $930~~869~~ per source

c. SYNTHETIC MINOR REVISION FEE..... $930~~869~~ per source modified

3. MFR APPLICATION FEES

Each facility that applies for or is required to undergo: an initial MFR permit, an amendment to an MFR permit, a minor or significant revision to an MFR permit, a reopening of an MFR permit or a renewal of an MFR permit shall pay, with the application and in addition to any other fees required by this regulation, the MFR filing fee and any applicable fees listed in 3b-h below. The fees in 3b apply to each source in the initial permit.The fees in 3g apply to each source in the renewal permit, The fees in 3d-f apply to each source affected by the revision or reopening.

a. MFR FILING FEE ..... $1,295~~1,210~~ per application

b. MFR INITIAL PERMIT FEE..... $1,295~~1,210~~ per source

c. MFR ADMINISTRATIVE AMENDMENT FEE..... $366~~342~~ per application

d. MFR MINOR REVISION FEE ..... $1,838~~1,718~~ per source modified

e. MFR SIGNIFICANT REVISION FEE ..... $3,427~~3,203~~ per source modified

f. MFR REOPENING FEE..... $1,124~~1,050~~ per source modified

g. MFR RENEWAL FEE..... $546~~510~~ per source

Each facility that requests a permit shield or a revision to a permit shield under the provisions of Regulation 2, Rule 6 shall pay the following fee for each source (or group of sources, if the requirements for these sources are grouped together in a single table in the MFR permit) that is covered by the requested shield. This fee shall be paid in addition to any other applicable fees.

h. MFR PERMIT SHIELD FEE..... $1,936~~1,809~~ per shielded source or group of sources

4. MFR PUBLIC NOTICE FEES

Each facility that is required to undergo a public notice related to any permit action pursuant to Regulation 2-6 shall pay the following fee upon receipt of a District invoice.

MFR PUBLIC NOTICE FEE ..... Cost of Publication

5. MFR PUBLIC HEARING FEES

If a public hearing is required for any MFR permit action, the facility shall pay the following fees upon receipt of a District invoice.

a. MFR PUBLIC HEARING FEE .... Cost of Public Hearing not to exceed $15,81914,784

b. NOTICE OF PUBLIC HEARING FEE ..... Cost of distributing Notice of Public Hearing

6. POTENTIAL TO EMIT DEMONSTRATION FEE

Each facility that makes a potential to emit demonstration under Regulation 2-6-312 in order to avoid the requirement for an MFR permit shall pay the following fee:

a. PTE DEMONSTRATION FEE ..... $221207 per source, not to exceed $21,74620,323

(Amended 6/15/94; 10/8/97; 7/1/98; 5/19/99; 6/7/00; 6/6/01; 5/1/02, 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 5/4/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, TBD)

SCHEDULE Q
EXCAVATION OF CONTAMINATED SOIL AND
REMOVAL OF UNDERGROUND STORAGE TANKS
(Adopted January 5, 1994)

1. Persons excavating contaminated soil or removing underground storage tanks subject to the provisions of Regulation 8, Rule 40, Section 401, 402, 403 or 405 are subject to the following fee:

   a. OPERATION FEE: $168

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

SCHEDULE R
EQUIPMENT REGISTRATION FEES

1. Persons operating commercial cooking equipment who are required to register equipment as required by District rules are subject to the following fees:

a.	Conveyorized Charbroiler REGISTRATION FEE:	$744 per facility
b.	Conveyorized Charbroiler ANNUAL RENEWAL FEE:	$209 per facility
c.	Under-fired Charbroiler REGISTRATION FEE:	$744 per facility
d.	Under-fired Charbroiler ANNUAL RENEWAL FEE:	$209 per facility

2. Persons operating non-halogenated dry cleaning equipment who are required to register equipment as required by District rules are subject to the following fees:

a.	Dry Cleaning Machine REGISTRATION FEE:	$371
b.	Dry Cleaning Machine ANNUAL RENEWAL FEE:	$259

3. Persons operating diesel engines who are required to register equipment as required by District or State rules are subject to the following fees:

a.	Diesel Engine REGISTRATION FEE:	$250
b.	Diesel Engine ANNUAL RENEWAL FEE:	$166
c.	Diesel Engine ALTERNATIVE COMPLIANCE PLAN FEE (for each plan submitted under District Regulation 11-17-402):	$250

4. Persons operating boilers, steam generators and process heaters who are required to register equipment by District Regulation 9-7-404 are subject to the following fees:

a.	REGISTRATION FEE	$137 per device
b.	ANNUAL RENEWAL FEE:	$115 per device

5. Persons owning or operating graphic arts operations who are required to register equipment by District Regulation 8-20-408 are subject to the following fees:

a.	REGISTRATION FEE:	$446
b.	ANNUAL RENEWAL FEE:	$278

6. Persons owning or operating mobile refinishing operations who are required to register by District Regulation 8-45-4 are subject to the following fees:

a.	REGISTRATION FEE	$209
b.	ANNUAL RENEWAL FEE	$123

(Adopted 7/6/07; Amended 12/5/07; 5/21/08; 7/30/08; 11/19/08; 12/3/08; 5/20/09; 6/16/10; 6/15/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, 6/15/16, 6/21/17, 6/6/18)

SCHEDULE S
NATURALLY OCCURRING ASBESTOS OPERATIONS

1. ASBESTOS DUST MITIGATION PLAN INITIAL REVIEW AND AMENDMENT FEES:

   Any person submitting an Asbestos Dust Mitigation Plan (ADMP) for initial review of a Naturally Occurring Asbestos (NOA) project shall pay the following fee (including NOA Discovery Notifications which would trigger an ADMP review): $730~~635~~

   Any person submitting a request to amend an existing ADMP shall pay the following fee: $374~~325~~

2. AIR MONITORING PROCESSING FEE:

   NOA projects requiring an Air Monitoring component as part of the ADMP approval are subject to the following fee in addition to the ADMP fee: $5,635~~4,900~~

3. INSPECTION FEE:

   The owner of any property for which an ADMP is required shall pay fees to cover the costs incurred by the District after July 1, 2012 in conducting inspections to determine compliance with the ADMP on an ongoing basis. Inspection fees shall be invoiced by the District on a quarterly basis, and at the conclusion of dust generating activities covered under the ADMP, based on the actual time spent in conducting such inspections, and the following time and materials rate: $166~~144~~ per hour

(Adopted 6/6/07; Amended 5/21/08; 5/20/09; 6/16/10; 6/15/11; 6/6/12; 6/19/13; 6/4/14; 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, TBD)

SCHEDULE T
GREENHOUSE GAS FEES

For each permitted facility emitting greenhouse gases, the fee shall be based on the following:

1. Carbon Dioxide Equivalent (CDE) Emissions $0.130.120 per metric ton

Emissions calculated by the APCO shall be based on the data reported for the most recent 12-month period prior to billing. The annual emissions of each greenhouse gas (GHG) listed below shall be determined by the APCO for each permitted (i.e., non-exempt) source. For each emitted GHG, the CDE emissions shall be determined by multiplying the annual GHG emissions by the applicable Global Warming Potential (GWP) value. The GHG fee for each facility shall be based on the sum of the CDE emissions for all GHGs emitted by the facility, except that no fee shall be assessed for emissions of biogenic carbon dioxide.

Global Warming Potential Relative to Carbon Dioxide*

GHG	CAS Registry Number	GWP**
Carbon Dioxide	124-38-9	1
Methane	74-82-8	34
Nitrous Oxide	10024-97-2	298
Nitrogen Trifluoride	7783-54-2	17,885
Sulfur Hexafluoride	2551-62-4	26,087
HCFC-22	75-45-6	2,106
HCFC-123	306-83-2	96
HCFC-124	2837-89-0	635
HCFC-141b	1717-00-6	938
HCFC-142b	75-68-3	2,345
HCFC-225ca	422-56-0	155
HCFC-225cb	507-55-1	633
HFC-23	75-46-7	13,856
HFC-32	75-10-5	817
HFC-125	354-33-6	3,691
HFC-134a	811-97-2	1,549
HFC-143a	420-46-2	5,508
HFC-152a	75-37-6	167
HFC-227ea	431-89-0	3,860
HFC-236fa	690-39-1	8,998
HFC-245fa	460-73-1	1,032
HFC-365mfc	406-58-6	966
HFC-43-10-mee	138495-42-8	1,952
PFC-14	75-73-0	7,349
PFC-116	76-16-4	12,340
PFC-218	76-19-7	9,878
PFC-318	115-25-3	10,592

* Source: Myhre, G., et al., 2013: Anthropogenic and Natural Radiative Forcing (and Supplementary Material). In: Climate Change 2013: The Physical Science Basis. Contribution of Working Group I to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Stocker, T.F., et al. (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA. Available from www.ipcc.ch.

** GWPs compare the integrated radiative forcing over a specified period (i.e.100 years) from a unit mass pulse emission to compare the potential climate change associated with emissions of different GHGs. GWPs listed include climate-carbon feedbacks.

