



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

**BOARD OF DIRECTORS
SPECIAL MEETING**

May 6, 2020

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

- **MEMBERS OF THE BOARD OF DIRECTORS MUST PARTICIPATE BY
TELECONFERENCE**
- **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**

www.baaqmd.gov/bodagendas

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WEBINAR ID: 921 2260 8991**

<https://bayareametro.zoom.us/j/92122608991>

- **PUBLIC COMMENTS WILL BE TAKEN DURING THE TELECONFERENCE.
INSTRUCTIONS WILL BE PROVIDED ON HOW TO COMMENT AT THE START
OF THE MEETING. COMMENTS MAY ALSO BE SUBMITTED AT**

Comments@baaqmd.gov

BOARD OF DIRECTORS SPECIAL MEETING AGENDA

WEDNESDAY
MAY 6, 2020
10:00 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 2-9)

Staff/Phone (415) 749-

2. Minutes of the Board of Directors Meeting of April 15, 2020

Clerk of the Boards/5073

The Board of Directors will consider approving the draft minutes of the Board of Directors Meeting of April 15, 2020.

3. Board Communications Received from April 15, 2020 through May 5, 2020

J. Broadbent/5052
jbroadbent@baaqmd.gov

A copy of communications directed to the Board of Directors received by the Air District from April 15, 2020 through May 5, 2020, if any, will be distributed to the Board Members by way of email.

4. Quarterly Report of the Executive Office and Division Activities for the Months of January 2020 – March 2020

J. Broadbent/5052
jbroadbent@baaqmd.gov

A summary of Board of Directors, Hearing Board, and Advisory Council meeting activities for the first quarter is provided for information only. Also included is a summary of the Executive Office and Division Activities for the months of January 2020 – March 2020.

5. Quarterly Report of California Air Resources Board Representative – Honorable John Gioia
J. Broadbent/5052
jbroadbent@baaqmd.gov

California Air Resources Board (CARB) Representative John Gioia, will provide a summary of the CARB Quarterly Report.

6. Consideration of Authorization to Amend a Contract with Bentley Systems, Inc., for Roadway Telematics Data for Nine Counties
J. Broadbent/5052
jbroadbent@baaqmd.gov

The Board of Directors will consider authorizing the Executive Officer/APCO to execute a contract amendment with Bentley Systems, Inc. (Bentley; formerly CitiLabs) in an amount not to exceed \$227,000.

7. Consideration of Authorization for Execution of Purchase Orders in Excess of \$100,000 Pursuant to Administrative Code Division II Fiscal Policies and Procedures Section 4.3 Contract Limitations
J. Broadbent/5052
jbroadbent@baaqmd.gov

The Board of Directors will consider authorizing the Executive Officer/APCO to execute a purchase order to Trust, Science, Innovation (TSI) Inc., in an amount not to exceed \$105,000 for a highly sensitive, particle sizing analyzer.

8. Consideration of Authorization of a Contract Extension and Execution of a Purchase Order in Excess of \$100,000 to Technical and Business Systems Pursuant to Administrative Code Division II Fiscal Policies and Procedures, Section 4.3 Contract Limitations, for Continued Operation of the BioWatch Monitoring Network
J. Broadbent/5052
jbroadbent@baaqmd.gov

The Board of Directors will consider authorizing the Executive Officer/APCO to issue a contract extension and Purchase Order for an amount not to exceed \$1,420,000 for Technical and Business (T&B) Systems to continue operation and maintenance of the BioWatch monitoring network through June 30, 2021.

9. Participation in Community Air Protection Program Fiscal Year Ending (FYE) 2020
J. Broadbent/5052
jbroadbent@baaqmd.gov

The Board of Directors will consider executing a resolution to approve the Air District's acceptance of the Fiscal Year Ending (FYE) 2020, Community Air Protection Program funds and authorize the Executive Officer/APCO to execute all necessary agreements with the California Air Resources Board (CARB) to implement the program.

COMMITTEE REPORTS

10. Report of the Personnel Committee Meeting of April 15, 2020

CHAIR: J. Spring

J. Broadbent/5052
jbroadbent@baaqmd.gov

For the full Committee agenda packet and materials, click on the link below:

www.baaqmd.gov/bodagendas

11. Report of the Budget and Finance Committee Meeting of April 22, 2020

CHAIR: C. Groom

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee received the following reports:

A) Third Quarter Financial Report – Fiscal Year Ending (FYE) 2020

- 1) *None; receive and file.*

B) Proposed Amendments to Air District Regulation 3: Fees

- 1) *Adopt a new fee for implementation for Assembly Bill (AB) 617 on Title V Facilities; and*
- 2) *Revisit imposition of additional fees later in 2020, as the economic and facility activity level picture become clearer.*

C) Continued Discussion of Proposed Budget for Fiscal Year Ending (FYE) 2021 and Consideration to Recommend Adoption

- 1) *The Executive Officer/APCO requests that the Budget and Finance Committee (Committee) continue discussion of the proposed budget for Fiscal Year Ending (FYE) 2021 and consider recommending that the Board of Directors (Board):*
- A) *Conduct public hearings on the FYE 2021 Proposed Budget; and*
- B) *Adopt the FYE 2021 Proposed Budget.*

For the full Committee agenda packet and materials, click on the link below:

www.baaqmd.gov/bodagendas

12. Report of the Legislative Committee Meeting of April 22, 2020

CHAIR: M. Abe-Koga

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee received the following reports:

A) Sacramento Legislative Update

1) *The Committee will receive an update on recent events of significance in Sacramento.*

B) Air District Sponsored Bills

1) *The Committee will receive an update on two Air District sponsored bills – Assembly Bill (AB) 2882 (Chu and C. Garcia) and AB 3211 (Bauer-Kahan and Bonta).*

C) Consideration of New Bills

1) *The Legislative Committee (Committee) will discuss and review bills and take positions where appropriate. The Committee will also hear an update on further staff discussion regarding Senate Bill (SB) 802 (Glazer) and SB 1099 (Dodd) related to emergency backup generators.*

D) Federal Legislative Update

1) *The Committee will receive an update on recent events of significance in Washington, D.C.*

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 April 22, 2020

CHAIR: J. Bauters

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee received the following report:

A) Rule Making Update and Status Update

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 Mobile Source Committee Meeting of April 22, 2020

CHAIR: D. Canepa

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee received the following reports:

A) Project 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) Vehicle Buy-Back Program Contractor Selection

- 1) *Approve Environmental Engineering Studies, Inc. (EES) and Pick-N-Pull Auto Dismantlers (Pick-N-Pull) as the vehicle retirement contractors and approve Direct Mail Center as the direct mail service contractor for the Fiscal Year Ending (FYE) 2021 Vehicle Buy-Back Program (VBB);*
- 2) *Authorize the Executive Officer/APCO to execute contracts for; and*
 - A) *Vehicle scrapping and related services with EES and Pick-N-Pull, for a combined amount of up to \$7 million per year; and*
 - B) *Direct mail services for the VBB Program with Direct Mail Center for up to \$300,000 per year.*
- 3) *Authorize the Executive Officer/APCO to extend these services and budgets for an additional three years, at the Air District's discretion, based on contractor performance.*

C) Fiscal Year Ending (FYE) 2021 Transportation Fund for Clean Air County Program Manager (CPM) Expenditure Plan

- 1) *Approve the allocation of new Transportation Fund for Clean Air (TFCA) revenue for the CPM Program for FYE 2021, as listed in Table 1; and*
- 2) *Authorize the Executive Officer/APCO to enter into funding agreements with the CPMs for the funds to be programmed in FYE 2021, as listed in Table 1.*

For the full Committee agenda packet and materials, click on the link below:

www.baaqmd.gov/bodagendas

15. Report of the Climate Protection Committee Meeting of April 22, 2020

CHAIR: T. Barrett

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee received the following report:

A) Update on Climate Protection Program

- 1) *None; receive and file.*

For the full Committee agenda packet and materials, click on the link below:

www.baaqmd.gov/bodagendas

16. Report of the Budget and Finance Committee Meeting of April 29, 2020

CHAIR: C. Groom

J. Broadbent/5052
jbroadbent@baaqmd.gov

The Committee received the following report:

A) Proposed Amendments to Air District Regulation 3: Fees

- 1) *Adopt a new fee for implementation of Assembly Bill (AB) 617 on Title V Facilities; and*
- 2) *Revisit imposition of additional fees later in 2020, as the economic and facility activity level picture become clearer.*

For the full Committee agenda packet and materials, click on the link below:

www.baaqmd.gov/bodagendas

PUBLIC COMMENT ON NON-AGENDA MATTERS

17. **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

18. *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

19. Report of the Executive Officer/APCO

20. Chairperson's Report

21. Time and Place of Next Meeting:

Wednesday, June 3, 2020, at 9:30 a.m., via webcast, pursuant to procedures authorized by Executive Order N-29-20 issued by Governor Gavin Newsom.

22. Adjournment

The Board meeting shall be adjourned by the Board Chair.

CONTACT:

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

(415) 749-4941
FAX: (415) 928-8560
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

MAY 2020

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Special Meeting as the Sole Member of the Bay Area Clean Air Foundation	Wednesday	6	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Special Meeting Budget Hearing	Wednesday	6	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Special Meeting	Wednesday	6	10:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Community & Public Health Committee – CANCELLED & RESCHEDULED TO WEDNESDAY, MAY 27, 2020 AT 12:30 P.M.	Thursday	7	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Advisory Council Meeting	Tuesday	12	9:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Technology Implementation Office (TIO) Steering Committee	Friday	15	1:00 p.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Budget & Finance Committee – CANCELLED	Wednesday	27	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Legislative Committee	Wednesday	27	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Mobile Source Committee	Wednesday	27	11:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Community & Public Health Committee	Wednesday	27	12:30 p.m.	Webcast only pursuant to Executive Order N-29-20

JUNE 2020

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Meeting	Wednesday	3	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Budget & Finance Committee - CANCELLED	Wednesday	24	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Legislative Committee	Wednesday	24	9:30 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Mobile Source Committee	Wednesday	24	11:00 a.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Stationary Source Committee	Wednesday	24	12:00 p.m.	Webcast only pursuant to Executive Order N-29-20
Board of Directors Climate Protection Committee	Wednesday	24	2:00 p.m.	Webcast only pursuant to Executive Order N-29-20

MV- 4/29/2020 – 1:55 P.M.

G/Board/Executive Office/Moncal

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: April 23, 2020

Re: Minutes of the Board of Directors Regular Meeting of April 15, 2020

RECOMMENDED ACTION

Approve the attached draft minutes of the Board of Directors Regular Meeting of April 15, 2020.

DISCUSSION

Attached for your review and approval are the draft minutes of the Board of Directors Regular Meeting of April 15, 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 Regular Meeting of April 15, 2020

AGENDA 2A – ATTACHMENT

Draft Minutes - Board of Directors Regular Meeting of April 15, 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, April 15, 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 9:38 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.

CONSENT CALENDAR (OUT OF ORDER, ITEMS 2 - 10)

2. Minutes of the Board of Directors Meeting of March 4, 2020
3. Board Communications Received from March 4, 2020 through April 14, 2020
4. Notices of Violations Issued and Settlements in Excess of \$10,000 in the months of February 2020 and March 2020
5. Air District Personnel on Out-of-State Business Travel
6. Extension of Assembly Bill (AB) 617 Community Engagement and Facilitation Services for the Richmond-San Pablo Area
7. Contractor Selection for Community Engagement and Facilitation Services for a Regional Environmental Justice Work Group
8. Authorization to Purchase Particulate Matter_{2.5} (PM_{2.5}) Federal Equivalency Method (FEM) Instrumentation

9. Authorization to Amend a Contract with Bentley Systems, Inc., for Roadway Telematics Data for Nine Counties
10. Implementation of the Clean Mobility and Public Charging Options for the Clean Cars for All Program

Public Comments

No requests received.

Board Comments

None.

Board Action

Director Wagenknecht made a motion, seconded by Director Canepa, to **approve** the Consent Calendar Items 2 through 10, inclusive; and the motion **carried** by the following vote of the Board:

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

NOTED PRESENT: Director Zane was noted present at 9:43 a.m.

COMMITTEE REPORTS

11. Report of the Community and Public Health Committee Meeting of March 5, 2020

Community and Public Health Committee Chair, Shirlee Zane, read the following Committee report:

The Community and Public Health Committee met on Thursday, March 5, 2020, and approved the minutes of November 30, 2019.

The Committee reviewed and discussed the staff presentation Bay Area Center: Technical Assistance for Community Air Quality Projects.

The Committee then reviewed and discussed the staff presentation Public Participation Plan Status Update.

Finally, the Committee reviewed and discussed the staff presentation Challenges of Health Data Analysis.

The next meeting of the Community and Public Health Committee will be held at the Call of the Chair. This concludes the Chair Report of the Community and Public Health Committee.

Public Comments

No requests received.

Board Comments

None.

Board Action

None; receive and file.

12. Report of the Mobile Source Committee Meeting of March 25, 2020

Mobile Source Committee Chair, David Canepa, read the following Committee report:

The Committee met on Wednesday, March 25, 2020, and approved the minutes of February 27, 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 Projects and Contracts with Proposed Grant Awards Over \$100,000. The Committee recommends the Board:

- 1. Approve recommended projects with proposed grant awards over \$100,000; and*
- 2. Authorize the Executive Officer/Air Pollution Control Officer to enter into all necessary agreements with applicants for the recommended projects.*

Finally, the Committee then reviewed and discussed the staff presentation Fiscal Year Ending 2021 Transportation Fund for Clean Air Program Funding Allocation. The Committee recommends the Board:

- 1. Approve the proposed allocation of the estimated new Transportation Fund for Clean Air monies to the programs and projects;*
- 2. Authorize the proposed cost-effectiveness limits for the Air District -sponsored programs and projects; and*
- 3. Authorize the Executive Officer/Air Pollution Control Officer to enter into funding agreements and contracts up to \$100,000 for projects and programs.*

The next meeting of the Mobile Source Committee will be on Wednesday, April 22, 2020, at 2:00 p.m. I move that the Board approve the Mobile Source Committee's recommendations. This concludes the Chair Report of the Mobile Source Committee.

Public Comments

No requests received.

Board Comments

None.

Board Action

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

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

13. Report of the Budget and Finance Committee Meeting of March 25, 2020

Budget and Finance Committee Vice Chair Bauters verbally recited highlights from the following Committee report:

The Committee met on Wednesday, March 25, 2020, and approved the minutes of February 26, 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 presentation Proposed Guiding Principles for Amendments to Air District Regulation 3: Fees.

Finally, the Committee reviewed and discussed the staff presentation Discussion of Proposed Budget for Fiscal Year Ending 2021.

The next meeting of the Budget and Finance Committee will be held on Wednesday, April 22, 2020, at 9:30 a.m. This concludes the Chair Report of the Budget and Finance Committee.

Public Comments

No requests received.

Board Comments

None.

Board Action

None; receive and file.

14. **Report of the Ad Hoc Committee on Equity and Environmental Justice Meeting of March 25, 2020**

Ad Hoc Committee on Equity and Environmental Justice Chair, Davina Hurt, read the following Committee report:

The Committee met for the first time on Wednesday, March 25, 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 Establishment of Role and Charter of Committee. The Committee was presented with draft charter language, proposed by Air District staff, and proposed various changes. Chair Hurt said that she would consider all Committee members' comments and further develop the language with Air District staff before bringing a final draft of the charter back to the Committee for final consideration.

The Committee then reviewed and discussed the staff presentation Consideration of Committee Responsibilities. The Committee was presented with proposed responsibilities, proposed by Air District staff, and proposed various changes. Chair Hurt said that she would consider all Committee members' comments and further develop the language with Air District staff before bringing a final draft of the Committee's responsibilities back to the Committee for final consideration.

Finally, the Committee reviewed and discussed the staff presentation Consideration of Ad Hoc Committee Title. Upon deliberation, the Committee proposed the new Committee name of "Ad Hoc Committee on Equity, Access, and Inclusion." The Committee recommends the Board:

- 1. Approve the new name of "Ad Hoc Committee on Equity, Access, and Inclusion."*

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

Public Comments

No requests received.

Board Comments

Chair Sinks said that the Community and Public Health Committee will regularly provide input on items discussed by this committee.

Board Action

Director Hurt made a motion, seconded by Director Wagenknecht, to **approve** the recommendations of this committee, including changing its name to “Ad Hoc Committee on Equity, Access, and Inclusion”; and the motion **carried** by the following vote of the Board:

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

15. **Report of the Legislative Committee Meeting of April 15, 2020**

Legislative Committee Chair Abe-Koga verbally recited highlights from the following Committee report:

The Legislative Committee met on Wednesday, April 15, 2020.

The Committee considered new bills introduced as part of this California Legislative Session and position recommendations by staff. The Committee recommends that the Board of Directors adopt the following positions:

- **Assembly Bills 1972 (Voepel) & 2225 (Grayson) – Smog Check Exemption (OPPOSE);*
- *Assembly Bill 2182 (B. Rubio), and Senate Bills 802 (Glazer), 1099 (Dodd), & 1185 (Moorlach) – Backup Generator Exemption (OPPOSE);*
- *Assembly Bill 2792 (Quirk) – Mobile Fueling On-Demand Tank Vehicles (OPPOSE);*
- *Assembly Bill 2498 (Chu) – Air Quality Activity Recommendations (SUPPORT); and*
- *Assembly Bill 3217 (Gloria) – Greenhouse Gases: Crude Oil Emissions (SUPPORT).*

*[The Committee also recommends that the Board of Directors consider requests from authors for **SUPPORT** on the following proposed legislation:]*

- **Senate Bill 1122 (Skinner) – Green Electrolytic Hydrogen; and*
- **Senate Bill 858 (Beall) - Thermal Powerplants: exemption: emergency backup and standby generators: data centers.*

The next meeting of the Legislative Committee will be on Wednesday, April 22, 2020, at 10:30 a.m. I move that the Board approve the Legislative Committee’s recommendations. This concludes the Chair’s Report of the Legislative Committee.

[**CLERK’S NOTE:** The above Committee report was written prior to April 15, 2020, on which, both the Legislative Committee and Board of Directors held meetings. (The first two and final two) starred bills* indicate recommendations that were changed during the Legislative Committee meeting and differ from the recommendations in the Committee report. See third column of table below.]

Public Comments

No requests received.

Board Comments

The Board and staff discussed why the Air District is opposing AB 1972; when the Legislature will reconvene; why the Air District is opposing the use of backup generators during emergency public safety power shutoffs; the concern about the potential implications from the generator maintenance and testing language in Senate Bill (SB) 802 and SB 1099, and how emissions could increase in already-overburdened communities; the need for the Air District to be thoughtful about how it communicates its opposition to the generator bills; and the concern of smaller business that cannot afford backup generators.

Board Action

Director Haggerty made a SUBSTITUTE MOTION, seconded by Director Hudson, to recommend that the Board of Directors adopt the positions recommended by the Legislative Committee, but change the recommendations for SB 802 and SB 1099 from “Oppose” to “Oppose unless Amended and develop amendments”):

Topic	Bill No.	Committee’s Recommendations to Board	Board’s Action
Smog Check Exemption	AB 1972 (Voepel)	No longer applicable; bill not moving forward	--
	AB 2225 (Grayson)	No longer applicable; bill not moving forward	--
Backup Generator Exemption	AB 2182 (B. Rubio)	Oppose	Oppose
	SB 802 (Glazer)	Oppose	Oppose Unless Amended and develop amendments
	SB 1099 (Dodd)	Oppose	Oppose Unless Amended and develop amendments
	SB 1185 (Moorlach)	Oppose	Oppose
Mobile Fueling On-Demand Tank Vehicles	AB 2792 (Quirk)	Oppose	Oppose
Air Quality Activity Recommendations	AB 2498 (Chu)	Support	Support
Greenhouse Gases: Crude Oil Emissions	AB 3217 (Gloria)	Support	Support

Green Electrolytic Hydrogen	SB 1122 (Skinner)	No longer applicable; bill not moving forward	--
Thermal Powerplants: Exemption: Emergency Backup and Standby Generators: Data Centers	SB 858 (Beall)	Wait to take action and develop bill language with author	Wait to take action and develop bill language with author

The SUBSTITUTE MOTION **carried** by the following vote of the Board:

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

16. Report of the Ad Hoc Building Oversight Committee Meeting of April 15, 2020

Ad Hoc Building Oversight Committee Chair, Mark Ross, read the following Committee report:

The Ad Hoc Building Oversight Committee met on Wednesday, April 15, 2020, and approved the minutes of September 18, 2019.

The Committee received and discussed the staff presentation Lakeside Drive, Richmond – Phase 2. The Committee recommends the Board:

- 1. Authorize the Executive Officer/Air Pollution Control Officer to authorize the Executive Officer/APCO to execute contracts with Brereton Architecture + Interiors and Cushman & Wakefield to plan and design approximately 31,000 square feet of the Richmond, Lakeside building, in an amount not to exceed \$315,000, and to obtain bids to seismically upgrade the Richmond, Lakeside building.*

The next meeting of the Ad Hoc Building Oversight Committee will be at the call of the Chair. I move that the Board approve the Ad Hoc Building Oversight Committee’s recommendations. This concludes the Chair Report of the Ad Hoc Building Oversight Committee.

Public Comments

No requests received.

Board Comments

None.

Board Action

Director Ross made a motion, seconded by Director Cutter, to **approve** the recommendations of the Ad Hoc Building Oversight Committee; and the motion **carried** by the following vote of the Board:

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

17. Report of the Executive Committee Meeting of April 1, 2020

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

The Executive Committee met on Wednesday, April 1, 2020, and approved the minutes of November 6, 2019. 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 Hearing Board Quarterly Report: October – December 2019.

The Committee then received the presentation Bay Area Regional Collaborative Executive Director’s Update, given by Executive Director, Allison Brooks.

The Committee then reviewed and discussed the staff presentation Production System Office Status Update. The Committee recommends the Board:

- 1. Authorize the Executive Officer/Air Pollution Control Officer to execute contract amendments with nine vendors in the total amount of \$2,429,258 for the My Air Online program for the 2019-2020 fiscal year.*

The Committee and Air District staff then discussed potential modifications to the Air District’s current policy regarding remote meeting protocols in emergency situations, prompted by the public health emergency caused by COVID-19. The Committee requested that staff flesh out the proposed modifications and bring them back to the Committee.

The Committee and Air District staff then discussed the feasibility of a condensed committee and Board meeting schedule (proposed by Air District staff), as well as long and short-term solutions.

Finally, the Committee reviewed and discussed the staff presentation Wildfire Strategies.

The next meeting of the Executive Committee will be held at the Call of the Chair. I move that the Board approve the Executive Committee’s recommendation. This concludes the Chair Report of the Executive Committee.

Public Comments

No requests received.

Board Comments

The Board and staff discussed Air District staff's intention to continue stacking committee (and Board) meetings, and advantages and disadvantages of such a schedule; reasons to limit the maximum number of meetings that are held per day; and the request that Board members inform Air District staff of their schedule capacities.

Board Action

Chair Sinks made a motion, seconded by Director Spring, to **approve** the recommendations of the Executive Committee; and the motion **carried** by the following vote of the Board:

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

PUBLIC HEARING

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

Jack P. Broadbent, Executive Officer/Air Pollution Control Officer, said that this is the first of two public hearings regarding proposed amendments to Air District Regulation 3 that would apply in the upcoming Fiscal Year Ending (FYE) 2021. A second public hearing, which has been scheduled for June 3, 2020, is required prior to adoption. Mr. Broadbent said that, given current economic developments, due to the COVID-19 pandemic, the Air District is recommending no fee structure amendments (including no new AB 617 fees, nor fee rates) at this time, despite the fact that Air District staff had already prepared recommended amendments to the Air District's fee regulation as part of the annual budget preparation process. Dr. Jeff McKay, Chief Financial Officer, gave the staff presentation *Proposed Amendments to Regulation 3: Fees*, including: important message; outline; revenue sources FYE 2019; cost recovery background; trends in annual costs; trends in cost recovery; proposed changes to fee schedules; other proposed amendments; Criteria Pollutant and Toxics Emissions Reporting (CTR) regulation fee and draft proposal; AB 617 Community Health Impact fee and draft proposal; accelerated permitting; impact on large facilities (power plants and petroleum refineries) and small businesses; comments received; and rule development schedule.

Chair Sinks opened the Public Hearing to Receive Testimony on Proposed Amendments to Air District Regulation 3: Fees.

Public Comments

Public comments received via electronic mail, and read aloud by Vanessa Johnson, Manager of Executive Operations, were submitted by Frances Keeler, California Council for Environmental and Economic Balance; and Betty Shouse.

Board Comments

The Board and staff discussed the proposed 15 percent increase for fee schedules that are recovering less than 50 percent of costs; whether Air District fee increases may be implemented or adjusted anytime during the fiscal year, and when the Air District may decide to do so later in 2020, if it takes no action at this time; whether the Board may proceed with the approval with some, but not all, of the proposed increased fee schedules; the suggestion of approving proposed Fee Schedules A (Hearing Board Fees), G-3 (Miscellaneous Sources such as metal melting and cracking units), M (Major Stationary Source Fees), N (Toxic Inventory Fees), P (Major Facility Review Fees), and W (Petroleum Refining Emissions Tracking Fees), and reasons to support this suggestion; the types of facilities that are included in Fee Schedule P; the request for detailed information regarding the comparison of current and proposed fee schedules, and for a response to the suggested approval of Fee Schedules A, G-3, M, N, P, and W; the fact that Air District staff consider the implementation of CTR and AB 617 Community Health Impact fees priorities, and the status on state funding for these programs; and the concern that if fee increases are not imposed, the Air District will not be able to maintain its current cost recovery policy.

Chair Sinks closed the Public Hearing.

Board Action

None; receive and file.

PRESENTATION

19. Operational Status of and Economic Impact on Stationary Sources Due to Coronavirus Pandemic

Mr. Broadbent introduced Leonid Bak, Economist, Wayne Kino, Deputy Air Pollution Control Officer of Operations, and Damian Breen, Deputy Air Pollution Control Officer of Technology, who gave the staff presentation *Update on the Impact of COVID-19 on the Economy*, including: COVID-19 impact on the economy; initial projections; current expectations; policy response; early April 2020 estimates; California data; impact on California's labor market; consequences of elevated unemployment; summary; status of Bay Area facility operations; and activity at permitted facilities.

Public Comments

Public comments received via electronic mail, and read aloud by Vanessa Johnson, Manager of Executive Operations, were submitted by Kimberly Ronen, Valero Benicia Refinery.

Committee Comments

The Board and staff discussed how the COVID-19 pandemic may affect America's national debt level and inflation; why stationary emissions would increase during minimal operations; total emissions versus solely stationary source emissions; whether there will be permanent changes to jobs in the future; whether the Air District should promote telecommuting to the county Public Health Officers, as a way to maintain the improved air quality that has occurred since sheltering in place has been imposed, and the suggestion that the Air District incentivizes telecommuting; the need to identify ways to leverage the improved air quality that currently exists, due to decreased transportation; the extent to which reduced production results in job loss, and the status of employment at the refineries; how enhanced carpooling incentives, as well as incentives for electric bikes and other methods of active transportation, may benefit those who may not wish to immediately resume using transit when sheltering in place is lifted; the fact that there are varying degrees of COVID-19 vulnerability within the Bay Area; and the fact that permitting Title V facilities (refineries, chemical and power plants) is not expected to significantly decrease.

Committee Action

None; receive and file.

PUBLIC COMMENT ON NON-AGENDA MATTERS

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

No requests received.

BOARD MEMBERS' COMMENTS

21. Board Members' Comments

- Director Spring requested that the Board think about how the Air District can accommodate the needs of Bay Area residents who are being affected by employment decline, job loss, and reduced income. Director Kniss added that V or L-shaped recessions may result.
- Director Zane remarked on the lack of racial diversity of governing Boards of local and regional agencies, about how race and level of income correlate with transit-ridership, and cited the article “Moving to Equity: Addressing Inequitable Effects of Transportation Policies on Minorities” published in 2003, as part of the University of California at Los Angeles’ Civil Rights Project. Director Zane said that minorities, including seniors, need to be especially protected when making policy regarding public health.
- Director Jue said that he would like the Air District to consider policies that would provide additional benefits to help people recover from this economic crisis.
- Director Gioia remarked on the opportunities that may result due to changed behavior that the COVID-19 pandemic is bringing about, emphasizing the fact that not all people have the option to telecommute to their jobs.

OTHER BUSINESS

22. Report of the Executive Officer/Air Pollution Control Officer

Mr. Broadbent announced the following:

- The U.S. Environmental Protection Agency has proposed to leave the National Ambient Air Quality Standards for Particulate Matter (PM) as they currently are, rather than make them more stringent. The Air District issued a press release, indicating that the Air District will resist any action that will endanger the health of Bay Area residents.
- Due to the COVID-19 pandemic, Bay Area traffic has decreased, and subsequently, emission levels (PM, carbon dioxide, and nitrogen oxide) have been reduced.
- 80% of Air District staff have been working remotely since shelter-in-place was first called, but essential (Compliance & Enforcement and Meteorology & Measurement) staff are still in the field, responding to incidents, complaints, and collecting monitoring data.

23. Chairperson's Report

Chair Sinks announced the following:

- Director Bauters was reappointed for another two-year term to the Air District's Board of Directors by the Alameda County Mayors' Conference, ending April 2022.
- The Air & Waste Management Association's (AWMA) 113th Annual Conference in San Francisco, scheduled for June 29, 2020, has not yet been cancelled. Director Gioia suggested that AWMA staff and the Health Officer of the City & County of San Francisco touch base in case public gatherings are to be banned in San Francisco in the summer.

24. Time and Place of Next Meeting

Wednesday, May 6, 2020, at 10:00 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 12:59 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: April 23, 2020

Re: Board Communications Received from April 15, 2020 through May 5, 2020

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Copies of communications directed to the Board of Directors received by the Air District from April 15, 2020 through May 5, 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: April 23, 2020

Re: Quarterly Report of the Executive Office and Division Activities for the Months of
January 2020 – March 2020

**ADMINISTRATIVE RESOURCES DIVISION
M. MARTINEZ, DIRECTOR**

Human Resources

The Human Resources (HR) Office conducted 12 recruitments, including exams for: Accountant, Advanced Projects Advisor, Assistant Manager, College Intern, High School Intern, Manager, Senior Air Quality Instrument Specialist, Senior Air Quality Technician, Staff Specialist (2), Supervising Air Quality Instrument Specialist, and Supervising Systems Analyst. In addition, the HR Office offered nine (9) training sessions, including: Air District 101 (Meteorology & Measurement and Human Resources), Conflict Management, Generational Diversity and Succession Planning, Keeping Virtual Team Positive and Productive, Microsoft TEAMS (2), SharePoint, and Supervising Remote Employees. The HR Office continues to administer payroll, benefits, safety/worker's compensation, labor/employee relations, and wellness activities. There are currently 374 regular employees, 10 temporary employees, and 41 budgeted vacant positions. There were 12 new employees, 10 promotions, and four (4) separations from January 2020 to March 2020.

Business Office

The Business Office issued 693 purchase orders and executed 126 contracts. There were five (5) requests for proposals/qualifications issued during this period.

Fleet and Facilities Office

Fleet services disposed of seven (7) vehicles, acquired six (6) vehicles, and sent 56 vehicles for maintenance and/or body shop repairs. There were 253 vehicle requests (134 from Metropolitan Transportation Commission (MTC) staff and 119 from Air District staff), of which 202 were pool vehicles and 21 were Enterprise car rentals, less 30 cancellations. There are currently 132 fleet vehicles: Two (2) electric, three (3) hydrogen fuel cell, 83 plug-in hybrids, 23 gas, and 21 hybrids. There are no compressed natural gas vehicles in the fleet at this time.

Facilities received 68 Angus requests, facilitated five (5) furniture orders, and completed 81 ad-hoc projects/tasks. Facilities also performs daily maintenance of the coffee machines, replenishes coffee and tea supplies in the Air District coffee bar and pantries, and replenishes office supplies in the copy/supply rooms.

COMPLIANCE AND ENFORCEMENT DIVISION
J. GOVE, DIRECTOR

Enforcement Program

Air District Staff documented 144 air pollution violations that resulted in Notice of Violations (NOV) and responded to 720 general air pollution complaints. These activities addressed noncompliance with applicable federal, state, and Air District regulations, and provided a mechanism for the public to voice their concerns about air pollution issues that might be in noncompliance status. Additionally, highlighted enforcement activities for the quarter are as follows:

The Compliance & Enforcement Division hosted public workshops in San Francisco, Santa Rosa, Oakland, Martinez and San Jose beginning December 2019 to early February 2020, to solicit public input on the Air Quality Complaint Guidelines. Staff received helpful comments and suggestions that will help guide the update of complaint procedures and elements of the air quality complaint process. The updated Air Quality Complaint Guidelines will be made available to the public and industry this summer. As part of this effort, staff are working with the Communications Division and Production System teams to develop additional guidance materials and enhancements that would help inform the public on the air quality complaint process and improve external user interface when reporting a complaint.

In January and February of 2020, staff issued seven (7) violations to Tesla upon completion of a voluntary audit conducted by the facility. Staff documented Permit conditions violations at the North and South Paint Shops related to operational and recordkeeping requirements and identified sources operating without an Air District Permit. The majority of the violations occurred when the facility experienced process upsets and malfunctions which interrupted paint line operations, causing residual volatile organic compound (VOC) emissions to be released and unabated. Since these violations were discovered, Tesla has been working with Air District Engineering and Compliance and Enforcement Divisions to take steps to ensure continuous abatement and operation of the regenerative thermal oxidizer (RTO), including making additional improvements to process controls and emissions monitoring. Tesla is currently in discussions with Air District Engineering to update permit requirements and operating conditions at the North and South Paint Shops.

On February 1, 2020, the Valero Refinery (Valero) began flaring due to shutdown activities for planned maintenance at the Hydrocracker (HCU). Flaring stopped on February 3, 2020, as unit depressurization was completed. The 500 lb. SO₂ limit was exceeded during this flaring event.

On February 14, 2020, trichloroethylene (TCE) was discovered in the groundwater of McClymonds High School located in West Oakland by the Department of Toxic Substances Control (DTSC). It is suspected that the TCE may have been from a leak in an underground petroleum tank that was removed years ago from underneath the campus. DTSC conducted air testing in 50 locations around the school following the school's closure on February 20, 2020. On February 26, 2020, Air District Planning and Community Engagement staff attended a community meeting where residents voiced concerns regarding the air monitoring results and potential exposure to TCE. McClymonds High School remained closed since early March 2020 and will remain closed due to COVID-19 for the remaining school year.

On February 7, 2020, Travis Air Force Base (Travis) received notices of violation (NOVs) for several violations associated with a structural training burn conducted on January 28, 2020. They included failure to notify the Air District of the training burn, demolition by burning of a building containing asbestos, and failure to contain regulated asbestos containing material (RACM) waste in leak-tight, labeled containers. Staff was following up to ensure RACM onsite was properly disposed of.

On February 13, 2020, staff participated on a regulatory panel at the Lehigh Southwest Cement Public Information Meeting hosted by County Supervisor Joe Simitian. Staff answered questions from the public, provided updates on the status of Lehigh's Title V permit, and explained the Air District's role in the implementation of the United States (US) Department of Justice's Lehigh Consent Decree. Other participating agencies included the US Environmental Protection Agency, City of Cupertino, Santa Clara County Departments of Planning, Environmental Health and Legal Counsel, the Santa Clara Valley Water District, State Water Resources Control Board, and San Francisco Regional Water Quality Control Board.

On February 24, 2020, staff issued a Notice of Violation for visible emissions and opacity excesses to Chevron for smoke from their flares on February 10, 2020. The flaring was the result of a compressor failure that resulted in an unplanned hydrocracker shutdown at approximately 0400 hours on February 10, 2020.

On February 27, 2020, staff met with representatives of the Golden Gate University School of Law – Environmental Law and Justice Clinic (Clinic) to discuss alleged ongoing compliance issues at four (4) material handling facilities in Hunters Point, San Francisco. The Clinic was working on behalf of several environmental organizations including Green Action. Staff has been meeting with this group since 2014.

On March 4, 2020, staff submitted the Air District's annual burning report to the California Air Resources Board. The report provided key information regarding agricultural and prescribed burning conducted in the Air District during calendar year 2019.

On March 16, 2020, staff issued four (4) Notice of Violations (NOV) to Valero. One (1) NOV was for not having the proper SO₂ CEM installed, as required by the Air District Permit, at the FCCU Regenerator. Two (2) were for CEM excesses at the FCCU Regenerator, and one (1) was for a CEM excess at the FCCU Turbine.

Since the Bay Area Shelter-in-Place began mid-March 2020, the Air District received a spike in odor complaints alleging Berkeley Asphalt, a concrete asphalt plant located in West Berkeley. The facility increased production and has been operating as an essential service because they are supplying asphalt to Caltrans for roadway re-pavement projects. Air District Inspection staff will continue to monitor the area for offsite odor impacts and monitor facility operations such as those at Berkeley Asphalt, and others that continue to operate during the shelter-in-place order to ensure compliance with air quality regulations.

Staff participated in monthly conference calls with Lehigh Southwest Cement representatives to discuss ongoing compliance and permitting issues at this Portland Cement manufacturing facility and quarry.

Staff participated in monthly conference calls with California Air Pollution Control Officers Association's (CAPCOA) Prescribed Burn Workgroup. Topic discussions included COVID-19 impacts on prescribed burning, the US Forest Service's shut down of prescribed burning on federal lands, statewide statistics on prescribed burning, and the upcoming grant funding cycle. The Air District was allocated around \$78,000 for the upcoming grant funding cycle.

The Air District's 2019/2020 winter wood smoke season ended on February 29, 2020 (November 2019 – February 2020). The Air District called two (2) Winter Spare the Air Alerts and documented one (1) potential burn ban violation that was not pursued. There were no exceedances of the 24-hour federal particulate matter (PM)_{2.5} standard. Both the Winter Spare the Air Alerts were called in early November 2019, due to wildfire smoke.

Compliance Assurance

Air District Staff conducted over 1,604 inspections of permitted facilities, gasoline dispensing stations, asbestos demolition and renovation jobs, open burning, portable equipment, and mobile sources. Additionally, highlighted inspection activities for the quarter are as follows:

On January 16, 2020, Air District Meteorology & Measurement (M&M) staff provided an update at the South Bay Odor Stakeholder Group (SBOSG) quarterly meeting. Staff updated the group on the Board of Director's approval of \$500,000 to conduct the South Bay Odor Study, the process for selecting the two (2) contractors, Montrose Environmental Group and Jacobs Engineering Group, and the projected timeline for beginning work. In February 2020, Air District staff shared the draft scope of work with the stakeholder group and gave stakeholders the opportunity to provide input on the study. Staff extended the comment period for stakeholders in March 2020 and are in the process of working with the two contractors to visit Newby Island, Zero Waste Energy Development and San Jose Santa Clara Regional Wastewater Facility to observe facility operations and identify potential sensor/monitor locations for the study. The next quarterly SBOSG meeting has been postponed due to COVIDI-19, Bay Area Shelter-in-Place.

On January 21, 2020, staff participated in a conference call with United States Environmental Protection Agency (U.S. EPA), Region 9 representatives, to discuss the resolution status of the State Review Framework (SRF) recommendations made to the Air District on October 4, 2018. Staff reported the Air District had completed the implementation of all recommendations and provided a summary of actions taken to achieve Minimum Data Requirements into U.S. EPA's ICIS-Air online reporting system for calendar year 2019. SRF is a tool used by U.S. EPA to assess each state's enforcement of the Clean Air Act.

On January 23, 2020, Communications and Compliance & Enforcement (C&E) staff provided a presentation on the Air District's Wildfire Air Quality Response Program at the San Mateo Emergency Services Council Meeting in Redwood City. The presentation was requested by a Millbrae councilmember who expressed interest in understanding Air District efforts to address wildfire smoke impacts in this region. The presentation highlighted the wildfire smoke preparedness messaging and the alliances and partnerships formed in the region.

On February 26, 2020, Air District staff participated in a conference call with NASA/Jet Propulsion Laboratory's contractor Human Automation Teaming Solutions (HATS, Inc.) and Dr. Eugene Tseng of University of California, Los Angeles (UCLA) regarding advanced drone monitoring of landfill methane emissions. Staff from the Compliance and Enforcement, Rule Development & Climate Protection Divisions discussed the potential utilization of the HATS new proprietary software, Consoar, which enables a network of unmanned aerial and ground drones to operate semi-autonomously to monitor gas and odor emissions from landfill sources. This technology has been developed by HATS, Inc. to enhance or potentially replace the resource intensive existing practice of performing quarterly LDAR monitoring sweeps on landfill surfaces with people. The HATS team is intrigued with Air District staffs' recent audits of the suggested sites and knowledge of the hotspot areas and are planning to come up and meet further with staff in a couple of weeks to discuss resource sharing that would be beneficial to all parties.

On March 6, 2020, staff delivered 72 cases of N95 face masks (14,400 masks) to the Health Plan of San Mateo. The masks were for distribution to health care providers throughout the Peninsula for use by health care professionals facing the COVID-19 pandemic.

On March 17, 2020, staff participated in a conference call with representatives from CalFire's San Mateo/Santa Cruz division and the Moraga Orinda Fire District. The agencies sought to explore ways Air District burn procedures could be simplified for pile burns conducted under smoke management plans. Staff agreed to consider their request and get back to them in the next few weeks.

Staff held monthly conference calls with a California Air Resources Board (CARB) representative in an effort to integrate the Air District's existing prescribed burn and smoke management plan procedures into the statewide Prescribed Fire Information Reporting System (PFIRS). Integration has been pushed back due to competing priorities at CARB but is still expected sometime in 2020.

Staff participated in monthly conference calls with California Air Pollution Control Officers Association's (CAPCOA) Prescribed Burn Workgroup. Meeting participants included representatives from CAPCOA, California Air Resources Board, U.S. EPA, and other local air districts.

Compliance Assistance and Operations Program

Air District Staff received and evaluated over 2,581 plans, petitions, and notifications required by the asbestos, coatings, open burn, tank and flare regulations. Staff received and responded to over 21 compliance assistance inquiries and green business review requests. Highlighted compliance assistance activities for the quarter also included the following:

The Compliance & Enforcement Division has been receiving a number of requests from facility operators and consultants of permitted facilities seeking Air District guidance to comply with operating and monitoring requirements during the COVID-19, Bay Area Shelter-in-Place. Requests for compliance waivers were made due to staffing changes and potential impacts to operations and compliance assurance. The Air District has expressed that the work of the Compliance and Enforcement Division remains a priority during the pandemic and ensuring compliance of air quality rules and regulations are essential to protecting public health and air quality. Staff have communicated that it is the responsibility of facilities to maintain compliance while continuing operations during the pandemic and that there would be no blanket waivers for non-compliance by the Air District. Facilities are expected to continue to submit compliance reports, conduct required monitoring and source testing, and report any violations as required by major Title V facilities. Violations would be evaluated on a case-by-case basis by the Compliance & Enforcement Division.

On February 25, 2020, staff met with Sonoma County Fire District (SCFD) and provided compliance assistance to SCFD on Air District's Regulation 5, Open Burning. SCFD representatives expressed interest in having a closer working relationship with the Air District as burning becomes a more common method of fuel reduction within Sonoma County.

Air District staff approved 10 prescribed burn smoke management plans in Contra Costa, Marin, Napa, San Mateo, Santa Clara, and Sonoma County.

Air District staff approved nine (9) marsh smoke management plans in Solano County

The Winter Spare the Air season ended February 29, 2020. Staff mailed out 83 informational packets to residences that received complaints regarding wood burning. During the first quarter of 2020, the Air District received 370 complaints regarding wood burning.

Air District staff completed the data verification and posting of refinery flare monitoring data through December 2019.

Air District staff conducted the following inspections for the Strategic Incentives Division (SID): 87 engines.

TECHNOLOGY IMPLEMENTATION OFFICE
ANTHONY FOURNIER, OFFICER

The mission of the Technology Implementation Office (TIO) is to connect climate technologies and customers by providing financial incentives (through grants and loans) as well as technical and matchmaking support.

Climate Tech Finance (www.baaqmd.gov/ctf)

The Climate Tech Finance program accelerates emerging and lower-carbon technology for Bay Area industrial facilities. This partnership between the Air District and the California Infrastructure and Economic Development Bank (IBank) offers loans of up to \$30 million for Bay Area facilities adopting technologies that reduce greenhouse gases, and 90% loan guarantees to small businesses commercializing technologies for deployment in the Bay Area.

Climate Tech Finance approved two (2) companies for pre-funding in the loan guarantee program. One company is working to put a first-of-its-kind zero-emission transportation technology into service and begin production on further vehicles. The other company is commercializing solar-powered, battery-boosted EV fast charging systems.

Staff are discussing financing with three (3) loan guarantee applicants and are in conversation with a dozen other small business ventures in bioplastics, energy storage, energy efficiency, organics recovery, transportation, and construction spaces.

The City of San Leandro is considering a \$7 million (M) resiliency and microgrid project at their wastewater treatment plant. Staff are in earlier discussions with other cities about undertaking infrastructure projects to expand their organics recovery systems.

Staff continue to work closely with partners at the California IBank and their regional representatives, NorCal Financial Development Corporation in Oakland. Staff also maintain regular communications with key staff at the California Energy Commission and other climate tech accelerators and incubators.

Climate Tech Finance staff also engaged in external conference and networking events to discuss the program and identify project partners.

- Staff attended the California Energy Commission (CEC) EPIC Forum showcase on resilient energy development in Long Beach, CA on February 25, 2020.
- Staff attended a California BioResource Stakeholders Financing Roundtable on March 3, 2020.
- Staff attended the California Hydrogen Business Council Summit in Sacramento on March 5, 2020.

Clean Cars For All

Incentives for low income households to retire older, high-polluting vehicles and replace with a newer, cleaner vehicle or alternative transportation options (e.g. transit passes). (www.baaqmd.gov/cleancarsforall)

- To date, the Air District has received \$10M in program and administrative resources to implement the Clean Cars for All (CCFA) Program. The California Air Resources Board (CARB) funding for CCFA comes from the California Climate Investments (CCI) and Volkswagen (VW) Settlement.
- CARB and the District executed a contract amendment that allows for additional mobility options (e.g. e-bikes, car-sharing, etc.) and extended the deadline to expend funds from April 30, 2020 to June 30, 2020.
- CARB intends to allocate an additional \$4M to the Air District for Fiscal Year Ending (FYE) 2021 to continue and expand the Clean Cars for All program, the Mobile Source Committee approved accepting this funding on February 27, 2020.
- From April 18, 2019 through March 31, 2020, CCFA has funded 379 grantees purchase vehicles (259 CCI, 120 VW) and 13 grantees have installed electric vehicle service equipment (eight (8) CCI, five (5) VW) totaling \$3,196,277 (\$2,142,620 CCI, \$1,053,657 VW). Of these, 51 percent were battery electric vehicles, 29 percent purchased plug-in hybrid electric vehicles, and another 20 percent were conventional hybrid vehicles.

Clean Cars for All Program Key Performance Indicators (KPI)

Clean Cars for All Program KPI Totals to Date (2019-2020)	
Total budget	\$8.5M
Total available	\$4.1M (i.e. not awarded)
Applications received	822
Funds awarded	\$4.4M / 523 grantees
Funds paid	\$3.1M / 363 grantees
Clean Cars for All Program KPI Totals During Q1 Period	
Applications received	384
Funds awarded	\$2,388,000 / 283 grants
Funds paid	\$1,406,500 / 167 grants

Charge! Program For Electric Vehicle (EE) Infrastructure

Grants to install light-duty electric vehicle charging infrastructure, focusing on expanding the coverage of charging stations and multi-dwelling units. (www.baaqmd.gov/charge)

- Staff are continuing to administer and monitor current Charge! program projects for compliance.
- Staff are working to migrate the Charge! program to the Fluxx online grants management system.
- Staff are working with partner organizations to coordinate the launch of the Charge! Program with other EV infrastructure incentive programs, with an anticipated launch in the winter of 2020.
- For previously awarded projects for this program, as of April 15, 2020, 613 Level 2 and 10 DC Fast charging ports have been installed and 2,113 Level 2 and 94 DC Fast charging ports are under construction.

EV Outreach and Partnerships

The Air District received \$5M of funding over five (5) years has been obligated by the Federal Highway Administration and CalTrans, for EV Outreach and Partnerships. This funding will support staff time and resources for EV outreach and partnerships that will support and enhance the EV incentives programs.

- The EV Council meeting March 30, 2020, has been postponed due to COVID-19 concerns.
- The contract with Kearns & West to provide meeting facilitation assistance for the EV Council meetings in 2020 was executed on March 16, 2020.
- The Center for Sustainable Energy has finished conducting interviews and focus groups under their contract for EV Market Research and Survey work to collect data on Bay Area fleet manager, property owner, and dealership sentiment regarding EVs and EV charging. Given the impacts of the Shelter in Place order, an extensions and amendment to the contract has been developed and should be executed by Air District executives in the coming days.

**ENGINEERING DIVISION
P. LEONG, DIRECTOR**

COVID-19 Activities

Updated Permit Webpage: The Engineering Division updated the Permits webpage to inform applicants that staff are working remotely and provided instructions on submitting permit applications and other information electronically during the Shelter-in-Place.

Electronic Permit Application Review: Within the first week of working remotely, the Engineering Division implemented an Electronic Permit Application file system for new and pending permit applications to facilitate online review, approval and issuance of permits while staff is working remotely.

Expedited Permits to Aid COVID-19 Efforts: The Air District will prioritize and expedite the permitting process for businesses and organizations that are changing operations or repurposing efforts to aid in supply issues in response to COVID-19. The Air District announced this new important process on our website.

California Environmental Quality Act (CEQA) Projects

Schnitzer Steel's Ocean-Going Vessel (OGV) Increase Project (Oakland): Schnitzer Steel submitted Air District Permit Application # 29411 to increase the allowable number of OGVs transporting materials from Schnitzer Steel's scrap metal recycling facility in Oakland, California from 26 ship calls per calendar year to 32 ship calls per calendar year. Recently, smaller ships and partially loaded ships have been used to transport Schnitzer Steel's scrap metal, resulting in the need to have more ship calls per year to transport the same amount of material. This application will not change any of the existing throughput limits at this facility. The Air District expects to have the role of CEQA lead agency for this OGV Increase Project. The project does not involve any physical changes to the facility or to any associated equipment at the facility. This project also does not involve any change in the overall amount of scrap metal that the facility will process. Permit condition changes will be limited to the number of ship calls per calendar year and the definition of a ship call. The Air District posted a Request for Proposal (RFP) for a CEQA review consultant for this project on October 10, 2019. The Air District has completed its panel review of the bidders and the Board of Directors authorized the contract at its January 29, 2020 meeting. The Air District is in the process of getting the contract finalized with the selected consultant and expects to start the CEQA review in May 2020.

Permits and Projects

Chevron Richmond Refinery: Chevron applied to shut down an existing cooling tower (S-4172) and replace it with a new one (S-6059). Chevron was issued a temporary permit to operate for a temporary cooling tower (S-6058) on August 30, 2019. The temporary cooling tower is needed while the permanent one is built. An Authority to Construct was issued and a Notice of Exemption filed with Contra Costa County on March 4, 2020, for the new permanent cooling tower (S-6059).

Chevron Richmond Refinery: Chevron applied to construct a new diesel prime engine (S-4431) to provide electricity to trailers located at Chevron's Ranch Area Maintenance Yard for contractors working at the facility. The yard is a remote area away from available grid power or a natural gas line. Chevron has proposed to operate S-4431 24 hours per day, 365 days per year. A health risk assessment was performed and found to be in compliance with Regulation 2, Rule 5 Toxics New Source Review. The project meets Best Available Control Technology and Chevron will provide the necessary offsets. An Authority to Construct was issued and a Notice of Exemption was filed with Contra Costa County on March 12, 2020.

Chevron Richmond Refinery: Chevron applied to obtain a change in permit conditions. Chevron provides the San Francisco International Airport (SFO) with jet fuel that is stored at Chevron in Chevron tank T-1292 (S-1292) before transferring to SFO via pipeline. S-1292 is currently limited to a maximum annual throughput of 4,802,722 barrels of jet material with a vapor pressure less than 0.8 psia. Chevron has applied to increase the maximum allowable throughput to 13,000,000 barrels and the maximum true vapor pressure to 1.0 psia. A change in permit conditions was approved and issued on March 27, 2020.

Chemtrade West US LLC (Richmond): Chemtrade West US LLC (Richmond) supplies sulfuric acid to the Chevron Richmond refinery and is considered a support facility. The facility proposed physical changes to their Sulfuric Acid Plant (S-1) including replacing a waste heat boiler, gas dry tower, demister vessel, and heat exchanger. To ensure the source would not be modified, the facility accepted daily and annual emissions limits and an annual throughput limit. The Authority to Construct was issued on January 31, 2020. A Notice of Exemption was filed with the Contra Costa County.

SFPP (Brisbane): SFPP requested a maximum throughput increase of denatured ethanol from 38,866,550 gallons per year to 50,000,000 gallons per year at S-6 (internal floating roof tank). They have also requested a maximum throughput increase of unleaded gasoline from 77,948,000 gallons per year to 92,000,000 gallons per year at S36 (internal floating roof tank). The project passes a health risk assessment, meets Best Available Control Technology requirements and offsets have been provided. A change in permit conditions was issued and a Notice of Exemption for CEQA was filed with San Mateo County on March 16, 2020.

Tesla (Fremont): Tesla proposes to operate a research and development battery production line. The Authority to Construct was issued on January 16, 2020.

Tesla (Fremont Factory): Tesla has proposed installing a single-stage high-temperature filter house (A-30174) in their North Paint Shop (NPS) to reduce carbon particular matter from reaching the ceramic media bed of the thermal oxidizer. The filter will be installed between the ovens and the fan that draws air into the thermal oxidizer. The Authority to Construct was issued on January 23, 2020.

Tesla (Fremont Factory): Tesla applied to replace an existing thermal oxidizer (A-1002) at their South Paint Shop with a similarly sized thermal oxidizer. Tesla was required to replace A-1002 as a result of emergency variance request by Tesla since A-1002 was failing. An Authority to Construct for the new thermal oxidizer was issued on March 16, 2020.

Tesla (San Rafael): Tesla applied to construct a new paint spray booth (S-1) at a new facility in San Rafael to refinish individual vehicle parts including but limited to vehicle hoods, bumpers, and fenders. S-1 will have a 4-stage filtration system to abate particulate matter. An Authority to Construct was issued on March 16, 2020.

San Jose – Santa Clara Regional Wastewater Facility: San Jose – Santa Clara Regional Wastewater Facility applied for their Filter Rehabilitation Project affecting source S-170, Tertiary Treatment. This project will replace mechanical surface wash arms with an air scour system that uses an air-assisted backwash system to remove collected solids from granulated filter media that is part of the Tertiary Treatment System. The Authority to Construct was issued on January 8, 2020, and a Notice of Exemption for CEQA was filed with Santa Clara County.

San Jose-Santa Clara Regional Wastewater Facility: The facility applied to construct two new 15 MM BTU/hour boilers, fueled by natural gas or digester gas. These boilers are part of the facility's cogeneration project, which also includes the construction and operation of four (4) 4,834 horsepower digester gas/natural gas engines and a digester gas treatment system. The engines and digester gas treatment system were reviewed in New Source Review Application #28651 (A/Cs issued on April 3, 2018). The project meets the requirements of Regulation 2, Rule 5 Toxics New Source Review. The project meets Best Available Control Technology requirements, and contemporaneous onsite emission reduction credits were used to offset emission increases of nitrogen oxides. An Authority to Construct was issued on March 11, 2020. A Notice of Determination was also filed.

Schnitzer Steel (Oakland): On January 14, 2020, the Air District issued a Certificate of Exemption for revised operations at Schnitzer Steel's Joint Products Plant (JPP) located in Oakland, CA. The JPP uses screens, classifiers, sensors, and other methods to recover metal from automobile shredder residue. Schnitzer Steel proposed to increase the processing rate at the JPP from 50 to 120 tons/hour, add a new wet separation process, and enclose all areas. One area is abated by a baghouse, and a second area is abated by wet processing. Particulate emissions are less than Best Available Control Technology (BACT) thresholds. An HRA on the proposed emissions from the JPP determined that health risks are less than the Best Available Control Technology for Toxics (TBACT) thresholds.

Corteva Agriscience (Pittsburg): Corteva Agriscience, formerly Dow Chemical, applied for an Authority to Construct abatement device, A-413 Acid Absorber and Tails Tower. A-413 will replace A-96 Acid Absorber and Tails Tower which is nearing the end of its useful life. A-413 will abate acid gas from reactors that are used to produce herbicide. The abatement device achieves greater than 99% destruction efficiency for acid gases. No other changes will be made at the herbicide plant. There will be no increase in emissions and the project is considered an alteration. The Authority to Construct will be issued and a Notice of Exemption for CEQA was filed with Contra Costa County on March 6, 2020.

Peet's Coffee and Tea Inc. (Emeryville): Peet's proposed the modification of six (6) existing coffee roasters, six (6) existing coolers, six (6) existing destoner units and two (2) new roasters, two (2) new coolers, and two (2) new destoner units. Peet's requested an increase in both daily and annual throughput and operating time at each source and an increase in the grouped annual throughput and operating time. The facility was required to reimburse the Small Facility Banking Account for 34.2 tons per year of NOx offsets and provide an additional 16.7 tons per year of NOx offsets for the modifications and new sources. The facility will also install a NOx monitor to determine compliance with its NOx limits. Peet's is located within 1000 feet of a school and the project required a public notice and comment period. No comments were received and the Authority to Construct was issued on January 21, 2020.

Stationary Source Committee Meeting – February 26, 2020: On February 26, 2020, staff provided an update to the Stationary Source Committee on multiple projects at four major facilities: the Phillips 66 San Francisco Refinery, the Marathon Martinez Refinery, the Lehigh Southwest Cement Company near Cupertino, and Schnitzer Steel Industries in Oakland.

Public Safety Power Shutoff (PSPS): Staff attended a meeting with Sonoma County regional entities on February 28, 2020 regarding the impact of PSPS events on the region. Staff helped identify Air District's role in potential grid resiliency projects proposed by both Pacific Gas and Electric (PG&E) and the subject entities.

Lehigh Southwest Cement Public Information Meeting (Cupertino): On February 13, 2020, staff participated in a regulatory panel at the Lehigh Southwest Cement (Lehigh) Public Information Meeting hosted by County Supervisor Joe Simitian in Cupertino. Staff provided updates on Lehigh's Title V renewal and responded to questions provided by Supervisor Simitian from the audience. Other participating agencies included the Santa Clara County Department of Planning, Environmental Health and Legal Counsel, California Fish and Wildlife, Santa Clara Valley Water Resources Department, and the City of Cupertino. The meeting was well attended and included numerous officials and political aides including Air District Board of Director's Chair, Rod Sinks.

National Association of Clean Air Agencies (NACAA) Permitting and New Source Review Committee: On January 15, 2020, and March 11, 2020, staff participated in the NACAA monthly conference calls. On the January call, U.S. EPA provided updates and answered questions on its ongoing and planned New Source Review and Title V actions for 2020. NACAA also announced and discussed plans for its NACAA Joint Permitting and Enforcement Workshop on February 25 to 26, 2020, in St. Louis, Missouri. On the March call, the U.S. EPA gave updates on the following topics: Draft Guidance for Ozone and Fine Particulate Matter Permit Modeling, New Source Review actions, Draft Guidance on Plantwide Applicability Limitation Provisions Under the New Source Review Regulations, and cost and burden estimates for processing New Source Review and Outer Continental Shelf permit applications. NACAA also reported back on the NACAA Joint Permitting and Enforcement Workshop.

California Association of Air Pollution Control Officers (CAPCOA) Annual Board Retreat: On January 6, 2020, staff provided an update to the CAPCOA Board on the status of the petroleum refining sector working group for developing uniform reporting guidelines as previously directed by the CAPCOA board and as required by the AB 617 Criteria and Toxics Reporting Regulation. The petroleum refining sector working group is led by Air District staff but comprises members from the Air District, San Joaquin Valley Air Pollution Control District, South Coast Air Quality Management District, and California Air Resources Board. The intent of the guidelines is to provide consistency of emissions calculations and reporting across the state of California.

CAPCOA Engineering Managers Committee: On January 27 and 28, 2020, staff participated in the quarterly committee meeting. Topics discussed at the meeting included: California Air Resources Board (CARB) and EPA regulatory updates, Assembly Bill (AB) 617 implementation updates, Criteria Pollutants and Toxic Air Contaminants Reporting (CTR) regulation activities, air district permitting activities, and planning for the CAPCOA Engineering and Toxics Symposium in October 2020.

Rule Development and Implementation

Amendments to Regulation 3: Fees: On January 27, 2020, staff met with the Budget Advisory Group (BAG), which includes representatives from the Western States Petroleum Association and California Council for Environmental and Economic Balance, to discuss the Air District's budget process and preliminary thoughts on proposed amendments to Regulation 3: Fees. On February 18, 2020, staff conducted a public workshop at the Air District's headquarters to discuss draft amendments to Air District Regulation 3: Fees. The amendments would be effective on July 1, 2020, and would increase fee revenue in order to help the Air District recover a greater share of the costs the Air District incurs in implementing and enforcing regulatory programs for stationary sources of air pollution. Two (2) comments on the workshop materials and draft amendments were received on March 20, 2020. The Air District staff again met with the Budget Advisory Group on March 16, 2020, to discuss the proposed amendments and to answer questions on the proposal, the draft Budget, and the rule development schedule. At the March 25, 2020, Budget and Finance Committee meeting, the Air District staff's presentation included a proposal to evaluate the potential impacts of the current COVID-19 pandemic on its revenues and potentially postponing proposed permit fee increases until later this calendar year. The first of two hearings on the proposed fee amendments took place at the Board of Directors' meeting on April 15, 2020. The proposed amendments will be discussed at the April 22, 2020, Budget & Finance Committee meeting.

Regulation 11, Rule 18, Reduction of Risk from Air Toxic Emissions at Existing Facilities: The Facility Risk Reduction Program has been updated on the Air District website to include an email subscription for notification about program activities. The Air District staff are working with the web team on a new page for the Facility Risk Reduction Program that will provide the review status for all Phase I facilities. These new tables will include the site-wide health risk assessments and risk reduction plans, as they are developed, and facilitate public comments on these documents.

The Air District received comments from Irvington Memorial Cemetery regarding the preliminary site-wide HRA that was sent to the facility in November 2019. The Air District is responding to these comments and preparing the HRA for public notice. We anticipate posting this HRA for public comment in May 2020.

Preliminary HRA reports have been completed and sent to two facilities:

- The preliminary HRA for Owens Corning Insulating Systems (OCIS), Plant 41, located in Santa Clara, CA, was shared with the facility on March 25, 2020. This preliminary HRA found health risks above the Rule 11-18 risk action levels. Staff is working with OCIS and their consultant to address their initial concerns about emission estimates. Comments from the facility are due June 25, 2020.
- The preliminary HRA for City of Santa Clara, Plant 621, located in Santa Clara, CA, was shared with the facility on March 30, 2020. This preliminary HRA found that all health risks are below the Rule 11-18 risk action levels. Comments from the facility are due June 30, 2020.

The Air District will consider comments from the facilities and the public before approving these HRAs.

The Air District sent an emissions inventory and emissions release parameter data request to Schnitzer Steel on April 1, 2020. This is the first step in the process for conducting a site-wide HRA for this facility. Information is due June 1, 2020.

Regulation 12, Rule 15, Petroleum Refining Emissions Tracking: All five (5) refineries and several of their support facilities submitted their Annual Emissions Inventories required by Regulation 12-15-401 the week of June 30, 2019. Deficiency letters were mailed to the facilities on August 11, 2019, and responses have been received. Staff reviewed facility responses for acceptance and are working on finalizing emissions inventories. The inventories for 2019 are due on April 15, 2020.

Regulation 13-2 Material Recovery Facilities, Transfer Stations, and Chip & Grind: Staff provided comprehensive comments on the most recent draft of this rule to Rule Development staff on March 4, 2020.

Organic Emission Estimation (OEE) Taskforce: Staff is participating in the OEE Taskforce and source-specific sub-groups in support of gathering emission data and assessing data gaps for the organic recovery rules discussed above.

Heavy Liquids Study: Staff is working with Legal, Enforcement, and Rule Development to address a path forward for developing revised average emission factors for fugitive emission leaks from heavy liquid service components. All five (5) refineries finished screening and bagging of study components and analytical lab results were reviewed by the Source Test Section. Staff is participating on a biweekly conference call with Western States Petroleum Association's technical personnel to discuss methodologies for developing revised average emission factors.

California Assembly Bill (AB) 617 Criteria and Toxics Reporting Rule Uniform Emissions Inventory Workgroups: Engineering staff were responsible for soliciting volunteers and collecting nominations for source categories to study for the Uniform Emissions Inventory Workgroups through the CAPCOA Engineering Managers Committee. Staff led a conference call on January 28, 2020, with other local air districts, CARB, and CAPCOA to discuss timing, process, and next steps for the electrical generation, petroleum refining and landfill workgroups. CARB also gave an update on the status of the proposed modifications to the CTR regulation, which became effective on January 1, 2020, and its proposed amendments to the CTR regulation which would add a fourth applicability criteria covering many medium and small permitted businesses. Update meetings were held on February 6, 2020, and March 12, 2020. There was a discussion of the process to finalize these documents and to consider methods to allow stakeholder input. The workgroups are targeting guidance documents to be drafted in 2020. On February 12, 2020, staff attended the CARB Public Workshop to Discuss Amendments to the Regulation for the Reporting of Criteria Pollutants and Toxic Air Contaminants in Oakland. CARB presented the proposed expanded applicability provisions, why they are needed, what additional sectors and sources will be affected, concepts for the proposed applicability thresholds, and options for abbreviated reporting where appropriate. Comments on the proposed amendments to the Criteria and Toxics Reporting Rule were provided to CARB on March 6th.

AB 617 Best Available Control Technology/Best Available Retrofit Control Technology (BACT/BARCT) Working Group: Staff participates in the CARB's bi-weekly conference calls of the BACT/BARCT Working Group. CARB presented its status on the development and implementation of the AB 617 Technology Clearinghouse website. Items discussed included: the air district rules database including air district comments received on CARB's test website, the updates that will ensure the upcoming U.S. EPA Electronic Permitting System lists are consistent with CARB's AB 617 Technology Clearinghouse, documentation on the website to help the public understand air pollution and controls (video series and webpage development), and the next steps on the Public Safety Power Shutoff (PSPS) commercial webpage tool that CARB is developing to help the public identify available options for backup power.

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

The District Counsel's Office received 123 violations reflected in Notices of Violation (NOVs) for processing.

Mutual Settlement Program staff initiated settlement discussions regarding civil penalties or passing the Wood Smoke Awareness Course for 66 violations reflected in NOVs. In addition, 10 Final 30 Day Letters were sent regarding civil penalties for 11 violations reflected in NOVs. Finally, settlement negotiations resulted in collection of \$79,825 in civil penalties for 57 violations reflected in NOVs.

Counsel in the District Counsel's Office initiated settlement discussions regarding civil penalties for 60 violations reflected in NOVs. Settlement negotiations by counsel resulted in collection of \$23,500 in civil penalties for seven (7) violation reflected in NOVs.

**COMMUNICATIONS AND PUBLIC INFORMATION DIVISION
K. ROSELIUS, ACTING OFFICER**

Media Inquiries

Staff responded to numerous media inquiries, including requests about:

- Anchor Brewing
- Backup generators
- Bay Area Concrete Recycling
- Bayview monitoring study
- Chevron flaring
- Data mapping project
- EPA relaxing rules
- Flaring causal reports
- Hydrogen ferry
- Idling rules
- Lawnmower emissions
- Martinez refinery
- Milpitas odor study
- Newby Island odors
- PG&E generators
- PM data
- Public records
- Refinery flaring stats
- Richmond coal ordinance
- San Bruno Mountain fire
- San Jose Airport Environmental Impact Report
- SF/Bay Area air quality
- Shell refinery
- Storage tank VOCs
- Tesla permits
- Traffic and improved air quality
- Valero flaring
- Vehicle Buy Back program
- VW hydrogen grants
- Winery legislation/VOCs
- Wood burning

Media Events/Op-eds

- Slow shipping/blue whales press conference in Port Hueneme postponed.
- Air Filtration in Schools Event in Oakland to be scheduled; date TBD.
- Placing op-ed from Jack about wood burning rule amendments with San Jose Mercury News; date TBD.
- Media Event with Aclima announcing regionwide air quality mapping project took place on January 14, 2020.
- Placed op-ed from Chair Rice about wood burning rule amendments with the Marin Independent Journal ran January 1, 2020.

Media Highlights

The Air District was mentioned in 127 print/online stories and 122 radio/video clips from January 2020 through March 2020. Below are media coverage highlights:

03/27/2020	<u>Citing coronavirus, EPA suspends enforcement of environmental laws</u>
03/27/2020	<u>Bay Area air quality sees dramatic improvement in only 24 hours</u>
03/27/2020	<u>Coronavirus: Bay Area air quality shows marked improvement during shelter in place</u>
03/26/2020	<u>All American Marine to complete construction of Water-Go-Round</u>
03/26/2020	<u>Coronavirus Pandemic: Bay Area air pollution sees dramatic 24-hour drop on 10th day of shelter-in-place</u>
03/25/2020	<u>Coronavirus: With some bus routes eliminated, Solano Transportation Authority expands other services</u>
03/25/2020	<u>North Bay makes gains in air quality as residents stay at home during coronavirus pandemic</u>
03/23/2020	<u>Coronavirus: Bay Area air quality is improving as people stay home</u>
03/21/2020	<u>Bay Area Air Quality Likely to Improve as Traffic Declines During Coronavirus Slowdown</u>
03/12/2020	<u>School District Welcomes Fleet Of Electric Buses</u>
03/09/2020	<u>Bayview Hunters Point tests its air</u>
02/26/2020	<u>Quarry expansion plan prompts questions, concerns at meeting</u>
02/25/2020	<u>California clean air regulators examine wine emissions</u>
02/25/2020	<u>Richmond Officials Vote To Find Out What's Causing Flaring At Chevron Refinery</u>
02/24/2020	<u>\$5 million in VW funding available for hydrogen refueling stations in California</u>
02/24/2020	<u>Cal Fire wrapping up work on Kings Mountain Road</u>
02/18/2020	<u>Kings Mountain Road debris goes up in smoke</u>
02/17/2020	<u>SchoolPool: Free Tri Delta Bus Passes for East County Students</u>
02/17/2020	<u>Napa Valley College weighs response to future PG&E power shutoffs</u>
02/14/2020	<u>Anticipated smoke due to vegetation management burning in San Mateo County</u>
02/11/2020	<u>Flaring Reported Once Again At Chevron Refinery</u>
02/10/2020	<u>Authorities Investigate Flaring At Chevron Refinery</u>
01/29/2020	<u>Banned since 1991, gas leaf blowers still bringing the noise in Los Altos</u>

- 01/28/2020 [Aclima Rolls Out Sensor-Equipped Cars To Track Air Quality On A Block By Block Basis](#)
- 01/22/2020 [San Jose airport has nation's largest fleet of all-electric buses. So why is it still using gas?](#)
- 01/21/2020 [Bruce King: Engineer Inspired Nation's First Low-Carbon Concrete Code](#)
- 01/19/2020 [Why Richmond said No to coal](#)
- 01/17/2020 [California's Bay Area to Measure Air Quality Block-by-Block](#)
- 01/15/2020 [Bay Area Air Quality Authority Upgrades Equipment to Collect Air Pollution Data](#)
- 01/15/2020 [Tech company utilizes cars to measure air quality across Bay Area](#)
- 01/15/2020 [Air Quality District To Map Greenhouse Gases On Every Bay Area Block](#)
- 01/15/2020 [This SF tech company is using vehicle-mounted sensors to make a 'Street View' of pollution](#)
- 01/15/2020 [Fleet Of Cars to Collect Block-by-Block Air Quality Data in Bay Area](#)
- 01/15/2020 [Environmental concerns over expansion plans at San Jose airport](#)
- 01/14/2020 [Aclima will map the air quality on every block in the Bay Area](#)
- 01/14/2020 [San Jose airport eyes expansion, but climate concerns loom](#)
- 01/14/2020 [As travel demand grows at San Jose International Airport, so does concern over climate-impact](#)
- 01/14/2020 [Cars That Sniff Pollution to Map Air Quality in California](#)
- 01/13/2020 [California Plans To Expand Rules Requiring Ships To Use Shore Power](#)
- 01/06/2020 [In Your Town for Jan. 7, 2020: Air district offers vouchers for cars](#)
- 01/05/2020 [California Offers Up To \\$9,500 To Purchase Used Or New Electric Vehicle, Focus On Lower-Income Motorists](#)
- 01/02/2020 [Opinion: Backers of Shipping Coal to Oakland Misdemeanor the Public](#)
- 01/02/2020 [Incentives offered for car trades](#)
- 01/01/2020 [Marin Voice: Meeting 'Spare the Air' challenges posed by climate change and wildfires](#)

Press Releases

- 03/31/2020 [Bay Area Air District statement on Trump Administration's release of the SAFE Vehicles Rule](#)
- 03/16/2020 [Air District cancels Board Executive Committee meeting Wednesday](#)
- 02/24/2020 [Permissive burn period opens for spring marsh management fires](#)
- 02/20/2020 [\\$5 million in VW funding now available for hydrogen refueling stations in California](#)
- 01/14/2020 [Air District & Aclima announce unprecedented, hyperlocal air quality data program](#)
- 01/09/2020 [Air District Counsel Brian Bunger named president-elect of A&WMA](#)

Public Inquiries

Phone: 188 public calls

Events

- Participation in all events through May 9, 2020, has been cancelled in the wake of the ongoing COVID-19 issue.
- Past Events
 - San Jose Spring Home Show – San Jose (February 22 to 23, 2020)
 - The Buck @ Jack London Square – Oakland (January 19, 2020)
 - Oracle’s Transportation Fair – Santa Clara (January 14, 2020)
 - Oakland Zoo Lights – Oakland (January 3, 2020)

Spare the Air (STA)

- Advertising
 - Previous bicycle events: January 14, 2020, in Petaluma; January 18, 2020, in Union City; January 24, 2020, in San Jose; January 25, 2020, in Morgan Hill; February 1, 2020, in Calistoga; February 2, 2020, in Mountain View; February 7, 2020, in Oakland; February 9, 2020, in Martinez; February 15, 2020, in Berkeley; February 16, 2020, in Livermore; and February 23, 2020, in Burlingame (final event for Spare the Air).
 - Craig from Promotion-N-Motion is moving and will no longer be available for bicycle outreach events; Prosio to send alternatives to replace vendor once cost estimates are received.
 - Staff reviewing media buy strategy for the upcoming summer season.
 - Staff adjusting recommended mediums and overall timing in consideration of the current “Shelter-in-Place” order.
 - Spare the Air brand/logo review with Noise 13 to be completed in May 2020; staff will incorporate new brand elements into campaign advertising/materials as needed.
 - Staff coordinating with True North Research on requested updates to the summer season survey.
 - Staff met with Prosio on March 2, 2020, to discuss 2020 Spare the Air Every Day campaign and social media efforts.
 - The Sausalito flag banners were installed on February 11, 2020, and ran until February 25, 2020.
 - Staff determined advertising value for bus wrap ad placements.
 - Second set of radio spots began running week of January 13, 2020.
 - Final multicultural television spots began running week of January 13, 2020; final set of broadcast television spots began running week of January 20, 2020.
 - Third (final) flight of eco-posters started the week of January 13, 2020.
- Creative
 - Staff exploring alternate creative options for use this summer in lieu of the “Life’s a Trip” creative, which is not in line with social distancing measures in place.

- Media Relations
 - Staff drafting the media relations strategy for the upcoming summer season; Pro시오 to send by March 31, 2020.
 - Staff reviewing map of advertising elements.
 - Summer Spare the Air duty roster complete.
 - Staff drafting the Winter Spare the Air end of season summary report.
 - Staff prepared Winter Spare the Air season summary information/stats for upcoming Board presentation.
 - Pro시오 to send 2019-2020 door-to-door outreach summary report by March 5, 2020.
 - Staff reviewing Summer Spare the Air end of campaign report.
 - PIO outreach document focused on rule 6-3 amendments was distributed on 2/27.
 - Sarah Z. conducted second public affairs interview with iHeart Media S.F. on 2/13.
 - Local broadcast and multicultural media attended the 1/14 media event with Aclima.

- Social Media
 - Substituting transit messaging for teleworking tips and ways to Spare the Air at home.
 - Implementing new monthly analytics format in lieu of weekly reporting.
 - Staff implementing new growth and social listening strategy to increase followers and engagement.
 - Staff editing April social content; meeting with Pro시오 on March 19, 2020, to discuss.
 - Social profiles were updated to reflect season change on March 1, 2020.
 - Staff implemented new content format and approval process; working with Pro시오 on additional protocols for developing social content.
 - Staff shared a resource folder for use when drafting content calendars with Pro시오.
 - Working with Facebook to have our agency whitelisted from advertising limitations.

- 2019-2020 Employer Program
 - Carpool Now follow-up survey for employers that have hosted an event in the last few years was distributed on January 10, 2020. Pro시오 to compile and send feedback from the Carpool Now follow-up survey by March 31, 2020.
 - Conducting an audit of the EmployersSpareTheAir.org website and program materials. Staff reviewed post-audit recommendations of the employerssparetheair.org website and program materials; includes potential outreach efforts that can be implemented in lieu of in-person events.
 - Staff following up with Employer Program contacts to postpone the potential Carpool Now events that were slated for this spring/summer; exploring alternative outreach and event ideas such as e-blasts and webinars.

- Pro시오 to send a detailed event plan for upcoming Carpool Now events by April 15, 2020.
- Participation cancelled for the March 9, 2020, HR West Conference; staff following up with leads gathered at the virtual exhibit booth.
- Imported the current Employer Program database from Salesforce to Hubspot.
 - Welcome email was distributed to all current Employer Program contacts.
 - Staff updating database and contact information as responses are received.

Spare the Air Social Media

Staff and Pro시오 actively monitored and posted on social media throughout the Spare the Air season. Facebook, Twitter, Instagram and Pinterest platforms were monitored.

- Post samples:
 - [Facebook](#)
 - [Twitter](#)
 - [Instagram](#)
 - [Pinterest](#)
- Response samples:
 - [Facebook](#)

In this quarter, follower numbers decreased to 9,571 (-18) on Facebook and 13,670 (-22) on Twitter. Follower numbers increased to 1,145 (+35) on Instagram and 280 (+5) on Pinterest.

Air District Social Media

Staff continues to run social posts daily including:

- Daily, two-day, and five-day air quality forecasts
- Air District hiring opportunities
- Air quality updates
- Announcement of the hyperlocal air quality mapping project with Aclima
- Brian Bunger named president-elect of Air and Waste Management Association (A&WMA)
- Cancellation of Executive Committee meeting
- Carl Moyer grantee American Navigation (AMNAV) Maritime Corporation's new tugboats
- Carl Moyer Program grantee Blue Ribbon Supply Company
- Clean Cars for All call for applications
- Clean Cars for All grantee testimonies
- Continuing essential Air District functions during Shelter-in-Place order
- Donation of N95 masks to Cal OES
- Emissions reductions estimates from decline in vehicle traffic
- FARMER program funding announcement
- Featured meteorologists for National Weatherperson's Day

- Franklin-McKinley School District's new electric buses
- Grantee Sonoma Valley Unified School District's new electric school buses and charging infrastructure
- Hydrogen refueling stations grant announcement
- Invitation to attend the SF Energy Fair
- Kids' air quality questions answered
- Mayor Breed's EV Charging Infrastructure Workshop
- NASA's air pollution sensor announcement
- Notice of Board meetings being held remotely
- Recognition of Margaret Gordon and Brian Beveridge for their work on the West Oakland Community Action Plan
- Reposted Elemental Exelerator's call for applications for clean energy grants
- Reshared Aclima air quality data announcement
- Retweeted Aclima Forbes article
- Retweeted Brightline Defense's Youth for the Environment and Sustainability (YES) Conference post
- Richard Lam's presentation at the American Meteorological Society (AMS) Annual Conference in Boston, MA
- Role of climate change education in emission reductions
- Shared article on equitable access to EVs
- Shared articles regarding improved air quality during Shelter-in-Place order
- Shared the American Lung Association's Clean Cars for All posts
- Shared the STA activity book for teleworking parents with kids at home
- Staff feature on Deanna Yee
- Staff feature on Engineering Division
- Staff feature on Idania Zamora
- Staff feature on Mark Gage
- Tour group of seniors from Abraham Lincoln High School
- World Electric Vehicle Journal article published by Air District staff

In this quarter, Air District follower numbers increased to 3,719 (+36) on Facebook, 9,178 (+153) on Twitter, and 1,777 (+294) on Instagram. The number of followers on LinkedIn is 1,519 and will be reported moving forward.

Videography

- Staff to begin weekly videography meetings to discuss video ideas/progress.
 - Staff updating tracking document with interviewees and potential actors.
- Staff to produce video about operations continuing during Shelter-in-Place order.
- Staff reviewing b-roll that can be used for upcoming videos.
- Drafting remaining scripts and developing graphics for the wildfire preparedness video series.
- Outline for the air quality data website tutorials complete; awaiting approval from web team.
- Climate Tech Finance video project under review.
- Awaiting changes from Strategic Incentives Division for the Goodwill video.
- Spare the Air events training video complete.

- Documenting all fixed video assets into database.
 - Staff working with Admin to have more SKU numbers issued to label the remaining assets.

Other

- Staff Development
 - Communications and Strategic Incentives Division to discuss highlights and timelines of grant programs to promote – meetings will be monthly moving forward.
 - Initial required Incident Command System training for Communications Office staff complete.
 - Specialized training to follow in concert with U.S. EPA – Met with Dan Meer in late February 2020, to coordinate; working to schedule specialized emergency response training.
 - Creating post-training survey for those who complete online Spare the Air events training.
 - Media Training
 - Meteorology & Measurement managers completed media training.
 - Kristina Chu & Juan Romero to continue media training.
 - Erin attended CAPIO's 2020 Emergency Communications Academy.
- Spare the Air Brand Refresh
 - Public survey results to be presented to Air District in late April 2020.
 - Met with Noise 13 to review survey questions on March 3, 2020.
- 2019 Annual Report
 - Content language and photos complete.
 - Videos awaiting approval.
 - We the Creative revising print/web content.
- Graphic Design Projects
 - Goods Movement Program flyer and mailer in review.
 - Logo decal for Strategic Incentives Division with printer.
 - Wildfire Preparedness Tips brochures
 - Spanish and Chinese with printer.
 - Translated to Tagalog, Chinese, Vietnamese and Spanish. Will be designed in-language.
 - Human Resources job posting template.
 - Public Safety Power Shutoff cards in Tagalog, Chinese and Spanish complete.
 - Climate Tech Finance materials on hold for several months until program fully developed.
 - Jobs pull-up banner complete.

- RFPs/RFQs
 - RFP for Annual Report design – open date March 19, 2020; closed April 9, 2020.
 - RFQ for video production services – open date May 1, 2020; closes May 15, 2020.
 - RFQ for general public relations services – open date March 5, 2020; closed March 27, 2020.
 - RFP for Spare the Air app redesign in development, date TBD.
 - RFP for Technology Implementation Office under review; staff to discuss who should be awarded contract.

- Photography
 - Prep work for Clean Cars for All photo shoot.
 - Fruitvale Elementary School air filtration system installation postponed.
 - Complaints workshop in San Jose on February 4, 2020.
 - All Hands Meeting staff photo on February 11, 2020.
 - Sharon working on women bike commuter shots.
 - Aclima event on January 14, 2020, at Pier 19 in San Francisco.
 - Staff took photos of pedestrians/transit around San Francisco for social.

- Sponsorship Contracts
 - Extending terms of Air Sensors International Conference and American Lung Association sponsorships due to event postponements.