(Adopted 5/21/08; Amended 5/20/09; 6/16/10; 6/4/14; 6/3/15; 6/15/16, 6/21/17, 6/6/18,6/5/19, TBD)

SCHEDULE U
INDIRECT SOURCE REVIEW FEES

The applicant for any project deemed an indirect source pursuant to District rules shall be subject to the following fees:

1. APPLICATION FILING FEE

   When an applicant files an Air Quality Impact Assessment as required by District rules, the applicant shall pay a non-refundable Application Filing Fee as follows:

   a. Residential project: $615
   b. Non-residential or mixed use project: $918

2. APPLICATION EVALUATION FEE

   Every applicant who files an Air Quality Impact Assessment as required by District rules shall pay an evaluation fee for the review of an air quality analysis and the determination of Offsite Emission Reduction Fees necessary for off-site emission reductions. The Application Evaluation fee will be calculated using the actual staff hours expended and the prevailing weighted labor rate. The Application Filing fee, which assumes eight hours of staff time for residential projects and twelve hours of staff time for non-residential and mixed use projects, shall be credited towards the actual Application Evaluation Fee.

3. OFFSITE EMISSION REDUCTION FEE

   (To be determined)

(Adopted 5/20/09; Amended 6/16/10; 6/4/14; 6/3/15, 6/15/16, 6/21/17)

SCHEDULE V
OPEN BURNING

1. Any prior notification required by Regulation 5, Section 406 is subject to the following fee:

   a. OPERATION FEE: $138

   b. The operation fee paid as part of providing notification to the District prior to burning will be determined for each property, as defined in Regulation 5, Section 217, and will be valid for one year from the fee payment date when a given fire is allowed, as specified in Regulation 5, Section 401 for the following fires:

Regulation 5 Section – Fire	Burn Period
401.1 - Disease and Pest	January 1 – December 31
401.2 - Crop Replacement[1]	October 1 – April 30
401.3 - Orchard Pruning and Attrition[2]	November 1 – April 30
401.4 - Double Cropping Stubble	June 1 – August 31
401.6 - Hazardous Material[1]	January 1 – December 31
401.7 - Fire Training	January 1 – December 31
401.8 - Flood Debris	October 1 – May 31
401.9 - Irrigation Ditches	January 1 – December 31
401.10 - Flood Control	January 1 – December 31
401.11 - Range Management[1]	July 1 – April 30
401.12 - Forest Management[1]	November 1 – April 30
401.14 - Contraband	January 1 – December 31

   [1] Any Forest Management fire, Range Management fire, Hazardous Material fire not related to Public Resources Code 4291, or any Crop Replacement fire for the purpose of establishing an agricultural crop on previously uncultivated land, that is expected to exceed 10 acres in size or burn piled vegetation cleared or generated from more than 10 acres is defined in Regulation 5, Section 213 as a type of Pp~~r~~escribed Bb~~u~~rning and, as such, is subject to the Pp~~r~~escribed Bb~~u~~rning operation fee in Section 3 below.

   [2] Upon the determination of the APCO that heavy winter rainfall has prevented this type of burning, the burn period may be extended to no later than June 30.

   c. Any person who provided notification required under Regulation 5, Section 406, who seeks to burn an amount of material greater than the amount listed in that initial notification, shall provide a subsequent notification to the District under Regulation 5, Section 406 and shall pay an additional open burning operation fee prior to burning.

2. Any Marsh Management fire conducted pursuant to Regulation 5, Section 401.13 is subject to the following fee, which will be determined for each property by the proposed acreage to be burned:

   a. OPERATION FEE:
   $495 for 50 acres or less
   $673 for more than 50 acres but less than or equal to 150 acres
   $849 for more than 150 acres

   b. The operation fee paid for a Marsh Management fire will be valid for a Fall or Spring burning period, as specified in Regulation 5, Subsection 401.13. Any burning subsequent to either of these time periods shall be subject to an additional open burning operation fee.

3. Any Wildland Vegetation Management fire (Pp~~r~~escribed Bb~~u~~rning) conducted pursuant to Regulation 5, Section 401.15 is subject to the following fee, which will be determined for each prescribed burning project by the proposed acreage to be burned:

   a. OPERATION FEE:
   $602 for 50 acres or less
   $816 for more than 50 acres but less than or equal to 150 acres
   $1,062 for more than 150 acres

b. The operation fee paid for a prescribed burn project will be valid for the burn project approval period, as determined by the District. Any burning subsequent to this time period shall be subject to an additional open burning operation fee.

4. Any Filmmaking fire conducted pursuant to Regulation 5, Section 401.16 and any Public Exhibition fire conducted pursuant to Regulation 5, Section 401.17 is subject to the following fee:

   a. OPERATION FEE: $714

   b. The operation fee paid for a Filmmaking or Public Exhibition fire will be valid for the burn project approval period, as determined by the District. Any burning subsequent to this time period shall be subject to an additional open burning operation fee.

5. Any Stubble fire conducted pursuant to Regulation 5, Section 401.5 that requires a person to receive an acreage burning allocation prior to ignition is subject to the following fee, which will be determined for each property by the proposed acreage to be burned:

   a. OPERATION FEE:
   $353 for 25 acres or less
   $495 for more than 25 acres but less than or equal to 75 acres
   $602 for more than 75 acres but less than or equal to 150 acres
   $708 for more than 150 acres

   b. The operation fee paid for a Stubble fire will be valid for one burn period, which is the time period beginning September 1 and ending December 31, each calendar year. Any burning subsequent to this time period shall be subject to an additional open burning operation fee.

6. All fees paid pursuant to Schedule V are non-refundable.

7. All fees required pursuant to Schedule V must be paid before conducting a fire.

(Adopted June 19, 2013; Amended 6/4/14; 6/3/15, 6/15/16, 6/21/17, 6/6/18 ,6/5/19, TBD)

SCHEDULE W
PETROLEUM REFINING EMISSIONS TRACKING FEES

1. ANNUAL EMISSIONS INVENTORIES:

   Any Petroleum Refinery owner/operator required to submit an Annual Emissions Inventory Report in accordance with Regulation 12, Rule 15, Section 401 shall pay the following fees:

   a. Initial submittal: $67,68958,860
   b. Each subsequent annual submittal: $38,84529,430

   Any Support Facility owner/operator required to submit an Annual Emissions Inventory Report in accordance with Regulation 12, Rule 15, Section 401 shall pay the following fees:

   a. Initial submittal: $4,1373,597
   b. Each subsequent annual submittal: $2,0691,799

2. AIR MONITORING PLANS:

   Any person required to submit an air monitoring plan in accordance with Regulation 12, Rule 15, Section 403 shall pay a one-time fee of $9,4018,175.

(Adopted 6/15/16, 6/5/19, TBD)

SCHEDULE X
MAJOR STATIONARY SOURCE COMMUNITY AIR MONITORING FEES

For each major stationary source, emitting 35 tons per year or more of Organic Compounds, Sulfur Oxides, Nitrogen Oxides, Carbon Monoxide and/or PM_{10} within the vicinity of a District proposed community air monitoring location, the fee shall be based on the following:

1.	Organic Compounds	$60.61 per ton
2.	Sulfur Oxides	$60.61 per ton
3.	Nitrogen Oxides	$60.61 per ton
4.	Carbon Monoxide	$60.61 per ton
5.	PM_{10}	$60.61 per ton

Emissions calculated by the APCO shall be based on the data reported for the most recent 12-month period prior to billing. In calculating the fee amount, emissions of Organic Compounds, Sulfur Oxides, Nitrogen Oxides, Carbon Monoxide, or PM_{10}, if occurring in an amount less than 35 tons per year, shall not be counted.

(Adopted: 6/15/16; Amended: 6/21/17)

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

DRAFT STAFF REPORT

PROPOSED AMENDMENTS TO BAAQMD REGULATION 3: FEES

April 17, 2020

TABLE OF CONTENTS

1. EXECUTIVE SUMMARY

Air District staff has prepared proposed amendments to Air District Regulation 3: Fees for Fiscal Year Ending (FYE) 2021 (i.e., July 1, 2020 to June 30, 2021) that would increase revenue to enable the Bay Area Air Quality Management District (Air District) to continue to effectively implement and enforce regulatory programs for stationary sources of air pollution. The proposed fee amendments for FYE 2021 are consistent with the Air District's Cost Recovery Policy, which was adopted on March 7, 2012 by the Air District's Board of Directors (see Appendix A). This policy stated that the Air District should amend its fee regulation in a manner sufficient to increase overall recovery of regulatory program activity costs to achieve a minimum of 85 percent. The policy also indicates that amendments to specific fee schedules should continue to be made in consideration of cost recovery analyses conducted at the fee schedule level, with larger increases being adopted for the schedules that have the larger cost recovery gaps.

A recently completed 2020 Cost Recovery Study (a copy of which is available on request) shows that for the most-recently completed fiscal year (FYE 2019), fee revenue recovered 86 percent of program activity costs. Cost recovery will decrease going forward as the Air District fills its vacancies.

Over the past several years, the Air District has continued to implement cost containment and efficiency-based strategies. Some of these strategies include: unfilled vacancies, timekeeping improvements, greater field capabilities, annual updates to cost recovery, improved public education, submittal of online permit applications, and availability of permit status online through the New Production System. Implementing these strategies have resulted in efficiencies as well as the ability to provide a higher service level. The Air District is actively transitioning to the New Production System, which currently includes an on-line portal for the regulated community for high-volume categories including gas stations, dry cleaners, auto body shops, other permit registrations, and asbestos notifications. This system is expanding to additional facility types. These tools will increase efficiency and accuracy by allowing customers to submit applications, report data for the emissions inventory, pay invoices and have access to permit documents. Future projections anticipate adequate revenue to meet projected expenditures with the assumption of continued attention to cost and permit fee analysis. The Air District continues to be fiscally prudent by maintaining its reserves. Reserves address future capital equipment and facility needs, uncertainties in State funding and external factors affecting the economy that could impact the Air District's ability to balance its budgets.