- Awards and Recognitions
 - Acterra Business Environmental Awards
 - Acterra Awards scheduled for May 28, 2020; application period has closed for the Spare the Air Leadership Award.
 - Judge’s Dinner was held on March 5, 2020.
 - Working on transition to virtual awards ceremony.
 - Drafting talking points for Jack for awards ceremony.
 - Community Leadership Awards – Ms. Margaret Gordon & Brian Beveridge – Ms. Margaret and Brian’s awards presented on February 19, 2020.

- Spare the Air app – Innoppl
 - Working with Innoppl on phase one of Spare the Air app upgrades.
 - Internal meetings set to discuss RFP for app redesign and necessary changes after brand changes.
 - Phase one complete, phase two is ongoing and will include iOS 13.3.
 - Update with Android and iOS is ongoing.
 - Expected completion by end of April 2020.

- Website
 - Wildfire Tips webpage uploaded and published Chinese, Vietnamese and Tagalog versions.
 - Updating language on webpages that include Winter Spare the Air information.
 - 2020 press releases were sent for translation and several backlog sets of translated press releases from 2019 were uploaded.
 - Air District Operations During Shelter-in-Place webpage updated and Spanish language version uploaded.
 - Air District Operations News page for Advisory link on the home page was created and posted. The page was updated with Board Meetings cancelled/webcast language.
 - Local Health Organizations page: staff drafted intro text and researched national and state health agency links to include.
 - Spare the Air Youth page: staff added text/links and uploaded the Spare the Air Kids Activity book.
 - Executive Meeting Canceled – posted press release, created and posted Latest News link.
 - Published Wood Smoke webpage updates with new wood-burning rule amendment information.
 - Spare the Air website switched from Winter to Summer mode; alerts switched to summer mode.
 - Staff drafting pop-up explanatory text for the Data Center webpage.
 - Worked with web team to offer emergency text alerts for large scale incidents – signup available now via website, adding to short code signups in next week or so.

- Administrative
 - 4900 Script – Working with Enforcement to have consistency between 4900, 5000 and 6000 phone trees.
 - Implementing Communications Plan for Reg 6, Rule 3 amendment promotion.
 - Provided input on Air District Emergency Operations Plan.
 - Drafted Communications slides for Board retreat in January 2020.

- Promotions
 - Planning EV infrastructure promotion in South Bay with Technology Implementation Office.
 - To discuss potential radio Public Service Announcements (PSAs) and podcasts to promote the Clean Cars for All Program with Technology Implementation Office.

- Publications
 - Bay Area Monitor received, reviewed, and forwarded final draft of Planning article to League of Women Voters before print deadline.
 - Air Currents on schedule for May 1, 2020, publication. Adding article about Air District operations during the Shelter-in-Place.

PLANNING AND CLIMATE PROTECTION DIVISION
H. HILKEN, DIRECTOR

Climate Protection

Climate Protection Grants

Staff continued to implement the 17 projects of the Climate Protection Grant Program, including meeting with grantees and reviewing fourth quarter 2019 progress reports, in addition to guiding and meeting with grantees to discuss progress. Milestones in this quarter included:

- Contra Costa County established the Cleaner Contra Costa Challenge web-based outreach campaign, which achieved a milestone of getting 500 households to engage with the platform, taking nearly 400 individual greenhouse gas (GHG) reduction actions and reducing a total of 85 tons of greenhouse gas emissions.
- San Mateo Community College District, one of the grant-funded fellows, assisted in designing and implementing a \$1.2 million LED lighting retrofit project, saving an estimated \$200,000 and 130,000 lbs. CO₂e through this energy saving project.
- San Mateo Housing Endowment and Regional Trust's (HEART) Green and Livable Accessory Dwelling Unit (ADU) project has used a student design contest to demonstrate that ADU construction can be an effective way to build wealth, helping to close the gap between minority and majority populations in East Palo Alto. The architectural design students developed a method for estimating and visualizing ADU buildable area in the city and a method of testing for possible ADU placement, using available maps and setback requirements.

Greenhouse Gas Reduction Activities

Staff continued working with key stakeholders to advance work on its Building Decarbonization Program, specifically the development of a comprehensive online policy resource clearinghouse, called the Clean Building Compass. The Clean Building Compass is being created in partnership with the Building Decarbonization Coalition (BDC) and the Bay Area Regional Collaborative (BARC). Activities have included hosting two focus groups of local government staff to provide feedback and input on the Compass website; participating in a committee for the Climate Ready Home Initiative, being launched by BayREN and its partners to develop a regional strategy for electrifying existing homes; and meeting with City of San Francisco staff to discuss the City's building "deconstruction" work, which aims to encourage the careful extraction of building materials that can be reused as an alternative to demolition, to achieve climate and air quality benefits.

Staff worked internally and with key agencies to begin developing an approach to addressing the growing number of data centers relying on diesel-based back-up power. Staff has convened discussions with staff from CARB, the California Energy Commission (CEC) and CAPCOA. Discussions with CAPCOA focus on defining the role of air districts in addressing the proliferation of back-up diesel generators among data centers and elsewhere, and developing standardized guidance for data centers to operate in compliance with California Environmental Quality Act (CEQA) and local climate action plans. Staff convened multiple discussions on technology and

policy alternatives to diesel back-up generators with advocacy groups, technology providers and companies, and public agencies, including the City of Menlo Park, Bloom Energy, Salesforce, All Power Labs, the California Energy Commission, and Silicon Valley Power. Discussions have included permitting approaches and zero- and low-emission technology alternatives to diesel back-up generators.

Staff presented on “Climate Change and Food – An Overview” to the Air District Board’s Climate Protection Committee. Staff conducted a literature review of studies and articles on the connections between climate change and food (e.g. production, diet and waste). Staff worked with local organizations including Acterra and StopWaste.org to identify opportunities to collaborate on public education and outreach regarding the nexus between food and climate protection.

Staff collaborated with MTC staff to identify important ways the Air District could support a robust Plan Bay Area, including providing review of proposed measures for air quality and GHG impacts. Staff participated in MTC’s workshop on the Environment component of Plan Bay Area 2050. Staff provided supportive comments on the Plan Bay Area Draft Blueprint to the Joint MTC Planning Committee and the Association of Bay Area Governments (ABAG) Administrative Committee, emphasizing the importance of a robust Plan Bay Area that reduces greenhouse gas emissions and improves local air quality.

Staff continued work developing a regional strategy to reduce fluorinated gases (which have high “global warming potential”), including attending the North American Sustainable Refrigeration Council’s “Low-Global Warming (GWP) Potential & Energy Efficiency (EE) Exposition”, and attending CARB’s Public Workshop for Stationary Refrigeration and Air Conditioning Rulemaking and Incentive Program in Sacramento.

Staff co-authored a paper accepted for publication by *Environmental Research Letters* by scientists at the Jet Propulsion Laboratory, entitled: “Using Remote Sensing to Detect, Validate, and Quantify Methane Emissions from California Solid Waste Operation.”

Support to Local Governments

Staff continued providing direct support to facilitate local GHG mitigation planning and implementation. Staff met with City of Oakland staff to discuss transportation mitigation measures for the Howard Terminal development project. Staff spoke with the City of Brisbane about microgrids and approaches to decarbonizing back-up generators. Staff worked with MTC staff to provide comments on San Mateo County’s Climate Action Plan transportation measures. Staff attended the City of San Francisco’s Building Electrification Fair. Staff provided input and feedback to San Jose planning staff regarding San Jose’s Climate Action Plan update. Staff met with members of the City of Petaluma’s Climate Commission to discuss climate action strategies that could take the City to net-zero GHG emissions. In response to a request from Marin County, staff facilitated a meeting between Marin County staff and CARB staff working on landscape and gardening equipment rule-making. Staff participated in the Rapid Climate Response Forum, an all-day workshop of public agency staff and stakeholders to discuss near-term collective actions for accelerating greenhouse gas reductions in the Bay Area. Staff participated in an online discussion with staff from StopWaste, PlaceWorks, and MTC on community GHG inventory tools and methodologies and the potential to streamline GHG inventories for the nine-county Bay Area.

Air Quality Planning

California Environmental Quality Act (CEQA)

Staff continued implementation of the Air District's CEQA Guidelines, including reviewing air quality analyses in CEQA documents, drafting comment letters, and responding to inquiries from consultants, local government and businesses. During the first quarter of 2020, staff tracked 335 projects, reviewed 24 projects, responded to 29 Stationary Source Information Requests, and provided comment letters on the seven (7) following projects: City of Menlo Park Menlo Portal Project; Surface Transportation Board Oakland Global Rail Enterprise Scoping Comments; University of California, San Francisco (UCSF) Comprehensive Parnassus Heights Plan; CA Energy Commission Sequoia Data Center; City of Gilroy 2040 General Plan; City of San Jose STACK Infrastructure Expansion; CA Energy Commission Walsh Data Center. Staff continued working on CEQA program improvements, including launching a new CEQA tracking protocol and developing a new searchable CEQA tracking database. Staff continue working on updating the CEQA Thresholds and Guidelines including drafting proposed thresholds of significance, reviewing past CEQA projects to determine the impact of proposed thresholds, and developing an outline for simplified, easy to use guidance for assessing the environmental impacts of criteria pollutants, toxic air contaminants and greenhouse gases. Staff planned and attended a CEQA training led by Air District legal counsel.

Assembly Bill (AB) 617

Staff continued to meet with West Oakland Environmental Indicators Project (WOEIP) and the Steering Committee on implementing the West Oakland Community Action Plan (WOCAP). Staff met with the City of Oakland, the Port of Oakland, Bay Area Regional Collaborative (BARC) and MTC and initiated internal coordination with Community Engagement, Compliance and Enforcement, Meteorology & Measurement and Rules to determine implementation responsibilities. In response to the COVID-19 Shelter-in-Place order, staff worked with WOEIP to transition the Co-leads and Steering Committee meetings to the Zoom platform. Staff worked with Community Engagement to plan and hold two meeting of the Richmond-San Pablo Area Community Emissions Reduction Plan (CERP) Community Design Team (CDT). The CERP CDT is tasked with developing the application materials for Steering Committee members as well as the Steering Committee charter and partnership agreement and will be responsible for selecting the Steering Committee and Co-leads team. Staff continued to meet internally on the Richmond-San Pablo Area CERP workplan and timeline and began working in partnership with MTC on developing a repeatable and transparent process to build a fully documented geospatial data repository to support CERP development in Richmond-San Pablo.

Air Quality Planning

Staff reviewed CARB's Concept Paper for the Freight Handbook and assisted in developing policy language for addressing Senate Bill (SB) 1000/environmental justice project review in Air District CEQA comment letters. Staff reviewed policies focusing on tree planting/urban greening and sustainable food systems in relation to updates of local general plans, climate action plans, and environmental justice/health equity plans. Staff provided input to the Governor's Office of Planning and Research regarding OPR guidelines for SB 1000 implementation and potential connections to AB 617 plan development and provided technical assistance to Contra Costa County Health staff, updating the County's General Plan. Staff co-led City of Oakland stakeholder

groups as part of the East Oakland Neighborhood Initiative to determine how identified urban green infrastructure planning activities can be supported by state and regional funding. Staff presented at the California Healthy Housing Coalition Annual Meeting regarding reducing near-roadway pollution exposures, and the Sierra Club Street Team to discuss ongoing stewardship needs and determine/recommend what investments need to be made. Staff contributed to judge guidelines and reviewed applications for the Spare the Air Leadership Awards.

**ASSESSMENT, INVENTORY AND MODELING
P. MARTIEN, DIRECTOR**

Air Quality Modeling & Analysis

Staff continued developing updated emissions estimates for 2016 and 2017 regional particulate matter modeling in the Bay Area. Staff continued to engage in Assembly Bill (AB) 617 activities for the Bay Area region and for the Richmond/San Pablo area. Staff developed an emissions inventory of fine particulate matter and cancer risk-weighted emissions for the Bay Area and for the Richmond-San Pablo area to evaluate permitted facility impacts as part of an AB 617 cost-recovery analysis.

Staff organized and participated in meetings with the State Office of Environmental Health Hazard Assessment (OEHHA) and U.S. EPA on refining a methodology for assessing health impacts from fine particulate matter in the Bay Area. Staff participated in ozone SIP inventory workgroup calls with staff from CARB and other air districts and participated in conference calls with CARB staff on AB 617 coordination and on updates to the CARB-prepared 2017 SIP inventory.

Staff worked on procurement of emission estimates for the 2018 Camp Fire from the U.S. Forest Service and provided a summary to the Rule Development Section and assisted the Planning and Climate Protection Division on a literature review project for methane and other organic gas emissions from waste management facilities. Staff continued quality assurance and quality control steps for the District's meteorological data collected in 2018 along with weather data from other sources.

Staff participated in several teleconferences and webinars, including a U.S. EPA webinar on reduced-complexity air quality models, multiple sessions of the webinar series from the NASA Health and Air Quality Applied Sciences Team (HAQAST), and a teleconference with a U.S. EPA team to discuss potential collaborations and their interest in Air District regional air quality modeling results for their research on air pollution health impacts. Staff participated in a meeting with a delegation from South Korea organized by the Air District's public outreach officers with regards to operational air quality modeling.

Emissions and Community Exposure Assessment

Staff developed a 2020 plan for AB 617 community assessment work, including tasks for general methodology improvements and tasks specific for Richmond/San Pablo area analyses. Staff started collaboration with MTC on managing and using geographic data, completed a series of MTC geospatial data training, and is working with Planning Division staff to set up a data repository to support the Richmond/San Pablo community assessment work. Staff collaborated with the Engineering Division to support PM_{2.5} modeling in Richmond by verifying and processing stack parameters and source emissions data for the Chevron refinery. Staff also worked with the

Meteorology & Measurement Division to deliver a Google Earth file with locations of permitted facilities to the Bay Air Center and Citizen Air Monitoring Network. Staff reviewed the CARB list of Bay Area facilities subject to the applicability criteria in the Criteria and Toxic Emissions Reporting (CTR) regulation. Staff supported the Planning Division staff by completing project reviews under CEQA and developing methodology/data for the CEQA screening tools to evaluate health impacts from local projects. Staff hosted a seminar with Port of Oakland staff, CARB staff, and UC Berkeley researchers to discuss preliminary findings of the TraPac terminal heavy-duty diesel truck study. Staff submitted presentation slides on AB 617 technical work to the Air & Waste Management Association (A&WMA) annual conference.

Staff evaluated changes in on-road vehicle traffic in the Bay Area due to the COVID-19 shelter-in-place order and estimated the associated reduction in air pollutant and GHG emissions, in response to Executive Management requests and press calls fielded by the Communications Division. Staff continued work to develop the base year 2015 emissions inventory, update the inventory methodology document, and perform quality assurance work. For emissions reporting, staff worked with Engineering staff and completed a draft emissions summary for AB 10X facilities based on the updated dataset under Regulation 12, Rule 15 (Petroleum Refining Emissions Tracking). Staff delivered an emissions inventory dataset per request from the Strategic Incentive Division to assist with a U.S. EPA grant application. Staff supported the Air District's Organic Emissions Estimates (OEE) workgroup by providing literature review, knowledge assessment, and boundary maps for landfills and wastewater facilities in the Bay Area. Staff completed a manuscript on methane emissions assessment and submitted it to the journal Environmental Science and Technology (ES&T) for editorial and peer review.

COMMUNITY ENGAGEMENT AND POLICY DIVISION
E. YURA, DIRECTOR

Community Protection / AB 617 Rulemaking Efforts

Regulation 2: Permitting Rules

With the passage of AB 617, the Air District has new, explicit responsibilities to take the lead in improving the air quality in environmental justice communities within its jurisdiction. These responsibilities bolster the agency's continued desire to reduce air pollution impacting disadvantaged communities and improving health outcomes.

In striving to achieve the goals of improving permitting rules, Rule Development staff is working closely with the other divisions within the Air District, as well as members from the permit reform internal working group, to facilitate next steps in planning community meetings throughout the Bay Area. In 2019, Rule Development and Community Engagement staff met with community members in the following areas: Carquinez Strait region (Vallejo and Rodeo), Suisun Bay region (Pittsburg), Eastern San Francisco (Bayview-Hunters Point), East Oakland, the South Bay (Santa Clara County) and the Tri-Valley region. Staff conducted outreach and plans to meet with community members in the North Bay (Marin/Sonoma/Napa). The next step in this process will be to conduct broader public workshops in early summer 2020.

AB 617 BARCT Schedule

Assembly Bill 617 requires air districts to review the control technology installed on industrial sources located at facilities subject to the Cap-and-Trade program. CARB further clarified that industrial sources refer to those facilities that are eligible for free allowance allocations under the Cap-and-Trade Program. The Air District has 19 of these industrial facilities which are subject to Cap-and-Trade. These 19 facilities have over 1,800 sources in 50 source categories. The Air District was required to review these sources and determine if Best Available Retrofit Control Technology (BARCT) is being used. For the sources where BARCT is not being used, the Air District developed a preliminary BARCT determination for the source category and a schedule for finalizing the appropriate rules.

Staff briefed the Air District Board of Directors on the BARCT Schedule efforts on September 5, 2018. A public hearing was held at the Air District Board of Directors meeting on December 19, 2018, and the Board of Directors adopted the Expedited BARCT Implementation Schedule and certified the associated EIR. The current status of rule development efforts included in the AB 617 BARCT Schedule is shown below.

Figure 1: Expedited BARCT Implementation Schedule

<i>Rule Development Effort</i>	2019			2020			2021			Next Workshop
Rule 8-5: Organic Liquid Storage Tanks										Q1 2020
Rule 8-8: Petroleum Wastewater Treating										Q1 2020
Rule 9-13: Portland Cement Manufacturing										Q4 2020
Rule 6-5: Refinery Fluid Catalytic Crackers & CO Boilers										Q1 2020
Rule 8-18: Refinery Heavy Liquids Leaks										Q2 2020 ^a
Rule 9-14: Petroleum Coke Calcining Operations										Q1 2021

a: Delayed pending outcome of ongoing heavy liquid study.

Following the adoption of the AB 617 BARCT Schedule, staff initiated the formation of a Refinery Rules Technical Working Group (TWG) comprised of refiners, Western States Petroleum Association (WSPA), representatives from community organizations, other regulatory agencies, and Air District staff. The working group augments the development efforts of refinery rules and amendments that stem from the AB 617 BARCT Schedule, the Methane Strategy, and the 2017 Clean Air Plan. The purpose of the TWG is to work closely with participants to vet technical and cost information, discuss preliminary regulatory concepts, and serve as a forum for stakeholders to voice concerns on technical issues associated with development of rules affecting refineries. To date, staff has hosted TWG meetings covering the following discussion topics:

Rule Development Effort	Meeting Date	Discussion Topic
Rule 13-5: Hydrogen Production	July 2019	Facility operations and potential control options.
Rule 8-5: Storage of Organic Liquids	August 2019	Tank design overview and potential control options.
Rule 6-5: Refinery Fluid Catalytic Cracking Units	September 2019	Potential control options and costs.
	October 2019	Source testing and monitoring techniques.
Rule 8-8: Petroleum Wastewater Treating	January 2020	Potential control options and monitoring techniques.

AB 617 Community Protection Rules

Through work with AB 617 communities such as West Oakland and Richmond, staff identified several emission source categories that need further research, and potential rule modifications. These rules/source categories include:

- Rule 6-1: Construction Activities
- Rule 6-2: Commercial Cooking Equipment
- Rule 8-7: Gasoline Dispensing Facilities
- Rule 8-45: Autobody Repair
- Rule 9-8: Backup Generators

Over the next year, staff will be looking at these rules/source categories to see if new strategies or additional controls can be incorporated to further reduce emissions. Staff has developed an outline of the Community Health Protection Proposal identifying rules, incentives and other programs that will contribute to these efforts.

Particulate Matter Strategy

The Air District's Advisory Council began convening a conference series on undifferentiated particulate matter, with a focus on fine ($PM_{<2.5}$) and ultrafine ($PM_{<0.1}$) particulate matter. This series will facilitate discussion among nationally recognized scientists, health professionals, industry, community members, and the Air District, identifying the most effective measures to further protect public health. The symposia will shine a spotlight on this public health challenge and share information and tools to inform future policy decisions. The first symposium took place on October 28, 2019, and covered topics on PM health effects and PM exposure and risk.

Concurrent with and in light of these discussions, Rule Development staff is currently investigating potential measures to further reduce PM emissions and public exposure, including sources such as restaurants, coffee roasters, or concrete batch plants. Staff is also following U.S. EPA's particulate matter review of the National Ambient Air Quality Standards and will be looking into the public comment process that opens once U.S. EPA releases a proposed rule (expected in early 2020).

On Thursday, February 27, 2020, staff participated in a Particulate Matter Community Summit held in Richmond, California. The Summit highlighted Air District's efforts to better assess the impacts of particulate matter, the current rule development projects' aims at reducing particulate matter emissions, and exposure and policy concepts for further addressing particulate matter and reducing the public's exposure. The Summit was co-organized by representatives from 350 Bay Area, 350 Marin, All Positives Possible, California Climate Health Now, New Voices Are Rising, the Sunflower Alliance, and Vallejo Citizen Air Monitoring Network. Approximately 30 people attended, sharing a meal in addition to expressing their concerns regarding PM, its sources, and its health effects.

Climate and Organics Rules

Rules 13-2: Organic Material Handling, and 13-3: Composting Operations

As part of its 75 percent by 2020 waste recycling goal and to reduce greenhouse gas emissions, California has mandated that organic waste be diverted from landfills. The increased volume of organic waste diverted from landfills is overwhelming the capacity of existing composting facilities, resulting in excess methane and volatile organic compound (VOC) emissions and significant odors from poorly managed composting operations, stockpiles, and other organic waste handling operations. CalRecycle estimates that these statewide organic waste diversion goals will nearly double the amount of organic waste processed in the Bay Area requiring 12 to 15 new facilities on top of the 20 facilities currently permitted in the Air District.

At a series of Climate Pollutant public workshops held in early November 2018, staff presented a concept paper for draft new Rules 13-2: Organic Material Handling, and 13-3: Composting Operations. Workshops were held in San Francisco, Martinez, Dublin and San Jose.

Staff posted draft regulatory language and a workshop report to the Air District Website on June 6, 2019, and shared these at a series of Public Workshops in San Francisco on June 13, 2019, Richmond on June 18, 2019, and in Milpitas on June 19, 2019. Staff accepted public comments through an extended comment period ending on July 12, 2019. Over 75 comment letters were submitted by email, with nearly all comments coming from members of the affected industries.

Staff organized three industry-focused stakeholder meetings during the week of August 19, 2019, to explore the concerns raised and to solicit more detailed information from those who submitted comments. On the afternoon of August 20, 2019, operators of material recovery facilities and transfer stations were invited to the Bay Area Metro Center, and on August 22, 2019, staff met with wastewater treatment and anaerobic digester operators in the morning and composting facility operators in the afternoon. In all, over 50 industry representatives attended these stakeholder meetings along with representatives from CalRecycle and staff from Rule Development, Planning & Climate Protection, Engineering, and Compliance & Enforcement.

Staff considered comments and made appropriate adjustments to the draft regulatory language and produced a supplemental Request for Comments Report. Staff issued this Request for Comments on January 27, 2020, to the affected industries and the general public with a comment deadline of February 28, 2020. Over 20 comment letters have been submitted by government agencies, individual operators, industry groups and individual consultants. Staff has compiled comments and is assessing changes necessary to the rule development effort for draft Rule 13-2. Draft Rule 13-3 will be further developed for a second round of workshops in June of 2020, and an anticipated date for Board consideration in the fourth quarter of 2020.

Rule 13-4: Sewage Treatment & Anaerobic Digestion

Throughout 2019, staff undertook technical assessment for a rule to reduce methane and other air pollutant emissions from publicly-owned sewage treatment plants and from wet and dry anaerobic digester operations. Control Measure WR1 in the 2017 Clean Air Plan stated the need for reductions of methane and nitrous oxide from wastewater treatment. Additionally, state mandates to divert organic materials from entering landfills are expected to result in a significant increase in material being sent to other waste processing facilities, including sewage treatment plants and anaerobic digesters.

Staff presented rule development concepts during public workshops in June 2019. The concepts include providing definitions for terms used to describe the anaerobic digestion and sewage treatment processes. Regulatory concepts also include standards to ensure that biogas is produced and collected in such a way as to minimize leaks or releases of methane into the atmosphere, and that emissions of other greenhouse gases and volatile organic compounds are minimized. These standards might include feedstock and digestate handling, leak detection and fugitive emissions minimization, flaring requirements, and recordkeeping and reporting requirements. In September 2019, staff met with members of the Bay Area Clean Water Agencies' (BACWA) Air Issues and Regulations (AIR) Committee as part of an annual Air District-BACWA meeting. AIR Committee members stated that they are interested in collaborating with Air District staff on draft Rule 13-4 development.

Rule Development staff led a subgroup focused on characterizing emissions from sewage treatment plans and anaerobic digesters as part of the Air District's internal Organics Emission Estimation (OEE). The knowledge assessment phase of this process was completed in January 2020. Staff does not currently have a proposed date to present this rule to the Board of Directors and has put a hold on active rule development efforts during the data gathering process to better understand emissions from these facilities.

Rule 13-5: Refinery Hydrogen Producing Operations

Hydrogen gas releases from petroleum refinery hydrogen plant operations, and from naphtha reforming operations, sometimes include methane and other organic gas. The methane emissions are currently exempt from most Air District regulations because methane emissions do not contribute to ozone formation. As a result, the Air District has no regulatory basis for requiring facilities to control methane emissions from these operations. Now that the Air District is addressing methane emissions, a powerful GHG, staff is developing a rule to control methane emissions from hydrogen plants, one of the largest methane sources from petroleum refineries.

Staff has conducted one-on-one meetings with refinery hydrogen plant process engineers and has visited every refinery hydrogen plant to gain a better understanding of hydrogen plant operations including the reasons for, and locations of, methane emissions. On March 27, 2019, staff met with WSPA and refinery representatives to inform them that the project for draft Rule 13-1: Significant Methane Releases was being put on hold until the completion of the current suite source-specific methane rules including Rule 13-5, Refinery Hydrogen Producing Operations. Air District staff will conduct source tests to better understand hydrogen plant emission parameters and possibly enhance hydrogen plant methane emission inventories. Staff has also begun an outreach effort with community members who are participating in the refinery technical workgroup. Staff conducted a briefing with the technical workgroup community members on June 27, 2019, to instruct them on the basic operations and primary processes of hydrogen plants, and thus, to better enable them to

participate in technical workgroup discussions for the Rule 13-5 rule development project. Staff conducted the first refinery technical workgroup meeting on July 17, 2019, to discuss the availability and feasibility of all potential methane emission (vented) controls for hydrogen production equipment/processes. On August 21, 2019, staff submitted a comprehensive questionnaire to all hydrogen production operators requesting pertinent parametric and emissions data relating to all hydrogen venting occurrences during the past six years. The deadline to submit answers for the questionnaire was October 7, 2019. However, due to industry concerns, staff split the questionnaire into two phases and extended the deadline for Phase I until the week of November 18, 2019. Phase II answers were submitted on January 10, 2020. Air District staff completed a second round of hydrogen plant tours in January 2020.

A workshop for Draft Rule 13-5 was held on Monday, January 27, 2020, at Air District headquarters. A few questions were asked by the attending audience. Written comments were received by staff in mid-February 14, 2020. Staff has scheduled two separate meetings with industry representatives on March 4, 2020 and March 12, 2010, respectively, to discuss their written comments as they related to draft Rule 13-5. Staff anticipates bringing this rule before the Board for consideration during the third quarter 2020.

Rule 8-34

Rule 8-34 regulates emissions of VOCs (NMOC and methane) from municipal solid waste sites. It was last substantively amended in 1999. Rule 8-34 is currently being amended in two phases. The first phase of amendments is scheduled to go to the Board of Directors in 2020: specifically, with a workshop in the second quarter of 2020 and a board hearing in the fourth quarter of 2020. Staff released a concept paper, which was shared with the public and industry in May 2019.

Amendment Concepts can be summarized in a few categories:

- 1) Alignment with the state's Landfill Methane Rule (LMR) to incorporate some of their more stringent elements into 8-34, and for the benefit of increased consistency;
- 2) Added clarity, incorporation of best practices, and changes to increase effectiveness, especially with respect to monitoring, repairs, recordkeeping, and reporting; and
- 3) As results from the Organics Emissions Estimations effort are produced, they will inform additional stringency based on research results.

Research results will be reliant on additional study and analysis, including incorporating knowledge from the Air District's Organic Emissions Estimation (OEE) effort for landfills and from other statewide and national methane research efforts. Airplane flyovers have indicated that methane emissions from landfills are much larger than had been previously calculated; the OEE effort and its results will help address this.

The concept paper was discussed at a series of three workshops held in June that focused on climate pollutants and organics, where Rule 13-2 (now 13-2 and 13-3) and Rule 13-4 were also discussed. No comments were submitted during the comment period following the final workshop, but staff received verbal input at the three events.

Rule development staff have visited multiple large landfills to-date: seeing the site layout, learning about operations, and discussing the amendment process with employees at the site, including landfill operators, environmental staff and consultants.

Staff will continue to visit more of the 38+ landfills within the District. Currently, staff in the 8-34 internal workgroup is working as part of the OEE effort. On a longer timeline, staff will flesh out amendment concepts and draft rule language changes. Staff have previously reached out to several contacts to inform them that we will consider any issues, and potential suggested solutions, that they would like to bring to the table for discussion at the meeting(s).

Building Decarbonization

Staff is assessing potential rule development efforts in support of the District's building decarbonization strategy. Staff is currently planning to amend Regulation 9 Rules 4 and 6 which set point of sale requirements for in-home natural gas fired water heaters and furnaces. Potential updates to these rules include tightening of emission standards for nitrogen oxides as well as introducing a standard for total greenhouse gas emissions from these appliances.

In concert with on-going climate and planning efforts surrounding management of high-GWP F-gases, rule development staff is additionally considering the introduction of a new rule for the inspection and maintenance of large air conditioning systems in order to minimize leaks and climate impacts from this equipment. Staff does not currently have a proposed date to present this suite of rule to the Board of Directors.

Community Engagement and Outreach Programs

AB 617 Community Health Protection Program

- Staff continued drafting a work plan for year 2020 AB 617 implementation.
- **Thursday, February 20, 2020** – Capacity Building – Staff presented at Antioch First 5 Center in Eastern Contra Costa County. The Spanish presentation covered an overview of the Air District, air quality and health, what we know about air quality in the area, AB 617 and various incentive programs. Staff also met with a contact from Ensuring Opportunity. The goal of both events was to begin to develop relationships and start informing potentials partners about AB 617.
- **Thursday, January 9, 2020** – **Capacity Building** - Staff presented at a Leadership Contra Costa Environmental Day, held in Pittsburg. The presentation covered an overview of the Air District, Air Quality and Health, what we know about air quality in the area, AB 617 and incentive programs. The goal was to begin to develop relationships and inform potentials partners about AB 617.

West Oakland AB 617

- Staff continue to meet with our West Oakland Co-Leads (WOEIP) on a weekly basis to discuss next steps for implementation of the Community Action Plan and design the following month's Steering Committee meeting.
- **Thursday, March 19, 2020** – **WOEIP** – Our meeting took place via conference call due to the COVID-19 shelter in place order.
- **Wednesday, March 11, 2020** - Community Engagement staff conducted a conference call with the Co-Chairs of the Health and Living Buffer Subcommittee to discuss emission reduction strategies and leadership transitions.

- **Wednesday, March 4, 2020** - The West Oakland March 4th Steering Committee meeting has been postponed due to an emergency community intervention on the McClymonds Highschool TCE ground water contamination incident that required immediate attention from the Co-Leads WOEIP.
- **Thursday, February 20, 2020** - Air District staff and Diff Works, LLC met with West Oakland Environmental Indicators Project to reimagine its website and social media presence.
- **Wednesday, February 19, 2020** - Ms. Margaret Gordon and Brian Beveridge of West Oakland Environmental Indicators Project received an award from the Air District Board of Directors for their work on the West Oakland Community Action Plan.
- **January 22, 2020 – Steering Committee Meeting** – the Steering Committee met to review the current iteration of the Draft Monitoring Plan and to discuss and begin prioritization for additional monitoring projects for the Plan.
- **January 14, 2020 – Aclima and Air District Press Event** – Staff attended and provided community and translation support for the press event. Staff supported a community co-lead member at the conference, toured the Aclima facilities and discussed upcoming Steering Committee meetings with Aclima staff.

Richmond AB 617

- Staff continue to meet with the Richmond Co-Lead Team (five community members representing: NAACP, First 5, RYSE Youth Center, Santa Fe Neighborhood Council, and a local resident from East Richmond) on a weekly basis to plan Steering Committee meetings and discuss elements of the Community Air Monitoring Plan.
- Staff began to meet with the CERP Community Design Team to develop the community engagement process and Charter for the Path to Clean Air in Richmond/San Pablo's evolution to a CERP-focused Steering Committee. The Design Team is comprised of 10 community members from the Richmond/San Pablo community.
- **Wednesday, March 4, 2020** – Staff attended an ACLIMA Insights training in Richmond.
- **Wednesday, February 26, 2020** – Staff held a Community Emissions Reduction Program (CERP) Design Team Informational meeting in Richmond to begin the process of forming a Design Team to shape the CERP process for Path to Clean Air in Richmond/SP.
- **Wednesday, February 19, 2020 – Richmond-San Pablo Steering Committee Meeting** – Staff attended and helped facilitate the 12th Steering Committee. At this meeting members discussed three monitoring projects to add to the monitoring plan and voted on which to initiate first. The committee also reviewed the transition plan from monitoring plan to emission reduction plan.

Spare the Air Youth

- **Youth for the Environment & Sustainability Conference postponed** – Staff worked with the Communications Division and event planning consultant to inform all stakeholders that the event scheduled for March 28, 2020, is postponed due to COVID-19.

Spare the Air Resource Teams

- **Thursday, March 26, 2020 – Southern Alameda County Spare the Air Resource Team** – The Southern Alameda County Spare the Air Resource Team held a conference call from 1:15 p.m. – 2:15 p.m., to discuss next steps for the Idle Free interactive display at the Museum of Tomorrow. The team also brainstormed ideas for how the team can promote Idle Free Bay Area around Earth Day.
- **Thursday, March 26, 2020 – Tri-Valley Spare the Air Resource Team** – The Tri-Valley Spare the Air Resource Team held a conference call from 3:00 p.m. – 4:00 p.m., to continue planning the team’s webinar, Zip-a-Dee-Doo-Dah to help employers use their employee zip code data to decrease Shared Occupancy Vehicle (SOV) commuting. The team also discussed ideas for incentives to encourage commuting by bike and use of the Miles App.
- **Wednesday, March 25, 2020 – San Francisco Spare the Air Resource Team** – The San Francisco Spare the Air Resource Team held a conference call from 12:30 p.m. – 2:00 p.m., to provide feedback to SFMTA and SFE on the Relocation Project, discuss and make decisions about incentives to encourage attendance at bicycle safety classes, make plans for a webinar on TDM Emergency Preparedness with the Water Emergency Transportation Authority (WETA) and discuss hosting a field trip to explore Better Market Street.
- **Thursday, March 19, 2020 – Contra Costa County Spare the Air Resource Team** – The Contra Costa County Spare the Air Resource Team held a conference call from 10:30 a.m. – 11:45 a.m., to share updates on Cleaner Contra Costa and Sustainable Contra Costa. The team also reviewed new Idle Free outreach materials and made budget decisions.
- **Friday, February 21, 2020 – Sonoma County Spare the Air Resource Team** – The Sonoma County Spare the Air Resource Team met at Sonoma County Transportation Authority to review remaining inventory and budget and discuss purchasing Idle Free banners for schools.
- **Thursday, February 20, 2020 – Southern Alameda County Spare the Air Resource Team** – The Southern Alameda County Spare the Air Resource Team held a conference call to share information about the Air District’s Bicycle Facility Grants program and discuss hosting a small lunch and learn event for school/school district staff, about bicycle facility grant funding.
- **Friday, February 14, 2020 – Napa Valley Clean Air Coalition** – The Napa Valley Clean Air Coalition met at NVTA. Team members provided an update of the team’s Idle Free Bay Area outreach efforts, discussed Bike Month events, and brainstormed how to bolster the list of supporters on the sustainability platform, Regeneration Napa County.
- **Tuesday, February 11, 2020 – San Mateo County Spare the Air Resource Team** – The San Mateo County Spare the Air Resource Team held a conference call from 1:00 p.m. – 1:30 p.m., to prepare for the employer event they are holding on March 11, 2020.
- **Thursday, February 6, 2020 – Tri-Valley Spare the Air Resource Team Meeting** – The Santa Clara County Spare the Air Resource Team held a conference call to discuss and prioritize three projects: 1) *Zip-a-Dee-Doo-Dah* to help employers use their employee zip code data to decrease SOV’s, 2) Incentivizing Bike Commuting, and 3) TDM Emergency Preparedness to help employers prepare their TDM programs for a variety of emergency scenarios.

- **Thursday, January 16, 2020 – Contra Costa County Spare the Air Resource Team Meeting** – The Contra Costa County Spare the Air Resource Team held a conference call to share updates on their Idle Free Bay Area campaigns such as: BART will begin incorporating the Idle Free message at stations in 2020, Pittsburg Unified School District continues to actively promote Idle Free, four additional schools are promoting Idle Free Bay Area, and Cleaner Contra Costa is linking to Idle Free Bay Area. The Team also worked on updating the letter they send to schools encouraging them to promote Idle Free Bay Area.
- **Wednesday, January 15, 2020 – Santa Clara County Spare the Air Resource Team Meeting** – The Santa Clara County Spare the Air Resource Team held a conference call to brainstorm how the Spare the Air Team(s) can help Best Workplaces CUTR gather employer TDM benchmarking data in a manner that is less of a chore for employers.
- **Tuesday, January 14, 2020 – San Mateo County Spare the Air Resource Team Meeting** – The Santa Clara County Spare the Air Resource Team held a meeting at Commute.org, 400 Oyster Point Blvd, Suite 409, South San Francisco. At the meeting, the Team continued planning their March 11th event, “The Intersection of Wellness and Commuting”.

Community Grant Program

- Staff are working with School Community Grantees to extend the terms of grant agreements as needed due to COVID-19. The grant terms were initially through June 30, 2020; however, many grantees are unable to complete scheduled grant activities during the current school year as planned due to orders to shelter in place.
- **Thursday, February 27, 2020 – San Leandro Unified Air Quality and Environmental Justice Community Advisory Board Meeting** – Staff attended a meeting convened by James Cary Smith grantee organization Sequoia Foundation. Two participating teachers presented updates on curricula and projects for students. The group then brainstormed resources and sources of information the teachers could use to finalize their programs. The group also brainstormed how the students could present their findings at the upcoming student expo.
- **Wednesday, January 15, 2020 - Air District Tour for Abraham Lincoln High School** - Staff organized a tour of the Air District's laboratory and meteorology room for 35 high school students who are conducting senior capstone projects. The school received a 2019-2020 School Community Grant from the Air District in the amount of \$2,100 to support Green Academy student efforts to educate their school community on air pollution and improve local air quality.

Community Meetings, Workshops and Site Visits

- **Particulate Matter Symposium postponed** - Staff met with members of the Community Design Team on Thursday, March 12, 2020, to discuss the postponement of the PM Symposium scheduled for March 24, 2020, and to discuss goals moving forward.
- **Wednesday, March 4, 2020 – Air District Overview** - Staff presented an overview of the Air District to community members at the annual Rosemary Gardens Neighborhood Association meeting in San Jose, located next to Mineta San Jose International Airport. Residents had questions regarding the proposed airport expansion and its impact on local air quality.

- **Thursday, February 27, 2020 – Community Particulate Matter Discussion** - Air District staff engaged in a conversation about current and potential rules to reduce PM with 30 community members in Richmond, CA. The event was convened by a Community Design Team, comprised of six from the following organizations: 350 Bay Area, Sunflower Alliance, All Positives Possible, Vallejo Citizen Air Monitoring Network, and New Voices are Rising.
- **Wednesday, February 26, 2020 – McClymonds High School Emergency Meeting** – Staff attended an emergency meeting to listen to the public concerns about a TCE ground water contamination source inside of the Boiler Room. The school was shut down to protect the students until the administration and the school district could characterize the magnitude of the problem. Staff did not serve in any official capacity or engage with officials as it is outside of our jurisdiction.
- **Wednesday, February 19, 2020 – Community Design Team Planning Meetings** – Air District staff led a meeting to plan the Community Particulate Matter Discussion, which was held on February 27, 2020. The Design Team includes six total representatives from the following organizations: 350 Bay Area, Sunflower Alliance, All Positives Possible, Vallejo Citizen Air Monitoring Network, and New Voices are Rising.
- **Wednesday, February 5, 2020 - Complaint Policy Workshop, Martinez** - The Air District hosted a public workshop on the air quality complaint policy to inform the public on existing complaint guidelines, provide guidance on how to be more descriptive when filing complaints, and solicit community input to improve the complaint process.
- **Tuesday, February 4, 2020 - Complaint Policy Workshop, San Jose** - The Air District hosted a public workshop on the air quality complaint policy to inform the public on existing complaint guidelines, provide guidance on how to be more descriptive when filing complaints, and solicit community input to improve the complaint process.
- **Friday, January 31 & Friday, February 7, 2020 – Community Design Team Planning Meetings** – Air District staff led weekly meetings to plan the February Particulate Matter Community Summit. Design Team members include 6 representatives from the following organizations: 350 Bay Area, Sunflower Alliance, All Positives Possible, Vallejo Citizen Air Monitoring Network, and New Voices are Rising.
- **Thursday, January 30, 2020 - Complaint Policy Workshop, Oakland** - The Air District hosted a public workshop on the air quality complaint policy to inform the public on existing complaint guidelines, provide guidance on how to be more descriptive when filing complaints, and solicit community input to improve the complaint process.
- **Tuesday, January 28, 2020 - Complaint Policy Workshop, Santa Rosa** - The Air District hosted a public workshop on the air quality complaint policy to inform the public on existing complaint guidelines, provide guidance on how to be more descriptive when filing complaints, and solicit community input to improve the complaint process.
- **Monday, January 20, 2020 – MLK Jr. Day of Service** – Staff participated in a community service event at Brookfield Elementary School in East Oakland hosted by James Cary Smith grantee Higher Ground Neighborhood Development Corp. Volunteers planted trees and made improvements to the greenway to improve local air quality.

Other

- Environmental Justice (EJ) Work Group Coordination: Staff coordinated with EJ advocates from all AB 617 priority communities to ensure that they could tune into the Ad Hoc Equity, Access and Inclusion Board Committee meeting. Staff ensured that those who wanted to comment virtually were able to and followed-up after the meeting to begin planning a meeting between the EJ Community Leaders and Committee Chari Hurt.
- **Tuesday, March 10 & Thursday, March 12, 2020 – Microsoft Teams Training** – Staff participated in trainings to learn about Teams, Sharepoint, Planner, and OneNote applications.
- **Tuesday, January 21 & Wednesday, January 22, 2020 – Community Engagement Facilitation Bench Meet and Greet** – Staff met with Kerns & West, InterEthnica and Resource Development Associates to discuss the Master Services Agreement process. Staff conducted intake interviews with each consultant to facilitate selection as needs for services come up.
- **Sunday, January 12, 2020 – Technology of Participation Training** – Staff attended a free four-hour training in Walnut Creek facilitated by the Center for Strategic Facilitation. Staff learned new tools for engaging in participatory decision-making and planning. Staff shared the tools with the Community Engagement team on Monday, January 13, 2020.

OFFICE OF DIVERSITY, EQUITY, AND INCLUSION G. NUDD, DAPCO

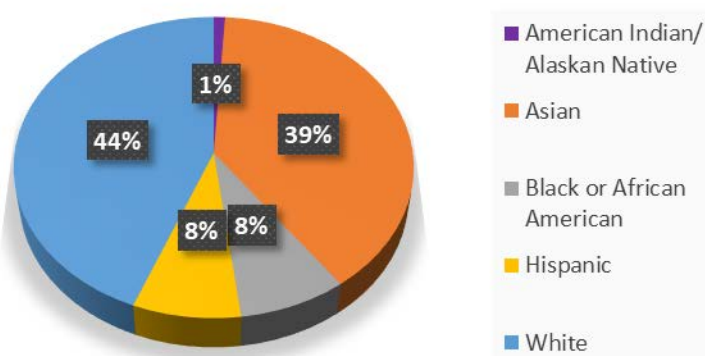
In the first quarter of 2020, the Office of Diversity, Equity & Inclusion (Office) focused on five functional areas; Board of Directors/Committee strategic planning, strategic planning, Human Resources strategies, and cultural awareness communications and activities.

Board of Directors/Committee

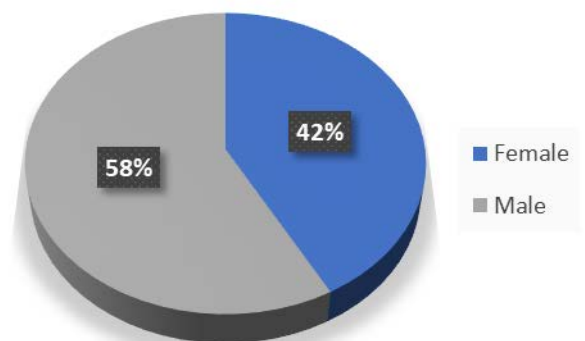
The Office provided two presentation to the Air District Board of Directors in the first quarter of 2020. On January 29, 2020, the Office presented at the annual Board of Director's Retreat and on February 19, 2020, at the Board meeting. The Office provided updates on equity work underway, including Air District demographics with the most recent employee demographic data by race/ethnicity and gender, identifying gaps and trends along with recommendations to address opportunities where disparities exist; Community Health and AB 617: leading with equity; and Public Investment Initiatives: Equity in Incentive Programming.

Below is a snapshot of the Air District's 2019 demographics:

Race/Ethnicity



Gender



During the Board of Directors subsequent meeting on March 4, 2020, the Board established the Ad Hoc Committee on Equity and Environmental Justice for one year with a sunset of becoming a full committee if agreed upon, if not agreed upon after one year, a second year will be granted. On Wednesday, March 25, 2020, the Ad Hoc Committee on Equity and Environmental Justice held its first meeting to discuss its draft charter, internal and external programmatic responsibilities, and the name of the committee. The Committee unanimously agreed to change its name to the Ad Hoc Committee on Equity, Access, and Inclusion. Committee direction was provided on the draft charter; an internal and external programmatic responsibilities item will be taken to the Public Health Committee at its next meeting for deliberation.

Diversity, Equity & Inclusion (DE&I) Strategic Planning

As a part of our Diversity, Equity & Inclusion strategies, the Office has continued its initial discussion with our DE&I Consultant, ReadySet. ReadySet is a diversity strategy firm that helps organizations build more inclusively. Their clients span industries from tech, to nonprofits, to social change organizations. Their network of consultants is comprised of professionals with diversity, equity, and inclusion expertise, as well as subject matter expertise on learning and development, strengths-based management, organizational development, HR management, policy, and sexual harassment prevention. The initial Scope of Work document was developed outlining programmatic activities for 2020. Task Order I of the Master Service Agreement included; internal document reviews, 1:1 interviews; and focus group meetings allowing staff to share their candid perspectives on diversity, equity and inclusion at the Air District.

Additionally, the Office has established Equity Resource Teams. The employee resource teams are comprised of employees tasked with assisting the Office relative to our pillars framework in determine internal programming and initiatives underway from a cross-section of divisions and job classifications. The Equity Resource Teams also assist with trainings, events, and activities related to heritage months.

Human Resources Strategies

As a part of our Human Resource strategies, the Office participated in several hiring events and activities. Externally, at the Santa Clara University Diversity Career Expo and the California State University at the East Bay Career Fair, the Office spoke with an array of students regarding future employment opportunities including internships. Internally, the Office participated in several job application panel screenings as well as panel interviews.

In addition, the Office worked with the Human Resources Office on the selection of a qualified consultant to support the development of strategic initiatives relative to the Air District's organizational development and employee engagement. The Air District's intention is to create an in-depth understanding of the existing culture (strengths and opportunities for improvement) and to provide assistance to the Air District's management team in creating action plans that will strengthen the culture, improve organizational performance, and implement accountability strategies in all policies, procedures, and practices. As part of the process, Illumyx Consulting Group was selected. The Office and HR and working together to ensure Illumyx and the DE&I consultant, ReadySet, can partner in key deliverables.

Cultural Awareness Communications/Activities

The DE&I Office continues to provide the content and creative design in the diversity section of the Air District's internal bi-weekly Newsletter. Within the Newsletter, information was included regarding several important observations such as Martin Luther King Jr.'s Birthday, Black History Month, Lunar New Year, and Women's History Month.

Regarding activities, the Office led several events including: Honoring of Dr. Martin Luther King Jr.'s birthday, the Office organized a group of Air District employees to meet at the Alameda County Community Food Bank and sort food for the homeless and hungry. A list of additional volunteer opportunities was shared with employees allowing them to participate in various activities across the Bay Area.

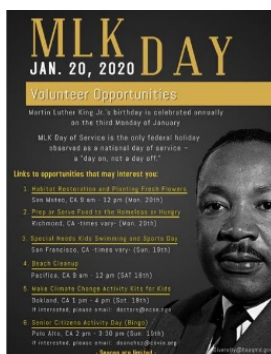
For Lunar New Year the Office created a display of artwork and educational materials in the lobby celebrating Lunar New Year, January 25 to February 9, 2020.

The Air District, in partnership with the MTC, held its first Black Expo. The event, held during Black History Month, featured over thirty vendors providing an array of products and professional services. This was a public event attended by employees from all agencies and organizations at the Bay Area Metro Center, along with the public. In addition to the vendors/exhibitors, the event featured live entertainment. Several hundred people attended this event.

On February 25, 2020, the Office facilitated a Cultural Book Club discussion featuring Robin Diangelo's book, *White Fragility*. Over 25 employees participated and shared their thoughts on what is often described as a sensitive subject. During each of the monthly book club discussions, the Office selects an employee from the Air District to assist with facilitating the discussion, Victor Douglas, Manager Rule Development facilitated the discussion on *White Fragility*.

Lastly, the Office began its third annual Professional Clothing Drive. Clothing bins were available on each main office floor. All clothing collected will be donated to a local non-profit organization for distribution to low-income job applicants.

Sample Communications



**STRATEGIC INCENTIVES DIVISION
K. SCHKOLNICK, DIRECTOR**

Summary of Open Grant Programs Administered by SID

Equipment/Engine Replacement/Repower or Conversion, and Infrastructure

- **Carl Moyer Program** – \$10 million is available this fiscal year for eligible projects that upgrade or replace on-road vehicles, school buses, transit buses, off-road and agricultural equipment, marine equipment, and locomotives. Applications are being accepted on a first-come, first-served, basis until all funds are awarded. www.baaqmd.gov/moyer
- **Community Health Protection Grant Program** – \$40 million is available this fiscal year for eligible projects that reduce toxic air emissions and ozone-forming pollutants from mobile and stationary sources by replacing old, high-polluting vehicles and equipment. Priority is given to projects in the AB 617-identified communities of West Oakland, Richmond-San Pablo, East Oakland/San Leandro, Eastern San Francisco, Pittsburg-Bay Point area, San Jose, Tri-Valley area, and Vallejo. Community input will play an important role in guiding the Air District’s outreach and process for identifying priority projects. Applications are being accepted on a first-come, first-served basis until all funds are awarded to owners of eligible equipment and vehicles by June 2020 www.baaqmd.gov/ab617grants
- **Lower-Emission School Bus Program** – Funding is available for public school districts, Joint Powers Authorities (JPAs), and contracted fleets in the Bay Area for bus replacements, engine repowers or electric conversions, natural gas tank replacements, and electric charging & alternative fueling infrastructure projects. Applications are being accepted on a first-come, first served basis until all funds are awarded. www.baaqmd.gov/lesbp

Passenger Car and Light-duty Truck Retirement

- The Vehicle Buy Back Program pays Bay Area residents \$1,000 per vehicle to turn in their operable, registered, model year 1996 and older passenger car or light-duty truck for scrapping. www.baaqmd.gov/vbb

Vehicle Trip Reduction Grant Program: Bicycle Facilities

- \$8 million is available this fiscal year for public agencies that install new bikeways and bicycle parking. Applications are accepted on a first-come, first-served basis, until all funds are awarded www.baaqmd.gov/tripreduction

Volkswagen NOx Mitigation Program - Light-Duty Hydrogen Stations

- \$5 million in VW funding is available to augment the \$45.7million offered through the California Energy Commission’s (CEC) Clean Transportation Program’s [Hydrogen Refueling Infrastructure solicitation](#) (GFO-19-602). **This competitive solicitation is accepting applications until 5 p.m., Friday, May 22, 2020.** For more information about the VW NOx Mitigation funding for hydrogen stations visit: <https://www.californiavwtrust.org/h2-infrastructure/>

Key Accomplishments and Outreach:

Transportation Fund for Clean Air (TFCA) – Authorized by the State Legislature in 1991, funding is generated through a \$4 surcharge on motor vehicles registered within the nine-county Bay Area to implement projects that reduce on-road motor vehicle emissions within the Air District’s jurisdiction. Sixty percent (60%) of TFCA funds are awarded by the Air District to eligible projects and programs that are implemented directly by the Air District (e.g., Spare the Air) and to a program referred to as the TFCA Regional Fund. The remaining forty percent (40%) of TFCA funds are passed-through to the County Program Manager Fund based on each county’s proportionate share of vehicle registration fees paid and are awarded by the nine designated agencies within the Air District’s jurisdiction.

On April 3, 2019, the Board of Directors (Board) approved the allocation of \$32.3 million in TFCA revenue, including up to \$18.3 million in carryover funds and authorized proposed cost-effectiveness limits for Air District-sponsored programs. On June 5, 2019, the Board approved proposed updates to the TFCA Regional Fund Policies and Evaluation Criteria for FYE 2020.

On April 15, 2020, the Board approved the allocation of \$27.53 million in TFCA revenue for FYE 2021, including up to \$12.11 million in carryover funds and authorized the proposed cost-effectiveness limits for Air District-sponsored programs.

- **Regional Fund and Air-District Sponsored Projects:**

- **Regional Fund Policies** – A draft of Regional Fund Policies for FYE 2021 was issued for public comment on January 15, 2020. Staff hosted three (3) public webinars (January 21, February 5, February 18, 2020), one meeting with County Program Managers (February 4, 2020), and one (1) meeting with Vehicle Trip Reduction project sponsors (February 10, 2020), to discuss the proposed draft. Eight (8) sets of public comments were received by the deadline. Staff is reviewing the comments and developing a final proposal for consideration by the Air District’s Board of Directors.
- **Vehicle Trip Reduction Program** – The solicitation opened on August 6, 2019. To date, 21 applications were received, including 10 for transportation service projects and 11 for bicycle facility projects. 17 eligible projects have been recommended for award, totaling \$4,249,600 that would: construct two (2) Class IV bikeways and one (1) Class I bikeway overcrossing; provide shuttle services serving as a first-and-last mile connection to mass transit; provide one (1) rideshare program; support two (2) trip reduction pilots; and construct 988 new bike parking spaces. The remaining four (4) projects are either under review or have been deemed ineligible. During this quarter, staff hosted one pre-application webinar for the Vehicle Trip Reduction Program.

- **Meetings and Events:**
 - **January 16, 2020:** Staff attended the MTC’s Active Transportation Working Group meeting.
 - **February 13, 2020:** Staff attended MTC’s Transportation Demand Management Working Group meeting.
 - **March 12, 2020:** Staff teleconferenced with NASA Ames Center to discuss the status of a grant for electric vehicle chargers.
 - **March 19, 2020:** Staff held a Pre-application Webinar for the Vehicle Trip Reduction Grant Program.
 - **March 25, 2020:** Staff teleconferenced with Alameda County to discuss the status of a grant for electric vehicle chargers.
 - **March 25, 2020:** Staff teleconferenced with SFO to discuss clean air vehicle and trip reduction grant opportunities.

- **County Program Manager (CPM) Fund:** Forty percent of TFCA funds are distributed to a designated CPM in each of the Bay Area’s nine counties to implement their own air quality projects. On January 13, 2020, staff provided the counties with funding estimates for FYE 2021, and on March 3, 2020, staff received the proposed expenditure plans for FYE 2021 from each county. Staff also revised the Final Report forms to improve the reporting procedure and provided these forms to the CPMs on March 9, 2020. During this quarter, staff hosted one (1) CPM Work Group meeting to discuss: proposed updates to CPM Expenditure Plan Guidance for FYE 2021, proposed updates to the TFCA Regional Fund policies, and upcoming audit of the TFCA CPM Fund

- **Outreach:**
 - **January 10, February 7, and March 6, 2020:** Staff attended the Congestion Management Agency Planning Directors meeting to provide updates on the Air District’s grant opportunities.
 - **January 16, 2020:** Staff attended the Marin Public Works Association meeting to provide information on the Air District’s grant opportunities and process.
 - **January 24, and February 27, 2020:** Staff attended the Bay Area Counties Transportation Agencies (BACTA) Directors meeting in Walnut Creek and Oakland to provide updates on the Air District’s grant opportunities.
 - **March 17, and March 23, 2020:** Staff teleconferenced with Santa Clara Valley Transportation Authority to discuss proposed FYE 2021 CPM projects.

- **Audit #21:** Fiscal audits are conducted on all TFCA-funded projects to confirm whether TFCA funds were used to implement the approved projects in accordance with applicable State law. This quarter, staff coordinated with auditors Simpson & Simpson to begin the audit of over 15 TFCA Regional Fund projects that were completed between July 1, 2018 and June 30, 2019, and 100 County Program Manager Projects were completed between July 1, 2017 and June 30, 2019. Staff held one teleconference status update meeting with representatives from Simpson & Simpson. On January 28, 2020, Staff sent out audit notification letters to the applicable Regional Fund project sponsors and County Program Managers. Staff also met one-on-one with each County Program Manager and the auditor to discuss the plan for auditing the CPM projects between March 10-18, 2020.

Carl Moyer Program (CMP), Lower-Emission School Bus Program (LESP), Funding Agricultural Replacement Measures for Emission Reductions Program (FARMER), and AB 134 / SB 856 – In cooperation with CARB, the Air District administers State-funded grant programs including the CMP, LESBP, FARMER, and the Community Health Protection Grant Program. These programs provide funding to reduce emissions from existing heavy-duty engines in on-road vehicles, school buses, off-road and agricultural equipment, marine equipment, and locomotives. Staff conducted outreach to promote funding opportunities, submitted disbursement requests and funding reports, and participated in meetings and educational/informational events related to these programs.

○ **Outreach:**

- **January 13, 2020:** Staff met with the Oakland Unified School District to discuss vehicle and infrastructure projects and funding opportunities.
- **January 13, 2020:** Staff teleconferenced with the City of Berkeley to discuss their vehicle projects and funding opportunities.
- **January 14 and February 6, 2020:** Staff hosted an application webinar on the Carl Moyer Program for off-road funding opportunities.
- **January 27, 2020:** Staff met with Port of Oakland staff to discuss performance with the shore power grant requirements.
- **February 6 and February 13, 2020 and March 11 and March 16, 2020:** Staff teleconferenced with SFO to discuss their CMP infrastructure application.
- **February 7, 2020:** Staff teleconferenced with Alameda Municipal Power regarding the CMP Off-road Program.
- **February 10, 2020:** Staff sent more than 2,000 flyers to potential off-road applicants.
- **February 26, 2020:** Staff teleconferenced with Tesla regarding funding opportunities for zero-emission heavy-duty trucks.
- **March 12, 2020:** Staff presented at the PG&E EV Fleet Virtual Workshop regarding funding opportunities for medium and heavy-duty electric fleets.
- **March 19, 2020:** Staff conducted a webinar for FARMER demonstration projects.
- **March 26, 2020:** Staff issued an infrastructure Advisory on the requirements for reimbursement for projects with infrastructure.

○ **Requests and Reports:**

- **January 3, 2020:** The Air District entered into a Memorandum of Agreement with Placer County Air Pollution Control District (APCD) who will provide co-funding for a Caltrans Capitol Corridor locomotive replacement project.
- **January 6, 2020:** Staff submitted an update on existing Diesel Emissions Reduction Act (DERA) projects to U.S. EPA.
- **January 8 and 14, 2020 and February 20, 2020:** Staff received repayment for the following non-performing projects:
 - Westar Marine Services, \$16,824.10.
 - BNSF Railway Company, \$1,952,389.84.
 - Brusco Tug & Barge, \$40,000.00.
- **January 13, 2020:** Staff submitted a \$16,924,791.00 disbursement request to CARB for SB 856 / CAP 2 funding.
- **January 23, 2020:** Staff submitted a quarterly FARMER report to CARB.

- **February 3, 2020:** Staff submitted a disbursement request to U.S. EPA for \$818,375.00 in project funds and \$7,750 in administrative costs.
 - **February 7, 2020:** Staff submitted Final DERA project report to U. S. EPA.
 - **March 2 and March 25, 2020:** Staff closed the Vehicle Buyback Program RFP for dismantlers and a direct mail contractor and prepared a memo for executive management summarizing the results of the proposals received and staff’s recommendations for contractor selection. This item requires Board of Director’s approval and is currently scheduled for consideration at the April 22, 2020 Mobile Source Committee meeting.
 - **March 6, 2020:** Staff opened a solicitation for zero-emission, mobile zero-emission agricultural equipment demonstration program.
 - **March 10, 2020:** Staff received the fully executed Grant Award from CARB for the FARMER 3 program.
 - **March 12, 2020:** Staff submitted a request to the Department of Motor Vehicles (DMV) for Bay Area vehicle data.
 - **March 24, 2020:** Staff submitted the signed CMP Year 22 agreement to CARB.
- **Meetings and Events:**
- **January 7, 2020:** Staff participated on a CAPCOA/CARB call on the Voucher Incentive Program.
 - **January 9, 2020:** Staff participated on a FARMER conference call.
 - **January 22, 2020:** Staff attended a CARB Work Group Meeting for Heavy-Duty Demonstrations, Pilots, and Clean Truck and Bus Vouchers from the FYE 2020 Funding Plan.
 - **January 23, 2020:** Staff participated in a Low-NOx VIP call.
 - **January 27, 2020:** Staff attended CARB’s webinar "Course #525: Compliance Overview: Truck & Bus Rule, Off-Road Regulation, and Portable Equipment."
 - **January 29, 2020:** Staff attended a Motive Power site visit/event.
 - **February 13, 2020:** Staff attended the webinar: “An Electric Future and the Messy Middle: What You Need to Know Now.”
 - **February 19, 2020 and March 11, 2020:** Staff attended the CAPCOA Mobile Source & Fuels Committee meetings.
 - **March 2, 2020:** Staff participated in a VIP discussion with CARB regarding updating the VIP funding tables to include Low-NOx funding.
 - **March 11, 2020:** Staff participated in a VIP discussion with industry representatives regarding updating the VIP funding tables for Low NOx equipment.
 - **March 11, 2020:** Staff participated in a CAPCOA Mobile Source & Fuels Committee meeting.
 - **March 5, 2020:** Staff participated in a CARB Commercial Harbor Craft webinar.
 - **March 10, 2020:** Staff participated in a Zero emission Transportation Refrigeration Unit (TRU) conference call.
 - **March 19, 2020:** Staff attended a CARB TRU webinar.
 - **March 24, 2020:** Staff participated in a vendor meeting with Garton Tractor.
 - **March 25, 2020:** Staff met with the new assigned staff inspector for SID.

Proposition 1B Goods Movement Program (GMP) – This program provided funding to upgrade or replace diesel equipment including trucks, locomotives, TRUs, cargo handling equipment, and shore power equipment. Staff conducted outreach to promote funding opportunities, submitted disbursement requests and funding reports, and participated in meetings related to these programs.

○ **Requests and Reports:**

- **January 7, 2020:** Staff sent out annual project reports to all active projects.
- **January 10, 2020 and March 9, 2020:** In January, staff submitted a \$11,143,751.00 in project funds and \$742,027.63 in admin funds disbursement request to CARB and in March 2020, received a disbursement of \$11,885,778.63.
- **January 13, 2020:** Staff submitted a quarterly report to CARB.
- **March 11, 2020:** Staff submitted a Goods Movement Program grant disbursement request for \$114,597.07 in funding.

○ **Meetings and Events:**

- **January 28, 2020 and March 10, 2020:** Staff attended a Goods Movement Collaborative Working Group Meeting.

Other Programs and Special Projects:

- **AC Transit Hydrogen Fuel Cell Bus Project** – This project is co-funded by CARB and \$1 million from TFCA to deploy 10 hydrogen fuel cell electric buses and to make upgrades to an existing fueling station in the City of Emeryville. This quarter, staff attended weekly meetings with Project partners to discuss Project progress. All 10 project buses were received by AC Transit by September 30, 2019.
- **Goodwill Electric Truck Project** – This Project is co-funded by TFCA and CARB, in partnership with SF Goodwill, the Center for Transportation and the Environment, and Build Your Dreams (BYD) Corporation. It will test the viability of deploying a fleet of electric delivery trucks in the Bay Area and ultimately provide a model to electrify Goodwill’s truck fleet across the nation. As of October 2018, all 11 Project vehicles had been delivered to Goodwill for testing. This quarter, staff continued to host biweekly meetings with Project partners to discuss Project progress, worked to resolve issues encountered and to create an informational video about the Project, and submitted a paper about the Project to the 33rd Electric Vehicle Symposium.
- **Zero-Emission Hydrogen Ferry Demonstration Project** – This Project, funded by CARB and administered by the Air District, will demonstrate the feasibility of hydrogen fuel cells for use in the commercial maritime industry by deploying a zero-emission hydrogen ferry in San Francisco Bay. Construction on the ferry started in November 2018, and is expected to be completed in the fourth quarter of 2020. This quarter, staff hosted three monthly meetings with the grantee and Project partners to discuss Project progress. Staff began the quarter by holding weekly meetings with CARB and the grantee to discuss Project progress, and then transitioned to bi-weekly meetings in March due to completion of key milestones. Staff submitted a quarterly progress report and one disbursement request to CARB for \$8,860.00.

- **West Oakland Zero-Emission Grant Program** – Funding for this Program is provided by the Reformulated Gas Settlement Fund under contract to the Bay Area Clean Air Foundation to fund projects that reduce diesel use by accelerating the adoption of zero-emission vehicles and equipment in and around West Oakland and Oakland International Airport. The Round 4 solicitation closed on February 3, 2020. To date, seven funding agreements have been executed for approved projects, two proposed funding agreements that are pending project sponsor signature, and two applications received in February 2020 are in the final stages of review. During this quarter, staff conducted one pre-application webinar, and staff submitted a status update to the to the Reformulated Gasoline Settlement Fund administrator for their report to the court.
- **Wood Smoke Reduction Incentive Program** – The Winter 2017/2018 Program cycle launched in January 2018, with approximately \$800,000 available for residents in Community Air Risk Evaluation (CARE) and High Wood Smoke Areas. The Program closed on November 25, 2019. Of the 1,737 applications received, a total of \$510,068.00 in funding has been encumbered, 266 projects have been paid, two (2) are active and in progress, one (1) payment request is pending, and 1,468 projects have been either withdrawn by the applicant or rejected by the Air District for not meeting program requirements. On January 15, 2020, staff met with representatives from the developer of the Wood Smoke Reduction online application system to discuss potential improvements and updates for use in a future funding cycle.

Grant Programs in Development:

- **Volkswagen (VW) Environmental Mitigation Trust Fund Program** – The VW Environmental Mitigation Trust will provide approximately \$423 million for California to mitigate the excess nitrogen oxide emissions caused by VW’s use of illegal emissions testing defeat devices. Under contract to CARB, San Joaquin Valley, South Coast, and Bay Area air districts will be administering VW Program funding, with the Bay Area being responsible for the administration of funding for light-duty zero-emission vehicle infrastructure and zero-emission freight and marine projects. During this quarter, staff’s efforts were focused on program development: coordination meetings were held with GreenInfo Network, the website developer, and biweekly meetings were held with Fluxx Labs, the provider of grants management systems as a service. Staff also participated in 10 weekly coordination meetings with the other administering air districts and three (3) monthly coordination meetings with CARB.
 - On February 20, 2020, staff attended the Energy Commission’s business meeting, which approved partnering with the Air District to offer \$5 million in VW funding that is available through the California Energy Commission’s existing solicitation for hydrogen station projects.
 - On February 20, 2020, staff issued a press release and sent an e-blast regarding the availability of funding for hydrogen infrastructure. On February 25 and February 27, 2020, staff sent an e-blast reminder and hosted an online information session regarding VW funding for hydrogen infrastructure.
 - On March 26, 2020, staff participated in the monthly National Association of State Energy Officials teleconference to discuss the VW program with other states.
 - On January 15, 2020, staff submitted a quarterly, semi-annual, and annual report to CARB.

- On January 30, 2020, staff sent an e-blast about the Combustion Freight and Marine project category administered by the South Coast AQMD to interested parties.
- On February 4, 2020, staff attended a webinar about the Combustion Freight and Marine category.

Other SID Meetings and Events:

- **January 2, February 6, 2020:** Staff teleconferenced with public agencies to discuss updates on hydrogen stations in California.
- **January 7, 2020:** Staff teleconferenced with stakeholders to discuss a potential offset mitigation measure for a Related Santa Clara/City Place development project.
- **January 9, 2020:** Staff teleconferenced with Air District and city of San Francisco planning staff to discuss a potential offset mitigation measure for the Balboa Reservoir RTC project.
- **January 14, 2020:** Staff attended the Self Generation Incentive Program quarterly workshop to learn about the upcoming incentive program cycle for stationary fuel cells and storage systems.
- **January 30, 2020:** Staff attended Strategic Incentives Division All Hands meeting.
- **February 11, 2020:** Staff participated in the Air District All-Hands meeting.
- **February 14, 2020:** Staff teleconferenced with EV truck manufacturer BYD to discuss interest in a potential project for the U.S. EPA Targeted Airshed Program.
- **February 20, 2020:** Staff prepared a comment letter to the U.S. EPA regarding their proposed Cleaner Trucks Initiative to update NOx emissions standards for heavy-duty trucks.
- **February 20, 2020:** Staff attended a meeting with First Element to discuss the status of their new facilities being constructed in the Bay Area.
- **March 5, 2020:** Staff attended the California Hydrogen Business Council's 2020 California Hydrogen and Fuel Cell Summit.
- **March 9, 2020:** Staff teleconferenced with BYD to discuss their proposal of deploying zero-emission heavy-duty trucks in the Bay Area.
- **March 17, 2020:** Staff teleconferenced with representatives from CenterPoint and Scannell to discuss funding opportunities for zero-emissions cargo-handling and on-road trucks servicing package distribution centers.
- **March 23, 2020:** Staff teleconferenced with Amply Power to discuss funding opportunities for a pilot heavy duty EV charging project for corporate shuttle buses including CEC EPIC funding.
- **March 23, 2020:** Staff attended the online California Public Utilities Commission (CPUC) Transportation Electrification Framework Workshop to discuss long term planning for transportation electrification.
- **March 26 and March 30, 2020 and April 1 and 3, 2020:** Staff held conference calls with DocuSign representatives to demo the system and discuss the opportunity to transition to a paperless grant management system.

METEOROLOGY & MEASUREMENTS DIVISION
R. CHIANG, DIRECTOR

Air Quality Forecasting

	# of Days	Dates
Spare the Air alerts called for ozone	0	
Spare the Air Alerts called for PM _{2.5}	0	
Exceedances of the national 8-hour ozone standard (70 ppb)	0	
Exceedances of the national 24-hour PM _{2.5} standard (35 µg/m ³)	0	

No Spare the Air alerts or exceedances were recorded in the Bay Area during the first quarter of 2020. Despite a dry January, February, and March 2020, multiple weak low-pressure systems moved through the Bay Area, keeping the atmosphere well-mixed, and pollution concentrations below federal standards.

Regulatory Air Monitoring

Thirty-one air monitoring sites and fourteen meteorological towers were operational. The air monitoring team also worked to secure locations for additional monitoring sites:

- Benicia: Work continued to secure a viable site for a community air monitoring stations at Robert Semple Elementary School in Benicia. Met with City of Benicia Mayor to plan a stakeholder meeting. Meeting scheduled for April 27, 2020, with Benicia Unified School District, City of Benicia and the Air District.
- Livermore: Staff continue to buildout the U.S. EPA mandated Photochemical Assessment Monitoring Stations (PAMS) and are coordinating with internal partners to outfit the new station with workspaces.

Quality Assurance

All gas analyzers and particulate samplers were found to be operating within the Air District’s established accuracy limits (25 monitoring stations, 77 parameters). The National Air Quality System Database was updated with all audit results.

- Ground-Level Monitoring (GLM) audits of Hydrogen Sulfide (H₂S) and Sulfur Dioxide (SO₂) analyzers: All GLM gas analyzers tested met the Air District’s audit criteria. Audits were conducted at the Shell, Marathon, and Chevron Refineries (eight (8) GLM locations; 14 gas analyzers).
- The in-house ozone photometer certification program is continuing. The section is moving forward with certifying our own O₃ photometers. Past certifications were performed by the CARB Standards Lab. CARB will still perform certifications on several of our other standards, those standards that the PE Section is not equipped to do in-house at this time.
- The section recertified its secondary temperature and pressure standards. The primary temperature and pressure standards were then sent to the manufacturer for calibration and certification.

- New carbon monoxide gas standards—used to determine audit gas dilutions in the TTP Audit Van—were installed, tested, and verified.
- Regular departmental duties continued, including audits; report processing and review; database management; and equipment testing and maintenance.

Laboratory

The laboratory continues to perform its ongoing, routine analyses related to Air Monitoring activities.

In addition to regularly scheduled samples, the laboratory performed analyses of Compliance and Enforcement and Air Monitoring Special Projects samples.

During the first quarter, the laboratory scaled back operations in accordance with the Bay Area-wide shelter-in-place order.

Community Monitoring

Staff continued to work with Aclima to conduct mobile measurements throughout the Bay Area to identify air pollution hot spots and establish baseline concentrations of air pollutants.

- Aclima released data from their three-month long mobile monitoring study in Richmond and San Pablo through a public portal on their website. This was work requested by the AB 617 Steering Committee and was announced at their meeting in February and introduced at a community training in March 2020.
- Aclima is now driving every county served by the Air District.
- Staff continued work with Aclima on the Pro-Portal, a web-based tool for the Air District to visualize, analyze, and interpret data.

Technical Advising to Bay Area Communities and Stakeholders

- BVHP EJ task force meetings on January 22, 2020 and February 19, 2020.
- Met with 2019 CARB Community Air Grant recipient (Greenaction for Health and Environmental Justice) to offer technical support for their monitoring project (e.g. QA/QC for projects) on February 20, 2020.
- Helped two (2) 2019 CARB Community Air Grant recipients (Groundwork Richmond and Physicians, Scientists, and Engineers for Healthy Energy) sign Facility Use Agreements with the Air District to collocate their sensors at the Air District San Pablo monitoring site for two years.

Bay Air Center Coordination

- Develop implementation plan and scope of work for a portable sensor verification system that would provide for side-by-side data comparison at community-led sensor networks for assessment of sensor data quality.

AB 617

Richmond-San Pablo Monitoring Plan

- With Community Engagement, planned and attended two Steering Committee meetings on January 22 and February 19, 2020, and the related weekly co-lead meetings. Support includes developing agendas, presentations, and other technical resources.
- Developed and began implementing ways to continue working with community co-leads and steering committee to complete the monitoring plan development throughout the shelter in place directives.
- Began planning air toxics monitoring project selected by the Steering Committee in February 2020.
- Assist subset of steering committee members design and form Technical Assistance Group for the Richmond-San Pablo monitoring plan. Initially this group is expected to advise the steering committee about monitoring project implementation, data analysis and interpretation.

Technical Assessment

- Plan regional and local technical assessments of air quality using ambient measurement data.

Air Quality Analysis

Began interpreting Air District station data collected during the COVID-19 shelter-in-place, by examining changes in monitored levels of PM_{2.5}, BC, UFP, and NO_x. Ongoing analyses include an evaluation of historical data to provide context to recent changes in air quality by accounting for seasonality, meteorology, and regional differences.

Reviewed the monitoring design for 11 Asbestos Dust Monitoring Plans (ADMPs) for Compliance & Enforcement.

Source Test

- Evaluations and acquisition of new measurement technologies and developed test procedures relevant to AB-617, Regulation 11-18 and emission inventory improvement.
- Oversight of the Regulation 12-15 fence line monitoring programs.
- Drafting revisions to the Manual of Procedures Volumes IV and V.
- Oversight of South Bay Odor Study and Work Plan Development.
- Source tests conducted:
 - Performance of CEM Field Accuracy Tests on monitors installed at large source emission points.
 - Performance of source tests to determine emissions of precursor organic compounds, and toxic air contaminants.
 - Performance of tests to assess the compliance status of gasoline cargo tanks, gasoline dispensing facilities, gasoline terminal loading and vapor recovery systems.

- Evaluation of independent contractor conducted source tests to determine report acceptability and source compliance.
- Evaluation of CEMS installations and ongoing compliance, including monitoring plan review and approval.
- Technical advising to Air District Divisions:
 - Advice and guidance to Engineering and Compliance & Enforcement on emission data interpretation, permit development and recommendations for further evaluation indicating potential violations
 - Advice to the Rules Section on development of Rules 6-5, 8-5, 13-2, 13-3 and 13-5.
 - Advice and meeting participation on the Organics Emissions Estimation (OEE) workgroups.
 - Advice and meeting participation on the Refinery Rules Technical Working Group (RRTWG).

STATISTICS			
<u>Administrative Services:</u>		<u>Compliance Assistance and Operations Program:</u>	
Accounting/Purchasing/Comm.		Asbestos Plans Received	1657
General Checks Issued	1585	Coating and other Petitions Evaluated	4
Purchase Orders Issued	693	Open Burn Notifications Received	893
Checks/Credit Cards Processed	4629	Prescribed Burn Plans Evaluate	10
Contracts Completed	126	Tank/Soil Removal Notifications Received	11
RFP/RFQ	5	Compliance Assistance Inquiries Received	17
		Green Business Reviews	4
		Refinery Flare Notifications	6
<u>Executive Office:</u>			
Air Pollution Control Officer's Meetings Attended	163		
Board Meetings Held	3	<u>Compliance Assurance Program:</u>	
Committee Meetings Held	9	Industrial Inspections Conducted	1109
Advisory Council Meetings Held	0	Gas Station Inspection Conducted	117
Hearing Board Meetings Held	0	Asbestos Inspections Conducted	315
Variances Received	3	Open Burning Inspections Conducted	2
		PERP Inspections Conducted	61
<u>Information Systems:</u>		Mobile Source Inspections	0
New Installation Completed	12	Grant Inspections Conducted	87
PC Upgrades Completed	11		
Service Calls Completed	1004	<u>Engineering Division:</u>	
		Annual Update Packages Completed	709
<u>Human Resources:</u>		New Applications Received	275
Manager/Employee Consultation (Hrs.)	350	Authorities to Construct Issued	177
Management Projects (Hrs.)	400	Permits to Operate Issued	180
Employee/Benefit Transaction	500	Exemptions	9
Training Sessions Conducted	9	New Facilities Added	75
Applications Processed	859	Registrations (New)	16
Exams Conducted	12	Health Risk Assessments (HRA)	64
New Hires	12		
Promotions	10	Regular Employees Staffed	374
		Position Vacancies	41
<u>Facility/Vehicle:</u>		Temporary Employees Staffed	10
Request for Facility Service	81	Interns Staffed	0
Vehicle Request(s)	253	Separations	4
Vehicle Maintenance Request(s)	56	Payroll Administration (Hrs.)	800
		Safety Administration	150
		Inquiries	4000

STATISTICS			
<u>Compliance and Enforcement Division:</u>		<u>Communications and Public Information:</u>	
<u>Enforcement Program</u>		Responses to Media Inquires	94
Violations Resulting in Notices of Violations	144	Events Staffed with Air District Booth	4
Violations Resulting in Notice to Comply	1		
New Hearing Board Cases Reviewed	3	<u>Community Engagement:</u>	
Reportable Compliance Activity Investigated	158	Presentations Made	10
General Complaints Investigated	720	Visitors	1
Wood Smoke Complaints Received	370	Air District Tours	1
Mobile Source Violations	0	Community Meetings Attended	30
		<u>1st Quarter 2020 Agricultural Burn Days</u>	
		Jan – March Permissive Burn Days-North	87
<u>Laboratory</u>		Jan – March No-Burn Days-North	3
PM and Speciation Analyses	1306	Jan – March Permissive Burn Days-South	88
Toxic Network Analyses	230	Jan – March No-Burn Days-South	2
Source-oriented Analyses	1	Jan – March Permissive Burn Days-Coastal	88
Interagency and Other Development Analyses	49	Jan – March No Burn Days-Coastal	2
<u>Meteorology Measurements & Rules:</u>		<u>Technical Library</u>	
<u>1st Quarter 2020 Ambient Air Monitoring</u>		Titles Indexed/Cataloged	0
Days Exceeding Nat'l 24-Hour PM _{2.5} Std.	0	Periodicals Received/Routed	0
Days Exceeding Nat'l 24-Hour PM ₁₀ Std.	0		
Days Exceeding State 24-Hour PM ₁₀ Std.	0	<u>Source Test</u>	
Days Exceeding the Nat'l 8-Hour Ozone Std.	0	Cargo Tank Tests Performed	3
Days Exceeding the State 1-Hour Ozone Std.	0	Total Source Tests	43

STATISTICS			
Days Exceeding the State 8-Hour Ozone Std.	0	Pending Source Tests	0
		Further Evaluation Notices Recommended	7
Ozone Totals, Year to Date 2020		Contractor Source Tests Reviewed	3725
Days Exceeding State 1-Hour Ozone Std.	0	Outside Test Observed	15
Days Exceeding Nat'l 8-Hour Ozone Std.	0	Further Evaluation Notices Recommended After Review	13
Days Exceeding State 8-Hour Ozone Std.	0	<u>Contractor Source Test Protocols Reviewed</u>	38
		Contractor Source Tests invalidated	66
Particulate Totals, Year to Date 2020			
Days Exceeding Nat'l 24-Hour PM _{2.5} Std.	0	<u>Continuous Emissions Monitoring (CEM)</u>	
Days Exceeding Nat'l 24-Hour PM ₁₀ Std.	0	Indicated Excess Emission Report Eval.	17
Days Exceeding State 24-Hour PM ₁₀ Std.	0	Monthly CEM Reports Reviewed	111
		Indicated Excesses from CEM	11
PM_{2.5} Winter Season Totals for 2019 - 2020		Field Accuracy Test Performed	9
Days Exceeding Nat'l 24-Hour PM _{2.5} Std.	0		
		<u>Ground Level Monitoring (GLM)</u>	
		Jan- March Ground Level Monitoring SO ₂ Excess Reports	0
		Jan - March Ground Level Monitoring H ₂ S Excess Reports	0