The results of the 2020 Cost Recovery Study (including FYE 2017-2019 data) were used to establish proposed fee amendments for each existing fee schedule based on the degree to which existing fee revenue recovers the regulatory program activity costs associated with the schedule. Based on this approach, the fee rates in certain fee schedules would be raised by the annual increase in the Bay Area Consumer Price Index (3.1%), while other fee schedules would be increased by 7, 8, 9, or 15 percent. Several fees that are administrative in nature (e.g. permit application filing fees and permit renewal processing fees) would be increased by 3.1 percent.

The proposed fee amendments would not increase annual permit renewal fees for most small businesses that require Air District permits, with the exception of gas stations (e.g., a typical gas station would have an increase of $48 in annual permit renewal fees), auto body shops, which would have an increase of $91, and facilities with backup generators, which would have an increase of $61 per engine. For larger facilities, increases in annual permit renewal fees would range between 8.5 and 13.1 percent due to differences in the facility's size, type of emission sources, pollutant emission rates and applicable fee schedules. In accordance with State law, the Air District's amendments to Regulation 3 cannot cause an increase in overall permit fees for any facility by more than 15 percent in any calendar year. The proposed fee amendments would increase overall Air District fee revenue in FYE 2021 by approximately $2.74 million relative to fee revenue that would be expected without the amendments.

The Board of Directors received testimony on April 15, 2020 regarding the proposed amendments to Regulation 3: Fees. Air District staff recommends that the Board of Directors consider adoption of the proposed amendments to Regulation 3: Fees with an effective date of July 1, 2020, and approve the filing of a CEQA Notice of Exemption following the 2nd public hearing scheduled to consider this matter on June 3, 2020.

2. BACKGROUND

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

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

The Air District Board of Directors adopted an across-the-board fee increase of 15 percent, the maximum allowed by State law for permit fees, for FYE 2000 as a step toward

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

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

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

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

The results of the 2011 Cost Recovery and Containment Study were used to establish fee amendments for FYE 2012 that were designed to increase overall fee revenue by 10 percent (relative to fee revenue that would result without the fee amendments). To

address fee equity issues, the various fees were not all increased in a uniform manner. Rather, existing fee schedules were amended based on the magnitude of the cost recovery gap for that schedule, with the schedules with the more significant cost recovery gaps receiving more significant fee increases. Based on this approach, the fee rates in several fee schedules were not increased, while the fee rates in other fee schedules were increased by 10, 12, or 14 percent.

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

The Matrix Consulting Group was retained by the BAAQMD in September 2017 to provide a cost recovery and containment study for the fiscal year ended June 30, 2017 to update the study done in 2011. This assessment used multiple analytical tools to understand the current process for allocation of indirect costs, current cost recovery levels, and recommendations for cost recovery and savings. The primary purpose of this study was to evaluate the indirect overhead associated with the BAAQMD and the cost recovery associated with the fees charged by the BAAQMD. The project team evaluated the Air District's current programs to classify them as direct or indirect costs, as well as the time tracking data associated with each of the different fee schedules. The report also provides specific recommendations related to direct and indirect cost recovery for the BAAQMD, as well as, potential cost efficiencies.

Staff has updated the cost recovery analysis for the most recently completed fiscal year (FYE 2019) using the methodology established by Matrix Consulting Group. The 2020 Cost Recovery Study indicates that the overall cost recovery rate for FYE 2019 was 86 percent, although as the Air District tries to fill its vacancies, the cost recovery will go down. Progress towards the 85% minimum target is reported to the Board annually by staff and is periodically reviewed by outside consultants.

3. PROPOSED FEE AMENDMENTS FOR FYE 2020

3.1 OVERVIEW OF PROPOSED AMENDMENTS

A 2020 cost recovery study was used to establish proposed fee amendments for existing fee schedules based on the degree to which existing fee revenue recovers the activity costs associated with the schedule. Based on this approach, the fee rates in certain fee

schedules would be increased by 7, 8, 9, or 15 percent. Other fee schedules would be raised by 3.1%, the annual increase from 2018 to 2019 in the Bay Area Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) as reported by the United States Bureau of Labor Statistics. The specific basis for these proposed fee amendments is summarized in Table 1 as follows:

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

Revenue from Fee Schedule	Change in Fees	Fee Schedules
95 – 110% of costs	**3.1% increase***	**B, D, E, F, M**
85 – 94% of costs	**7% increase**	**G3, P**
75-84% of costs	**8% increase**	**T**
50-74% of costs	**9% increase**	**G2, H, I, N**
Less than 50% of costs	**15% increase***	**A, G1, G4, K, S, W**

*2018 Matrix Consulting Group Cost Recovery & Containment Study recommendations.

Note: For Schedules D and E, a 3.1% increase is proposed, although cost recovery would have allowed a 7 to 9% increase. Schedule D covers gas stations and Schedule E covers autobody shops, and many are small businesses. Schedule D had 89% cost recovery and Schedule E had 72% cost recovery from FYE 2017 to 2019.

In addition to the proposed amendments to fee schedules, Air District staff is proposing to increase several administrative fees that appear in the Standards section of Regulation 3 by 3.1 percent. This includes permit application filing fees and permit renewal processing fees. Existing permit fees are well below the point of full cost recovery, and these fee increases are proposed to help the Air District reduce its cost recovery gap.

3.2 PROPOSED RULE AMENDMENTS

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

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

The proposed amendment to Section 3-302 is a 3.1 percent increase in the filing fee for permit applications for new/modified sources and abatement devices, from $508 to $524 based on the CPI-W.

- Section 3-302.3: Fees for Abatement Devices

The proposed amendment to Section 3-302.3 is a 3.1 percent increase (based on the CPI-W) in the filing fee, from $508 to $524, and the not to exceed value of $10,588 was not increased.

- Section 3-311: Emission Banking Fees

The proposed amendment to Section 3-311 is a 3.1 percent increase (based on the CPI-W) in the filing fee for banking applications, from $508 to $524.

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

The proposed amendment to Section 3-312.2 is a 3.1 percent increase (based on the CPI-W) in the annual fees for Alternative Compliance Plans (ACPs) from $1,286 to $1,326 for each source in the ACP, with the not-to-exceed amount increase from $12,860 to $13,259.

- Section 3-320: Toxic Inventory Fees

The proposed amendment to Section 3-320 is a 3.1 percent increase (based on the CPI-W) from $10,056 to $10,368, which specifies the maximum fee for small businesses in Schedule N.

Criteria Pollutant and Toxics Emissions Reporting Regulation Fees:

As part of Assembly Bill 617 (AB 617), the California Air Resources Board (CARB) recently adopted the Criteria and Toxics Reporting (CTR) Regulation for the reporting of criteria air pollutants and toxic air contaminants for stationary sources. To learn more about the CTR Regulation, visit https://ww2.arb.ca.gov/our-work/programs/criteria-and-toxics-reporting. In order to cover the implementation and on-going costs associated with these new requirements, the Air District is proposing a new fee for each facility subject to the CTR Regulation. CTR reporting fees would be charged during permit renewal.

The Air District is tasked with implementing the CTR Regulation in the Bay Area and estimates the following costs. Eight (8) full-time employees would be needed for this work: Six (6) in Engineering, one (1) in Information Technology, and one (1) in Compliance & Enforcement (C&E) to design, program, implement, and maintain the changes necessary to comply with the new CARB reporting requirements for permitted sources. Air District staff estimated this need considering both initial costs and on-going costs.

The analysis concluded that for the first year, three (3) engineers and one (1) programmer would be required to design & redesign data systems, change data management practices, and modify current business processes in order to compress the work of

updating the inventory over a 12-month time period into a 5-month time period. The Air District will need to redesign and supplement the current annual data request process which is part of the current permit renewal process to obtain additional information required by the CTR Regulation. Air District staff also need to integrate new CTR reporting elements and format. Work to notify, train and assist facilities with these new requirements is factored into implementation.

Air District staff will also work with the other air districts, the California Air Pollution Control Officers Association, and industry to develop uniform emissions inventory guidelines to be used for reporting emissions to the state. Implementation of these guidelines may require extensive programming to add new or modify emission factors and or emission calculation methodologies into the data systems.

Total salary and benefits costs are estimated to be:

Four Air Quality Engineer II's at $180/hour, 4 x $180/hour x 2,080 hours = $1,497,600

One Programmer Analyst II at $160/hour, $160/hour x 2,080 hours = $332,800

One C&E Air Quality Specialist II at $172/hour, $172/hour x 2,080 hours = $357,760

Total estimated costs = $2,188,160

Starting year two, an additional staff of three (3) from Engineering and one (1) from C&E will be needed to conduct extensive outreach to help the smaller facilities and small businesses comply with the CTR Regulation. Long term, all of the staff we are basing the fee on will be required for quality control and assurance, inventory entry and to ensure compliance. The Air District expects all permitted facilities to be subject to the CTR Regulation after CARB amends the regulation by the end of calendar year 2020.

Air District staff is proposing the tiered fees in the table below.

Number of Permitted Sources per Facility	**$ per Permitted Source***
1 to 4	25
5 to 9	75
10 to 14	150
15 to 19	200
20 to 24	250
25 and greater	300

*The maximum CTR fee will be capped at $50,000 per year.