These facilities have received one (1) or more Notices of Violations

Report period: January 2020 – March 2020

Alameda County				
Status Date	Site #	Site Name	City	Regulation Title
2/6/2020	A1500	Northern Calif Power Agency	Alameda	Nitrogen Oxides From Stationary Gas Turbines Annual Demonstra
2/6/2020	A1500	Northern Calif Power Agency	Alameda	Nitrogen Oxides From Stationary Gas Turbines Annual Demonstra
2/6/2020	A1500	Northern Calif Power Agency	Alameda	No Authority to Construct
2/6/2020	A1500	Northern Calif Power Agency	Alameda	No Permit to Operate
2/6/2020	A1500	Northern Calif Power Agency	Alameda	No Authority to Construct
2/6/2020	A1500	Northern Calif Power Agency	Alameda	No Permit to Operate
2/26/2020	A9684	Bay Ship & Yacht Co	Alameda	No Authority to Construct
2/26/2020	A9684	Bay Ship & Yacht Co	Alameda	No Permit to Operate
1/28/2020	Z7197	Albany Hill Mini Mart	Albany	GDF Standard Phase I CARB Certified Requirement
3/3/2020	A1855	Agricultural Research Service	Albany	Failure to Meet Permit Conditions
3/10/2020	Z7367	SFD	Albany	Asbestos; Written Plan or Notification
1/30/2020	A1438	Tesla, Inc	Fremont	Parametric Monitoring and Recordkeeping Procedures
1/30/2020	A1438	Tesla, Inc	Fremont	Non-Compliance; Major Facility Review
1/30/2020	A1438	Tesla, Inc	Fremont	Non-Compliance; Major Facility Review
1/30/2020	A1438	Tesla, Inc	Fremont	Non-Compliance; Major Facility Review
1/30/2020	A1438	Tesla, Inc	Fremont	Non-Compliance; Major Facility Review
2/7/2020	A1438	Tesla, Inc	Fremont	Non-Compliance; Major Facility Review
2/7/2020	A1438	Tesla, Inc	Fremont	No Authority to Construct
2/7/2020	A1438	Tesla, Inc	Fremont	No Permit to Operate
2/7/2020	A1438	Tesla, Inc	Fremont	Non-Compliance; Major Facility Review
2/7/2020	A1438	Tesla, Inc	Fremont	No Authority to Construct
2/7/2020	A1438	Tesla, Inc	Fremont	No Permit to Operate
2/7/2020	A1438	Tesla, Inc	Fremont	Non-Compliance; Major Facility Review
2/7/2020	A1438	Tesla, Inc	Fremont	Non-Compliance; Major Facility Review
1/30/2020	Z7199	MFD	Hayward	Asbestos; Written Plan or Notification
2/4/2020	Z7205	SFD	Hayward	Asbestos; Schedule Changes and Updates
2/5/2020	Z7212	SFD	Hayward	Asbestos; Schedule Changes and Updates
1/30/2020	Z7200	Gov't LLNL	Livermore	Asbestos; Schedule Changes and Updates
3/23/2020	A1190	Safety-Kleen of California, Inc	Newark	Failure to Meet Permit Conditions
1/9/2020	B2239	Acorn Restoration	Oakland	Failure to Meet Permit Conditions
1/9/2020	B2239	Acorn Restoration	Oakland	Wood Products Coatings Solvent Evaporative Loss Minimization
1/13/2020	Z7147	2060 Mastlands Dr	Oakland	Standards for New Stationary Sources
1/13/2020	Z7079	Bancroft Gas Corp.	Oakland	Failure to Meet Permit Conditions
2/3/2020	Z7313	Valero	Oakland	Failure to Meet Permit Conditions
2/3/2020	Z7313	Valero	Oakland	GDF Phase I Equipment Not Maintained
2/6/2020	Z7316	United Pacific dba 76	Oakland	Failure to Meet Permit Conditions
2/11/2020	Z7317	California Highway Patrol	Oakland	Failure to Meet Permit Conditions
2/25/2020	E2272	Dawit Auto Body	Oakland	No Authority to Construct
2/25/2020	E2272	Dawit Auto Body	Oakland	No Permit to Operate
2/25/2020	Z7319	Hertz QTA Facility	Oakland	No Authority to Construct
2/25/2020	Z7319	Hertz QTA Facility	Oakland	No Permit to Operate
3/4/2020	Z7364	EBMUD GDF	Oakland	GDF Standard Phase II Requirements of CARB
3/23/2020	Z7392	Flyers #454	Oakland	No Authority to Construct
Contra Costa County				
Status Date	Site #	Site Name	City	Regulation Title
2/24/2020	A8930	California Department of Water Resources	Byron	No Permit to Operate
2/24/2020	A9401	First Class Auto Body LLC	Concord	No Permit to Operate
1/14/2020	L2505	LAS TRAMPAS	Lafayette	Asbestos; Containment Requirement
2/19/2020	Z7282	COM	Lafayette	Asbestos; Schedule Changes and Updates
1/21/2020	Z7195	Golden Hills Park	Martinez	Asbestos; Schedule Changes and Updates
3/10/2020	B2758	Tesoro Refining & Marketing Company, LLC	Martinez	Parametric Monitoring and Recordkeeping Procedures
3/10/2020	B2758	Tesoro Refining & Marketing Company, LLC	Martinez	Parametric Monitoring and Recordkeeping Procedures
3/10/2020	B2758	Tesoro Refining & Marketing Company, LLC	Martinez	Non-Compliance; Major Facility Review
3/10/2020	B2758	Tesoro Refining & Marketing Company, LLC	Martinez	Parametric Monitoring and Recordkeeping Procedures
3/10/2020	B2758	Tesoro Refining & Marketing Company, LLC	Martinez	Non-Compliance; Major Facility Review
1/8/2020	Z7190	Star Holdings LLC	Moraga	Standards for New Stationary Sources
1/8/2020	Z7190	Star Holdings LLC	Moraga	Failure to Meet Permit Conditions
1/13/2020	Z7173	SFD	Richmond	Asbestos; Schedule Changes and Updates
1/13/2020	Z7172	SFD	Richmond	Asbestos; Schedule Changes and Updates
1/28/2020	Z7196	SFD	Richmond	Asbestos; Schedule Changes and Updates

**These facilities have received one (1) or more Notices of Violations
Report period: January 2020 – March 2020 (continued)**

Contra Costa County Continued				
Status				
Date	Site #	Site Name	City	Regulation Title <input type="checkbox"/>
2/4/2020	A0423	Chevron Richmond Technology Center	Richmond	Internal Floating Roof Tanks Requirements
2/6/2020	A0010	Chevron Products Company	Richmond	Non-Compliance; Major Facility Review
2/6/2020	A0010	Chevron Products Company	Richmond	Parametric Monitoring and Recordkeeping Procedures
2/6/2020	A0010	Chevron Products Company	Richmond	Non-Compliance; Major Facility Review
2/6/2020	A0010	Chevron Products Company	Richmond	Parametric Monitoring and Recordkeeping Procedures
2/6/2020	A0010	Chevron Products Company	Richmond	Non-Compliance; Major Facility Review
2/6/2020	A0010	Chevron Products Company	Richmond	Non-Compliance; Major Facility Review
2/6/2020	A0010	Chevron Products Company	Richmond	Parametric Monitoring and Recordkeeping Procedures
2/24/2020	A0010	Chevron Products Company	Richmond	Non-Compliance; Major Facility Review
2/24/2020	A0010	Chevron Products Company	Richmond	Excessive Visible Emissions
2/25/2020	Z7322	Chevron Marine Berth 3	Richmond	Wood Products Coatings Prohibition of Specification
3/2/2020	Z7363	SFD	Richmond	Asbestos; Wetting Method
3/4/2020	A2482	City of Richmond Water Pollution Control District	Richmond	Failure to Meet Permit Conditions
3/12/2020	A0745	TransMontaigne Operating Company LP	Richmond	Standards for New Stationary Sources
1/14/2020	V6624	PG&E	Walnut Creek	Asbestos; Written Plan or Notification
Marin County				
Status				
Date	Site #	Site Name	City	Regulation Title <input type="checkbox"/>
3/5/2020	A1360	Rich Readimix Concrete, Inc	Greenbrae	No Authority to Construct
3/5/2020	A1360	Rich Readimix Concrete, Inc	Greenbrae	No Permit to Operate
3/9/2020	A1275	Novato Sanitary District	Novato	Failure to Meet Permit Conditions
3/9/2020	A1275	Novato Sanitary District	Novato	Parametric Monitoring and Recordkeeping Procedures
1/10/2020	Z7166	Miller Creek School District Bus Yard	San Rafael	Failure to Meet Permit Conditions
1/13/2020	Z7171	SFD	San Rafael	Asbestos; Schedule Changes and Updates
Napa County				
Status				
Date	Site #	Site Name	City	Regulation Title <input type="checkbox"/>
1/3/2020	Z7168	KAFV, Inc	Napa	No Permit to Operate
2/26/2020	Z7325	Trubody LLC	Napa	Open Burning; Prohibition of Fires
San Francisco County				
Status				
Date	Site #	Site Name	City	Regulation Title <input type="checkbox"/>
1/8/2020	Z4565	Auto City Food Mart	San Francisco	Phase I Vapor Recovery Equipment Keeping Requirements
1/8/2020	Z4565	Auto City Food Mart	San Francisco	Phase II Vapor Recovery Equipment Keeping Requirements
1/8/2020	Z4565	Auto City Food Mart	San Francisco	GDF Phase II Equipment Not Maintained
1/14/2020	V6942	ATS Auto Trust Services	San Francisco	Asbestos; Schedule Changes and Updates
1/21/2020	Z7148	SFD	San Francisco	Improper Demolition, Renovation and Removal
1/21/2020	Z7148	SFD	San Francisco	Waste Disposal Procedures
2/14/2020	A4116	San Francisco Public Utilities Commission	San Francisco	Failure to Meet Permit Conditions
3/4/2020	H3064	Rob Bernheim	San Francisco	Asbestos; Schedule Changes and Updates
San Mateo County				
Status				
Date	Site #	Site Name	City	Regulation Title <input type="checkbox"/>
2/20/2020	A4860	Pet's Rest Cemetery	Colma	Failure to Meet Permit Conditions
1/7/2020	Z7189	Gellert Shell	Daly City	GDF Operating Practices
1/15/2020	Z7145	Hickey Way Shell	Daly City	GDF Phase I Equipment Not Maintained
2/13/2020	Z7251	KNK Petroleum Inc. dba Triton Gas	Daly City	GDF Phase I Requirement
1/29/2020	B2455	Gilead Sciences	Foster City	Periodic Testing
1/6/2020	Z7188	City of Redwood City	Redwood City	Standards for New Stationary Sources
3/12/2020	A5322	Magic Auto Paint & Body	Redwood City	Motor Vehicle and Mobile Equipment Coating Operations Record I
3/18/2020	Z7380	Gov't Building	Redwood City	Asbestos; Schedule Changes and Updates
3/16/2020	D0503	Double AA El Camino	San Bruno	No Permit to Operate
Santa Clara County				
Status				
Date	Site #	Site Name	City	Regulation Title
2/13/2020	B5660	All Perfect Finish	Campbell	No Permit to Operate

**These facilities have received one or more Notices of Violations
Report period: January 2020 – March 2020 (continued)**

Santa Clara County Continued				
Status Date	Site #	Site Name	City	Regulation Title
3/26/2020	A0017	Lehigh Southwest Cement Company	Cupertino	Opacity Emission Limit
2/3/2020	Z7184	Solis Winery	Gilroy	Prohibition of Fires: Violation of Smoke Management Plan
2/25/2020	A6370	Recology Pacheco Pass	Gilroy	Landfill Emission Control System Requirement
1/9/2020	Z7193	SFD	Los Altos	Asbestos; Written Plan or Notification
2/20/2020	A9013	International Disposal Corp of CA	Milpitas	Landfill Surface Requirements
3/5/2020	A9013	International Disposal Corp of CA	Milpitas	Landfill Emission Control System Requirement
3/5/2020	A9013	International Disposal Corp of CA	Milpitas	Failure to Meet Permit Conditions
1/22/2020	Z7161	194 Lantz Drive	Morgan Hill	Open Burning; Prohibition of Fires
2/7/2020	Z7210	SFD	Morgan Hill	Open Burning; Prohibition of Fires
1/2/2020	Z7114	Blossom Shell SS	San Jose	GDF Operating Practices
1/10/2020	B2577	Central Concrete Supply	San Jose	No Authority to Construct
1/29/2020	A9910	Concrete ReadyMix, Inc	San Jose	Failure to Meet Permit Conditions
1/29/2020	A9910	Concrete ReadyMix, Inc	San Jose	No Authority to Construct
2/7/2020	Z6219	Gas N' Go	San Jose	GDF Phase II Equipment Not Maintained
2/10/2020	A4175	City of San Jose (Singleton Road Landfill)	San Jose	Failure to Meet Permit Conditions
2/18/2020	A4175	City of San Jose (Singleton Road Landfill)	San Jose	Landfill Emission Control System Requirement
2/24/2020	Z7320	Capitol Chevron	San Jose	Failure to Meet Permit Conditions
3/4/2020	B4446	Judicial Council of California, JCC 43-B2	San Jose	No Permit to Operate
3/5/2020	B2158	Sanmina Corporation	San Jose	No Authority to Construct
3/5/2020	B2158	Sanmina Corporation	San Jose	No Permit to Operate
3/11/2020	G7566	Campbell UHSD	San Jose	Asbestos; Containment Requirement
2/4/2020	Z7283	COM	Santa Clara	Asbestos; Schedule Changes and Updates
1/7/2020	Z7133	COM	Sunnyvale	Asbestos; Schedule Changes and Updates
2/7/2020	Z7301	Homeowner	Sunnyvale	Asbestos; Containment Requirement
2/20/2020	Z7133	COM	Sunnyvale	Asbestos; Schedule Changes and Updates
Solano County				
Status Date	Site #	Site Name	City	Regulation Title
1/28/2020	B5574	Valero Refining Company	Benicia	Storage of Organic Liquids Secondary Seal Requirements
1/28/2020	B2626	Valero Refining Company - California	Benicia	Storage of Organic Liquids Primary Seal Requirements
1/28/2020	B2626	Valero Refining Company - California	Benicia	Storage of Organic Liquids Secondary Seal Requirements
2/7/2020	B2626	Valero Refining Company - California	Benicia	Standards for New Stationary Sources
2/20/2020	B2626	Valero Refining Company - California	Benicia	Continuous Emission Monitoring and Recordkeeping
2/20/2020	B2626	Valero Refining Company - California	Benicia	Continuous Emission Monitoring and Recordkeeping
3/16/2020	B2626	Valero Refining Company - California	Benicia	Non-Compliance; Major Facility Review
3/16/2020	B2626	Valero Refining Company - California	Benicia	Non-Compliance; Major Facility Review
3/16/2020	B2626	Valero Refining Company - California	Benicia	Continuous Emission Monitoring and Recordkeeping
3/16/2020	B2626	Valero Refining Company - California	Benicia	Non-Compliance; Major Facility Review
3/16/2020	B2626	Valero Refining Company - California	Benicia	Non-Compliance; Major Facility Review
3/16/2020	B2626	Valero Refining Company - California	Benicia	Continuous Emission Monitoring and Recordkeeping
2/7/2020	Z7243	Travis Air Force Base	Travis Afb	Asbestos; Written Plan or Notification
2/7/2020	Z7243	Travis Air Force Base	Travis Afb	Asbestos; Scheduling of Demolition Activities
2/7/2020	Z7243	Travis Air Force Base	Travis Afb	Asbestos Containing Waste Disposal
Sonoma County				
Status Date	Site #	Site Name	City	Regulation Title
3/24/2020	Z7405	SFD	Petaluma	Asbestos; Written Plan or Notification
1/29/2020	Z7174	Rotten Robbies	Sebastopol	GDF Standard Phase II CARB Certified Requirement
1/9/2020	Z7191	John Ferrando	Sonoma	Prohibition of Fires: No Ignition

**Closed Notice of Violations with Penalties by County
January 2020 – March 2020**

Alameda

Site Name	Site #	City	Penalty Amount	# of Violations Closed
American Technologies	L3951	Hayward	\$1,000	1
Environmental Remedies Inc	Z6389	Hayward	\$5,000	1
Ferma Corporation	Z6636	Newark	\$750	1
Grafco Station	V4062	Livermore	\$750	1
Hayward Area RPD	V3600	Hayward	\$125	1
Maria del Socorro Murillo	Z6453	Oakland	\$1,000	1
NorthStar Contracting Group	Z7143	Hayward	\$500	1
PW Stephens, Inc	Y0778	Hayward	\$750	1
Synergy Enterprises	Z6542	Hayward	\$8,000	3
Synergy Enterprises	L3268	Hayward	\$10,000	2
Urban Estates	Y2705	Oakland	\$5,000	2

Alameda Total Violations Closed: 15

Contra Costa

Site Name	Site #	City	Penalty Amount	# of Violations Closed
Don's Gas	Z5863	Concord	\$500	1
East Contra Costa Irrigation District	Z5211	Brentwood	\$1,000	1
Elvira Haynes	N5307	Walnut Creek	\$100	1
MSE Environmental	Z7048	Martinez	\$500	1

Contra Costa Total Violations Closed: 4

Napa

Site Name	Site #	City	Penalty Amount	# of Violations Closed
Napa Valley College	Z5679	Napa	\$2,000	3

Napa Total Violations Closed: 3

**Closed Notice of Violations with Penalties by County
January 2020 – March 2020 (continued)**

San Francisco

Site Name	Site #	City	Penalty Amount	# of Violations Closed
Auto City Food Mart	Z4565	San Francisco	\$2,500	1
British Motor Cars Dist	A2780	San Francisco	\$3,500	1
Divisadero Union 76	Z6908	San Francisco	\$750	1
Gas and Shop	X2639	San Francisco	\$6,500	2
San Francisco Water Department	A9170	San Francisco	\$3,000	3
United Rentals Inc	W9625	San Francisco	\$500	1

San Francisco Total Violations Closed: 9

San Mateo

Site Name	Site #	City	Penalty Amount	# of Violations Closed
Blue Line Transfer, Inc	E2099	South San Francisco	\$2,500	1
CEJ Construction	Z6533	South San Francisco	\$250	1
Kwik Serv (Hazal, Inc.)	Y7921	South San Francisco	\$1,000	1
Whipple Arco	Z7000	Redwood City	\$500	1

San Mateo Total Violations Closed: 4

Santa Clara

Site Name	Site #	City	Penalty Amount	# of Violations Closed
BELFOR Property Restoration	V6482	San Jose	\$500	1
Chevron #9-5771	V9914	San Jose	\$3,000	2
Dave's Body Shop	Z7135	Mountain View	\$500	1
ICU Medical Fleet Services LLC	E0539	San Jose	\$500	1
Jacklin Shell	Z6124	Milpitas	\$1,000	2
L P Enterprises, LLC	B8748	San Jose	\$500	1
Lehigh Southwest Cement Company	A0017	Cupertino	\$22,500	6
Michael Roberts Construction, Inc	V2885	Campbell	\$4,000	3
Northrop Grumman Systems Corporation	B0861	Sunnyvale	\$2,500	1
Z-Con Specialty Services	X6862	San Jose	\$500	1

Santa Clara Total Violations Closed: 19

Solano

Site Name	Site #	City	Penalty Amount	# of Violations Closed
Fairfield Rental Service Inc	A1343	Fairfield	\$500	1
Hiddenbrook	Z6012	Vallejo	\$500	1
iMod Structures	Z6919	Vallejo	\$500	1

Solano Total Violations Closed: 3

Sonoma

Site Name	Site #	City	Penalty Amount	# of Violations Closed
City of Santa Rosa	B9231	Santa Rosa	\$1,000	1
Home Depot #6667	Z7327	Windsor	\$500	1
Santa Rosa Chevron	Y7818	Santa Rosa	\$1,500	1

Sonoma Total Violations Closed: 3

District Wide

Site Name	Site #	City	Penalty Amount	# of Violations Closed
Brunk Industries Inc	Z5663	Oakdale	\$4,000	2
Platinum Energy; Sue Sommers	Y4152	Agoura Hills	\$600	1
Riverbank Interiors	J1131	Riverbank	\$750	1

District Wide Total Violations Closed: 4

TO: Members of the Board of Directors

FROM: Supervisor John Gioia
Board Member

DATE: April 15, 2020

SUBJECT: **QUARTERLY REPORT OF MY ACTIVITIES AS AN AIR RESOURCES BOARD MEMBER**

The list below summarizes my activities as a California Air Resources Board member from January 1, 2020, through March 31, 2020:

January Activities

6th Meeting with CAs for Pesticide Reform re: El Centro CERP
14th El Centro CERP Staff Briefing
15th El Centro CERP Board Meeting
21st Meeting Union of Concerned Scientists re: Clean Miles Standard
23rd January Board Meeting
24th October Board Meeting
28th CAPCOA Fall Seminar

February Activities

5th Shafter/S. Fresno CERP Briefing
12th Meeting with BlueGreen Alliance re: Advanced Clean Trucks
13th Shafter/S. Fresno CERP Board Meeting

March Activities

11th Boyle Heights/Long Beach CERP Briefing

Attachments: Public Agendas



LOCATION:
Old Eucalyptus Schoolhouse
796 West Evan Hewes Highway
El Centro, California 92243

ADVANCED COPY

PUBLIC MEETING AGENDA

**Wednesday
January 15, 2020**

[Webcast](#)

**TO SUBMIT WRITTEN COMMENTS ON AN AGENDA
ITEM IN ADVANCE OF THE MEETING GO TO:**
<http://www.arb.ca.gov/lispub/comm/bclist.php>

**Wednesday
January 15, 2020
4:00 p.m.**

DISCUSSION ITEMS:

Agenda Item #

20-1-1: Public Meeting to Consider Assembly Bill 617 Community Emissions Reduction Program - El Centro-Heber-Calexico Corridor

The community emissions reduction program was developed through a partnership between the Imperial County Air Pollution Control District, Comite Civico del Valle and the community steering committee. The Board will consider the Calexico/Heber/El Centro community emissions reduction program as required by AB 617.

[More Information](#)

[Staff Presentation](#)

OPPORTUNITY FOR MEMBERS OF THE BOARD TO COMMENT ON MATTERS OF INTEREST

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OPEN SESSION TO PROVIDE AN OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD ON SUBJECT MATTERS WITHIN THE JURISDICTION OF THE BOARD

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(Note: not all agenda items are available for electronic submittals of written comments.)

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IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE CLERKS' OFFICE:
1001 I Street, 23rd Floor, Sacramento, California 95814
(916) 322-5594
CARB Homepage: www.arb.ca.gov

SPECIAL ACCOMMODATION REQUEST

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- An interpreter to be available at the hearing;
- Documents made available in an alternate format or another language;
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PUBLIC MEETING AGENDA

**Thursday,
January 23, 2020**

[Webcast](#)

LOCATION:

California Environmental Protection Agency
California Air Resources Board
Byron Sher Auditorium, 2nd Floor
1001 I Street
Sacramento, California 95814

This facility is accessible by public transit. For transit information, call (916) 321-BUSS, website:

<http://www.sacrt.com>

(This facility is accessible to persons with disabilities.)

TO SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO:

<http://www.arb.ca.gov/lispub/comm/bclist.php>

**Thursday
January 23, 2020
9:00 a.m.**

CONSENT CALENDAR:

The following items on the consent calendar will be presented to the Board immediately after the start of the public meeting, unless removed from the consent calendar either upon a Board member's request or if someone in the audience wishes to speak.

Consent Item #

- 20-2-1: Public Meeting to Consider Proposed Contract with the University of California, Berkeley, Titled "Air Pollution Measurements, Exposure Assessment, and Evaluation of the Sources of Particulate Matter in Fresno, California"**

The California Air Resources Board (CARB or Board) will consider approving this research proposal that was developed in response to the Board-approved research projects in fiscal year 2019-2020. This item is listed on the consent agenda to comply with Board approval requirements in Government Code section 1091 because one Board member is affiliated with the contractor, the University of California at Berkeley.

[More Information](#)

- 20-2-2: Public Meeting to Consider Proposed Contract with the University of California, Davis, Titled "Barriers to Reducing the Carbon Footprint of Transportation Network Companies: A Survey of Drivers and Riders"**

The Board will consider approving a contract that will inform the development of the Clean Miles Standard regulation per Senate Bill 1014 (Skinner, Ch. 369, Stat. 2018) and related programs. This project is proposed to survey drivers and riders of transportation network companies in order to identify the barriers to pooling, vehicle electrification, reducing deadheading, and complementing active transportation and public transit in California. This item is listed on the consent agenda to comply with Board approval requirements in Government Code section 1091 because two Board members are affiliated with the contractor, the University of California at Davis.

[More Information](#)

20-2-3: Public Meeting to Consider Compliance Offsets Protocol Task Force Members and Chair

The Board will consider approval of members and a chair to the Compliance Offsets Protocol Task Force (Task Force). Assembly Bill 398 (Garcia, Ch. 135, Stat. 2017) established the Task Force to provide guidance to the Board in approving new offset protocols with direct environmental benefits to the state.

[More Information](#)

[Proposed Resolution](#)

DISCUSSION ITEMS:

Note: The following agenda items may be heard in a different order at the Board meeting.

Agenda Item #**20-2-4: Report to the Board on the California Air Resources Board Program Priorities for 2020**

Executive Officer Richard Corey will provide the Board with an overview of California Air Resources Board priorities for 2020.

[Staff Presentation](#)

20-2-6: Public Meeting to Consider Policy Recommendations to Increase the Use of Zero-Emission Vehicles Per Senate Bill 498

The Board will hear a summary of staff policy recommendations to increase zero-emission vehicle (ZEV) uptake developed in response to Senate Bill (SB) 498 (Skinner, Ch. 628, Stat. 2017). SB 498 tasked CARB with reporting on its programs that affect the adoption of light-, medium-, and heavy-duty ZEVs, including reviewing the program goals and status in meeting those goals, conducting a cost-benefit analysis, comparing CARB's ZEV programs with ZEV programs in other states and countries, identifying policy recommendations for increasing the adoption of ZEVs in the state, and identifying actions fleets can take to increase the number of ZEVs in their fleet. The Board will consider public comments on the policy recommendation before submitting the report to the Legislature, as required.

[More Information](#)

[Staff Presentation](#)

20-2-7: Public Meeting to Hear an Informational Update on the Clean Miles Standard

Senate Bill (SB) 1014 (Skinner, Ch. 369, Stat. 2018), the California Clean Miles Standard and Incentive Program, requires the Board to determine a 2018 base-year emissions inventory for vehicles participating in a transportation network company (TNC) service and establish, by January 1, 2021, annual targets and goals for the TNCs that would start in 2023, including a per-passenger mile emissions target and a zero-emission vehicle goal. The staff presentation will include an overview of the program considerations, regulatory process, as well as the 2018 base-year emissions and vehicle inventory.

[More Information](#)

[Staff Presentation](#)

CLOSED SESSION

The Board may hold a closed session, as authorized by Government Code section 11126(e), to confer with, and receive advice from, its legal counsel regarding the following pending or potential litigation:

Alliance for California Business v. California State Transportation Agency, et al., Sacramento County Superior Court, Case No. 34-2016-80002491.

American Coatings Association, Inc. v. State of California and California Air Resources Board, Sacramento County Superior Court, Case No. 04CS01707.

California Air Resources Board v. Key Disposal, Inc. and John Katangian, Los Angeles Superior Court, Case No. BC650014.

California Air Resources Board v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 18-1085.

California Air Resources Board v. United States Environmental Protection Agency and National Highway Traffic and Safety Administration, United States District Court, District of Columbia Case No. 1:19-cv-00965-CKK.

Dalton Trucking, Inc. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 13-1283 (dismissed), U.S. Court of Appeals, Ninth Circuit, Case No. 13-74019.

Friends of Oceano Dunes, Inc. v. California Coastal Commission, et al., San Luis Obispo County Superior Court, Case No. 17CV-0576; U.S. District Court for the Central District of California, Case No. 2:17-cv-8733.

In re Pacific Gas and Electric Company, U.S. Bankruptcy Court, Northern District of California, Case No. 19-30089.

John Mahan v. California Air Resources Board, Sacramento County Superior Court, Case No. 34-2016-80002416.

John R. Lawson Rock & Oil, Inc. et al. v. California Air Resources Board et al., Fresno County Superior Court, Case No. 14-CECG01494; ARB's appeal, Court of Appeal, Fifth District, Case No. F074003.

Murray Energy Corporation v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 15-1385.

Sowinski v. California Air Resources Board, et al., United States District Court for the Northern District of California, No. 3:18-cv-03979-LHK.

State of California v. United States Environmental Protection Agency, United States Court of Appeals, District of Columbia Circuit, Case No. 18-1096.

State of California, et al. v. Chao, et al., United States District Court for the District of Columbia, Case No. 1:19-cv-02826.

State of California, et al. v. David Bernhardt, et al., United States District Court. Northern District of California, Case No. 3:18-cv-5712-DMR.

State of California, et al. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 18-1114.

State of California, et al., v. United States Environmental Protection Agency, United States District Court, Northern District of California, Case No. 4:18-cv-03237.

State of California, et al. v. United States Environmental Protection Agency et al., U.S. District Court, Northern District of California, Oakland Division, Case No. 4:17-cv-6936-HSG.

State of New York, et al. v. Andrew Wheeler and the United States Environmental Protection Agency, U.S. District Court, District of Columbia, Case No. 1:18-cv-00773.

State of North Dakota v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 15-1381.

State of North Dakota, et al. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 16-1242.

State of Wyoming, et al. v. United States Department of the Interior, et al., U.S. District Court, District of Wyoming, Case No. 16-CV-285-SWS.

Truck Trailer Manufacturers Association, Inc. v. United States Environmental Protection Agency, et al., U.S. Court of Appeals, District of Columbia Circuit, Case No. 16-1430.

Valero Refining Co. California v. Hearing Board of the Bay Area Air Quality Management District et al., Court of Appeal, First Appellate District, Case No. A151004.

People v. Southern California Gas Company, Los Angeles Superior Court, Case No. BC 602973.

The Two Hundred, et al. v. California Air Resources Board, et al., Fresno County Superior Court, Case No. 18CECG01494.

United States v. California, United States District Court, Eastern District of California, Case No. 2:19-cv-02142-WBS-EFB.

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LOCATION:
Shafter Veteran's Hall
309 California Avenue
Shafter, California, 93263

PUBLIC MEETING AGENDA

**Thursday,
February 13, 2020**

[Webcast](#)

For information on public transit, please visit this website: <https://shafter.com/148/Transit>

TO SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO:
<http://www.arb.ca.gov/lispub/comm/bclist.php>

**Thursday
February 13, 2020
4:00 p.m.**

DISCUSSION ITEMS:

Note: The following agenda items may be heard in a different order at the Board meeting.

Agenda Item #

20-3-1: Public Meeting to Consider Assembly Bill 617 Community Emissions Reduction Program – Shafter

Spanish translation will be provided at the Board Meeting for this item, Item 20-3-1.

The community emissions reduction program was developed through a partnership between the San Joaquin Valley Air Pollution Control District and the Shafter Community Steering Committee. The Board will consider the Shafter Community Emissions Reduction Program, as required by Assembly Bill 617, and will also consider adopting a California Environmental Quality Act exemption as part of its action.

[More Information](#)

[Staff Presentation](#)

20-3-2: Public Meeting to Consider Assembly Bill 617 Community Emissions Reduction Program – South Central Fresno

Spanish translation will be provided at the Board Meeting for this item, Item 20-3-2.

The community emissions reduction program was developed through a partnership between the San Joaquin Valley Air Pollution Control District and the South Central Fresno Community Steering Committee. The Board will consider the South Central Fresno Community Emissions Reduction Program, as required by Assembly Bill 617, and will also consider adopting a California Environmental Quality Act exemption as part of its action.

[More Information](#)

[Staff Presentation](#)

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Board members may identify matters they would like to have noticed for consideration at future meetings and comment on topics of interest; no formal action on these topics will be taken without further notice.

OPEN SESSION TO PROVIDE AN OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE BOARD ON SUBJECT MATTERS WITHIN THE JURISDICTION OF THE BOARD

Although no formal Board action may be taken, the Board is allowing an opportunity to interested members of the public to address the Board on items of interest that are within the Board's jurisdiction, but that do not specifically appear on the agenda. Each person will be allowed a maximum of three minutes to ensure that everyone has a chance to speak.

TO ELECTRONICALLY SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO:

<https://www.arb.ca.gov/lispub/comm/bclist.php>

(Note: not all agenda items are available for electronic submittals of written comments.)

PLEASE NOTE: No outside memory sticks or other external devices may be used at any time with the Board audio/visual system or any CARB computers. Therefore, PowerPoint presentations to be displayed at the Board meeting must be electronically submitted via email to the Clerks' Office at cotb@arb.ca.gov no later than noon on the business day prior to the scheduled Board meeting.

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE CLERKS' OFFICE:

1001 I Street, 23rd Floor, Sacramento, California 95814

(916) 322-5594

CARB Homepage: www.arb.ca.gov

SPECIAL ACCOMMODATION REQUEST

Consistent with California Government Code Section 7296.2, special accommodation or language needs may be provided for any of the following:

- An interpreter to be available at the hearing;
- Documents made available in an alternate format or another language;
- A disability-related reasonable accommodation.

To request these special accommodations or language needs, please contact the Clerks' Office at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 7 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

Consecuente con la sección 7296.2 del Código de Gobierno de California, una acomodación especial o necesidades lingüísticas pueden ser suministradas para cualquiera de los siguientes:

- Un intérprete que esté disponible en la audiencia
- Documentos disponibles en un formato alternativo u otro idioma
- Una acomodación razonable relacionados con una incapacidad

Para solicitar estas comodidades especiales o necesidades de otro idioma, por favor llame a la oficina del Consejo al (916) 322-5594 o envíe un fax a (916) 322-3928 lo más pronto posible, pero no menos de 7 días de trabajo antes del día programado para la audiencia del Consejo. TTY/TDD/Personas que necesiten este servicio pueden marcar el 711 para el Servicio de Retransmisión de Mensajes de California.

SMOKING IS NOT PERMITTED AT MEETINGS OF THE CALIFORNIA AIR RESOURCES BOARD

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: April 23, 2020

Re: Consideration of Authorization to Amend a Contract with Bentley Systems, Inc., for
Roadway Telematics Data for Nine Counties

RECOMMENDED ACTION

Recommend the Board of Directors consider authorizing the Executive Officer/APCO to execute a contract amendment with Bentley Systems, Inc. (Bentley; formerly CitiLabs) in an amount not to exceed \$227,000.

BACKGROUND

On April 15, 2020, the Bay Area Air Quality Management District's (Air District) Board of Directors approved a contract amendment (Item 9) to purchase 2016 roadway telematics for all nine Bay Area Counties from Bentley Systems, Inc. (Bentley). The current contract with Bentley supports the Air District's community-scale air quality assessment work and is in the amount of \$65,000 for the use of 2016 roadway telematics roadway and traffic data for Alameda and Contra Costa counties until 2021. The amendment approved on April 15, 2020, reflected staff's proposal to acquire 2016 telematics data for the remaining seven counties (Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano, and Sonoma) and extend access to the data until 2025.

Bentley has recently committed to complete processing of 2019 roadway telematics data in time to meet Air District internal deadlines to support ongoing air quality programs. The 2019 roadway telematics data will support technical assessments in California State Assembly Bill (AB) 617 communities and updates to the Air District's health risk screening tools for evaluating projects under the California Environmental Quality Act (CEQA) with the most up-to-date information available. The cost under this revised proposed contract amendment is \$162,000, increasing the overall contract payment to \$227,000. This revised amendment will supersede the previous amendment approved on April 15, 2020 (with cost of \$130,000 and overall contract payment of \$195,000): for an additional \$32,000, the Air District will receive 2019 data instead of 2016 data.

AB 617 DISCUSSION

AB 617 requires local air districts to partner with community groups, environmental organizations, and other stakeholders to reduce exposures in communities most impacted by air pollution. To reliably characterize transportation-related emissions, the Air District assessed data products from a group of vendors and, based on that assessment, contracted with Bentley to

obtain their superior roadway network and telematics data, which included important features developed from smart phone-based movements tracking and real-world traffic measurements. Under the existing contract, Air District staff have acquired 2016 telematics data for Contra Costa and Alameda counties, including a detailed Bay Area roadway network, vehicle volumes by hour, average speed, and number of roadway lanes. These data have been used to estimate on-road mobile source emissions and air quality impacts for the West Oakland Community Action Plan. The assessment helped the West Oakland Steering Committee select appropriate mitigation strategies with reduction goals for sources with high contributions to community risks.

The Air District is moving forward with conducting source apportionment analysis for the Richmond/San Pablo area and is preparing for similar work in other communities under the AB 617 program. The proposed contract amendment to acquire the 2019 data will cover all nine Bay Area counties and ensure that the Air District has access to the latest roadway telematics data for each of these communities and allow for a consistent modeling methodology across them all.

CEQA TOOLS DISCUSSION

In addition to the AB 617 community assessment work, the Air District is currently updating its 2017 CEQA guidelines and re-evaluating thresholds of significance for toxic air contaminants and fine particulate matter in assessing local air quality impacts. To comply with the updated guidelines, a lead agency may perform a detailed assessment through an air dispersion modeling analysis to assess the health impact from surrounding facilities, roadways, freeways, ships, and locomotives. The Air District has developed a freeway screening analysis tool and a surface street screening calculator to assist local agencies in performing initial screening assessments.

Since the last CEQA guidelines update, the Air District has adopted significant methodology changes to follow recommended updates from the State Office of Environmental Health Hazard Assessment (OEHHA). The Air District has also selected the American Meteorological Society/EPA Regulatory Model Improvement Committee Regulatory Model, AERMOD, as the preferred air dispersion model for permitting and CEQA analysis. These changes will be incorporated into updated screening tools accompanying the release of the updated CEQA guidelines. Obtaining the latest 2019 Bentley data for all nine counties will help Air District staff to improve accuracy of the screening tools and streamline CEQA reviews.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding for this contract and its amendment has been included in the Air District's Community Air Risk Evaluation (CARE) program (# 609) budget for Fiscal Year Ending 2020.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Virginia Lau
Reviewed by: Song Bai and Phil Martien

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: April 23, 2020

Re: Consideration of Authorization for Execution of Purchase Orders in Excess of
\$100,000 Pursuant to Administrative Code Division II Fiscal Policies and Procedures
Section 4.3 Contract Limitations

RECOMMENDED ACTION

Recommend the Board of Directors consider authorizing the Executive Officer/APCO to execute a purchase order to Trust, Science, Innovation (TSI) Inc., in an amount not to exceed \$105,000, for a highly sensitive, particle sizing analyzer.

BACKGROUND

The Air Monitoring section performs ambient air monitoring and sampling of criteria and toxic air pollutants as part of the Air District's existing programs. New focus on understanding air quality at the local level has expanded the section's scope and goals to include monitoring to characterize concentrations of these air pollutants in communities, to provide data for source attribution studies, and to assess how well emissions reduction strategies in communities are working.

DISCUSSION

One key pollutant of interest in many community-level air quality applications is Particulate Matter (PM). In communities, measurements of size-specified PM can provide information about exposures, as well as help identify possible sources. In addition, assessing how well PM instrumentation responds to various particles is essential. After a thorough review of literature and technical documentation the TSI Inc. Scanning Mobility Particle Sizer 3938 (SMPS) stood out as the best option. While there are other options for measuring size-specified PM, the SMPS has a strong track record and as an all-in-one package contains the necessary components to separate and measure particles of various sizes. Given a reference particle source, the SMPS is also able to separate those particles by various size bins, which can be used to challenge and test the performance of other instrumentation.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. Funds for this purchase were approved in the 2020 budget for Air Monitoring (802) Analytical Equipment Portable Air Quality Speciation Platforms.

Respectfully Submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Jon Bower
Reviewed by: Jerry Bovee

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: April 23, 2020

Re: Consideration of Authorization of a Contract Extension and Execution of a Purchase Order in Excess of \$100,000 to Technical and Business Systems Pursuant to Administrative Code Division II Fiscal Policies and Procedures, Section 4.3 Contract Limitations, for Continued Operation of the BioWatch Monitoring Network

RECOMMENDED ACTION

The Board of Directors will consider authorizing the Executive Officer/APCO to issue a contract extension and Purchase Order in an amount not to exceed \$1,420,000 for Technical and Business (T&B) Systems to continue operation and maintenance of the BioWatch monitoring network through June 30, 2021, as outlined in a grant from the Department of Homeland Security for the continued operation.

DISCUSSION

The BioWatch program began in February of 2003, with eight locations in the San Francisco area. In July of 2003, the network expanded to include six additional sites in the San Jose area. The operational demands of this network necessitated the use of a contractor and a Request for Quotation (RFQ) was sent to five qualified contractors. Staff received proposals from three contractors who responded to the RFQ. After a thorough evaluation, the contract was awarded to T&B Systems (Board of Directors Memo, Agenda Item 5E, dated August 26, 2003). In 2006, the network was again expanded to a total of 32 sites located throughout the Bay Area and additional grant funding was incorporated into the budget (Budget and Finance Committee, May 15, 2006; Agenda Item 5; Board of Directors, May 24, 2006, Agenda Item 9). The latest contract with T&B Systems was approved by the Board of Directors for a year period beginning July 1, 2014 (Board of Directors Meeting, September 3, 2014, Agenda Item 9).

In 2018, a Request for Qualifications (RFQ) based on the current scope of work for operation and maintenance of the BioWatch Network was released following standard Air District guidelines and requirements. Only one entity, T&B Systems, responded to the request. As a result, staff recommended, and the Board of Directors approved (Board of Directors Meeting, December 6, 2017, Agenda Item 5), a two-year continuing contract ending on June 30, 2019, with T&B Systems for operating and maintaining the BioWatch Network based on their response to the RFQ and their performance over past years.

Based on performance of T&B Services through the previous two-year contract, staff recommended, and the Board of Directors approved (Board of Directors Meeting, May 1, 2019, Agenda Item 12), a contract extension and execution of a Purchase Order to cover operation of the network through the end of June 30, 2020.

Based on performance of T&B Services through the previous contract extension, staff is requesting consideration of a contract extension and execution of a Purchase Order to cover operation of the network through the end of June 30, 2021. This Purchase Order will not exceed the amount of the grant award from the Department of Homeland Security. An RFQ will be issued before the end of the contract extension under consideration in June of 2021.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. Funds for this Purchase Order are from a Department of Homeland Security Grant that covers operation of the existing network and the associated Air District costs of administering the program. There will be no financial impact to the Air District's general revenue resources.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Charles Knoderer
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: April 24, 2020

Re: Participation in Community Air Protection Program Fiscal Year Ending (FYE) 2020

RECOMMENDED ACTION

Recommend the Board of Directors execute a resolution to:

1. Approve the Air District's acceptance of the Fiscal Year Ending (FYE) 2020, Community Air Protection Program funds; and
2. Authorize the Executive Officer/APCO to execute all necessary agreements with the California Air Resources Board (CARB) to implement the program.