Fees proposed are based on the number of sources at each facility, since the costs are commensurate with the number of sources at each facility. In general, the complexity of the facility and sources increases with an increasing number of sources at a facility. Complex sources require additional review and validation of emissions and emission trains for both criteria air pollutants and toxic air contaminants. Several complex facilities are required to install continuous emissions monitors (CEMs) to monitor pollutants and are required to perform annual source tests to determine emissions of different pollutants on many different sources. Thousands of data points from these CEMS must be verified and reviewed to verify emissions. Each source test must also be reviewed to determine source specific emission factors for the sources at the facility. These checks take additional time for both review and entry into the data system. Additional time is also required by our Planning department to prepare the larger facility inventories for submittal to CARB.

Smaller and less complex facilities are anticipated to only require validation and entry of activity levels of the facility. Many of these sources are currently in the Air District's new production system and have automated tools in place which ease both the effort required for data entry and the required review by Engineering Staff. Additionally, the Air District will or currently applies factors to determine emissions from these facilities speeding up the level of review and QA for the data reported to the California Air Resources Board. However, if smaller and/or less complex facilities provide emission estimates or other data in addition to activity that require both Air District review and validation and entry into Air District systems, additional costs will be incurred. If this occurs, these costs may be recuperated within future revisions of Regulation 3.

AB 617 Community Health Impact Fees:

In the implementation of AB 617 (C. Garcia, Chapter 136, Statues of 2017), the Air District's Community Health Protection Program works with Bay Area communities to improve community health by reducing exposure to air pollutants in neighborhoods most impacted by air pollution. Air District staff are working closely with the California Air Resources Board (CARB), other local air districts, community groups, community members, environmental organizations, regulated industries, and other key stakeholders to reduce harmful air pollutants. A new community health impact fee is proposed to help recover costs of program implementation.

CARB provides funding to the air districts for the implementation of AB 617. Currently, the funds provided do not cover the entire cost of program implementation. Costs for the implementation of AB 617 may be split into three different types. The first of these are fee recoverable activities, such as rule development of stationary sources, CTR or inventory reporting of stationary sources, and compliance and enforcement of stationary sources. The second type of activities are not fee recoverable, such as community outreach and engagement, capacity building and mobile source modeling and inventory. Third, there are a number of tasks that are partially fee recoverable. Some examples of these partially fee-recoverable tasks include the following: conducting detailed, community-scale

modeling, managing community steering committees, and conducting community-scale source apportionment analyses.

The Air District expects its cost for implementation of the Community Health Protection Program to be $10 million. The partially fee recoverable work is estimated at $8 million. In order to separate the costs of program implementation directly associated with facility emissions in the partially recoverable fee segment, the Air District looked at health impacting pollutants emitted by mobile, stationary and area sources. Based on this analysis, permitted stationary sources contribute 26% of PM2.5, which is a primary driver of the health risk that created the need for AB 617. Therefore, the amount of directly fee recoverable work related to permitted sources should be 26% of the partially fee recoverable program costs at a minimum – ($8 million x 0.26 = $2.1 million). As the Air District develops more detailed facility specific health impacts for local communities through the AB617 Community Emission Reduction Program process, fees will be increased or decreased proportionally.

Because all permitted facilities or stationary sources contribute to emissions that may impact public health in our communities, the proposed fee would be charged to all permitted and registered facilities during permit renewal. Based on the estimated cost of $2.1 million, Air District staff is proposing a fee of 5.7% of each facility's total annual permit/registration renewal fees with a maximum cap of $70,000 per year, which is projected to recover the estimated Air District costs in excess of direct funding from CARB for non-recoverable AB 617 activities.

Other changes to Section 3-327:

The proposed amendment will add references in Section 3-327 to Schedule W (Petroleum Refining Emissions Tracking Fees) and Schedule X (Major Stationary Source Community Air Monitoring Fees) since fees assessed during permit renewal are typically listed in this section. The processing fees for renewal of Permits to Operate specified in subsections 3-327.1 through 3-327.6 would be increased by 3.1 percent (based on the CPI-W).

- Section 3-336: Open Burning Operation Fees

Section 3-336 is revised to reflect recent changes to the Air District Regulation 5 Open Burning regarding prescribed burning.

- Section 3-337: Exemption Fee

The proposed amendment to Section 3-337 is a 3.1 percent increase (based on the CPI-W) in the filing fee for a certificate of exemption, from $508 to $524.

- Section 3-341, Fee for Risk Reduction Plan

Section 3-341 is revised to increase the Risk Reduction Plan submittal fees by 3.1 percent

(based on the CPI-W).

- Section 3-342, Fee for Facility-Wide Health Risk Assessment (HRA)

Section 3-342 is revised to increase the HRA review fees by 3.1 percent (based on the CPI-W).

- Section 3-343: Fees for Air Dispersion Modeling

Section 3-343 is revised to increase the hourly charges for air dispersion modeling by 3.1 percent (based on the CPI-W) from $213 to $220.

Fee Schedules:

Schedule A: Hearing Board Fees

Based on the cost recovery methodology listed in Table 1, the fees in Schedule A would be increased by 15 percent. The schedules of fees for excess emissions (Schedule A: Table I) and visible emissions (Schedule A: Table II) would also be increased by 15 percent.

Schedule B: Combustion of Fuel

Based on the cost recovery methodology listed in Table 1, the fees in Schedule B would be increased by 3.1 percent (based on the CPI-W).

Schedule C: Stationary Containers for the Storage of Organic Liquids

Based on the cost recovery methodology listed in Table 1, the fees in Schedule C would not be increased, except for the base fee for a health risk assessment for a source covered by Schedule C, which would be increased by 3.1 percent from $508 to $524.

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

A 3.1 percent increase is proposed, although the cost recovery methodology would have allowed a 7% increase, except for the base fee for a health risk assessment for a source covered by Schedule D, which would be increased by 3.1 percent from $508 to $524. Schedule D covers gasoline stations and many are considered small businesses.

Schedule E: Solvent Evaporating Sources

A 3.1 percent increase is proposed, although the cost recovery methodology would have allowed a 9% increase, except for the base fee for a health risk assessment for a source

covered by Schedule E, which would be increased by 3.1 percent from $508 to $524. Schedule E covers a wide range of coating operations, including auto body shops, which can be small businesses.

Schedule F: Miscellaneous Sources

Based on the cost recovery methodology listed in Table 1, the fees in Schedule F would be increased by 3.1 percent. The base fee for a health risk screening analysis for a source covered by Schedule F would be increased by 3.1 percent, from $508 to $524. The base fee for a health risk screening analysis in Schedule F is included in the risk assessment fee (RAF) for the first toxic air contaminant (TAC) source in the application.

Schedule G-1: Miscellaneous Sources

Based on the cost recovery methodology listed in Table 1, the fees in Schedule G-1 would be increased by 15 percent, except for the base fee for a health risk screening analysis for a source covered by Schedule G-1, which would be increased by 3.1 percent from $508 to $524. The base fee for a health risk screening analysis in Schedule G-1 is included in the RAF for the first TAC source in the application.

Schedule G-2: Miscellaneous Sources

Based on the cost recovery methodology listed in Table 1, the fees in Schedule G-2 would be increased by 9 percent, except for the base fee for a health risk screening analysis for a source covered by Schedule G-2 which would be increased by 3.1 percent from $508 to $524. The base fee for a health risk screening analysis in Schedule G-2 is included in the RAF for the first TAC source in the application.

Schedule G-3: Miscellaneous Sources

Based on the cost recovery methodology listed in Table 1, the fees in Schedule G-3 would be increased by 7 percent, except for the base fee for a health risk screening analysis for a source covered by Schedule G-3, which would be increased by 3.1 percent from $508 to $524. The base fee for a health risk screening analysis in Schedule G-3 is included in the RAF for the first TAC source in the application.

Schedule G-4: Miscellaneous Sources

Based on the cost recovery methodology listed in Table 1, the fees in Schedule G-4 would be increased by 15 percent, except for the base fee for a health risk screening analysis for a source covered by Schedule G-4, which would be increased by 3.1 percent from $508 to $524. The base fee for a health risk screening analysis in Schedule G-4 is included in the RAF for the first TAC source in the application.

Schedule G-5: Miscellaneous Sources

Based on the cost recovery methodology listed in Table 1, the fees in Schedule G-5 would not be increased.

Schedule H: Semiconductor and Related Sources

Based on the cost recovery methodology listed in Table 1, the fees in Schedule H would be increased by 9 percent, except for the base fee for a health risk screening analysis for a source covered by Schedule H, which would be increased by 3.1 percent from $508 to $524.

Schedule I: Dry Cleaners

Based on the cost recovery methodology listed in Table 1, the fees in Schedule I would be increased by 9 percent, except for the base fee for a health risk screening analysis for a source covered by Schedule I, which would be increased by 3.1 percent from $508 to $524.

Schedule K: Solid Waste Disposal Sites

Based on the cost recovery methodology listed in Table 1, the fees in Schedule K would be increased by 15 percent, except for the base fee for a health risk screening analysis for a source covered by Schedule K, which would be increased by 3.1 percent from $508 to $524.

Schedule L: Asbestos Operations

Based on the cost recovery methodology listed in Table 1, the fees in Schedule L would not be increased.

Schedule M: Major Stationary Source Fees

Schedule M is an emissions-based fee schedule that applies to various permitted facilities emitting 50 tons per year or more of organic compounds, sulfur oxides, nitrogen oxides, and/or PM_{10}. Air District staff is proposing a 3.1 percent increase in the Schedule M fee rate based on the annual increase in the Bay Area Consumer Price Index.