BACKGROUND

Assembly Bill (AB) 74 (Ting, Chapter 23, Budget Act of 2019) provides funds for CARB to allocate to local air quality districts for expenses related to AB 617 (C. Garcia, Chapter 136, Statutes of 2017). The California Air Pollution Control Officers Association (CAPCOA) Board approved an allocation plan for distribution of available funds to the air quality districts.

DISCUSSION

CARB has requested that the Air District's Board of Directors execute a resolution (see Attachment 9A) to accept this funding.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. These funds are included in the proposed Air District FYE 2021 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Greg Nudd

Attachment 9A: Resolution to Accept Community Air Protection Program Funds from the
California Air Resources Board

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

RESOLUTION No. 2020 -

**A Resolution Accepting Community Air Protection Program Funds
from the California Air Resources Board**

WHEREAS, Assembly Bill 74 (Ting, Chapter 23, Budget Act of 2019) provides funds for the California Air Resources Board (CARB) to allocate to local air quality districts;

WHEREAS, Assembly Bill 617 (C. Garcia, Chapter 136, Statutes of 2017) directs air districts to implement a Community Air Protection Program;

WHEREAS, the California Air Pollution Control Officers Association Board approved an allocation plan for the available funds;

WHEREAS, CARB will authorize a grant to the District to implement the Community Air Protection Program upon approval by the Board of Directors to accept such grant of funds;

WHEREAS, CARB will award a grant in the amount of \$9,000,000 for Fiscal Year Ending 2019-2020.

NOW, THEREFORE, BE IT RESOLVED, the Board of Directors hereby approves the Air District's acceptance of the Fiscal Year Ending 2019-2020, Community Air Protection Program funds, to be awarded to eligible District projects in accordance with the CARB Community Air Protection Program guidelines.

BE IT FURTHER RESOLVED, the Executive Officer/Air Pollution Control Officer is hereby authorized and empowered to execute on behalf of the District all necessary agreements with CARB to implement and carry out the purposes of this resolution.

The foregoing resolution was duly and regularly introduced, passed and adopted at a regular meeting of the Board of Directors of the Bay Area Air Quality Management District on the

Motion of Director _____, seconded by Director _____, on the _____ day of _____, 2020, by the following vote of the Board:

AYES:

NOES:

ABSENT:

Rod Sinks
Chairperson of the Board of Directors

ATTEST:

Karen Mitchoff
Secretary of the Board of Directors

DRAFT

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: April 23, 2020

Re: Report of the Personnel Committee Meeting of April 15, 2020

RECOMMENDED ACTION

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

BACKGROUND

The Committee met on Wednesday, April 15, 2020, in Closed Session, regarding Conference with Labor Negotiators, and Public Employee Performance Evaluations of the Executive Officer and District Counsel. Contract amendments for the Executive Officer and General Counsel, as well as a new Memorandum of Understanding (MOU) with the Employees' Association (EA), will be presented to the Board of Directors for approval at the same time.

There are no staff reports for the Closed Session items.

Chairperson Jim Spring will provide an oral report of the Committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

None.

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: April 23, 2020

Re: Report of the Budget and Finance Committee Meeting of April 22, 2020

RECOMMENDED ACTIONS

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

- A) Third Quarter Financial Report – Fiscal Year Ending (FYE) 2020;
 - 1) None; receive and file.
- B) Proposed Amendments to Air District Regulation 3: Fees; and
 - 1) Adopt a new fee for implementation of Assembly Bill (AB) 617 on Title V Facilities; and
 - 2) Revisit imposition of additional fees later in 2020, as the economic and facility activity level picture become clearer.
- C) Continued Discussion of Proposed Budget for Fiscal Year Ending (FYE) 2021 and Consideration to Recommend Adoption
 - 1) Conduct public hearings on the FYE 2021 Proposed Budget; and
 - 2) Adopt the FYE 2021 Proposed Budget.

BACKGROUND

The Committee met on Wednesday, April 22, 2020, and received the following reports:

- A) Third Quarter Financial Report – Fiscal Year Ending (FYE) 2020;
- B) Proposed Amendments to Air District Regulation 3: Fees; and
- C) Continued Discussion of Proposed Budget for Fiscal Year Ending (FYE) 2021 and Consideration to Recommend Adoption.

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

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) None;
- B) The recommended AB 617 fees would increase fee revenues by approximately \$1.05 million. This will backfill the \$1 million deficit in the AB 617 allocation to the Air District in the California Air Resources Board budget proposal for the upcoming fiscal year; and
- C) The proposed consolidated budget for FYE 2021 is a balanced budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Aloha de Guzman
Reviewed by: Vanessa Johnson

Attachment 11A: 04/22/2020 – Budget and Finance Committee Meeting Agenda #3
Attachment 11B: 04/22/2020 – Budget and Finance Committee Meeting Agenda #4
Attachment 11C: 04/22/2020 – Budget and Finance Committee Meeting Agenda #5

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 17, 2020

Re: Third Quarter Financial Report – Fiscal Year Ending (FYE) 2020

RECOMMENDED ACTION

None; receive and file.

DISCUSSION

Finance staff will present an update on the Air District’s financial results for the third quarter of Fiscal Year Ending (FYE) 2020. The following information summarizes those results.

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

REVENUE TYPE	3rd QTR FYE 2019	3rd QTR FYE 2020	FYE 2020 - % of BUDGETED REVENUE
County Receipts	\$20,662,803	\$20,985,336	58%
Permit Fee Receipts	\$39,648,072	\$39,252,266	101%
Title V Permit Fees	\$6,170,877	\$5,771,882	96%
Asbestos Fees	\$3,261,343	\$3,598,133	111%
Toxic Inventory Fees	\$234,853	\$652,054	1003%
Penalties and Settlements	\$1,549,316	\$1,047,451	38%
Interest Income	\$1,137,305	\$1,072,889	110%
Misc. Revenue	\$291,405	\$291,743	292%
Total Revenue	\$72,955,973	\$72,671,753	82%

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

EXPENDITURE TYPE	3rd QTR FYE 2019	3rd QTR FYE 2020	FYE 2020 - % of BUDGETED EXPENDITURES
Personnel - Salaries*	\$30,429,451	\$33,080,618	67%
Personnel - Fringe Benefits*	\$15,137,976	\$17,283,538	82%
Operational Services / Supplies	\$14,491,634	\$23,720,755	87%
Capital Outlay	\$16,389,526	\$4,741,689	50%
Total Expenditures	\$76,448,587	\$78,826,599	74%
* Consolidated (includes Special Funds)			

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

CASH/INVESTMENTS	3rd QTR FYE 2019	3rd QTR FYE 2020
General Fund	\$76,168,239	\$83,962,321
TFCA	\$102,067,763	\$114,830,852
MSIF	\$44,406,270	\$45,867,843
Carl Moyer	\$42,880,496	\$69,142,488
CA Goods Movement	\$15,148,526	\$20,813,933
AQ Projects	\$1,095,158	\$3,152,886
Vehicles Mitigation		\$2,536,765
Total	\$281,766,453	\$340,307,088

BUDGET AND FINANCE COMMITTEE
MEETING OF 04/22/2020

FUND BALANCES	6/30/2018	6/30/2019	6/30/2020
	Audited	Audited	Projected
DESIGNATED:*			
Building Improvement			\$4,000,000
Diversity Equity & Inclusion	\$100,000		
Economic Contingency	\$17,390,311	\$19,084,769	\$20,082,966
IT- Event Response	\$500,000		
Litigation	\$500,000		
Napa/Sonoma Fireplace Replacement Grant	\$1,000,000	\$1,000,000	\$1,000,000
Pension & Post Employment Liability	\$1,000,000	\$2,000,000	\$2,000,000
Tech- Meteorological Network Equipment	\$131,100		
Tech- Mobile Monitoring Instruments	\$80,000		
Technology Implementation Office	\$3,350,000		
GHG Abatement Technology Study	\$1,500,000		
Woodchip Program	\$150,000		
Woodsmoke Grant	\$1,000,000	\$1,000,000	\$1,000,000
Worker's Comp Self-Funding	\$1,000,000		
Total Designated Reserves	\$27,701,411	\$23,084,769	\$28,082,966
Undesignated Fund Balance	\$18,101,141	\$22,332,894	\$17,334,697
TOTAL DESIGNATED & UNDESIGNATED	\$45,802,552	\$45,417,663	\$45,417,663
Building Proceeds			
	\$4,668,200	\$209,489	\$209,489
TOTAL FUND BALANCE	\$50,470,752	\$45,627,152	\$45,627,152
* Designated Fund Balances are subject to change at Board's discretion.			
OUTSTANDING LIABILITIES			
CalPERS Pension Retirement			\$86,309,901
Other Post-Employment Benefits			\$18,840,854
Certificate of Participation Notes			27,130,400
TOTAL OUTSTANDING LIABILITIES			\$132,281,155

VENDOR PAYMENTS

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

Below is a list of vendors with cumulative payments made through the third quarter of FYE 2020 that exceeded \$100,000 and meet the reporting criteria noted above. All expenditures have been appropriately budgeted as a part of the overall Air District budget for FYE 2020.

	VENDOR NAME	AMOUNT PAID (July 2019 - March 2020)	Explanation
1	Accountemps	\$133,626	Temporary Staffing Services
2	Acterra	\$107,500	Public Outreach & Other Services
3	Alliant Insurance Services	\$575,250	Various Business Insurance Policies
4	Bay Area Headquarters Authority	\$1,935,781	Shared Services & Common Areas
5	Benefits Coordinators Corp.	\$815,176	Life Insurance Plan & LTD Insurance
6	CA Public Employee Retirement System	\$5,542,831	Health Insurance Plan
7	CA Public Employee Retirement System	\$8,533,285	Retirement Benefits & 457 Supplemental Plan
8	CAPCOA	\$622,027	Pass through EPA grants
9	CDW Government	\$219,160	Computer equipment
10	Ceridian	\$131,344	Payroll Processing Services
11	Comcast Cable Communications	\$123,161	Ethernet Services
12	Cubic Transportation Systems	\$421,882	Clipper Transit Subsidy
13	Enterprise Fleet Services	\$468,172	Fleet Leasing and Maintenance services
14	E-N-G Mobile System	\$104,340	Field Sampling Vehicle Customization Services
15	EPLUS Technology	\$310,126	Cisco computer network equipment warranty
16	Hartford Life Ins Co.	\$600,748	457 Supplemental Insurance
17	Office Team	\$191,188	Temporary Staffing Services
18	P & A Administrative Services	\$183,802	Flexible Spending & Cobra Benefit Services
19	Preferred Benefit Insurance AD	\$607,853	Dental Insurance Plan
20	Precott-Joseph Center	\$101,000	Sponsorship
21	Pacific Gas & Electric	\$112,415	Utility services
22	Sloan Sakai Yeung & Wong LLP	\$205,769	Human Resources Consulting Services
23	TSI Incorporated	\$107,317	Ambient Monitoring Repair Services
24	Verizon Wireless	\$147,549	Cell phone services
25	Wright Express Universal	\$127,689	Fuel for fleet

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Stephanie Osaze
Reviewed by: Jeff McKay

BUDGET AND FINANCE COMMITTEE
MEETING OF 04/22/2020

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 17, 2020

Re: Proposed Amendments to Air District Regulation 3: Fees

RECOMMENDED ACTIONS

Recommended the Board of Directors:

- Adopt a new fee for implementation of Assembly Bill (AB) 617 on Title V Facilities; and
- Revisit imposition of additional fees later in 2020, as the economic and facility activity level picture become clearer.

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.

DISCUSSION

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 A – BAAQMD 2020 Cost Recovery Report), staff proposed the following changes to existing fee schedules (see Attachment B - 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. 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 Assembly Bill 617 (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 1.

Based on feedback received from the Board of Directors on April 15, 2020, and the extraordinary circumstances surrounding the current pandemic and shelter in place, staff is now proposing to suspend all fees increases until later in 2020.

At that meeting, the Board also requested that staff analyze increases in select fee schedules to ensure that essential facilities that remain in production throughout the shelter in place, continue to be subject to cost recovery. However, staff believes that the adoption of an AB617 fee with a \$100,000 per facility cap achieves this intent. Staff will deliver the results of its analysis and fee options to the Budget and Finance Committee as part of its presentation.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The recommended AB 617 fees would increase fee revenues by approximately \$1.05 million. This will backfill the \$1 million deficit in the AB 617 allocation to the Air District in the California Air Resources Board budget proposal for the upcoming fiscal year.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Barry Young
Reviewed by: Pamela Leong
Damian Breen
Jeff McKay

Attachment 4A: BAAQMD 2020 Cost Recovery Report
Attachment 4B: Proposed Regulation 3: Fees

BUDGET AND FINANCE COMMITTEE
MEETING OF 04/22/2020



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

BUDGET AND FINANCE COMMITTEE
MEETING OF 04/22/2020

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BUDGET AND FINANCE COMMITTEE
MEETING OF 04/22/2020

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.



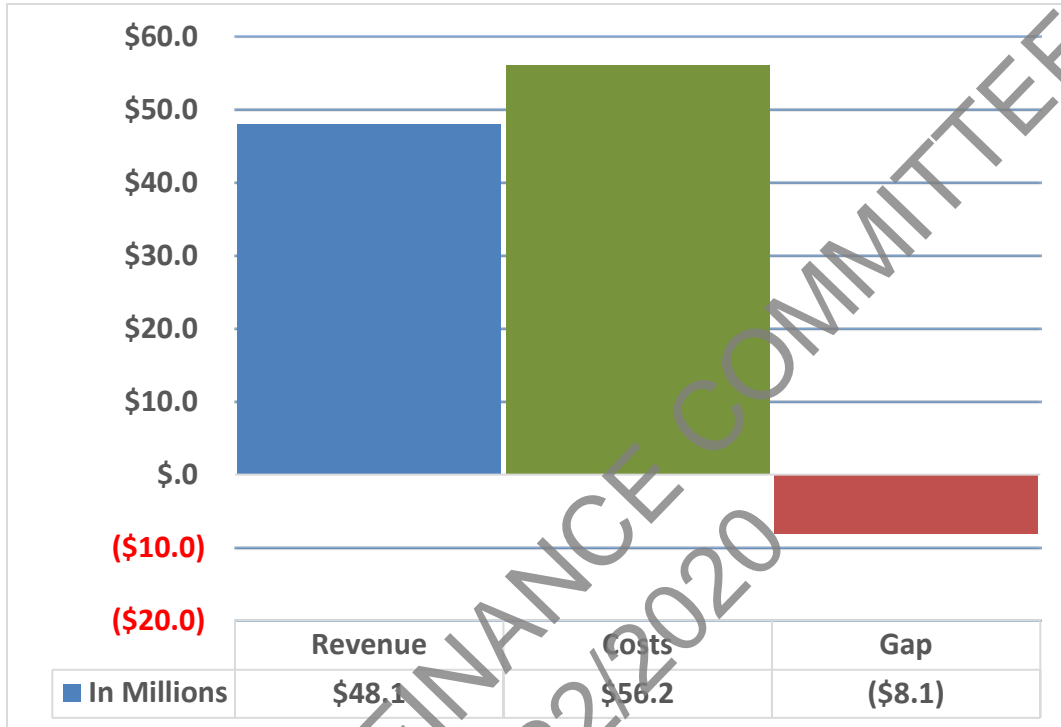
BAY AREA
AIR QUALITY
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DISTRICT

2020 Cost Recovery Study

FIGURES

BUDGET AND FINANCE COMMITTEE
MEETING OF 04/22/2020

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



BUDGET AND FINANCE COMMITTEE
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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 - Dry Cleaners	J - Waste Disposal	K - Asbestos	L - Toxic Inventory (AB2588)	M - Major Facility Review (Title V)	N-Registration	O - Naturally Occurring Asbestos	P - GreenHouse Gas	Q - Open Burning	R - Refinery Emissions Tracking	S - 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	-	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	666,648	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	1,776,054	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	11,853	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	857,023	3,274,064	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 Proposal	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	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	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	1,055	5,885	1,806	4,228	0	0	0	8,559	0	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	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	853,032	174,442	16,796	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	75,329	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	8,325	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)	(,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%	



BAY AREA
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DRAFT STAFF REPORT

PROPOSED AMENDMENTS TO BAAQMD REGULATION 3: FEES

April 17, 2020

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BUDGET AND FINANCE COMMITTEE
MEETING OF 04/22/2020

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, $4 \times \$180/\text{hour} \times 2,080 \text{ hours} = \$1,497,600$

One Programmer Analyst II at \$160/hour, $\$160/\text{hour} \times 2,080 \text{ hours} = \$332,800$

One C&E Air Quality Specialist II at \$172/hour, $\$172/\text{hour} \times 2,080 \text{ hours} = \$357,760$

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, Statutes 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 PM_{2.5}, 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 PM₁₀. 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 3 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.

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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.

BUDGET AND FINANCE COMMITTEE
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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.

BUDGET AND FINANCE COMMITTEE
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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.

BUDGET AND FINANCE COMMITTEE
MEETING OF 04/22/2020



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 Carole Groom and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 17, 2020

Re: Continued Discussion of Proposed Budget for Fiscal Year Ending (FYE) 2021 and
Consideration to Recommend Adoption

RECOMMENDED ACTIONS

The Executive Officer/APCO requests that the Budget and Finance Committee (Committee) continue discussion of the proposed budget for Fiscal Year Ending (FYE) 2021 and consider recommending that the Board of Directors (Board):

1. Conduct public hearings on the FYE 2021 Proposed Budget; and
2. Adopt the FYE 2021 Proposed Budget.

BACKGROUND

Staff develops recommended amendments to the Air District's fee regulation as part of the budget preparation process. On March 7, 2012, the Board adopted a 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 is periodically reviewed by outside consultants.

In addition, staff intended to propose new fees associated with mandates, such as Assembly Bill (AB) 617. However, the impact of restricted economic activity, due to the COVID-19 outbreak, required modifications to this approach.

At the March 25, 2020 Committee meeting, staff presented the FYE 2021 Proposed Budget with a set of guiding principles to reduce the impact of originally contemplated fee increases. The Committee directed staff to revise the FYE 2021 Proposed Budget with suggested fee reduction and bring back a balanced budget to its next meeting for consideration.

DISCUSSION

At the April 22, 2020 Committee meeting, staff will present revisions to the FYE 2021 Proposed Budget for the Committee’s consideration.

Staff requests that the Committee complete its review and recommend adoption of the proposed budget to the Board. This will allow staff the necessary time required to amend the budget for the first public hearing of the proposed budget to be held on May 6, 2020.

Staff will publish, prior to April 22, 2020, a public notice that the first of two public hearings on the budget will be conducted on May 6, 2020, and that the second hearing will be conducted on June 3, 2020.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The proposed consolidated budget for FYE 2021 is a balanced budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Stephanie Osaze
Reviewed by: Jeff McKay

BUDGET AND FINANCE COMMITTEE
MEETING OF 04/22/2020

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: April 23, 2020

Re: Report of the Legislative Committee Meeting of April 22, 2020

RECOMMENDED ACTION

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

A) Sacramento Legislative Update;

1) The Committee will receive an update on recent events of significance in Sacramento.

B) Air District Sponsored Bills;

1) The Committee will receive an update on two Air Districts sponsored bills – Assembly Bill (AB) 2882 (Chu and C. Garcia) and AB 3211 (Bauer-Kahan and Bonta).

C) Consideration of New Bills; and

1) The Legislative Committee (Committee) will discuss and review bills and take positions where appropriate. The Committee will also hear an update on further staff discussion regarding Senate Bill (SB) 802 (Glazer) and SB 1099 (Dodd) related to emergency backup generators.

D) Federal Legislative Update

1) The Committee will receive an update on recent events of significance in Washington, D.C.

BACKGROUND

The Committee met on Wednesday, April 22, 2020, and received the following reports:

- A) Sacramento Legislative Update;
- B) Air District Sponsored Bills;
- C) Consideration of New Bills; and
- D) Federal Legislative Update.

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

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) None;
- B) None;
- C) None; and
- D) None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Aloha de Guzman

Reviewed by: Vanessa Johnson

Attachment 12A: 04/22/2020 – Legislative Committee Meeting Agenda #5

Attachment 12B: 04/22/2020 – Legislative Committee Meeting Agenda #6

Attachment 12C: 04/22/2020 – Legislative Committee Meeting Agenda #7

Attachment 12D: 04/22/2020 – Legislative Committee Meeting Agenda #8

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: April 13, 2020

Re: Sacramento Legislative Update

RECOMMENDED ACTION

The Committee will receive an update on recent events of significance in Sacramento.

DISCUSSION

On January 10, 2020, Governor Newsom released his initial 2020/2021 Budget, and the Senate and Assembly had initial budget hearings on the climate budget in February 2020, which were attended by Air District staff with local community group members. The climate budget included the Greenhouse Gas Revenue Fund (GGRF), a proposed bond measure for the November 2020 ballot of approximately \$5 billion (B), and a new \$1B Climate Catalyst Fund to support low-interest loans for capital projects. Since the budget hearings, however, the coronavirus pandemic and resulting economic effects, a significant budget request for support of the homeless, and the failure of the state school bond measure, as well as many local tax measures, have likely changed the budget discussion going forward. Early on, we were hopeful that there were opportunities to add funding to various programs of interest, but now we will have a lot of work to do to make that a reality.

The next major milestone will likely be the release of the Governor's "May Revise" that should include revenue projection changes as a result of changes in the economy. As of this writing, the Legislature is scheduled to reconvene on May 4, 2020, but this date is subject to change. It is also uncertain what the actual budget process will be. It seems likely that the budget this year will be created in several stages, with a "workload budget" adopted prior to the June 15, 2020 constitutional deadline, and then special budget sessions later in the summer to address the remaining budget after the July 15, 2020 income tax deadline as well as the GGRF Budget.

Selected Program Funding in Proposed Fiscal Year (FY) 20/21 Budget vs Approved FY 19/20 Budget

Program	FY 19/20 Budget	FY 20/21 Proposal
Assembly Bill (AB) 617 - Implementation	\$50M	\$25M
AB 617 - Incentives	\$245M	\$200M
AB 617 - Technical Assistance	\$10M	\$10M
Clean Vehicle Rebate	\$238M	\$125M
Clean Truck and Bus	\$182M	\$150M
Ag Diesel Engine Replacement	\$65M	\$50M
Clean Cars for All/School Bus	\$65M	\$75M
Woodstove Replacement	\$0	\$0
AB 836 (Wicks) Clean Air Centers	\$0	\$5.5M

AB 617 Implementation - This funding is provided to local air quality management districts (AQMDs) and air pollution control districts (APCDs) to provide staffing and support to community-based air quality monitoring programs and emission reduction programs. The FY 19/20 Budget provided \$20 million (M) in funding from GGRF and \$30M in funding from the Air Pollution Control Fund, of which the Air District receives a little under 20 percent for our work in West Oakland and Richmond/San Pablo, and upcoming work in East Oakland, Vallejo, East San Francisco, San Jose, the Tri-Valley, Pittsburg, and other areas. AB 617 (C. Garcia; Chapter 136, Statutes of 2017) was passed as a promise to disadvantaged communities that the Cap-and-Trade Program would ensure that areas most affected by polluting industries received local benefits. This is a program that should receive significantly greater funding; proposing to cut this program by over 50 percent only three years after Cap-and-Trade was extended is breaking a promise to disadvantaged communities everywhere.

AB 617 Incentives - This funding is provided to local APCDs and AQMDs to incentivize businesses in and around burdened communities to scrap older and more polluting equipment for new lower-emission equipment. The Air District has used this and other incentive funding to replace gantry cranes and other port equipment, truck engines, locomotive engines, ferry engines, transit buses, and install electric charging infrastructure, resulting in immediate local benefits to communities while reducing fossil fuel usage and greenhouse gas emissions. This incentive funding is imperative to maintain, especially because air districts have limited authority to regulate mobile emissions due to state and federal preemptions.

Clean Vehicle Rebate Program (CVRP) - California efforts to increase light-duty vehicle fuel efficiency, increase the penetration of electric vehicles into the market, and decrease vehicle emissions are under threat by auto manufacturers and the Trump Administration. CVRP should continue to receive funding to incentivize purchase of the cleanest vehicles available, and the program should be evaluated to ensure it targets potential buyers with a focus on socioeconomic equity and providing clean transportation to communities and individuals that need it the most.

Clean Truck and Bus - California and U.S. Environmental Protection Agency are entering a critical period in which heavy-duty truck engine emission standards will be revised for the first time in almost 20 years. This will be a historic opportunity to move toward an engine requirement that includes electrification and diesel engines that could be up to 90 percent cleaner than the current engine standard. To bring these vehicles to market as fast as possible, it will be critical to continue programs that incentivize their purchase.

Clean Cars for All/School Bus - The Air District is one of only four air districts in the state to implement a Clean Cars for All program. This program matches lower-income residents in the Bay Area with a new or used electric, plug-in electric/hybrid, or hybrid cars and purchase assistance, in exchange for scrapping an older, more polluting vehicle. The program is highly successful in providing cleaner transportation options, as well as providing a robust demand for slightly used clean cars.

AB 836 (Wicks) Clean Air Centers - Through the leadership of Assemblymember Wicks, a statewide program has been created to identify public spaces and provide funding to retrofit ventilation systems for use by the public during wildfire smoke emergencies, with a priority focus on schools and buildings that serve our most vulnerable populations. This is the first program of its kind in the United States and has drawn interest from the U.S. Senate and House, which have introduced similar legislative bills. We appreciate the initial funding and would like to see the amount increased either in the budget process, or in a future climate resiliency bond.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

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

Attachment 5A: Update from Assembly Budget Committee, April 6, 2020

STATE CAPITOL
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Assembly
California Legislature



ASSEMBLY COMMITTEE ON BUDGET

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GENEVIEVE MORELOS

The 2020-21 budget in California will have to adjust to the realities of the impact of COVID-19 on our State. The immediate needs in response to the disaster force us to pause important work and priorities that predated the pandemic. And once the State begins to recover, we will have to adapt to a very different budget process in the Assembly. This memo provides an update on what the Committee's process might look like, going forward.

When we reconvene, we will have less money and less time to adopt a balanced budget. We know that as a result of the crisis, the State will see our revenues decline, even as we must increase spending to protect Californians. We will not be able to assess the full damage to our State's economy and our revenues until August, at the earliest. In addition, we must find a way to include the public in our deliberations - which, depending on when we return, may be condensed into a few short weeks.

This new reality will likely result in the following changes to the 2020 budget process:

- **June 15 Baseline Budget:** We expect the Governor's May Revision to become a "workload" budget that reflects 2019-20, or current, service levels. This means that if subcommittees were to meet right now, almost all new January 2020 budget proposals would not be heard. When we reconvene, we will no longer be able to consider new priorities and ideas from stakeholders, advocates and Members, with the exception of COVID-19 related costs, wildfire prevention, and homelessness funding. We may even need to revisit some reductions to existing state programs at that time, given the State's fiscal condition. Subcommittees will be directed to only agendaize items necessary to build this baseline budget, or items providing direct oversight of disaster response and recovery spending. The Assembly will also likely defer all deliberations on special fund programs, like those receiving Greenhouse Gas Reduction Funds, until after June 15.

- “August Revision”: With the delay in personal income tax receipts to July 15, we expect that we will not have a complete picture of our revenues until August. As a result, we expect to revisit the budget after June 15. This second round of budget deliberations will allow us to consider issues we will not have time to discuss in May and June, especially new issues related to recovery from the COVID-19 pandemic. Given the initial projections of the virus’s impact on the economy, it is possible the State will need to consider sizable ongoing reductions to major programs during this time. Therefore, Subcommittees will not likely be able to revisit proposals for new investments put forward by Members, the administration, advocates, and the public prior to this public health emergency.
- Deferring the Promises of 2020: When the 2020 budget process began, the State was expecting a small ongoing surplus that offered us a chance to expand additional services to Californians. While that is likely no longer possible this fiscal year, we are in better shape to address the expected recession compared to any other point in the State’s history. While we may face one or more difficult fiscal years ahead, the prudent decisions we made since the Great Recession will help us avoid the lingering structural budget problems that plagued the State before 2012. We may have some difficult choices in the coming months, but we will be able to return to the stability, optimism, and innovation that characterized the State budget over the last eight years if we remain responsible.

Thank you for your attention to this memo. As the situation evolves over the coming weeks, we will continue to update you on our thinking and planning about how to best move forward.

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: April 13, 2020

Re: Air District Sponsored Bills

RECOMMENDED ACTION

The Committee will receive an update on two Air District sponsored bills – Assembly Bill (AB) 2882 (Chu and C. Garcia) and AB 3211 (Bauer-Kahan and Bonta).

DISCUSSION**AB 2882 Hazardous emissions and substances: school sites: private and charter schools**

AB 2882 is our bill in response to the Stratford School issue, and is joint authored by Assemblymembers Chu and C. Garcia, with coauthors Assemblymembers Kalra, Quirk, and Wicks, and Senators Hill and Wieckowski. Prior to constructing a new public school, a school district must go through a California Environmental Quality Act (CEQA) process that requires (in the Ed Code and Resources Code) dialog with their local air district, identification of sources of air pollution nearby, and a thoughtful determination that the nearby sources of pollution do not pose a threat to the future students or employees. While private schools perform CEQA, they are not required to make a similar declaration prior to construction of a school. As we see more infill development in California, including development of old industrial sites, it will be important to ensure that our children have an opportunity to attend schools with a healthy learning environment. We are happy to be working with Assemblymember Chu on this important measure. As of this writing, the bill has not yet been referred to a committee, and it is unknown whether this bill will be moving forward this year given the legislative response to COVID-19.

AB 3211 Toxic air contaminants

AB 3211 is our response to the direction in the West Oakland Community Emissions Reduction Plan to expand air district authority over indirect sources and has been joint authored by Assemblymembers Bauer-Kahan and Bonta. Indirect sources include warehouses, distribution centers, ports, or places that may not be a “stationary source” of pollution, but nonetheless attract sources of air pollution to them, namely cars and trucks. Current state law allows air districts to develop local regulations on indirect sources if they are in nonattainment of state air quality standards, ozone, and particulate matter. Significant medical research over the last decade, however, has informed us of the negative health effects of fine particulate matter (PM2.5) and toxic air contaminants, including diesel particulate, which current authority doesn’t cover and,

while we have made strides in cleaning up diesel engines over the years, large concentrations of diesel equipment in small areas can have huge health impacts in neighboring communities. AB 3211 would expand statewide authority to include toxic air contaminants within current indirect source authority, which would provide tools to air districts to further identify local health impacts and to more effectively target scarce incentive funding. The bill has been double referred to Assembly Natural Resources and Transportation. We have received several letters of support to date for the bill but as of this writing it is unknown whether this bill will be moving forward this year given the legislative response to COVID-19.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Alan Abbs

Reviewed by: Jack P. Broadbent

- Attachment 6A: AB 2882 – Fact Sheet
- Attachment 6B: AB 2882 – Bill Language
- Attachment 6C: AB 2882 – Support Letter – Californian Air Pollution Control Officers Association
- Attachment 6D: AB 3211 – Fact Sheet
- Attachment 6E: AB 3211 – Bill Language
- Attachment 6F: AB 3211 – Support Letter – 350 Bay Area Action
- Attachment 6G: AB 3211 – Support Letter – Brightline Defense
- Attachment 6H: AB 3211 – Support Letter – Citizen Air Monitoring Network
- Attachment 6I: AB 3211 – Support Letter – Strategic Energy Innovations
- Attachment 6J: AB 3211 – Support Letter – Sunflower Alliance
- Attachment 6K: AB 3211 – Support Letter – Tri-Valley Air Quality Community Alliance
- Attachment 6L: AB 3211 – Support Letter – Veggielution



ASSEMBLY MEMBER

Kansen Chu 朱感生

DISTRICT 25

AB 2882**ENSURING HEALTH AND
SAFETY OF SCHOOLS***Bill Version: February 21, 2020***SUMMARY**

AB 2882 ensures the public health and safety of all students and school employees in California by requiring private and charter schools to identify nearby sources of air pollution, consult with their local air districts, and meet certain siting requirements prior to constructing a new school.

BACKGROUND

Existing law requires public schools to follow certain requirements before approving and building a new school. These requirements include that the governing board of the school district determines that the property is not a current or former hazardous waste or solid waste disposal site; a hazardous substance release site identified by the Department of Toxic Substances Control; or a site that contains one or more pipelines that carries hazardous substances. Existing law also requires that the school district notify in writing and consult with the administering agency and any local air district necessary to identify facilities within the air district's authority that might emit hazardous emissions, substances, or waste. Private schools and some charter schools, however, are not currently subjected to all of the aforementioned requirements before building a new school.

PROBLEM

Private schools and some charter schools are not required to meet the same siting requirements as public schools before building a new school. As a result, there are cases in California where schools have been built in a potentially unsafe location near sources of hazardous emissions, substances, or waste. Consequently, the public health and safety of all students and school employees at these schools could be at risk.

SOLUTION

In order to ensure the public health and safety of all students and school employees in California, the potential location for a new private school or charter school needs to be properly evaluated. AB 2882 will require that private schools and charter schools meet the same siting requirements as public schools. Specifically, the governing board of a private school or, for a charter school, the city or county, will need to:

- Determine that the property is not a hazardous site or a site that can potentially release hazardous emissions, substances, or waste.
- Notify in writing and consult with the administering agency in which the proposed school site is located and with any air pollution control district or air quality management district having jurisdiction in the area to identify facilities within the district's authority that might reasonably be anticipated to emit or handle hazardous emissions, substances, or waste.
- Make one of the following written findings: that consultation identified no significant pollution sources, the health risks will not endanger the public health, or that corrective measures will be undertaken to mitigate hazardous emissions.

SPONSOR

Bay Area Air Quality Management District

STAFF CONTACT

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CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

ASSEMBLY BILL**No. 2882**

Introduced by Assembly Members Chu and Cristina Garcia
(Coauthors: Assembly Members Kalra, Quirk, and Wicks)
(Coauthors: Senators Hill and Wieckowski)

February 21, 2020

An act to amend Section 17213 of, and to add Article 3 (commencing with Section 17235) to Chapter 1 of Part 10.5 of Division 1 of Title 1 of, the Education Code, and to amend Section 21151.8 of the Public Resources Code, relating to schoolsites.

LEGISLATIVE COUNSEL'S DIGEST

AB 2882, as introduced, Chu. Hazardous emissions and substances: schoolsites: private and charter schools.

(1) The California Environmental Quality Act (CEQA) requires a lead agency to prepare, or cause to be prepared by contract, and certify the completion of, an environmental impact report on a project, as defined, that it proposes to carry out or approve that may have a significant effect on the environment, or to adopt a negative declaration if it finds that the project will not have that effect. CEQA prohibits an environmental impact report or negative declaration from being approved for any project involving the purchase of a schoolsite or the construction of a new elementary or secondary school by a school district unless specified conditions are met, relating to, among other things, whether the property is located on a former hazardous waste disposal site or solid waste disposal site, a hazardous substances release site, or a site that contains a pipeline that carries specified substances, and the property's proximity to facilities that might reasonably be

anticipated to emit hazardous air emissions or handle hazardous or extremely hazardous materials, substances, or waste, as provided.

This bill would additionally prohibit an environmental impact report or negative declaration from being approved for any project involving the purchase of a schoolsite or the construction of a new elementary or secondary school by a charter school, unless those same conditions are met. By imposing new requirements on charter schools, cities, and counties, the bill would impose a state-mandated local program.

(2) Existing law prohibits the governing board of a school district from approving a project for the acquisition of a schoolsite, unless specified conditions are met, including, among others, that the school district determines that the property to be purchased or built upon is not the site of a former hazardous waste disposal site or solid waste disposal site, a hazardous substances release site, or a site that contains a pipeline that carries specified substances, and that the school district has not identified specified facilities within one-fourth mile of the proposed schoolsite that might reasonably be anticipated to emit hazardous air emissions or handle hazardous or extremely hazardous materials, substances, or waste, as provided.

This bill would additionally impose that prohibition on the chartering authority for a charter school and would impose that prohibition, and related requirements, on a private school. By imposing new requirements on charter schools, cities, and counties, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: yes.

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

- 1 SECTION 1. Section 17213 of the Education Code is amended
- 2 to read:

1 17213. (a) The governing board of a school district ~~may or~~
2 *the chartering authority, as defined in Section 47613, for a charter*
3 *school shall* not approve a project involving the acquisition of a
4 schoolsite by a school ~~district, district or charter school,~~ unless
5 all of the following occur:

6 ~~(a)~~

7 (1) The school district, as the lead agency, as defined in Section
8 21067 of the Public Resources Code, *or, for a charter school, the*
9 *city or county,* determines that the property purchased or to be
10 built upon is not any of the following:

11 ~~(1)~~

12 (A) The site of a current or former hazardous waste disposal
13 site or solid waste disposal site, ~~unless unless,~~ if the site was a
14 former solid waste disposal site, the governing board of the school
15 district *or, for a charter school, the city or county,* concludes that
16 the wastes have been removed.

17 ~~(2)~~

18 (B) A hazardous substance release site identified by the
19 Department of Toxic Substances Control in a current list adopted
20 pursuant to Section 25356 of the Health and Safety Code for
21 removal or remedial action pursuant to Chapter 6.8 (commencing
22 with Section 25300) of Division 20 of the Health and Safety Code.

23 ~~(3)~~

24 (C) A site that contains one or more pipelines, situated
25 underground or aboveground, that carries hazardous substances,
26 extremely hazardous substances, or hazardous wastes, unless the
27 pipeline is a natural gas line that is used only to supply natural gas
28 to that school or neighborhood.

29 ~~(b)~~

30 (2) The school district, as the lead agency, as defined in Section
31 21067 of the Public Resources Code, *or charter school* in preparing
32 the environmental impact report or negative declaration has
33 consulted with the administering agency in which the proposed
34 schoolsite is located, pursuant to Section 2735.3 of Title 19 of the
35 California Code of Regulations, and with any air pollution control
36 district or air quality management district having jurisdiction in
37 the area, to identify both permitted and nonpermitted facilities
38 within that district's authority, including, but not limited to,
39 freeways and other busy traffic corridors, large agricultural
40 operations, and railyards, within one-fourth of a mile of the

1 proposed schoolsite, that might reasonably be anticipated to emit
 2 hazardous air emissions, or to handle hazardous or extremely
 3 hazardous materials, substances, or waste. The school district, as
 4 the lead agency, *or charter school* shall include a list of the
 5 locations for which information is sought.

6 ~~(e)~~

7 (3) The governing board of the school district *or, for a charter*
 8 *school, the city or county*, makes one of the following written
 9 findings:

10 ~~(1)~~

11 (A) Consultation identified none of the facilities or significant
 12 pollution sources specified in ~~subdivision (b)~~ *paragraph (2)*.

13 ~~(2)~~

14 (B) The facilities or other pollution sources specified in
 15 ~~subdivision (b) paragraph (2)~~ exist, but one of the following
 16 conditions applies:

17 ~~(A)~~

18 (i) The health risks from the facilities or other pollution sources
 19 do not and will not constitute an actual or potential endangerment
 20 of public health to persons who would attend or be employed at
 21 the school.

22 ~~(B)~~

23 (ii) The governing board *or, for a charter school, the city or*
 24 *county*, finds that corrective measures required under an existing
 25 order by another governmental entity that has jurisdiction over the
 26 facilities or other pollution sources, before the school is
 27 occupied, result in the mitigation of all chronic or accidental
 28 hazardous air emissions to levels that do not constitute an actual
 29 or potential endangerment of public health to persons who would
 30 attend or be employed at the proposed school. If the governing
 31 board *or city or county* makes this finding, the governing board
 32 *or city or county* shall also make a subsequent finding, ~~prior to~~
 33 *before* the occupancy of the school, that the emissions have been
 34 mitigated to these levels.

35 ~~(C)~~

36 (iii) For a schoolsite with a boundary that is within 500 feet of
 37 the edge of the closest traffic lane of a freeway or other busy traffic
 38 corridor, the governing board of the school district *or, for a charter*
 39 *school, the city or county*, determines, through analysis pursuant
 40 to paragraph (2) of subdivision (b) of Section 44360 of the Health

1 and Safety Code, based on appropriate air dispersion modeling,
2 and after considering any potential mitigation measures, that the
3 air quality at the proposed site is such that neither short-term nor
4 long-term exposure poses significant health risks to pupils.

5 ~~(D)~~

6 (iv) The governing board *or, for a charter school, the city or*
7 *county*, finds that ~~neither of the conditions set forth in subparagraph~~
8 ~~(B) or (C) can~~ *clause (ii) or (iii) cannot* be met, and the school
9 district *or charter school* is unable to locate an alternative site that
10 is suitable due to a severe shortage of sites that meet the
11 requirements in subdivision ~~(a) of Section 17213: (a)~~. If the
12 governing board *or city or county* makes this finding, the governing
13 board *or charter school* shall adopt a statement of ~~Overriding~~
14 ~~Considerations overriding considerations~~ pursuant to Section
15 15093 of Title 14 of the California Code of Regulations.

16 ~~(d) As used in this section:~~

17 (b) *For purposes of this section, the following definitions apply:*

18 (1) "Administering agency" means an agency designated
19 pursuant to Section 25502 of the Health and Safety Code.

20 (2) "Extremely hazardous substance" means a material defined
21 pursuant to paragraph (2) of subdivision (j) of Section 25532 of
22 the Health and Safety Code.

23 (3) "Facilities" means a source with a potential to use, generate,
24 emit, or discharge hazardous air pollutants, including, but not
25 limited to, pollutants that meet the definition of a hazardous
26 substance, and whose process or operation is identified as an
27 emission source pursuant to the most recent list of source
28 categories published by the State Air Resources Board.

29 (4) "Freeway or other busy traffic corridor" means those
30 roadways that, on an average day, have traffic in excess of 50,000
31 vehicles in a rural area as defined in Section 50101 of the Health
32 and Safety Code, and 100,000 vehicles in an urban area, as defined
33 in Section 50104.7 of the Health and Safety Code.

34 (5) "Handle" means handle as defined in Article 1 (commencing
35 with Section 25500) of Chapter 6.95 of Division 20 of the Health
36 and Safety Code.