Schedule N: Toxic Inventory Fees

Schedule N is to cover the costs for the California Air Resources Board's (CARB's) AB 2588 program fees as well as the Engineering Division staff required to work on the AB 2588 toxics emissions inventories, Rule 11-18 implementation costs for facility emissions review, and health risk assessments (HRAs) for facilities that are exempt from Rule 11-18. The Air District's costs for conducting New Source Review HRAs for permit

applications are not fully covered by the HRA fees in the individual schedules. Schedule N covers this deficit between fee schedule HRA fees and actual costs.

Schedule N fees are spread out across all permitted facilities based on weighted emissions of toxic air contaminants. Facilities with higher emissions of toxic air contaminants are charged higher Schedule N fees. The language in Fee Schedule N (Toxic Inventory Fees) has been revised to clarify the methodology used by the Air District to calculate the facility's weighted toxic inventory.

Schedule P: Major Facility Review Fees

Based on the cost recovery methodology listed in Table 1, the fees in Schedule P would be increased by 7 percent.

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

The fees in Schedule Q would not be increased since the Air District does not currently assess this fee.

Schedule R: Equipment Registration Fees

The fees in Schedule R would not be increased. Many of these facilities subject to equipment registration requirements are small businesses.

Schedule S: Naturally Occurring Asbestos Operations

Based on the cost recovery methodology listed in Table 1, the fees in Schedule S would be increased by 15 percent.

Schedule T: Greenhouse Gas Fees

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

Schedule U: Indirect Source Review Fees

The fees in Schedule U would not be increased since the Air District does not currently assess this fee.

Schedule V: Open Burning

Schedule V would not be increased, although the cost recovery methodology would have allowed a 15 percent. This will limit the burden on public agencies' and other entities conducting prescribed burns for wildfire prevention. The language in Schedule V was amended to reflect recent Regulation 5 amendments.

Schedule W: Petroleum Refining Emissions Tracking Fees

Based on the cost recovery methodology listed in Table 1, the fees in Schedule W would be increased by 15 percent. Schedule W was based on estimated staff costs to review and approve the refinery emission inventories and crude slate information. However, the first sets of inventories received were significantly more complex than anticipated and the Air District spent additional time and effort verifying emissions from the sources with the largest emissions than what was originally estimated when Schedule W was adopted. With each successive set of inventories, staff has continued concentration and verification of additional source categories. In addition, engineering staff have been updating and revising the Refinery Emissions Inventory Guidelines and working on the heavy liquid fugitive components study. These efforts were not envisioned at the time of the fee's introduction.

Schedule X: Major Stationary Source Community Air Monitoring Fees

Based on the cost recovery methodology listed in Table 1, the fees in Schedule X would not be increased.

4. FEE REVENUE AND COSTS OF PROGRAM ACTIVITIES

On an overall basis, the 2020 Cost Recovery Study (a copy of which is available on request) concluded that, for FYE 2019, fee revenue recovered 86.1 percent of regulatory program activity costs, with revenue of $48.1 million and costs of $55.9 million. This resulted in a shortfall, or cost recovery gap, of $7.8 million which was filled by county tax revenue. The proposed fee amendments for FYE 2021 are projected to increase overall Air District fee revenue by approximately $2.52 million relative to fee revenue levels that would be expected without the amendments. Revenue in FYE 2021 is expected to remain below the Air District's regulatory program costs for both permitted and non-permitted sources.

For years, the Air District has implemented aggressive cost containment measures that included reducing capital expenditures and maintaining a hiring freeze that resulted in historically high staff vacancy rates.

In the FYE 2020 Budget, the Air District proposes to fill 410 Full Time Equivalent (FTE), with no increase in staffing level. Assembly Bill (AB) 617, passed by the Legislature and signed by the Governor in 2017, establishes new, comprehensive air quality planning requirements for the California Air Resources Board (CARB) and local air districts. The bill requires CARB and the Air District to engage with communities to analyze and reduce localized cumulative exposure to air pollution to improve health in the most disproportionately impacted communities. CARB and the Air District will: 1) identify impacted communities in the Bay Area; 2) develop and implement monitoring programs to better understand local air pollution sources and exposures, and; 3) develop and

implement community action plans to reduce local emissions and exposures. Air District AB 617 implementation activities will cut across all divisions and will represent a major focus for the agency in FYE 2021 and beyond. Additional Air District initiatives include work on Methane Strategies, Organics Recovery and Diesel Free by '33.

Over the past several years, the Air District has continued to implement cost containment and efficiency-based strategies. Some of these strategies include: unfilled vacancies, timekeeping improvements, greater field capabilities, annual updates to cost recovery, improved public education, submittal of online permit applications, and availability of permit status online through the New Production System. Implementing these strategies have resulted in efficiencies as well as the ability to provide a higher service level. The Air District is actively transitioning to the New Production System, which currently includes an on-line portal for the regulated community for high-volume categories including gas stations, dry cleaners, auto body shops, other permit registrations, and asbestos notifications. This system will be expanding to additional facility types. These tools will increase efficiency and accuracy by allowing customers to submit applications, report data for the emissions inventory, pay invoices and have access to permit documents.

The Air District continues to be fiscally prudent by maintaining its reserves. Reserves address future capital equipment and facility needs, uncertainties in State funding and external factors affecting the economy that could impact the Air District's ability to balance its budgets. While the increased pickup of pension costs by employees reduced the Air District's annual obligation, premiums in employee health benefit, pension costs and OPEB obligations continue to grow. Over the last few years, the Air District has made significant efforts in funding its obligations for OPEB by making additional contributions to fund its unfunded liability. Based on June 30, 2017 actuarial valuation study for OPEB, the Air District's plan is approximately 68% funded; leaving an unfunded liability of 32% or $19.0 million. As a part of the FYE 2016 Budget, the Board adopted a minimum OPEB funding target policy of 90%. The FYE 2020 Budget includes the continuation of this funding with a $4.0 million contribution.

The Air District's pension obligation is also growing; especially with recent changes in actuarial assumptions by CalPERS. As a result, CalPERS anticipates increased employer rates over the next 5 years. Based on the June 30, 2017 CalPERS actuarial valuation study, the Air District is currently funded at approximately 75%; leaving an unfunded liability of 25% or approximately $75 million. Given these potential impacts, the FYE 2020 Budget includes continuation of $1.0 million in discretionary contributions, which will be used for the sole purpose of reducing the unfunded liability to minimize the impact of future rate increases for the Air District.

5. STATUTORY AUTHORITY FOR PROPOSED FEE INCREASES

The Air District is a regional regulatory agency, and its fees are used to recover the costs of issuing permits, performing inspections, and other associated regulatory activities. The Air District's fees fall into the category specified in Section 1(e) of Article XIII C of the California Constitution which specifies that charges of this type assessed to regulated entities to recover regulatory program activity costs are not taxes. The amount of fee

revenue collected by the Air District has been clearly shown to be much less than the costs of the Air District's regulatory program activities both for permitted and non-permitted sources.

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

Since 2006, the Air District has used annual analyses of cost recovery performed at the fee-schedule level, which is based on data collected from a labor-tracking system, to adjust fees. These adjustments are needed as the Air District's regulatory program activities change over time based on changes in statutes, rules and regulations, enforcement priorities, and other factors.

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

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

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

H&S Code section 42311(g) authorizes air districts to adopt a schedule of fees to be assessed on area-wide or indirect sources of emissions, which are regulated but for which permits are not issued by the air district, to recover the costs of air district programs related to these sources. This section provides the authority for the Air District to collect

asbestos fees (including fees for Naturally Occurring Asbestos operations), soil excavation reporting fees, registration fees for various types of regulated equipment, for Indirect Source Review, and fees for open burning.

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

6. ASSOCIATED IMPACTS AND OTHER RULE DEVELOPMENT REQUIREMENTS

6.1 EMISSIONS IMPACTS

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

6.2 ECONOMIC IMPACTS

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

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

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

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

Facility Type	Current Fees (prior to change)	Proposed Fees (post change)	Proposed Fee Increase	Proposed % Increase
Gas Station[1,2]	$239	$287	$48	20%
Dry Cleaner (registered)[1]	$259	$274	$15	6%
Auto Body Shop[1,3]	$729	$820	$91	13%
Back-up Generator[1,3]	$382	$442	$61	16%

Notes:

1. Assuming facility has only one source.

2. Assuming source has one single-product gasoline nozzle.

3. Assuming source qualifies for minimum fee.

For larger facilities, such as refineries and power plants, increases in annual permit renewal fees would cover a considerable range due to differences in the facility's size, mix of emission sources, pollutant emission rates and applicable fee schedules. As shown in Table 5, the FYE 2020 annual permit fee increase for the five Bay Area refineries would range from approximately 8.5 to 12.8 percent. The annual permit fee increases for power generating facilities shown in Table 6 would range from approximately 11.8 to 13.1 percent. Projected FYE 2021 fee increases are based on FYE 2020 material throughput data. Table 5 and 6 also include current Permit to Operate fees paid and historical annual fee increases.

Table 5. Refinery Permit to Operate Fee Comparison

	Annual % Permit Fee Increase/Decrease (Fiscal Year Ending)					2020 Permit Fee
	2017	2018	2019*	2020	*2021 Projected*	
Chevron	14.7	1.2	-0.5	0.8	8.5	$3.7 M
Shell	15.0	4.0	5.6	0.9	9.7	$3.5 M
Phillips 66	14.6	2.3	4.2	13.6	12.8	$1.9 M
Valero	15.0	2.4	-0.2	22.5	11.6	$2.3 M
Tesoro	2.2	-8.5	15	21.5	10.1	$2.9 M

*Permits to Operate extended from 8/1/18 to 12/1/2019 (16 months) to allow use of Rule 12-15 emission inventories to calculate emissions and permit renewal fees. Increase based on ratioed (12/16) amount.

Table 6. Power Plant Permit to Operate Fee Comparison

	Annual % Permit Fee Increase/Decrease (Fiscal Year Ending)					2020 Permit Fee
	2017	2018	2019	2020	*2021 Projected*	
Delta Energy	-0.8	-7.0	-13.5	5.8	11.4	$ 460,000
Los Medanos	-6.0	7.3	15.0	6.9	11.7	$ 400,000
Gateway	8.5	-7.6	12.0	6.0	11.6	$ 360,000
Crockett Cogen	0.8	2.5	0	5.8	13.1	$ 270,000

6.3 ENVIRONMENTAL IMPACTS

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

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

6.4 STATUTORY FINDINGS

Pursuant to H&S Code section 40727, regulatory amendments must meet findings of

necessity, authority, clarity, consistency, non-duplication, and reference. The proposed amendments to Regulation 3:

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

7. RULE DEVELOPMENT PROCESS

In response to comments received during the FYE 2020 Budget and Fee Regulation Amendments process, on September 20, 2019, the Air District established a Budget Advisory Group, which is made up of the following members: The Board of Directors' Budget and Finance Committee chair and co-chair, Air District Finance, Engineering, and Legal staff, and representatives from the California Council of Environmental and Economic Balance and the Western States Petroleum Association. The Budget Advisory Group was formed to promote greater participation and input in the annual Budget and Fee Regulation Amendments process. The Budget Advisory Group has met at the Air District offices on January 27, 2020 and March 16, 2020.

On February 3, 2020, the Air District issued a notice for a public workshop to discuss with interested parties an initial proposal to amend Regulation 3, Fees. Distribution of this notice included all Air District-permitted and registered facilities, asbestos contractors, and a number of other potentially interested stakeholders. The notice was also posted on the Air District website. A public workshop and simultaneous webcast were held on February 18, 2020 to discuss the initial Regulation 3 fee proposal.

On March 25, 2020 Air District staff provided a briefing on the proposed fee amendments to the Air District Board of Directors' Budget and Finance Committee.

Under H&S Code section 41512.5, the adoption or revision of fees for non-permitted sources requires two public hearings that are held at least 30 days apart from one another. This provision applies to Schedule L: Asbestos Operations, Schedule Q: Excavation of Contaminated Soil and Removal of Underground Storage Tanks, Schedule R: Equipment Registration Fees, Schedule S: Naturally Occurring Asbestos Operations, Schedule U: Indirect Source Fees, and Schedule V: Open Burning. A Public Hearing Notice for the proposed Regulation 3 was published on March 12, 2020 and posted on the Air District website. An initial public hearing to consider testimony on the proposed amendments was held on April 15, 2020. The proposed amendments will be further

discussed at the April 22, 2020, Budget & Finance Committee meeting. Written public hearing comments are due by May 8, 2020. A second public hearing, to consider adoption of the proposed fee amendments, has been scheduled for June 3, 2020, or as soon thereafter as the matter may be heard. If adopted, the amendments would be made effective on July 1, 2020.

8. PUBLIC COMMENTS

8.1 Public Workshop Comments – Regulation 3, Fees

The Air District held a public workshop on February 18, 2020 to discuss draft amendments to Regulation 3: Fees. There were four attendees plus the webcast audience. Written comments were received on the Regulation 3, Fees proposal as follows:

WSPA Comments dated March 20, 2020

Comments & Responses to be provided separately and posted.

CCEEB Comments dated March 20, 2020

Comments & Responses to be provided separately and posted.

8.2 Public Hearing Comments – Regulation 3, Fees

[Comments & Responses to be inserted. Comments due by May 8, 2020.]

9. CONCLUSIONS

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

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

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

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

STAFF REPORT

PROPOSED AMENDMENTS TO BAAQMD REGULATION 3: FEES

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

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

PURPOSE

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

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

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

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

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

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

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

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

implementation of a number of strategies to contain costs.

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

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

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

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

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

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

POLICY

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

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

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

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

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

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

DRAFT STAFF REPORT

PROPOSED AMENDMENTS TO BAAQMD REGULATION 3: FEES

APPENDIX B
PROPOSED REGULATORY LANGUAGE
REGULATION 3: FEES

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Rod Sinks and Members of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 2, 2020

Re: Report of the Stationary Source Committee Meeting of October 1, 2020

RECOMMENDED ACTION

The Stationary Source Committee (Committee) received only an informational item and have no recommendations of approval by the Board of Directors (Board).

BACKGROUND

The Committee met on Thursday, October 1, 2020, and received the following report:

A) Update on the Development of Amendments to Regulation 6, Rule 5 (Rule 6-5): Particulate Emissions from Petroleum Refinery Fluidized Catalytic Cracking Units.

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

BUDGET CONSIDERATION/FINANCIAL IMPACT

A) None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Aloha de Guzman
Reviewed by: Vanessa Johnson

Attachment 13A: 10/1/2020 – Stationary Source Committee Meeting Agenda #3

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 22, 2020

Re: Update on the Development of Amendments to Regulation 6, Rule 5 (Rule 6-5): Particulate Emissions from Petroleum Refinery Fluidized Catalytic Cracking Units

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

California Assembly Bill 617 (AB 617) directed local air districts to adopt an expedited schedule for implementation of Best Available Retrofit Control Technology (BARCT) at industrial Cap-and-Trade sources. The AB 617 Expedited BARCT Implementation Schedule was adopted by the Air District Board of Directors in December 2018 and identified several potential rule development efforts to further reduce emissions of criteria pollutants at these sources.

Air District staff is developing amendments to Rule 6-5 to address emissions of particulate matter, including condensable particulate matter, from petroleum refinery fluidized catalytic cracking units. Petroleum refinery fluidized catalytic cracking units (FCCUs) are some of the largest individual sources of particulate matter (PM) emissions in the San Francisco Bay Area, and further reductions of these emissions are needed to ensure progress towards attainment of state and national ambient air quality standards and to achieve further clean air and public health benefits.

DISCUSSION

Air District staff released draft amendments to Rule 6-5 and an Initial Staff Report in May 2020 for public review and comment. The draft amendments include new and modified limits on ammonia and sulfur dioxide, which can contribute to the formation of particulate matter. The draft amendments also include a limit on total PM_{10}, which includes both filterable and condensable particulate matter. Staff has received public comments on the draft amendment materials for consideration and continues to engage with stakeholders and interested parties in the further development of these amendments. Staff anticipates presenting proposed amendments for the Board of Directors consideration in the fourth quarter of 2020 or first quarter of 2021.

Air District staff presented updates on the development of amendments to Rule 6-5 to the Stationary Source Committee on June 17, 2020. Air District staff presented additional information on the draft amendments and more stringent potential control options to the Stationary Source Committee on July 29, 2020, along with preliminary results of dispersion modeling on the impacts of large PM sources. Staff will provide further information regarding the potential impacts of the draft amendments and other potential control options, including updates on estimates of compliance costs, emissions impacts, socioeconomic impacts, and other environmental considerations. These estimates may continue to be refined as the rule development process moves forward and as additional information becomes available.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: David Joe
Reviewed by: Elizabeth Yura

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Rod Sinks and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 2, 2020

Re: Report of the Personnel Committee Meeting of October 5, 2020

RECOMMENDED ACTION

The Personnel Committee (Committee) recommends Board of Directors approval of the following item:

A) Conduct Interviews and Consider Recommending Board of Directors Approval of Candidates for Appointment to the Air District's Hearing Board.

BACKGROUND

The Committee will meet on Monday, October 5, 2020 and receive the following report:

A) Conduct Interviews and Consider Recommending Board of Directors Approval of Candidates for Appointment to the Air District's Hearing Board.

Chairperson Jim Spering will provide an oral report of the Committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

A) None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Marjorie Villanueva
Reviewed by: Vanessa Johnson

Attachment 14A: 10/05/20 – Personnel Committee Meeting Agenda #3

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Jim Spering and Members
of the Personnel Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: September 28, 2020

Re: Conduct Interviews and Consider Recommending Board of Directors Approval of Candidates for Appointment to the Air District's Hearing Board

RECOMMENDED ACTION

Conduct interviews and consider recommending Board of Directors approval of candidates for appointment to the Air District's Hearing Board.

BACKGROUND

Pursuant to Section 40800 of the California Health and Safety Code, the Air District is required to maintain a Hearing Board consisting of five members including, one member who is a professional engineer registered as such pursuant to the Professional Engineers Act (Chapter 7 (commencing with Section 6700) of Division 3 of the Business and Professions Code), one member from the medical profession whose specialized skills, training, or interests are in the fields of environmental medicine, community medicine, or occupational/toxicologic medicine, one member admitted to the practice of law in this state, and two public members. The Air District Board of Directors may also appoint one alternate for each member. The alternate shall have the same qualifications, specified in Section 40801, as the member for whom such person is the alternate. The alternate may serve only in the absence of the member, and for the same term as the member.

Pursuant to Division I, Section 8.6 of the Air District's Administrative Code, Hearing Board Member terms are limited to fifteen (15) consecutive years, with reappointment possible after a three-year absence.