37 ~~(H)~~

38 (6) "Hazardous air emissions" means emissions into the ambient
39 air of air contaminants that have been identified as a toxic air
40 contaminant by the State Air Resources Board or by the air

1 pollution control officer for the jurisdiction in which the project
2 is located. As determined by the air pollution control officer,
3 hazardous air emissions also means emissions into the ambient air
4 from any substance identified in subdivisions (a) to (f), inclusive,
5 of Section 44321 of the Health and Safety Code.

6 ~~(2)~~

7 (7) “Hazardous substance” means ~~any~~ a substance defined in
8 Section 25316 of the Health and Safety Code.

9 ~~(3) “Extremely hazardous substances” means any material~~
10 ~~defined pursuant to paragraph (2) of subdivision (g) of Section~~
11 ~~25532 of the Health and Safety Code.~~

12 ~~(4)~~

13 (8) “Hazardous waste” means ~~any~~ a waste defined in Section
14 25117 of the Health and Safety Code.

15 ~~(5)~~

16 (9) “Hazardous waste disposal site” means ~~any~~ a site defined
17 in Section 25114 of the Health and Safety Code.

18 ~~(6) “Administering agency” means any agency designated~~
19 ~~pursuant to Section 25502 of the Health and Safety Code.~~

20 (7) “Handle” means handle as defined in Article 1 (commencing
21 with Section 25500) of Chapter 6.95 of Division 20 of the Health
22 and Safety Code.

23 ~~(8) “Facilities” means any source with a potential to use,~~
24 ~~generate, emit or discharge hazardous air pollutants, including,~~
25 ~~but not limited to, pollutants that meet the definition of a hazardous~~
26 ~~substance, and whose process or operation is identified as an~~
27 ~~emission source pursuant to the most recent list of source categories~~
28 ~~published by the State Air Resources Board.~~

29 ~~(9) “Freeway or other busy traffic corridors” means those~~
30 ~~roadways that, on an average day, have traffic in excess of 50,000~~
31 ~~vehicles in a rural area as defined in Section 50101 of the Health~~
32 ~~and Safety Code, and 100,000 vehicles in an urban area, as defined~~
33 ~~in Section 50104.7 of the Health and Safety Code.~~

34 SEC. 2. Article 3 (commencing with Section 17235) is added
35 to Chapter 1 of Part 10.5 of Division 1 of Title 1 of the Education
36 Code, to read:

1 Article 3. Private School Schoolsites

2
3 17235. (a) For purposes of this section, the following
4 definitions apply:

5 (1) "Administering agency" means an agency authorized
6 pursuant to Section 25502 of the Health and Safety Code to
7 implement and enforce Chapter 6.95 (commencing with Section
8 25500) of Division 20 of the Health and Safety Code.

9 (2) "Extremely hazardous substances" has the meaning specified
10 in paragraph (2) of subdivision (j) of Section 25532 of the Health
11 and Safety Code.

12 (3) "Facilities" means any source with a potential to use,
13 generate, emit, or discharge hazardous air pollutants, including,
14 but not limited to, pollutants that meet the definition of a hazardous
15 substance, and whose process or operation is identified as an
16 emission source pursuant to the most recent list of source categories
17 published by the State Air Resources Board.

18 (4) "Freeway or other busy traffic corridors" means those
19 roadways that, on an average day, have traffic in excess of 50,000
20 vehicles in a rural area, as defined in Section 50101 of the Health
21 and Safety Code, and 100,000 vehicles in an urban area, as defined
22 in Section 50104.7 of the Health and Safety Code.

23 (5) "Handle" has the same meaning specified in Section 25501
24 of the Health and Safety Code.

25 (6) "Hazardous air emissions" means emissions into the ambient
26 air of air contaminants that have been identified as a toxic air
27 contaminant by the State Air Resources Board or by the air
28 pollution control officer for the jurisdiction in which the project
29 is located. As determined by the air pollution control officer,
30 hazardous air emissions also means emissions into the ambient air
31 from any substances identified in subdivisions (a) to (f), inclusive,
32 of Section 44321 of the Health and Safety Code.

33 (7) "Hazardous substance" has the same meaning specified in
34 Section 25316 of the Health and Safety Code.

35 (8) "Hazardous waste" has the same meaning specified in
36 Section 25117 of the Health and Safety Code.

37 (9) "Hazardous waste disposal site" has the same meaning as
38 "disposal site," as defined in Section 25114 of the Health and
39 Safety Code.

1 (b) The governing board of a private school shall not approve
2 the acquisition or purchase of a schoolsite, or the construction of
3 a new elementary or secondary school, by, or for use by, a private
4 school unless all of the following occur:

5 (1) The city or county determines that the property proposed to
6 be acquired or purchased, or to be constructed upon, is not any of
7 the following:

8 (A) The site of a current or former hazardous waste disposal
9 site or solid waste disposal site, unless, if the site was a former
10 solid waste disposal site, the city and county concludes that the
11 wastes have been removed.

12 (B) A hazardous substance release site identified by the
13 Department of Toxic Substances Control in a current list adopted
14 pursuant to Section 25356 of the Health and Safety Code for
15 removal or remedial action pursuant to Chapter 6.8 (commencing
16 with Section 25300) of Division 20 of the Health and Safety Code.

17 (C) A site that contains one or more pipelines, situated
18 underground or aboveground, that carry hazardous substances,
19 extremely hazardous substances, or hazardous wastes, unless the
20 pipeline is a natural gas line that is used only to supply natural gas
21 to that school or neighborhood, or other nearby schools.

22 (D) A site that is within 500 feet of the edge of the closest traffic
23 lane of a freeway or other busy traffic corridor.

24 (2) (A) The governing board has notified in writing and
25 consulted with the administering agency in which the proposed
26 schoolsite is located, and with any air pollution control district or
27 air quality management district having jurisdiction in the area, to
28 identify both permitted and nonpermitted facilities within that
29 district's authority, including, but not limited to, freeways and
30 busy traffic corridors, large agricultural operations, and railyards,
31 within one-fourth of a mile of the proposed schoolsite, that might
32 reasonably be anticipated to emit hazardous emissions or handle
33 hazardous or extremely hazardous substances or waste. The
34 notification by the governing board shall include a list of the
35 locations for which information is sought.

36 (B) Each administering agency, air pollution control district, or
37 air quality management district receiving written notification from
38 a governing board to identify facilities pursuant to subparagraph
39 (A) shall provide the requested information and provide a written

1 response to the governing board within 30 days of receiving the
2 notification.

3 (3) The city or county makes one of the following written
4 findings:

5 (A) Consultation identified no facilities of the type specified in
6 paragraph (2) or other significant pollution sources.

7 (B) One or more facilities specified in paragraph (2) or other
8 pollution sources exist, but one of the following conditions applies:

9 (i) The health risks from the facilities or other pollution sources
10 do not and will not constitute an actual or potential endangerment
11 of public health to persons who would attend or be employed at
12 the proposed school.

13 (ii) Corrective measures required under an existing order by
14 another agency having jurisdiction over the facilities or other
15 pollution sources will, before the school is occupied, result in the
16 mitigation of all chronic or accidental hazardous air emissions to
17 levels that do not constitute an actual or potential endangerment
18 of public health to persons who would attend or be employed at
19 the proposed school. If the city or county makes a finding pursuant
20 to this clause, it shall also make a subsequent finding, before
21 occupancy of the school, that the emissions have been so mitigated.

22 (iii) For a schoolsite with a boundary that is within 500 feet of
23 the edge of the closest traffic lane of a freeway or other busy traffic
24 corridor, the city or county determines, through analysis pursuant
25 to paragraph (2) of subdivision (b) of Section 44360 of the Health
26 and Safety Code, based on appropriate air dispersion modeling,
27 and after considering any potential mitigation measures, that the
28 air quality at the proposed site is such that neither short-term nor
29 long-term exposure poses significant health risks to pupils.

30 (C) One or more facilities specified in paragraph (2) or other
31 pollution sources exist, but conditions in clause (i), (ii), or (iii) of
32 subparagraph (B) cannot be met, and the private school is unable
33 to locate an alternative site that is suitable due to a severe shortage
34 of sites that meet the requirements in this section.

35 SEC. 3. Section 21151.8 of the Public Resources Code is
36 amended to read:

37 21151.8. (a) An environmental impact report shall not be
38 certified or a negative declaration shall not be approved for a
39 project involving the purchase of a schoolsite or the construction

1 of a new elementary or secondary school by a school district *or a*
2 *charter school* unless all of the following occur:

3 (1) The environmental impact report or negative declaration
4 includes information that is needed to determine if the property
5 proposed to be purchased, or to be constructed upon, is any of the
6 following:

7 (A) The site of a current or former hazardous waste disposal
8 site or solid waste disposal site and, if so, whether the wastes have
9 been removed.

10 (B) A hazardous substance release site identified by the
11 Department of Toxic Substances Control in a current list adopted
12 pursuant to Section 25356 of the Health and Safety Code for
13 removal or remedial action pursuant to Chapter 6.8 (commencing
14 with Section 25300) of Division 20 of the Health and Safety Code.

15 (C) A site that contains one or more pipelines, situated
16 underground or aboveground, that carries hazardous substances,
17 extremely hazardous substances, or hazardous wastes, unless the
18 pipeline is a natural gas line that is used only to supply natural gas
19 to that school or neighborhood, or other nearby schools.

20 (D) A site that is within 500 feet of the edge of the closest traffic
21 lane of a freeway or other busy traffic corridor.

22 (2) (A) The school district, as the lead agency, *or the charter*
23 *school* in preparing the environmental impact report or negative
24 declaration has notified in writing and consulted with the
25 administering agency in which the proposed schoolsite is located,
26 pursuant to Section 2735.3 of Title 19 of the California Code of
27 Regulations, and with any air pollution control district or air quality
28 management district having jurisdiction in the area, to identify
29 both permitted and nonpermitted facilities within that district's
30 authority, including, but not limited to, freeways and busy traffic
31 corridors, large agricultural operations, and railyards, within
32 one-fourth of a mile of the proposed schoolsite, that might
33 reasonably be anticipated to emit hazardous emissions or handle
34 hazardous or extremely hazardous substances or waste. The
35 notification by the school district, as the lead agency, *or the charter*
36 *school* shall include a list of the locations for which information
37 is sought.

38 (B) Each administering agency, air pollution control district, or
39 air quality management district receiving written notification from
40 a lead agency to identify facilities pursuant to subparagraph (A)

1 shall provide the requested information and provide a written
2 response to the lead agency within 30 days of receiving the
3 notification. The environmental impact report or negative
4 declaration shall be conclusively presumed to comply with
5 subparagraph (A) as to the area of responsibility of an agency that
6 does not respond within 30 days.

7 (C) If the school district, as a lead agency, *or the charter school*
8 has carried out the consultation required by subparagraph (A), the
9 environmental impact report or the negative declaration shall be
10 conclusively presumed to comply with subparagraph (A),
11 notwithstanding any failure of the consultation to identify an
12 existing facility or other pollution source specified in subparagraph
13 (A).

14 (3) The governing board of the school district *or, for a charter*
15 *school, the city or county* makes one of the following written
16 findings:

17 (A) Consultation identified no facilities of this type or other
18 significant pollution sources specified in paragraph (2).

19 (B) The facilities or other pollution sources specified in
20 paragraph (2) exist, but one of the following conditions applies:

21 (i) The health risks from the facilities or other pollution sources
22 do not and will not constitute an actual or potential endangerment
23 of public health to persons who would attend or be employed at
24 the proposed school.

25 (ii) Corrective measures required under an existing order by
26 another agency having jurisdiction over the facilities or other
27 pollution sources will, before the school is occupied, result in the
28 mitigation of all chronic or accidental hazardous air emissions to
29 levels that do not constitute an actual or potential endangerment
30 of public health to persons who would attend or be employed at
31 the proposed school. If the governing board *or, for a charter*
32 *school, the city or county*, makes a finding pursuant to this clause,
33 it shall also make a subsequent finding, ~~prior to~~ *before* occupancy
34 of the school, that the emissions have been so mitigated.

35 (iii) For a schoolsite with a boundary that is within 500 feet of
36 the edge of the closest traffic lane of a freeway or other busy traffic
37 corridor, the governing board of the school district *or, for a charter*
38 *school, the city or county*, determines, through analysis pursuant
39 to paragraph (2) of subdivision (b) of Section 44360 of the Health
40 and Safety Code, based on appropriate air dispersion modeling,

1 and after considering any potential mitigation measures, that the
2 air quality at the proposed site is such that neither short-term nor
3 long-term exposure poses significant health risks to pupils.

4 (C) The facilities or other pollution sources specified in
5 paragraph (2) exist, but conditions in clause (i), (ii), or (iii) of
6 subparagraph (B) cannot be met, and the school district *or charter*
7 *school* is unable to locate an alternative site that is suitable due to
8 a severe shortage of sites that meet the requirements in subdivision
9 (a) of Section 17213 of the Education Code. If the governing board
10 *or, for a charter school, the city or county*, makes this finding, the
11 governing board *or charter school* shall adopt a statement of
12 overriding considerations pursuant to Section 15093 of Title 14
13 of the California Code of Regulations.

14 (b) ~~As used in~~ *For purposes of this section*, the following
15 definitions ~~shall~~ apply:

16 (1) “Administering agency” means an agency authorized
17 pursuant to Section 25502 of the Health and Safety Code to
18 implement and enforce Chapter 6.95 (commencing with Section
19 25500) of Division 20 of the Health and Safety Code.

20 (2) “Extremely hazardous substances” means an extremely
21 hazardous substance as defined pursuant to paragraph (2) of
22 subdivision (j) of Section 25532 of the Health and Safety Code.

23 (3) “Facilities” means a source with a potential to use, generate,
24 emit, or discharge hazardous air pollutants, including, but not
25 limited to, pollutants that meet the definition of a hazardous
26 substance, and whose process or operation is identified as an
27 emission source pursuant to the most recent list of source
28 categories published by the State Air Resources Board.

29 (4) “Freeway or other busy traffic corridor” means those
30 roadways that, on an average day, have traffic in excess of 50,000
31 vehicles in a rural area, as defined in Section 50101 of the Health
32 and Safety Code, and 100,000 vehicles in an urban area, as defined
33 in Section 50104.7 of the Health and Safety Code.

34 (5) “Handle” means handle as defined in Article 1 (commencing
35 with Section 25500) of Chapter 6.95 of Division 20 of the Health
36 and Safety Code.

37 (6) “Hazardous air emissions” means emissions into the ambient
38 air of air contaminants that have been identified as a toxic air
39 contaminant by the State Air Resources Board or by the air
40 pollution control officer for the jurisdiction in which the project

1 *is located. As determined by the air pollution control officer,*
2 *hazardous air emissions also means emissions into the ambient*
3 *air from any substances identified in subdivisions (a) to (f),*
4 *inclusive, of Section 44321 of the Health and Safety Code.*

5 (1)

6 (7) “Hazardous substance” means ~~any~~ a substance defined in
7 Section 25316 of the Health and Safety Code.

8 (2) “Extremely hazardous substances” means ~~an extremely~~
9 ~~hazardous substance as defined pursuant to paragraph (2) of~~
10 ~~subdivision (g) of Section 25532 of the Health and Safety Code.~~

11 (3)

12 (8) “Hazardous waste” means ~~any~~ a waste defined in Section
13 25117 of the Health and Safety Code.

14 (4)

15 (9) “Hazardous waste disposal site” means ~~any~~ a site defined
16 in Section 25114 of the Health and Safety Code.

17 (5) “Hazardous air emissions” means ~~emissions into the ambient~~
18 ~~air of air contaminants that have been identified as a toxic air~~
19 ~~contaminant by the State Air Resources Board or by the air~~
20 ~~pollution control officer for the jurisdiction in which the project~~
21 ~~is located. As determined by the air pollution control officer,~~
22 ~~hazardous air emissions also means emissions into the ambient air~~
23 ~~from any substances identified in subdivisions (a) to (f), inclusive,~~
24 ~~of Section 44321 of the Health and Safety Code.~~

25 (6) “Administering agency” means ~~an agency authorized~~
26 ~~pursuant to Section 25502 of the Health and Safety Code to~~
27 ~~implement and enforce Chapter 6.95 (commencing with Section~~
28 ~~25500) of Division 20 of the Health and Safety Code.~~

29 (7) “Handle” means ~~handle as defined in Article 1 (commencing~~
30 ~~with Section 25500) of Chapter 6.95 of Division 20 of the Health~~
31 ~~and Safety Code.~~

32 (8) “Facilities” means ~~any source with a potential to use,~~
33 ~~generate, emit, or discharge hazardous air pollutants, including,~~
34 ~~but not limited to, pollutants that meet the definition of a hazardous~~
35 ~~substance, and whose process or operation is identified as an~~
36 ~~emission source pursuant to the most recent list of source categories~~
37 ~~published by the California Air Resources Board.~~

38 (9) “Freeway or other busy traffic corridors” means ~~those~~
39 ~~roadways that, on an average day, have traffic in excess of 50,000~~
40 ~~vehicles in a rural area, as defined in Section 50101 of the Health~~

1 and Safety Code, and 100,000 vehicles in an urban area, as defined
2 in Section 50104.7 of the Health and Safety Code.

3 SEC. 4. No reimbursement is required by this act pursuant to
4 Section 6 of Article XIII B of the California Constitution for certain
5 costs that may be incurred by a local agency or school district
6 because, in that regard, this act creates a new crime or infraction,
7 eliminates a crime or infraction, or changes the penalty for a crime
8 or infraction, within the meaning of Section 17556 of the
9 Government Code, or changes the definition of a crime within the
10 meaning of Section 6 of Article XIII B of the California
11 Constitution.

12 However, if the Commission on State Mandates determines that
13 this act contains other costs mandated by the state, reimbursement
14 to local agencies and school districts for those costs shall be made
15 pursuant to Part 7 (commencing with Section 17500) of Division
16 4 of Title 2 of the Government Code.

LEGISLATIVE COMMITTEE
MEETING OF 04/22/2020

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April 14, 2020

The Honorable Patrick O'Donnell, Chair
Assembly Education Committee
1020 N Street, Room 159
Sacramento, CA 95814

RE: AB 2882 (Chu) – Ensuring Health and Safety of Schools – Support

Dear Chair O'Donnell:

On behalf of the California Air Pollution Control Officers Association (CAPCOA), the non-profit association of the air pollution control officers representing the 35 local air quality districts throughout California, I write to express our support of Assembly Bill 2882 (AB 2882), which would ensure the public health and safety of all students and school employees in California.

Existing law requires public schools to meet certain requirements before approving and building a new school, such as consulting with their local air pollution control district or air quality management district to identify sources of air pollution. This consultation includes an analysis of toxic air contaminants that may affect the health of the children and employees of the proposed school. These requirements also include that the school district's governing board determines that the property is not a current or former hazardous waste or solid waste disposal site, a hazardous substance release site identified by the Department of Toxic Substances Control, or a site that contains one or more pipelines that carries hazardous substances. This ensures that the school district, its employees, and parents are aware of local sources of pollution and provides an early opportunity to mitigate its effects as the school is constructed. Unfortunately, these requirements currently only apply to public schools and not to private and some public charter schools, resulting in cases where schools have been built in locations near sources of pollution,

April 14, 2020

unbeknownst to the children and their parents. We believe that regardless of whether students and school employees attend public or private institutions, it is imperative that their health and safety is protected to the maximum extent possible.

CAPCOA is dedicated to improving public health and providing clean air for all our residents and in order to ensure the public health and safety of all students and school employees in California, the potential location for a new private school or charter school needs to be properly evaluated. AB 2882 will achieve this by requiring that private schools and charter schools meet the same siting requirements as public schools. CAPCOA appreciates the opportunity to submit our comments on this important piece of legislation and urge you to support AB 2882. Should you have any questions, please do not hesitate to contact me at wnastri@aqmd.gov or (909) 396-3131.

Sincerely,



Wayne Natri
President

CC: The Honorable Kansen Chu, Assembly Member, 25th District
The Honorable Cristina Garcia, Assembly Member, 58th District
Members of Assembly Education Committee

LEGISLATIVE COMMITTEE
MEETING OF 04/22/2020



Assemblymember Rebecca Bauer-Kahan
 AB 3211 – Toxic Air Contaminants
 Fact Sheet

Summary

AB 3211 expands current statewide air pollution control district (APCD) and air quality management district (AQMD) authority related to indirect sources by including toxic air contaminants as well as granting air districts authority to request data from new and existing indirect sources in order to calculate health risk assessments.

Background

Traditional regulatory authority related to air quality gives local APCDs and AQMDs authority to regulate “stationary sources”, facilities with stationary equipment such as boilers and engines, and the California Air Resources Board the authority to regulate “mobile sources”, such as cars, trucks, and buses. “Indirect sources”, facilities that attract mobile sources and their associated pollution, such as warehouses, distribution centers, ports, shopping centers, and events centers are under limited local authority depending on attainment of state ozone or PM10 health standards.

Although the California Air Resources Board and local APCDs and AQMDs have made significant improvements in air quality over the years, the Legislature recognized in 2017 through AB 617 (C. Garcia; Chapter 136, Statutes of 2017) that improvements are not uniform throughout the state, and that additional effort should be made to work with communities that continue to be overly burdened by air pollution, including toxic air contaminants and fine particulate (PM2.5).

Problem

Existing law does not provide local APCDs and AQMDs indirect source authority to determine and reduce health risks associated with toxic air contaminants, like diesel particulate matter, and the impacts of other air pollutants, such as fine particulate matter.

People who live near indirect sources that attract truck traffic and other mobile sources that emit fine particulate and other pollutants are at high risk for exposure to these health-threatening air pollutants emitted by these medium- and heavy-duty vehicles; further, communities near freeways and busy roadways have compounded health impacts due to near-constant exposure to air pollutants.

What this bill does

The proposed amendments to HSC 40716 would allow (but not require) APCDs and AQMDs to adopt local rules accomplishing these 3 things:

1. Add air toxics to the pollutants covered under potential local air districts indirect source rules.
2. Clarify that air district indirect source authority can include both new sources as well as existing sources.
3. Adds data collection authority to actions that air districts can take under a local indirect source rule.



Assemblymember Rebecca Bauer-Kahan
AB 3211 – Toxic Air Contaminants
Fact Sheet

These three things would allow air districts to identify local indirect sources that contribute significantly to negative community health impacts, providing a platform to create future local and state policy to address these impacts.

Support

Bay Area Air Quality Management District

Contact

Brandon M. Bratcher
Legislative Assistant
916-319-2016
Brandon.Bratcher@asm.ca.gov

LEGISLATIVE COMMITTEE
MEETING OF 04/22/2020

ASSEMBLY BILL**No. 3211****Introduced by Assembly Members Bauer-Kahan and Bonta**

February 21, 2020

An act to amend Section 40716 of the Health and Safety Code, relating to stationary air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 3211, as introduced, Bauer-Kahan. Toxic air contaminants.

Existing law authorizes local air pollution control districts and air quality management districts, in carrying out their responsibilities with respect to the attainment of state ambient air quality standards, to adopt and implement regulations that accomplish certain objectives.

This bill would additionally authorize the districts to adopt and implement regulations to require data regarding air pollution within the district's jurisdiction from areawide stationary sources of air pollution, including mobile sources drawn by those stationary sources, to enable the calculation of health risks from toxic air contaminants. This bill would additionally authorize the districts to adopt and implement regulations to accomplish these objectives in carrying out their responsibilities with respect to the reduction of health risks from toxic air contaminants.

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

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

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

1 (a) Existing law imposes various limitations on emissions of
2 air contaminants for the control of air pollution from vehicular and
3 nonvehicular sources. Existing law generally designates the State
4 Air Resources Board as the state agency with the primary
5 responsibility for the control of vehicular air pollution, and the air
6 pollution control districts or the air quality management districts
7 with the primary responsibility for the control of air pollution from
8 all sources other than vehicular sources, including stationary
9 sources. Existing law allows air pollution control districts and air
10 quality management districts to adopt and implement regulations
11 to reduce or mitigate emissions from indirect and areawide sources
12 of air pollution to achieve attainment of state ambient air quality
13 standards.

14 (b) The people of California have a right to know when
15 industrial or commercial operations result in emission of toxic air
16 contaminants that may pose a significant health risk to the people
17 exposed to those emissions.

18 (c) Diesel-fueled trucks are responsible for 33 percent of
19 statewide oxides of nitrogen emissions annually. These same trucks
20 emit more particulate matter than all of the state's powerplants.

21 (d) People who live near stationary sources that attract truck
22 traffic are at high risk for exposure to these health-threatening air
23 pollutants emitted by these medium- and heavy-duty vehicles, and
24 communities near freeways and busy roadways have compounded
25 health risk due to near-constant exposure to criteria air pollutants.

26 (e) In 1998, the State Air Resources Board identified diesel
27 particulate matter as a toxic air contaminant based on published
28 evidence of a relationship between diesel exhaust exposure and
29 lung cancer.

30 (f) Diesel particulate matter also contributes to noncancer health
31 effects, such as premature death, hospitalizations, and emergency
32 department visits for exacerbated chronic heart and lung diseases,
33 including asthma, increased respiratory symptoms, and decreased
34 lung function in children.

35 (g) Children are particularly vulnerable to the negative effect
36 of diesel particulate matter because they have higher respiratory
37 rates than adults and this can increase their exposure to air
38 pollutants relative to their body weight.

1 (h) Increased respiratory symptoms, such as coughing, wheezing,
2 runny nose, and doctor-diagnosed asthma, have been linked to
3 traffic exposure.

4 (i) Reducing emissions of these pollutants can have an
5 immediate beneficial impact on air quality and public health.

6 (j) Existing law does not provide local air pollution control
7 districts and air quality management districts sufficient data
8 collection and enforcement authority to reduce health risks
9 associated with toxic air contaminants, such as diesel particulate
10 matter. This authority would also allow air pollution control
11 districts and air quality management districts to adopt and
12 implement regulations requiring local and areawide stationary
13 sources to provide data on vehicular traffic drawn by stationary
14 sources and other operational data to better calculate local health
15 risks created by the stationary sources.

16 (k) The state should therefore move swiftly to provide this
17 authority to local air pollution control districts and air quality
18 management districts to encourage air districts to provide incentives
19 to stationary sources to transition to cleaner vehicle fleets, change
20 operations, or take other actions that would reduce the health risk
21 to residents from toxic air contaminants.

22 SEC. 2. Section 40716 of the Health and Safety Code is
23 amended to read:

24 40716. (a) In carrying out its responsibilities pursuant to this
25 division with respect to the attainment of state ambient air quality
26 ~~standards~~, *standards or the reduction of health risks from toxic air*
27 *contaminants*, a district may adopt and implement regulations to
28 accomplish ~~both~~ *any* of the following:

29 (1) Reduce or mitigate emissions from *new and existing* indirect
30 and areawide sources of air pollution.

31 (2) Encourage or require the use of measures which reduce the
32 number or length of vehicle trips.

33 (3) *Require data regarding air pollution within the district's*
34 *jurisdiction from new and existing areawide stationary sources of*
35 *air pollution, including mobile sources drawn by those stationary*
36 *sources, to enable the calculation of health risks from toxic air*
37 *contaminants.*

38 (b) Nothing in this section constitutes an infringement on the
39 existing authority of counties and cities to plan or control land use,

- 1 and nothing in this section provides or transfers new authority over
- 2 such land use to a district.

LEGISLATIVE COMMITTEE
MEETING OF 04/22/2020

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April 13, 2020

The Honorable Laura Friedman, Chair
Assembly Committee on Natural Resources
State Capitol, Room 2137
Sacramento, CA 95814

Re: Assembly Bill 3211 (Bauer-Kahan) – Toxic Air Contaminants – Support

Dear Chair Friedman,

On behalf of **350 Bay Area Action**, I write to you to express our strong support for AB 3211. This bill would expand current statewide air pollution control district and air quality management district (air district) authority related to indirect sources by including toxic air contaminants, as well as granting air districts authority to request data from new and existing indirect sources in order to calculate health risk assessments.

350 Bay Area gets policies passed that reduce toxic and climate-harming emissions. This is core to our mission, which is to eliminate carbon pollution and build a sustainable and socially equitable future, including a just transition to a clean energy economy. We are achieving this by building the grassroots climate movement in the Bay Area and beyond, and combining that work with policy expertise to provide leveraged pressure at the state, agency and local levels.

We are working hard to protect communities from the well-documented and devastating health impacts caused by the air pollution. AB 3211 directly furthers this mission by increasing regulatory oversight of fine particulate matter (PM_{2.5}), the deadliest air pollution our communities face. Local Air Districts are in the best position to regulate PM_{2.5} pollution from so-called “magnet sources,” which currently fall into a gap in the state air quality regulatory framework. We are particularly concerned that the people who live or work in or near these sources, who are subjected to high levels of PM pollution, are also disproportionately low-income and of color.

New studies show staggering increases in COVID-19 mortality from increased exposure to PM, suggesting that frontline communities heavily impacted by this environmental injustice are likely to experience much higher death rates from the pandemic. These disproportionate health impacts from PM emissions are not accounted for in standard cost-benefit analyses, so we must aggressively pursue all feasible methods to lower them. For that reason, we and our 17,000 members support AB 3211.

Traditional regulatory authority related to air quality gives local air districts authority to regulate “stationary sources,” facilities with stationary equipment such as boilers and engines, and the California Air Resources Board the authority to regulate “mobile sources,” such as cars, trucks, and buses. “Indirect sources,” facilities that attract mobile sources and their associated pollution, such as warehouses, distribution centers, ports, shopping centers, and events centers, are under limited local air district authority depending on attainment of state ozone or PM₁₀ health standards.

Although the California Air Resources Board and local air districts have made significant improvements in air quality over the years, the Legislature recognized in 2017 through AB 617 (C. Garcia; Chapter 136, Statutes of 2017) that additional effort should be made to work with communities that continue to be overly burdened by air pollution, including toxic air contaminants and fine particulate (PM_{2.5}). Existing law, however, does not provide local air districts indirect source authority to determine and reduce health risks associated with toxic air

contaminants such as diesel particulate matter, although people who live near facilities that attract truck traffic and other mobile sources emitting these pollutants are at high risk for exposure and may experience compounded health impacts due to near-constant exposure.

This bill would allow (but not require) air districts to adopt local rules to accomplish the following:

1. Add air toxics to the pollutants covered under potential local air districts' indirect source rules;
2. Clarify that air district indirect source authority can include both new sources as well as existing sources; and
3. Add data collection authority to actions that air districts can take under a local indirect source rule.

These three aspects of rulemaking authority would allow air districts to identify local indirect sources that contribute significantly to negative community health impacts and, by working with communities, will in turn drive solutions to reduce those health impacts.

We appreciate the opportunity to submit our comments on this important piece of legislation and urge you to support AB 3211 when it comes before you for consideration. For more information about 350 Bay Area Action's support of AB 3211, please contact Ben Keller at benkeller@sonic.net or (401) 378-7523.

Sincerely,



Ben Keller,

On behalf of the 350 Bay Area Action Legislative Committee

cc: The Honorable Rebecca Bauer-Kahan, California State Assemblymember, 16th District
The Honorable Rob Bonta, California State Assemblymember, 18th District



April 7, 2020

The Honorable Laura Friedman, Chair
Assembly Committee on Natural Resources
State Capitol, Room 2137
Sacramento, CA 95814

Re: Assembly Bill 3211 (Bauer-Kahan) – Toxic Air Contaminants – Support

Dear Chair Friedman:

On behalf of Brightline Defense, I write to you to express our support for AB 3211. This bill would expand current statewide air pollution control district and air quality management district (air district) authority related to indirect sources by including toxic air contaminants as well as granting air districts authority to request data from new and existing indirect sources in order to calculate health risk assessments.

Brightline Defense is a public policy organization committed to empowering communities and promoting sustainable policies that advance environmental justice efforts. Brightline engages communities most in need with air quality monitoring, youth leadership, and job training programs.

Traditional regulatory authority related to air quality gives local air districts authority to regulate “stationary sources”, facilities with stationary equipment such as boilers and engines, and the California Air Resources Board the authority to regulate “mobile sources”, such as cars, trucks, and buses. “Indirect sources”, facilities that attract mobile sources and their associated pollution, such as warehouses, distribution centers, ports, shopping centers, and events centers are under limited local air district authority depending on attainment of state ozone or PM10 health standards.

Although the California Air Resources Board and local air districts have made significant improvements in air quality over the years, the Legislature recognized in 2017 through AB 617 (C. Garcia; Chapter 136, Statutes of 2017) that additional effort should be made to work with communities that continue to be overly burdened by air pollution, including toxic air contaminants and fine particulate (PM2.5). Existing law, however, does not provide local air districts indirect source authority to determine and reduce health risks associated with toxic air contaminants such as

diesel particulate matter, although people who live near facilities that attract truck traffic and other mobile sources emitting these pollutants are at high risk for exposure and may experience compounded health impacts due to near-constant exposure.

This bill would allow (but not require) air districts to adopt local rules accomplishing 3 things:

1. Add air toxics to the pollutants covered under potential local air districts indirect source rules.
2. Clarify that air district indirect source authority can include both new sources as well as existing sources.
3. Add data collection authority to actions that air districts can take under a local indirect source rule.

These 3 things would allow air districts to identify local indirect sources that contribute significantly to negative community health impacts and by working with communities will in turn drive solutions to reduce those health impacts.

We appreciate the opportunity to submit our comments on this important piece of legislation and encourage you to support AB 3211 when it comes before you for consideration.

A handwritten signature in black ink, appearing to read 'Eddie H. Ahn', with a long horizontal flourish extending to the right.

Eddie H. Ahn
Executive Director

CC: The Honorable Rebecca Bauer-Kahan, California State Assemblymember, 16th District
The Honorable Rob Bonta, California State Assemblymember, 18th District



Citizen Air Monitoring Network – The Power of the Crowd

2020-04-12

The Honorable Laura Friedman, Chair
Assembly Committee on Natural Resources
State Capitol, Room 2137
Sacramento, CA 95814

Re: Assembly Bill 3211 (Bauer-Kahan) – Toxic Air Contaminants – Support

Dear Chair Friedman:

On behalf of Citizen Air Monitoring Network, I write to you to express our support for AB 3211. This bill would expand current statewide air pollution control district and air quality management district (air district) authority related to indirect sources by including toxic air contaminants as well as granting air districts authority to request data from new and existing indirect sources in order to calculate health risk assessments.

Citizen Air Monitoring Network believes good air quality data is the first-step in improving community health. We have engaged citizens in monitoring the air in our communities. In our work of reducing air pollution in our community, we have run into similar situations as described in AB 3211. We have the Mare Island Drydock in our community which does ship maintenance and repair. We have experienced ships docked to be repaired at the site and spewing out black smoke by burning low-grade fuel. AB3211 will greatly improve the efficiency by the Air District in handle this type of situation. AB 3211 will enable protecting community be done in a more streamlined way than it is done now.

Traditional regulatory authority related to air quality gives local air districts authority to regulate “stationary sources”, facilities with stationary equipment such as boilers and engines, and the California Air Resources Board the authority to regulate “mobile sources”, such as cars, trucks, and buses. “Indirect sources”, facilities that attract mobile sources and their associated pollution, such as warehouses, distribution centers, ports, shopping centers, and events centers are under limited local air district authority depending on attainment of state ozone or PM10 health standards.

Although the California Air Resources Board and local air districts have made significant improvements in air quality over the years, the Legislature recognized in 2017 through AB 617 (C. Garcia; Chapter 136, Statutes of 2017) that additional effort should be made to work with communities that continue to be overly burdened by air pollution, including toxic air contaminants and fine particulate (PM2.5). Existing law however, does not provide local air districts indirect source authority to determine and reduce health risks associated with toxic air contaminants such as diesel particulate matter, although people who live near facilities that attract truck traffic and other mobile sources emitting these pollutants are at high risk for exposure and may experience compounded health impacts due to near-constant exposure.

This bill would allow (but not require) air districts to adopt local rules accomplishing 3 things:

1. Add air toxics to the pollutants covered under potential local air districts indirect source rules.
2. Clarify that air district indirect source authority can include both new sources as well as existing sources.
3. Add data collection authority to actions that air districts can take under a local indirect source rule.

These 3 things would allow air districts to identify local indirect sources that contribute significantly to negative community health impacts and by working with communities will in turn drive solutions to reduce those health impacts.

We appreciate the opportunity to submit our comments on this important piece of legislation and encourage you to support AB 3211 when it comes before you for consideration. For more information about Citizen Air Monitoring Network's support of AB 3211, please contact Ken Szutu, founder, at KenSzutu@gmail.com or 650-804-9192

Sincerely,

Ken Szutu
Founder
Citizen Air Monitoring Network

cc: The Honorable Rebecca Bauer-Kahan, California State Assemblymember, 16th District
The Honorable Rob Bonta, California State Assemblymember, 18th District



April 6, 2020

The Honorable Laura Friedman, Chair
Assembly Committee on Natural Resources
State Capitol, Room 2137
Sacramento, CA 95814

Re: Assembly Bill 3211 (Bauer-Kahan) – Toxic Air Contaminants – Support

Dear Chair Friedman:

On behalf of Strategic Energy Innovations (SEI), I write to you to express our support for AB 3211. This bill would expand current statewide air pollution control district and air quality management district (air district) authority related to indirect sources by including toxic air contaminants as well as granting air districts authority to request data from new and existing indirect sources in order to calculate health risk assessments.

SEI currently works with CARB and BAAQMD implementing programming in education and workforce development regarding air quality. We work with student groups and agencies in disadvantaged communities identified in AB617 to decrease air pollution in communities disproportionately affected by poor air quality. This bill will support the important work the AQMDs are already doing in communities to protect from poor air quality.

Traditional regulatory authority related to air quality gives local air districts authority to regulate “stationary sources”, facilities with stationary equipment such as boilers and engines, and the California Air Resources Board the authority to regulate “mobile sources”, such as cars, trucks, and buses. “Indirect sources”, facilities that attract mobile sources and their associated pollution, such as warehouses, distribution centers, ports, shopping centers, and events centers are under limited local air district authority depending on attainment of state ozone or PM10 health standards.

Although the California Air Resources Board and local air districts have made significant improvements in air quality over the years, the Legislature recognized in 2017 through AB 617 (C. Garcia; Chapter 136, Statutes of 2017) that additional effort should be made to work with communities that continue to be overly burdened by air pollution, including toxic air contaminants and fine particulate (PM2.5). Existing law however, does not



899 Northgate Drive, Suite 410
San Rafael, California 94903
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provide local air districts indirect source authority to determine and reduce health risks associated with toxic air contaminants such as diesel particulate matter, although people who live near facilities that attract truck traffic and other mobile sources emitting these pollutants are at high risk for exposure and may experience compounded health impacts due to near-constant exposure.

This bill would allow (but not require) air districts to adopt local rules accomplishing 3 things:

1. Add air toxics to the pollutants covered under potential local air districts indirect source rules.
2. Clarify that air district indirect source authority can include both new sources as well as existing sources.
3. Add data collection authority to actions that air districts can take under a local indirect source rule.

These 3 things would allow air districts to identify local indirect sources that contribute significantly to negative community health impacts and by working with communities will in turn drive solutions to reduce those health impacts.

We appreciate the opportunity to submit our comments on this important piece of legislation and encourage you to support AB 3211 when it comes before you for consideration. For more information about Strategic Energy Innovations's support of AB 3211, please contact Cyane Dandridge, Executive Director, at cyane@seiinc.org or 415-507-2184

Sincerely,

Cyane Dandridge _____

Executive Director
Strategic Energy Innovations

cc: The Honorable Rebecca Bauer-Kahan, California State Assemblymember, 16th District

The Honorable Rob Bonta, California State Assemblymember, 18th District



Resisting fossil fuels. Working for climate justice.

April 11, 2020

The Honorable Laura Friedman, Chair
Assembly Committee on Natural Resources
State Capitol, Room 2137
Sacramento, CA 95814

Re: Assembly Bill 3211 (Bauer-Kahan) – Toxic Air Contaminants – Support

Dear Chair Friedman:

On behalf of the Sunflower Alliance I write to you to express our support for AB 3211. This bill would expand current statewide air pollution control district and air quality management district (air district) authority related to indirect sources by including toxic air contaminants as well as granting air districts authority to request data from new and existing indirect sources in order to calculate health risk assessments.

The Sunflower Alliance has worked in the front-line communities of the Bay Area for many years to protect our health and safety from the emissions and air pollution from the transport, processing and use of fossil fuels and to oppose the expansion of the fossil fuel infrastructure throughout the San Francisco Bay Area. Health studies have consistently shown there is no safe level of particulate matter emissions associated with fossil fuels, and people in communities near such sources have significant health impacts. Our goal is to slow climate catastrophe by stopping the expansion of the fossil fuel industries in our region, to promote environmental justice for frontline communities most directly affected by those industries, and to work for a just transition to a clean energy, sustainable economy.

Traditional regulatory authority related to air quality gives local air districts authority to regulate “stationary sources”, facilities with stationary equipment such as boilers and engines, and the California Air Resources Board the authority to regulate “mobile sources”, such as cars, trucks, and buses. “Indirect sources”, facilities that attract mobile sources and their associated pollution, such as warehouses, distribution centers, ports, shopping centers, and events centers are under limited local air district authority depending on attainment of state ozone or PM10 health standards.

Although the California Air Resources Board and local air districts have made significant improvements in air quality over the years, the Legislature recognized in 2017 through AB 617 (C. Garcia; Chapter 136, Statutes of 2017) that additional effort should be made to work with communities that continue to be overly burdened by air pollution, including toxic air

contaminants and fine particulate (PM2.5). Existing law however, does not provide local air districts indirect source authority to determine and reduce health risks associated with toxic air contaminants such as diesel particulate matter, although people who live near facilities that attract truck traffic and other mobile sources emitting these pollutants are at high risk for exposure and may experience compounded health impacts due to near-constant exposure.

This bill would allow (but not require) air districts to adopt local rules accomplishing 3 things:

1. Add air toxics to the pollutants covered under potential local air districts indirect source rules.
2. Clarify that air district indirect source authority can include both new sources as well as existing sources.
3. Add data collection authority to actions that air districts can take under a local indirect source rule.

These 3 things would allow air districts to identify local indirect sources that contribute significantly to negative community health impacts and by working with communities will in turn drive solutions to reduce those health impacts.