DISCUSSION

The Principal "A" Hearing Board member in the Public Category resigned on January 6, 2020; the term of the Alternate "A" Hearing Board member in the Public Category expired on April 19, 2020; the term of the Principal "B" Hearing Board member in the Public Category expired on July 11, 2020; the term of the Alternate "B" Hearing Board member in the Public Category expired on July 11, 2020; the Alternate Hearing Board position in the Professional Engineer Category became vacant when the person who held that title was appointed to the Principal seat in the same category on September 18, 2019; the term of the Alternate Hearing Board member in the Medical Category expired on July 19, 2019. As a result, there are six positions to fill.

Position	Became Vacant	Reason for Vacancy	# of Candidates
PUBLIC CATEGORY			
Principal A	1/6/2020	Resignation	15
Alternate A	4/19/2020	Term Expired	
Principal B	7/11/2020	Term Expired	
Alternate B	7/11/2020	Term Expired	
PROFESSIONAL ENGINEER CATEGORY			
Alternate	9/18/2019	Promoted	0
MEDICAL CATEGORY			
Alternate	7/19/2019	Term Expired	1

Staff initiated a recruitment to fill these positions. After extensive recruitment and outreach efforts, staff received 16 applications, 15 for the Principal and Alternate Hearing Board member in the Public Category, and one (1) in the Hearing Board Alternate Member in the Medical Profession. Staff have assessed the candidates' experience and education relative to the position for which the candidates applied and have top candidates with the most relevant qualifications to procced to interviews with the Personnel Committee.

Interviews of the candidates will occur during the Personnel Committee meeting of October 5, 2020. The length of each interview will be approximately 15 minutes. The application materials submitted by the candidates will be provided to you for your review.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Terri Levels
Reviewed by: Rex Sanders

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Rod Sinks and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 2, 2020

Re: Cut the Commute Program

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

The nine-county Bay Area region's traffic and air quality has benefited greatly from the COVID-19 imposed "work from home" requirements. Far fewer automobiles traveling our highways has translated into reduced transportation related air pollution and greenhouse gases (GHG). However, in mid-August, the Bay Area was besieged with more than 2,500 lightning strikes sparking wildfires smothering the Bay Area in unhealthy wildfire smoke for more than a month. The air quality improvements made from the "work from home" orders were quickly wiped away by thick wildfire smoke that hung in Bay Area skies.

Two defining lessons have been learned from Spring 2020 and Summer 2020:

1) Less cars on Bay Area roadways significantly improves air quality for our eight million residents; and

2) Climate change is having significant and profound impacts on our air quality and health from increasingly ravaging wildfires and prolonged wildfire smoke.

Now is the time to take advantage of the current shift so many Bay Area residents and employers are experiencing and move toward more reliance on working from home to reduce air pollution, GHG's, commute congestion, and commuter fatigue. Bay Area businesses are proving they can remain competitive with employees working from home.

We are working on developing an amendment to the Commuter Benefits rule creating a clear definition and stronger telecommute option for employers to select and offer to their employees. Following that, we will develop a robust messaging campaign encouraging Bay Area employers to adopt a strong work from home or telecommute policy and actively encourage their workforce to continue working from home once we are beyond COVID-19.

BACKGROUND

On July 13, 2020, the Air District, along with Board Chair Sinks, Vice-Chair Cindy Chavez, Vice President at Flipboard Marci McCue, Chief Executive Officer at San Jose Water Company Eric Thornberg, and Chief Executive Officer of the Silicon Valley Leadership Group Carl Guardino, came together to announce the 'Cut the Commute" pledge. This voluntary pledge is being promoted to Bay Area's 101 cities and nine counties, as well as Bay Area employers who are making a commitment to a permanent work from home policy.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding for this effort will be split between the 2020 and 2021 budget years.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Lisa Fasano
Reviewed by: Wayne Kino

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Rod Sinks and Members of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: October 2, 2020

Re: Overview of Governor's Executive Order N-79-20

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

On September 23, 2020, Governor Newsom signed a far-reaching Executive Order (see Attachment 15A) seeking to aggressively move the state further away from reliance on fossil fuels. The Executive Order specifically targets the State's transportation and fuels sector, as it is responsible for more than half of all of California's greenhouse gas emissions, 80 percent of smog-forming nitrogen oxide pollution and 95 percent of toxic diesel emissions.

The Executive Order tasks a number of State agencies with planning and rulemaking including the California Air Resources Board (CARB), which is charged with developing statewide standards for the operation and sale of cars, light, medium- and heavy-duty trucks and buses; drayage trucks and off-road vehicles and equipment. The Executive Order sets deliverables for State agencies relative to transit integration, workforce transition and oil extraction.

DISCUSSION

The Executive Order specifically contains the following goals:

Zero Emissions Vehicles (ZEV) and Infrastructure

- All in-state passenger car and light duty truck sales will be 100% zero-emission by 2035;
- All in-state Drayage trucks operations will be 100% zero-emission by 2035 where feasible;
- All Off-road vehicles and equipment will be equipment 100% zero-emission by 2035 where feasible;
- All in-state Medium- and Heavy-Duty truck and bus operations will be 100% zero-emission by 2045 where feasible;

- CARB will develop rules consistent with State and Federal law and in consultation with the United States Environmental Protection Agency (USEPA) and air districts to accomplish the latter, considering technological feasibility and cost effectiveness;
- The State Office of Business and Economic Development (CBED), CARB, Energy Commission (CEC), Public Utilities Commission (CPUC), Transportation Agency, Department of Finance (DOF), other state and local agencies and private entities shall develop a Zero-Emission Vehicle (ZEV) Market Development Strategy by January 31, 2021, to coordinate strategies and policies that allow the Executive Order to be implemented;
    - These entities are also tasked with ensuring new and used ZEVs are available to all Californians;
- CARB, CEC and CPUC are also charged with accelerated deployment of affordable fueling infrastructure, focusing on low-income and disadvantaged areas; and
- CARB, CEC and CPUC must also continue to perform biannual assessments of infrastructure to support ZEV adoption.

Transit and Infrastructure

- State Transportation agencies and DOF are required where feasible to build towards an integrated statewide rail and transit network to provide seamless and multimodal transportation for all, including: bicycle, pedestrian, and micro transit in disadvantaged communities;
    - They are also required to consider ZEV infrastructure as part of building projects where appropriate.

Workforce Transition

- The Labor and Workforce Development Agency Development, Office of Planning and Research (OPR) and DOF are required to develop a "Just Transition Roadmap" by July 15, 2021, which will focus on a transition away from fossil fuels to achieve carbon neutrality by 2045;

Transition Away from Fossil Fuels

- The California Environmental Protection Agency (CEPA) and California Natural Resources Agency (CNRA) are tasked with expediting regulations to repurpose and transition upstream and downstream oil production facilities;
    - They are to do this while taking into consideration community participation, labor participation, while protecting public health, safety and the environment as part of an action plan due by July 15, 2021.
- CARB is required to propose strategies to continue to reduce carbon intensity of fuels beyond 2030.
- CEPA, CNRA, OPR, DOF and CBED will develop strategies to remediate and expedite closure of oil extraction sites by July 15, 2021.

- The Department of Conservation's Geologic Energy Management Division shall strictly enforce requirements, so oil extractors are responsible for sit clean up. This division shall also:
    - Propose strengthened health and safety rules that protect the public and workers from the impacts of oil extraction activities.

This broad and aggressive response to climate change meshes well with the Air District's goals for Bay Area decarbonization and our AB 617, Climate, Grants, Spare the Air, Clean Cars for All, and Diesel Free by '33 initiatives. However, there are some significant challenges to implementing this vision from a legal (see Attachment 15B) and technological perspective.

As part of this agenda item, staff will update the Board on the Executive Order, how it meshes with Air District initiatives and some of the challenges related to its implementation.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Damian Breen & Alan Abbs
Reviewed by: Jack P. Broadbent

Attachment 16A: Governor's Executive Order N-79-20
Attachment 16B: USEPA Administrator Wheeler's Response to Executive Order N-79-20

EXECUTIVE DEPARTMENT
STATE OF CALIFORNIA

EXECUTIVE ORDER N-79-20

WHEREAS the climate change crisis is happening now, impacting California in unprecedented ways, and affecting the health and safety of too many Californians; and

WHEREAS we must accelerate our actions to mitigate and adapt to climate change, and more quickly move toward our low-carbon, sustainable and resilient future; and

WHEREAS the COVID-19 pandemic has disrupted the entire transportation sector, bringing a sharp decline in demand for fuels and adversely impacting public transportation; and

WHEREAS as our economy recovers, we must accelerate the transition to a carbon neutral future that supports the retention and creation of high-road, high-quality jobs; and

WHEREAS California's long-term economic resilience requires bold action to eliminate emissions from transportation, which is the largest source of emissions in the State; and

WHEREAS the State must prioritize clean transportation solutions that are accessible to all Californians, particularly those who are low-income or experience a disproportionate share of pollution; and

WHEREAS zero emissions technologies, especially trucks and equipment, reduce both greenhouse gas emissions and toxic air pollutants that disproportionately burden our disadvantaged communities of color; and

WHEREAS California is a world leader in manufacturing and deploying zero-emission vehicles and chargers and fueling stations for cars, trucks, buses and freight-related equipment; and

WHEREAS passenger rail, transit, bicycle and pedestrian infrastructure, and micro-mobility options are critical components to the State achieving carbon neutrality and connecting communities, requiring coordination of investments and work with all levels of governments including rail and transit agencies to support these mobility options; and

WHEREAS California's policies have contributed to an on-going reduction in in-state oil extraction, which has declined by over 60 percent since 1985, but demand for oil has not correspondingly declined over the same period of time; and

WHEREAS California is already working to decarbonize the transportation fuel sector through the Low Carbon Fuel Standard, which recognizes the full life cycle of carbon in transportation emissions including transport into the State; and

WHEREAS clean renewable fuels play a role as California transitions to a decarbonized transportation sector; and

WHEREAS to protect the health and safety of our communities and workers the State must focus on the impacts of oil extraction as it transitions away from fossil fuel, by working to end the issuance of new hydraulic fracturing permits by 2024; and

WHEREAS a sustainable and inclusive economic future for California will require retaining and creating high-road, high-quality jobs through sustained engagement with communities, workers and industries in changing and growing industries.

NOW THEREFORE, I, GAVIN NEWSOM, Governor of the State of California by virtue of the power and authority vested in me by the Constitution and the statutes of the State of California, do hereby issue the following Order to pursue actions necessary to combat the climate crisis.

IT IS HEREBY ORDERED THAT:

1. It shall be a goal of the State that 100 percent of in-state sales of new passenger cars and trucks will be zero-emission by 2035. It shall be a further goal of the State that 100 percent of medium- and heavy-duty vehicles in the State be zero-emission by 2045 for all operations where feasible and by 2035 for drayage trucks. It shall be further a goal of the State to transition to 100 percent zero-emission off-road vehicles and equipment by 2035 where feasible.

2. The State Air Resources Board, to the extent consistent with State and federal law, shall develop and propose:

    a) Passenger vehicle and truck regulations requiring increasing volumes of new zero-emission vehicles sold in the State towards the target of 100 percent of in-state sales by 2035.

    b) Medium- and heavy-duty vehicle regulations requiring increasing volumes of new zero-emission trucks and buses sold and operated in the State towards the target of 100 percent of the fleet transitioning to zero-emission vehicles by 2045 everywhere feasible and for all drayage trucks to be zero-emission by 2035.

    c) Strategies, in coordination with other State agencies, U.S. Environmental Protection Agency and local air districts, to achieve 100 percent zero-emission from off-road vehicles and equipment operations in the State by 2035.

    In implementing this Paragraph, the State Air Resources Board shall act consistently with technological feasibility and cost-effectiveness.

3. The Governor's Office of Business and Economic Development, in consultation with the State Air Resources Board, Energy Commission, Public Utilities Commission, State Transportation Agency, the

Department of Finance and other State agencies, local agencies and the private sector, shall develop a Zero-Emissions Vehicle Market Development Strategy by January 31, 2021, and update every three years thereafter, that:

a) Ensures coordinated and expeditious implementation of the system of policies, programs and regulations necessary to achieve the goals and orders established by this Order.

b) Outlines State agencies' actions to support new and used zero-emission vehicle markets for broad accessibility for all Californians.

4. The State Air Resources Board, the Energy Commission, Public Utilities Commission and other relevant State agencies, shall use existing authorities to accelerate deployment of affordable fueling and charging options for zero-emission vehicles, in ways that serve all communities and in particular low-income and disadvantaged communities, consistent with State and federal law.

5. The Energy Commission, in consultation with the State Air Resources Board and the Public Utilities Commission, shall update the biennial statewide assessment of zero-emission vehicle infrastructure required by Assembly Bill 2127 (Chapter 365, Statues of 2018) to support the levels of electric vehicle adoption required by this Order.

6. The State Transportation Agency, the Department of Transportation and the California Transportation Commission, in consultation with the Department of Finance and other State agencies, shall by July 15, 2021 identify near term actions, and investment strategies, to improve clean transportation, sustainable freight and transit options, while continuing a "fix-it-first" approach to our transportation system, including where feasible:

a) Building towards an integrated, statewide rail and transit network, consistent with the California State Rail Plan, to provide seamless, affordable multimodal travel options for all.

b) Supporting bicycle, pedestrian, and micro-mobility options, particularly in low-income and disadvantaged communities in the State, by incorporating safe and accessible infrastructure into projects where appropriate.

c) Supporting light, medium, and heavy duty zero-emission vehicles and infrastructure as part of larger transportation projects, where appropriate.

7. The Labor and Workforce Development Agency and the Office of Planning and Research, in consultation with the Department of Finance and other State agencies, shall develop by July 15, 2021 and expeditiously implement a Just Transition Roadmap, consistent with the recommendations in the "Putting California on the High Road: A Jobs and Climate Action Plan for 2030" report pursuant to Assembly Bill 398 (Chapter 135, Statutes of 2017).

8. To support the transition away from fossil fuels consistent with the goals established in this Order and California's goal to achieve carbon neutrality by no later than 2045, the California Environmental Protection Agency and the California Natural Resources Agency, in consultation with other State, local and federal agencies, shall expedite regulatory processes to repurpose and transition upstream and downstream oil production facilities, while supporting community participation, labor standards, and protection of public health, safety and the environment. The agencies shall report on progress and provide an action plan, including necessary changes in regulations, laws or resources, by July 15, 2021.

9. The State Air Resources Board, in consultation with other State agencies, shall develop and propose strategies to continue the State's current efforts to reduce the carbon intensity of fuels beyond 2030 with consideration of the full life cycle of carbon.

10. The California Environmental Protection Agency and the California Natural Resources Agency, in consultation with the Office of Planning and Research, the Department of Finance, the Governor's Office of Business and Economic Development and other local and federal agencies, shall develop strategies, recommendations and actions by July 15, 2021 to manage and expedite the responsible closure and remediation of former oil extraction sites as the State transitions to a carbon-neutral economy.

11. The Department of Conservation's Geologic Energy Management Division and other relevant State agencies shall strictly enforce bonding requirements and other regulations to ensure oil extraction operators are responsible for the proper closure and remediation of their sites.

12. The Department of Conservation's Geologic Energy Management Division shall:

    a) Propose a significantly strengthened, stringent, science-based health and safety draft rule that protects communities and workers from the impacts of oil extraction activities by December 31, 2020.

    b) Post on its website for public review and consultation a draft rule at least 60 days before submitting to the Office of Administrative Law.

IT IS FURTHER ORDERED that as soon as hereafter possible, the Order be filed in the Office of the Secretary of State and that widespread publicity and notice be given of this Order.

This Order is not intended to, and does not, create any rights or benefits, substantive or procedural, enforceable at law or in equity, against the State of California, its agencies, departments, entities, officers, employees, or any other person.

IN WITNESS WHEREOF I have hereunto set my hand and caused the Great Seal of the State of California to be affixed this 23rd day of September 2020.

GAVIN NEWSOM
Governor of California

ATTEST:

ALEX PADILLA
Secretary of State

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

September 28, 2020

THE ADMINISTRATOR

Governor Gavin Newsom
1303 10th Street, Suite 1173
Sacramento, CA 95814

Dear Governor Newsom,

Your recent Executive Order (EO) establishing a goal that 100 percent of new vehicle sales be zero emission by 2035 raises serious questions regarding its legality and practicality. As you are aware, the U.S. Environmental Protection Agency (EPA) in 2019 withdrew California's waiver of Clean Air Act preemption for the State's greenhouse gas standards for light duty vehicles and its zero-emissions vehicle program. While the EO seems to be mostly aspirational and on its own would accomplish very little, any attempt by the California Air Resources Board to implement sections of it may require California to request a waiver to U.S. EPA.

Beyond the significant questions of legality and the fact that consumer demand for the type of vehicle you would mandate has never met the aspirations of California's political leadership, your state is already struggling to maintain reliable electricity for today's demands. California's record of rolling blackouts – unprecedented in size and scope – coupled with recent requests to neighboring states for power begs the question of how you expect to run an electric car fleet that will come with significant increases in electricity demand, when you can't even keep the lights on today.

The truth is that if the state were driving 100 percent electric vehicles today, the state would be dealing with even worse power shortages than the ones that have already caused a series of otherwise preventable environmental and public health consequences. For example, in August, after the East Bay Municipal Utility District wastewater treatment plant experienced a power outage for nearly two hours, a pump station failure caused 50,000 gallons of raw sewage to be spilled into California's Oakland Estuary. Also, just this month, the inability to maintain a reliable energy system led the California Independent System Operator (CAISO) to seek an emergency exemption from federal air quality standards in an attempt to maintain power. This request was granted but comes at the cost of increased pollutants such as fine particulate matter and nitrogen oxide in California's air. As noted in CAISO's letter to the U.S. Secretary of Energy, "… in the CAISO's judgment, the loss of power to homes and local businesses in the areas affected by curtailments present a greater risk to public health and safety than the limited departures from those permit limits the CAISO requests here."

The goal of a modern, more efficient and environmentally friendly future is important and shared. At U.S. EPA we have employed a pragmatic and thoughtful approach to fulfilling our

mission. We have modernized regulations that reduce all manner of emissions from power plants, factories, aircraft, and vehicles while avoiding unnecessary consequences. This is why we as a nation lead the world in clean air and clean water progress, as well as overall greenhouse gas emissions reductions.

By setting realistic goals and maintaining a comprehensive awareness of impacts to the economy, we have achieved tangible environmental progress while improving the lives and livelihoods of our citizenry. I urge you to step away from commitments to singular technologies. While it is tempting for federal or state agencies to regulate with a particular technology in mind, it is far more productive to provide innovators the freedom to develop the technologies of tomorrow.

We stand ready to assist so the 40 million residents of California too can enjoy a better environmental future without enduring any unintended harm.

Sincerely,

Andrew R. Wheeler