We appreciate the opportunity to submit our comments on this important piece of legislation and encourage you to support AB 3211 when it comes before you for consideration. Especially at this time, doing everything possible to minimize the exposure of front-line communities to toxic air pollution is an essential task for our health and safety. For more information about the Sunflower Alliance's support of AB 3211, please see our website at Sunflower-Alliance.org or contact Steven Nadel at sjnsunflower@comcast.net.

Sincerely,
For the Sunflower Alliance
Steven Nadel
Member

cc: The Honorable Rebecca Bauer-Kahan, California State Assemblymember, 16th District
The Honorable Rob Bonta, California State Assemblymember, 18th District

LEGISLATIVE COMMITTEE
MEETING OF 04/22/2020



April 13, 2020

The Honorable Laura Friedman, Chair
Assembly Committee on Natural Resources
State Capitol, Room 2137
Sacramento, CA 95814

Re: Assembly Bill 3211 (Bauer-Kahan) – Toxic Air Contaminants – Support

Dear Chair Friedman:

The Tri-Valley Air Quality Community Alliance (TVAQCA)¹ Oversight Committee, would like to express our support for AB 3211. This bill would expand current statewide air pollution control district and air quality management district (air district) authority related to **indirect sources**.

The bill would allow (but not require) air districts to adopt local rules, accomplishing 3 things:

1. Add toxic air contaminants to the pollutants covered under potential local air districts indirect source rules.
2. Clarify that air district indirect source authority can include both new sources as well as existing sources.
3. Add data collection authority to actions that air districts can take under a local indirect source rule.

These 3 things would allow air districts to identify local indirect sources that contribute significantly to negative community health impacts, and by working with communities will in turn drive solutions to reduce those health impacts.

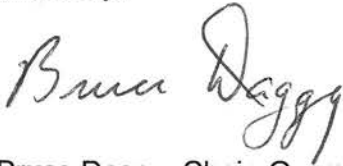
Based on our air district's (BAAQMD) ozone and PM2.5 measurements, the Tri-Valley cities of Livermore, Pleasanton, Dublin and San Ramon are "impacted communities--those with higher levels of environmental exposures and more significant health burdens compared to the rest of the Bay Area." To address this issue, in March 2020, the District provided TVAQCA with funding under AB 617 Grant No. 2019.328.

¹The TVAQCA is part of the Tri-Valley Nonprofit Alliance, PO Box 2467, Livermore, CA 94551; Contact: Kathy Young.

Our Alliance has begun assessing what strategies will significantly reduce our local air quality burden. According to AB 617 guidance, a first step is to develop a community-level emission inventory which includes indirect sources. The District's ability to regulate indirect sources will likely play a key role in the long-term improvement of the air quality in the Tri-Valley. In particular, the Tri-Valley has only a few stationary sources of any potential significance, but several potential indirect sources. The need for this authority expansion has been well demonstrated by our sister organization in West Oakland (West Oakland Environmental Indicators Project), and we anticipate that data collection on these type of sources will be necessary for our project as well. We therefore wish to add our voice in support of AB3211.

We appreciate the opportunity to submit our comments on this important piece of legislation and encourage you to support AB 3211 when it comes before you for consideration. For more information about Tri-Valley Air Quality Community Alliance's support of AB 3211, please feel free to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Bruce Daggy".

Bruce Daggy, Chair, Oversight Committee
Tri-Valley Air Quality Community Alliance
5989 Corte Espada, Pleasanton, CA 94566
(M) (925) 918-1828
bruce.daggy@gmail.com

With concurrence from TVAQCA Oversight Committee members:

Kim Christensen, Ann Brown, Van Rainey, Jeannie Yeamans, Laurene Green, Ron Baskett

cc: The Honorable Rebecca Bauer-Kahan, California State Assemblymember, 16th District
The Honorable Rob Bonta, California State Assemblymember, 18th District

AGENDA 6L - ATTACHMENT

Veggielution

www.veggielution.org | info@veggielution.org
647 S King Rd, San Jose, CA 95116 | (408) 753-6705



April 13th, 2020

The Honorable Laura Friedman, Chair
Assembly Committee on Natural Resources
State Capitol, Room 2137
Sacramento, CA 95814

Re: Assembly Bill 3211 (Bauer-Kahan) – Toxic Air Contaminants – Support

Dear Chair Friedman:

On behalf of Veggielution, I write to you to express our support for AB 3211. This bill would expand current statewide air pollution control district and air quality management district (air district) authority related to indirect sources by including toxic air contaminants as well as granting air districts authority to request data from new and existing indirect sources in order to calculate health risk assessments.

Veggielution connects people from diverse backgrounds through food and farming to build community in East San José. Veggielution is passionate about educating youth, our next generation of citizen scientists, about the close relationship between the environment and their local food system. We believe that school field trips are a powerful and engaging tool for exposing youth to these skills, as well as the concepts of environmental justice and civic engagement. We've developed a field trip curriculum component focused on the interrelationship between food production and air pollution.

Traditional regulatory authority related to air quality gives local air districts authority to regulate “stationary sources”, facilities with stationary equipment such as boilers and engines, and the California Air Resources Board the authority to regulate “mobile sources”, such as cars, trucks, and buses. “Indirect sources”, facilities that attract mobile sources and their associated pollution, such as warehouses, distribution centers, ports, shopping centers, and events centers are under limited local air district authority depending on attainment of state ozone or PM10 health standards.

Although the California Air Resources Board and local air districts have made significant improvements in air quality over the years, the Legislature recognized in 2017 through AB 617 (C. Garcia; Chapter 136, Statutes of 2017) that additional effort should be made to work with communities that continue to be overly burdened by air pollution, including toxic air contaminants and fine particulate (PM2.5). Existing law however, does not provide local air districts indirect source authority to determine and reduce health risks associated with toxic air contaminants such as diesel particulate matter, although people who live near facilities that



Veggielution

www.veggielution.org | info@veggielution.org
647 S King Rd, San Jose, CA 95116 | (408) 753-6705

attract truck traffic and other mobile sources emitting these pollutants are at high risk for exposure and may experience compounded health impacts due to near-constant exposure.

This bill would allow (but not require) air districts to adopt local rules accomplishing 3 things:

1. Add air toxics to the pollutants covered under potential local air districts indirect source rules.
2. Clarify that air district indirect source authority can include both new sources as well as existing sources.
3. Add data collection authority to actions that air districts can take under a local indirect source rule.

These 3 things would allow air districts to identify local indirect sources that contribute significantly to negative community health impacts and by working with communities will in turn drive solutions to reduce those health impacts.

We appreciate the opportunity to submit our comments on this important piece of legislation and encourage you to support AB 3211 when it comes before you for consideration. For more information about Veggielution's support of AB 3211, please contact Emily Schwing, Marketing & Impact Manager, at emily@veggielution.org or 408-438-0243.

Sincerely,

Cayce Hill
Executive Director
Veggielution

cc: The Honorable Rebecca Bauer-Kahan, California State Assemblymember, 16th District
The Honorable Rob Bonta, California State Assemblymember, 18th District

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: April 15, 2020

Re: Consideration of New Bills

RECOMMENDED ACTION

The Legislative Committee (Committee) will discuss and review bills and take positions where appropriate. The Committee will also hear an update on further staff discussions regarding Senate Bill (SB) 802 (Glazer) and SB 1099 (Dodd) related to emergency backup generators.

DISCUSSION

Staff will provide the Committee a brief summary and status of priority bills on the attached list.

Staff will review other bills that may be of interest to the Committee.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

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

Attachment 7A: SB 802 – Fact Sheet
Attachment 7B: SB 802 – Bill Language
Attachment 7C: SB 1099 – Fact Sheet
Attachment 7D: SB 1099 – Bill Language
Attachment 7E: Current Bills of Interest Matrix



SB 802— Health Facilities: Emergency Backup Generators

Summary:

This bill would allow health facilities to operate emergency backup generators during public safety power shutoffs (PSPS) without having that usage count towards time limitations established by air districts.

Issue:

Nearly 250 hospitals were impacted by fires and power outages during the 2019 fire season.¹ It was thanks to back-up electrical generators that many of these hospitals were able to remain open. Though some elective surgeries and appointments were rescheduled, the day-to-day functions at most hospitals remained normal.

Health facilities are important resources to communities during PSPS events. Whether providing emergency medical care, support or serving as a meeting place for affected members of the community to charge their phones, it is important that these facilities have power in order to remain open to serve their community.

Currently, local air management districts determine the number of hours that health facilities and other service providers may use emergency electric generators without facing penalties or fines. Given the services that health facilities provide to their communities during PSPS events, it is important that they are not forced to consider closing.

By clarifying that the hours of emergency electric generator use during a PSPS event do not count towards total hours a health facility may use an emergency electric generator before being penalized, this bill ensures hospitals will remain open during these events to serve the community as needed.

Existing Law:

Existing law provides that electric corporations have procedures and protocols in place to mitigate the public safety and public health impacts of deenergization events. In addition, under state and federal law, hospitals are required to have emergency electrical generators on site.

Existing law also provides that air quality management districts are responsible for controlling air pollution from all sources other than vehicular sources. Local air quality management districts issue permits to hospitals, allowing hospitals to run these generators for a certain number of hours each year before facing penalties.

No existing law that clarifies that hospitals are permitted to use emergency backup generators during public safety power shutoffs without it counting towards their annual hours.

Proposal:

This bill would provide that the number of hours that health facilities use emergency electric generators during a public safety power shutoff would not count towards their total hours of use permitted by the local air quality management district and clarify that health facilities will not be fined or penalized for those hours of use.

Under this bill, electric corporations would be required to report data on deenergization events throughout the year to local air quality management districts.

Contact:

Policy: McKinley Thompson-Morley, Leg Aide
916.651.4007 or mckinley.thompson-morley@sen.ca.gov

¹ <https://www.modernhealthcare.com/providers/california-hospitals-rely-generators-during-pge-power-outages>

SENATE BILL**No. 802****Introduced by Senator Glazer**

(Principal coauthor: Assembly Member Bauer-Kahan)

(Coauthors: Senators Dodd, Hill, Nielsen, and Wilk)

January 7, 2020

An act to add Article 9.3 (commencing with Section 42000) to Chapter 3 of Part 4 of Division 26 of the Health and Safety Code, and to amend Section 8385 of, and to add Section 8386.7 to, the Public Utilities Code, relating to nonvehicular air pollution.

LEGISLATIVE COUNSEL'S DIGEST

SB 802, as introduced, Glazer. Emergency backup generators: health facilities: permit operating condition exclusion.

Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law generally designates air pollution control and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources. Existing law requires the State Air Resources Board to identify toxic air contaminants that are emitted into the ambient air of the state and to establish airborne toxic control measures to reduce emissions of toxic air contaminants from nonvehicular sources.

This bill would require an air district to adopt a rule or revise its existing rules, consistent with federal law, to allow a health facility that has received a permit from the district to construct and operate an emergency backup generator to use that emergency backup generator during a deenergization event without having that usage count toward any time limitation on actual usage and routine testing and maintenance included as a condition for issuance of that permit. By requiring air

districts to adopt or revise its rules, the bill would impose a state-mandated local program.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations, while local publicly owned electric utilities are under the direction of their governing boards. Electrical cooperatives are subject to the regulatory authority of the commission, except as specified. Existing law requires each electrical corporation to annually prepare and submit a wildfire mitigation plan to the commission for review and approval, as specified. Following approval, the commission is required to oversee compliance with the plans. Existing law requires each local publicly owned electric utility and electrical cooperative to annually prepare a wildfire mitigation plan and to verify that the wildfire mitigation plan complies with all applicable rules, regulations, and standards, as appropriate. Existing law requires a wildfire mitigation plan of an electrical corporation to include, among other things, protocols for deenergizing portions of the electrical distribution system that consider the associated impacts on public safety, as well as protocols related to mitigating the public safety impacts of those protocols, including impacts on critical first responders and on health and communications infrastructure. Existing law requires a wildfire mitigation plan of an electrical corporation to also include appropriate and feasible procedures for notifying a customer who may be impacted by the deenergizing of electrical lines and requires these procedures to consider the need to notify, as a priority, critical first responders, health care facilities, and operators of telecommunications infrastructure with premises within the footprint of a potential deenergization event. Existing law requires that an electrical cooperative and a local publicly owned electric utility consider these matters when developing and implementing a wildfire mitigation plan.

If an electrical corporation, electrical cooperative, or local publicly owned electric utility has undertaken a deenergization event during a calendar year, this bill would require the electrical corporation, electrical cooperative, or local publicly owned electric utility, by January 30 of the following calendar year, to submit a report with specified information to each air quality management district and air pollution control district affected by the deenergization event.

Under existing law, a violation of any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because this bill would require action by the commission to implement its requirements, and a violation of that action would be a crime, the

bill would impose a state-mandated local program by creating a new crime. By requiring local publicly owned electric utilities to report matters to air quality management districts and air pollution control districts the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for specified reasons.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

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

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

1 SECTION 1. Article 9.3 (commencing with Section 42000) is
2 added to Chapter 3 of Part 4 of Division 26 of the Health and Safety
3 Code, to read:

4
5 Article 9.3. Emergency Backup Generators
6

7 42000. For purposes of this article, the following terms apply:

8 (a) "Deenergization event" means the proactive interruption of
9 electrical service for the purpose of mitigating or avoiding the risk
10 of causing a wildfire.

11 (b) "Electrical corporation" has the same meaning as defined
12 in Section 218 of the Public Utilities Code.

13 (c) "Emergency backup generator" means a device used for the
14 generation of electricity for emergency use that is subject to the
15 State Air Resources Board's Airborne Toxic Control Measure for
16 Stationary Compression Ignition Engines (Section 93115.1 of Title
17 17 of the California Code of Regulations, and following). For these
18 purposes, "emergency use" has the same meaning as defined in
19 Section 93115.4 of Title 17 of the California Code of Regulations.

20 (d) "Health facility" has the same meaning as defined in Section
21 1250.

1 (e) “Local publicly owned electric utility” has the same meaning
2 as defined in Section 224.3 of the Public Utilities Code.

3 (f) “Permit” means a permit issued by the district pursuant to
4 Article 1 (commencing with Section 42300) of Chapter 4.

5 42001. Consistent with federal law, a district shall adopt a rule,
6 or revise its existing rules, to allow a health facility that has
7 received a permit from the district to construct and operate an
8 emergency backup generator to use that emergency backup
9 generator during a deenergization event without having that usage
10 count toward any time limitation on actual usage and routine testing
11 and maintenance included as a condition for issuance of that permit.
12 For a health facility that receives notice of a planned deenergization
13 event, whether made specifically to the facility or made generally
14 to the public, the period of permissible use exempt from the time
15 limitation on actual usage shall encompass the period commencing
16 when the health facility is notified that the deenergization will or
17 will likely commence, and concluding when the health facility
18 receives notification, whether specific or general, that reliable
19 electrical service has been restored.

20 SEC. 2. Section 8385 of the Public Utilities Code is amended
21 to read:

22 8385. (a) For purposes of this chapter, the following shall
23 apply:

24 (1) “Compliance period” means a period of approximately one
25 year.

26 (2) “*Deenergization event*” means the proactive interruption
27 of electrical service for the purpose of mitigating or avoiding the
28 risk of causing a wildfire.

29 (2)

30 (3) “Electrical cooperative” has the same meaning as defined
31 in Section 2776.

32 (b) The commission shall supervise an electrical corporation’s
33 compliance with the requirements of this chapter pursuant to the
34 Public Utilities Act (Part 1 (commencing with Section 201) of
35 Division 1). Nothing in this chapter affects the commission’s
36 authority or jurisdiction over an electrical cooperative or local
37 publicly owned electrical corporation. *electric utility*.

38 SEC. 3. Section 8386.7 is added to the Public Utilities Code,
39 to read:

1 8386.7. If an electrical corporation, electrical cooperative, or
2 local publicly owned electric utility has undertaken a
3 deenergization event during a calendar year, the electrical utility
4 shall submit a report, by January 30 of the following calendar year,
5 to each air quality management district and air pollution control
6 district affected by the deenergization event that includes all of
7 the following:

8 (a) A description of the area affected by the deenergization
9 event.

10 (b) A description of when the deenergization event began and
11 when reliable electrical service was restored.

12 (c) A description of any notifications specifically provided to
13 health care facilities that they would or would likely be affected
14 by a deenergizing of electrical lines and when the deenergization
15 event would likely begin or, absent specific notification, any
16 notifications made generally to the public of when the
17 deenergization event would or would likely commence.

18 (d) A description of any notifications specifically provided to
19 health care facilities that reliable electrical service has been restored
20 or, absent specific notification, any notifications made generally
21 to the public that reliable electrical service has been restored.

22 SEC. 4. No reimbursement is required by this act pursuant to
23 Section 6 of Article XIII B of the California Constitution for certain
24 mandates because a local agency or school district has the authority
25 to levy service charges, fees, or assessments sufficient to pay for
26 the program or level of service mandated by this act or because
27 costs that may be incurred by a local agency or school district will
28 be incurred because this act creates a new crime or infraction,
29 eliminates a crime or infraction, or changes the penalty for a crime
30 or infraction, within the meaning of Section 17556 of the
31 Government Code, or changes the definition of a crime within the
32 meaning of Section 6 of Article XIII B of the California
33 Constitution.

34 With respect to other mandates, if the Commission on State
35 Mandates determines that this act contains costs mandated by the
36 state, reimbursement to local agencies and school districts for those
37 costs shall be made pursuant to Part 7 (commencing with Section
38 17500) of Division 4 of Title 2 of the Government Code.

O



SB 1099 – DODD BACKUP GENERATION – CRITICAL FACILITIES – AIR QUALITY

Summary

SB 1099 would allow critical facilities, including water and wastewater agencies, to operate existing emergency backup generators during Public Safety Power Shutoffs (PSPS) or other losses of power without being out of compliance or subject to penalties from local air districts. This flexibility would ensure water continues to flow and wastewater continues to be treated during power outages, protecting public health and safety.

limited to a runtime of 200 hours per year for emergencies and the Air Resources Board limits annual maintenance and testing for certain generators to 20 hours pursuant to the Airborne Toxics Control Measure (ATCM). These testing and maintenance restrictions conflict with national standards.

This Bill

SB 1099 directs local air districts to adopt a rule, or revise existing rules, to allow critical facilities with a permitted emergency backup generator to continue to provide essential public services during a power outage without those hours counting toward the limits. Specifically, SB 1099 allows critical facilities to do the following:

- operate the generator during a PSPS or other emergency loss of power
- test or maintain the generator in accordance with NFPA Standard 110 or relevant best management practices

Background

Reliable backup power is critical for the protection of life and property during emergencies, including PSPS. For example, water and wastewater agencies need reliable power to support essential operations including maintaining pressure in their systems for water quality and fire flows. When electricity is not available due to a PSPS or another emergency loss of power such as a wildfire, water and wastewater agencies must employ their emergency standby generators.

Support

California Municipal Utilities Association
Las Virgenes Municipal Water District
Regional Council of Rural Counties (RCRC)

Existing Law

Existing air quality regulations restrict the testing, use and operation of some standby generators during an emergency. In the South Coast Air Quality Management District, owners/operators of these generators are

Contact

Heather Hopkins,
heather.hopkins@sen.ca.gov

SENATE BILL**No. 1099****Introduced by Senator Dodd**

February 19, 2020

An act to add Article 9.5 (commencing with Section 42010) to Chapter 3 of Part 4 of Division 26 of the Health and Safety Code, relating to nonvehicular air pollution.

LEGISLATIVE COUNSEL'S DIGEST

SB 1099, as introduced, Dodd. Emergency backup generators: critical facilities: exemption.

Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law generally designates air pollution control and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources. Existing law requires the State Air Resources Board to identify toxic air contaminants that are emitted into the ambient air of the state and to establish airborne toxic control measures to reduce emissions of toxic air contaminants from nonvehicular sources.

This bill, consistent with federal law, would require air districts to adopt a rule, or revise its existing rules, to allow critical facilities with a permitted emergency backup generator to use that emergency backup generator during a deenergization event or other loss of power, and to test and maintain that emergency backup generator, as specified, without having that usage, testing, or maintenance count toward that emergency backup generator's time limitation on actual usage and routine testing and maintenance. The bill would prohibit air districts from imposing a fee on the issuance or renewal of a permit issued for those critical facility emergency backup generators. By requiring air districts to adopt a new permitting program for those critical facility emergency backup

generators, the bill would impose a state-mandated local program. The bill also would define certain terms for purposes of these provisions.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

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

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

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

3 (a) Catastrophic wildfires and other natural disasters are
4 increasing in frequency and intensity due to climate change and
5 other factors.

6 (b) Wildfires dramatically increase carbon emissions and work
7 against the state’s goals to reduce greenhouse gas emissions and
8 achieve a carbon-neutral future.

9 (c) Wildfires and other natural disasters also can cause
10 significant impacts and a threat to the state’s water and wastewater
11 facilities, which are critical to ensuring a safe and reliable water
12 supply for people, businesses, agriculture, and the environment.

13 (d) To help mitigate the risks of wildfires, investor-owned
14 utilities have initiated public safety power shutoffs to deenergize
15 parts of their distribution systems, and, in some cases, portions of
16 the transmission system, actions that reduce or eliminate access
17 to a reliable power supply for the state’s water agencies as they
18 count on a reliable source of electricity to move and deliver water.

19 (e) Actions need to be taken to reduce the impacts of
20 deenergization wildfires, and other events on critical facilities,
21 including increasing access to alternative power sources that can
22 help support a safe and reliable water supply and maintain the
23 state’s ability to effectively respond to wildfires.

24 SEC. 2. Article 9.5 (commencing with Section 42010) is added
25 to Chapter 3 of Part 4 of Division 26 of the Health and Safety
26 Code, to read:

1 Article 9.5. Emergency Backup Generators

2
3 42010. For purposes of this article, the following terms apply:

4 (a) “Critical facility” means a facility necessary or convenient
5 in providing essential public services, including, but not limited
6 to, facilities such as police stations, fire stations, emergency
7 operations centers, water and wastewater facilities, incident
8 command posts, and communication systems used to support
9 essential public services.

10 (b) “Deenergization event” means the interruption of power due
11 to a public safety power shutoff.

12 (c) “Emergency backup generator” means an internal
13 combustion engine greater than 50 brake horsepower and gas
14 turbines greater than 2,975,000 British thermal units per hour for
15 nonutility power generation that does not operate more than 200
16 hours per year and is only operated in the event of an emergency
17 power failure or for routine testing and maintenance.

18 (d) “Loss of power” means a failure in an electric generation,
19 distribution, and transmission system or a disruption to electrical
20 power from an electricity provider due to an emergency event,
21 including a wildfire.

22 (e) “Public safety power shutoff” means a preventative measure
23 to deenergize all, or a portion of, an electric generation,
24 distribution, or transmission system when the electricity provider
25 reasonably believes there is an imminent and significant risk that
26 strong winds, or other extreme and potentially dangerous weather
27 events, increase the probability of a wildfire.

28 (f) “Water and wastewater facilities” includes drinking water
29 and wastewater treatment plants, pumping stations, storage
30 facilities, and water facilities needed to maintain water service and
31 the water pressure necessary for firefighting.

32 42012. (a) Consistent with federal law, a district shall adopt
33 a rule, or revise its existing rules, to allow critical facilities with a
34 permitted emergency backup generator to do any of the following
35 with that emergency backup generator without having it count
36 toward that permitted emergency backup generator’s time
37 limitation on actual usage and routine testing and maintenance:

38 (1) Use the emergency backup generator during a deenergization
39 event or other loss of power.

1 (2) Test or maintain the emergency backup generator for
2 consistency with any of the following:

3 (A) The National Fire Protection Association Standard 110 for
4 Emergency and Standby Power Systems, or its successor.

5 (B) Industry best practices

6 (C) Recommendations by the manufacturer of the emergency
7 backup generator.

8 (b) A district shall not impose a fee on the issuance or renewal
9 of a permit issued for an emergency backup generator described
10 in subdivision (a).

11 SEC. 3. If the Commission on State Mandates determines that
12 this act contains costs mandated by the state, reimbursement to
13 local agencies and school districts for those costs shall be made
14 pursuant to Part 7 (commencing with Section 17500) of Division
15 4 of Title 2 of the Government Code.

LEGISLATIVE COMMITTEE
MEETING OF 04/22/2020

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BILL #	AUTHOR	SUBJECT	Last Status	Notes	Position	Priority (Low/Medium/High)	PSPS Related List
AB 126	Cooper	Air Quality Improvement Program: Clean Vehicle Rebate Project.	Senate - Transportation			LOW	
AB 291	Chu	Local Emergency Preparedness and Hazard Mitigation Fund.	Senate - Pending Referral			LOW	
AB 345	Muratsuchi	Natural resources: environmental justice: oil and gas: regulation of operations.	Senate - Pending Referral			LOW	
AB 352	Garcia, Eduardo	Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020.	Senate - Environmental Quality			MEDIUM	
AB 409	Limón	Climate change: agriculture: Agricultural Climate Adaptation Tools Program: grants.	Senate - Appropriations			LOW	
AB 464	C. Garcia	California Global Warming Solutions Act of 2006.	Senate - Pending Referral			LOW	
AB 839	Mullin	Climate adaptation strategy: strategic resiliency framework: Resiliency through Adaptation, Economic Vitality, and Equity Account.	Senate - Appropriations			LOW	
AB 1002	Quirk-Silva	California Global Warming Solutions Act of 2006: Low-Carbon Fuel Standard regulations: Greenhouse Gas Reduction Fund.	Senate - Rules			LOW	
AB 1071	Limón	Climate change: agriculture: Agricultural Climate Adaptation Tools Program: grants.	Senate - Pending Referral			LOW	
AB 1112	Friedman	Shared mobility devices: local regulation.	Senate - Transportation			LOW	
AB 1142	Friedman	Regional transportation plans: transportation network companies.	Senate - Appropriations			LOW	
AB 1276	Bonta	Local redistricting.	Senate - Pending Referral			LOW	
AB 1350	Gonzalez	Free youth transit passes: eligibility for state funding.	Senate - Pending Referral			LOW	
AB 1406	O'Donnell	Alternative and Renewable Fuel and Vehicle Technology Program.	Senate - Appropriations			LOW	
AB 1424	Berman	Electric Vehicle Charging Stations Open Access Act.	Senate - Appropriations			LOW	
AB 1441	Levine	Oil and gas: development.	Senate - Pending Referral			LOW	
AB 1567	Aguiar-Curry	Organic waste: scoping plan.	Senate - Pending Referral			LOW	
AB 1714	Aguiar-Curry	Emissions limitations: wine fermentation.	Senate - Environmental Quality		Oppose	HIGH	
AB 1839	Bonta	Climate change: California Green New Deal.	Assembly - Pending Referral			MEDIUM	
AB 1915	Chu	Electrical corporations: deenergization events.	Assembly - Utilities and Energy			LOW	PSPS Related
AB 1917	Ting	Budget Act of 2020.	Assembly - Budget			HIGH	
AB 1920	Boerner Horvath	Climate change: California Climate Adaptation Center and Regional Support Network.	Assembly - Pending Referral	Intent Bill		LOW	
AB 1922	Rivas, Luz	Pupil instruction: science requirements: climate change.	Assembly - Education			LOW	
AB 1942	Gallagher	Forestry and fire protection: reduction of emissions of greenhouse gases.	Assembly - Natural Resources			LOW	
AB 1972	Voepel	Vehicular air pollution.	Assembly - Transportation		Propose Oppose	HIGH	
AB 1991	Friedman	Transit and Intercity Rail Capital Program: passenger tramways.	Assembly - Transportation			LOW	
AB 1992	Friedman	Transportation: transportation infrastructure: climate change.	Assembly - Transportation	Intent Bill		LOW	
AB 2031	Rivas, Luz	School Pavement to Parks Grant Program.	Assembly - Education			LOW	
AB 2057	Chiu	San Francisco Bay area: public transportation.	Assembly - Pending Referral			MEDIUM	

BILL #	AUTHOR	SUBJECT	Last Status	Notes	Position	Priority (Low/Medium/High)	PSPS Related List
AB 2089	Rivas, Luz	Resilient Economies and Community Health Pilot Program.	Assembly - Natural Resources			MEDIUM	
AB 2145	Ting	Transportation electrification: vehicle charging stations.	Assembly - Pending Referral	Intent Bill		MEDIUM	
AB 2148	Quirk	Climate change: adaptation: regional climate adaptation planning groups: regional climate adaptation plans.	Assembly - Natural Resources			LOW	
AB 2162	O'Donnell	School facilities: indoor air quality.	Assembly - Education			MEDIUM	
AB 2168	McCarty	Planning and zoning: electric vehicle charging stations: permit application: approval.	Assembly - Local Government			LOW	
AB 2178	Levine	Emergency services.	Assembly - Governmental Organization			LOW	PSPS Related
AB 2182	Rubio, Blanca	Emergency backup generators: water and wastewater facilities: exemption.	Assembly - Utilities and Energy	ACWA Bill	Oppose	HIGH	PSPS Related
AB 2215	Chau	Service stations: definition: electric vehicle charging stations.	Assembly - Transportation			LOW	
AB 2225	Grayson	Smog check: exemption: historic vehicles.	Assembly - Transportation		Propose Oppose	HIGH	
AB 2241	Calderon	State Air Resources Board: report.	Assembly - Pending Referral	Spot Bill		LOW	
AB 2260	Fong	Vehicles: registration fraud.	Assembly - Transportation			MEDIUM	
AB 2262	Berman	Regional transportation plans: sustainable communities strategies: zero-emission vehicle readiness plan.	Assembly - Transportation			LOW	
AB 2331	Muratsuchi	Greenhouse gases: aviation sector: reporting.	Assembly - Natural Resources			LOW	
AB 2371	Friedman	Climate change: adaptation.	Assembly - Natural Resources			LOW	
AB 2421	Quirk	Land use: permitting: wireless communications.	Assembly - Local Government			MEDIUM	PSPS Related
AB 2441	Rivas, Luz	Climate change: Safeguarding California Plan.	Assembly - Natural Resources			MEDIUM	
AB 2446	Bonta	Cement plants.	Assembly - Natural Resources			LOW	
AB 2455	Medina	Natural gas and electric battery vehicles: weight limits.	Assembly - Transportation			LOW	
AB 2475	Flora	Electrical corporations: electrical grid monitoring equipment pilot program.	Assembly - Utilities and Energy			LOW	PSPS Related
AB 2498	Chu	Interscholastic athletics: California Interscholastic Federation: air quality activity recommendations.	Assembly - Education		Support	HIGH	
AB 2539	Bigelow	Electrical corporations: deenergization events: elections.	Assembly - Utilities and Energy			LOW	PSPS Related
AB 2566	Garcia, C.	Consumption-based greenhouse gas inventory.	Assembly - Natural Resources			LOW	
AB 2577	Chiu	Environmental protection: vulnerable population: identification.	Assembly - Natural Resources			MEDIUM	
AB 2585	Chau	California-China Climate Institute.	Assembly - Pending Referral			LOW	
AB 2587	McCarty	Local planning.	Assembly - Pending Referral	Spot Bill		LOW	
AB 2612	Maienschein	Greenhouse Gas Reduction Fund: recycling: appropriation.	Assembly - Natural Resources			LOW	
AB 2621	Mullin	Climate resiliency.	Assembly - Pending Referral			LOW	
AB 2653	Kalra	Smart climate agriculture.	Assembly - Pending Referral			LOW	
AB 2667	Boerner Horvath	Air Quality Improvement Program: Clean Vehicle Rebate Project: electric bicycles.	Assembly - Pending Referral	Intent Bill		MEDIUM	

BILL #	AUTHOR	SUBJECT	Last Status	Notes	Position	Priority (Low/Medium/High)	PSPS Related List
AB 2698	Gray	High-Speed Rail Authority: trains powered by fossil fuel combustion engines.	Assembly - Transportation			LOW	
AB 2737	Garcia, C.	Community emissions reduction programs.	Assembly - Natural Resources			HIGH	
AB 2766	Gray	Vehicles: retirement and replacement.	Assembly - Transportation			MEDIUM	
AB 2772	Reyes	Alternative and Renewable Fuel and Vehicle Technology Program.	Assembly - Transportation	CalStart Bill		MEDIUM	
AB 2789	Kamlager	State Energy Resources Conservation and Development Commission: distributed energy resources: study.	Assembly - Utilities and Energy			LOW	PSPS Related
AB 2792	Quirk	Mobile fueling on-demand tank vehicles.	Assembly - Transportation Assembly - Natural Resources		Oppose	HIGH	
AB 2824	Bonta	San Francisco-Oakland Bay Bridge: public transit: greenhouse gases.	Assembly - Pending Referral	Intent Bill		MEDIUM	
AB 2831	Flora	Greenhouse gas reduction: carbon sequestration.	Assembly - Pending Referral	Intent Bill		LOW	
AB 2832	Garcia, C.	Greenhouse gases: carbon neutrality.	Assembly - Natural Resources			LOW	
AB 2860	O'Donnell	California Clean Truck, Bus, and Off-Road Vehicle and Equipment Technology Program.	Assembly - Transportation			MEDIUM	
AB 2866	Garcia, Eduardo	Vehicular air pollution: Clean Fleet Program.	Assembly - Transportation			MEDIUM	
AB 2882	Chu	Hazardous emissions and substances: schoolsites: private and charter schools.	Assembly - Pending Referral		Support Sponsor	HIGH	
AB 2940	Quirk	Energy: hydrogen.	Assembly - Utilities and Energy			LOW	
AB 2954	Rivas, Robert	California Global Warming Solutions Act of 2006: climate goal: natural and working lands.	Assembly - Natural Resources			LOW	
AB 3021	Ting	School facilities: energy resilient schools: grant program.	Assembly - Education			LOW	
AB 3027	O'Donnell	California Global Warming Solutions Act of 2006: Low-Carbon Fuel Standard regulations.	Assembly - Natural Resources			LOW	
AB 3046	Mathis	The Energy, Environment, and Economy Council.	Assembly - Natural Resources			LOW	
AB 3100	Garcia, Eduardo	Self-generation incentive program.	Assembly - Pending Referral	Spot Bill		LOW	PSPS Related
AB 3109	Ting	State Air Resources Board: report.	Assembly - Natural Resources	Building Decarbonization		MEDIUM	
AB 3111	Gipson	Carl Moyer Memorial Air Quality Standards Attainment Program.	Assembly - Pending Referral	Spot Bill CNGVC		LOW	
AB 3128	Burke	Electricity: deenergization events: fuel cells.	Assembly - Pending Referral	Intent Bill		MEDIUM	PSPS Related
AB 3163	Salas	Biogas.	Assembly - Natural Resources			LOW	
AB 3211	Bauer-Kahan	Toxic air contaminants.	Assembly - Natural Resources Assembly - Transportation		Support Sponsor	HIGH	
AB 3217	Gloria	Greenhouse gases: crude oil emissions.	Assembly - Natural Resources		Support	HIGH	
AB 3251	Bauer-Kahan	Electricity: resource adequacy requirements.	Assembly - Utilities and Energy			LOW	
AB 3256	Garcia, Eduardo	Climate risks: bond measure.	Assembly - Pending Referral			MEDIUM	
ACR 143	Quirk	Climate crisis.	Assembly - Natural Resources			LOW	
SB 43	Allen	Carbon intensity and pricing: retail products.	Assembly - Revenue and Taxation			LOW	
SB 45	Allen	Wildfire Prevention, Safe Drinking Water, Drought Preparation, and Flood Protection Bond Act of 2020.	Assembly - Pending Referral		Support	HIGH	

BILL #	AUTHOR	SUBJECT	Last Status	Notes	Position	Priority (Low/Medium/High)	PSPS Related List
SB 59	Allen	California Transportation Commission: advisory committee: autonomous vehicle technology.	Assembly - Appropriations			LOW	
SB 69	Wiener	Ocean Resiliency Act of 2019.	Assembly - Appropriations			LOW	
SB 168	Wieckowski	Climate change: Chief Climate Resilience Officer.	Assembly - Appropriations			LOW	
SB 278	Beall	Metropolitan Transportation Commission.	Assembly - Pending Referral	FASTER		MEDIUM	
SB 369	Hertzberg	Vehicle repair assistance program: safe parking program participants.	Assembly - Transportation			LOW	
SB 378	Wiener	Electrical corporations: deenergization events: procedures: allocation of costs: reports.	Assembly - Pending Referral			LOW	
SB 431	McGuire	Mobile telephony service base transceiver station towers: communications infrastructure: performance reliability standards.	Assembly - Communications and Conveyance			LOW	PSPS Related
SB 498	Hurtado	Trade Corridors Improvement Fund: grant program: short-line railroads.	Assembly - Transportation			LOW	
SB 515	Caballero	Public Utilities Commission: high hazard zone fuel: report.	Assembly - Appropriations			LOW	
SB 535	Moorlach	Greenhouse gases: wildfires and forest fires: air emissions.	Assembly - Appropriations			LOW	
SB 613	Stern	State agency greenhouse gas emission reduction report cards.	Assembly - Appropriations			LOW	
SB 629	McGuire	Air districts: hearing boards: notice requirements.	Assembly - Natural Resources			LOW	
SB 662	Archuleta	Green electrolytic hydrogen.	Assembly - Utilities and Energy			LOW	
SB 702	Hill	California Renewables Portfolio Standard Program: procurement.	Assembly - Pending Referral			LOW	
SB 801	Glazer McGuire	Electrical corporations: wildfire mitigation plans: deenergization: public safety protocol.	Senate - Energy, Utilities and Communications			MEDIUM	PSPS Related
SB 802	Glazer	Emergency backup generators: health facilities: permit operating condition exclusion.	Senate - Environmental Quality		Oppose Unless Amended	HIGH	PSPS Related
SB 808	Mitchell	Budget Act of 2020.	Senate - Pending Referral			MEDIUM	
SB 858	Beall	Thermal powerplants: exemption: emergency backup and standby generators: data centers.	Senate - Energy, Utilities and Communications		Author Requested Support	MEDIUM	
SB 862	Dodd	Planned power outage: public safety.	Senate - Energy, Utilities and Communications			LOW	PSPS Related
SB 895	Archuleta	Energy: zero-emission fuel, infrastructure, and transportation technologies.	Senate - Energy, Utilities and Communications	Spot Bill		LOW	
SB 917	Wiener	California Consumer Energy and Conservation Financing Authority: eminent domain: Northern California Energy Utility District: Northern California Energy Utility	Senate - Energy, Utilities and Communications			LOW	
SB 925	Glazer	Mobile telephony service base transceiver station towers: performance reliability standards.	Senate - Energy, Utilities and Communications			MEDIUM	PSPS Related
SB 964	Skinner	Chemicals: outdoor application: residential areas.	Senate - Rules	Spot Bill		MEDIUM	
SB 986	Allen	Coastal resources: new development: greenhouse gas emissions.	Senate - Natural Resources and Water			LOW	
SB 995	Atkins	Environmental quality: Jobs and Economic Improvement Through Environmental Leadership Act of 2011.	Senate - Environmental Quality			LOW	
SB 1020	Dahle	Income taxes: credits: generators.	Senate - Governance and Finance			LOW	PSPS Related
SB 1070	Leyva	Land use: general plans.	Senate - Rules			MEDIUM	
SB 1099	Dodd	Emergency backup generators: critical facilities: exemption.	Senate - Environmental Quality		Oppose Unless Amended	HIGH	PSPS Related
SB 1113	Gonzalez, Lena	State Air Resources Board: report.	Senate - Rules	Spot Bill		LOW	

BILL #	AUTHOR	SUBJECT	Last Status	Notes	Position	Priority (Low/Medium/High)	PSPS Related List
SB 1122	Skinner	Green electrolytic hydrogen.	Senate - Energy, Utilities and Communications		Author Requested Support	LOW	
SB 1164	Grove	Petroleum refineries: air monitoring systems.	Senate - Rules	Spot Bill		MEDIUM	
SB 1183	Hertzberg	Electric vehicle charging master plan.	Senate - Energy, Utilities and Communications			MEDIUM	
SB 1185	Moorlach	Natural gas powered generators: operation during deenergization events.	Senate - Environmental Quality		Oppose	HIGH	PSPS Related
SB 1195	Gonzalez, Lena	Vehicular air pollution: State Air Resources Board: regulations.	Senate - Rules	Spot Bill		MEDIUM	
SB 1207	Jackson	Skilled nursing facilities: backup power system.	Senate - Health			MEDIUM	PSPS Related
SB 1215	Stern	Electricity: microgrids: grant program.	Senate - Governmental Organization			LOW	PSPS Related
SB 1258	Stern	California Climate Technology and Infrastructure Financing Act.	Senate - Business, Professions and Economic Development			HIGH	
SB 1314	Dodd	Community Energy Resilience Act of 2020.	Senate - Natural Resources and Water	CCA		LOW	PSPS Related
SB 1320	Stern	Climate change: California Climate Change Assessment.	Senate - Natural Resources and Water			LOW	
SB 1321	Bradford	Transportation electrification: electric vehicles: grid integration.	Senate - Energy, Utilities and Communications			LOW	
SB 1323	Skinner	Carbon sequestration: state goals: natural and working lands: registry of projects.	Senate - Environmental Quality			LOW	
SB 1330	Umberg	Sales and Use Tax Law: zero emissions vehicle exemption.	Senate - Rules			LOW	
SB 1332	Allen	Solid waste: recycling and composting infrastructure.	Senate - Rules			LOW	
SB 1363	Allen	Regional transportation plans: sustainable communities strategies: greenhouse gas emissions and vehicle miles traveled reduction targets.	Senate - Environmental Quality			LOW	
SB 1415	Borgeas	Income taxes: credits: backup electricity generators.	Senate - Governance and Finance			LOW	PSPS Related
Total Bills	127					Low: 85 Medium: 29 High: 13	21

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: April 13, 2020

Re: Federal Legislative Update

RECOMMENDED ACTION

The Committee will receive an update on recent events of significance in Washington, D.C.

DISCUSSION

Staff traveled to Washington, D.C. in early March 2020 to focus on several areas of interest, meeting with legislative staff from the offices of Senators Feinstein, Harris, and Merkley (Oregon), and Representatives Pelosi, Thompson, Huffman, Eshoo, McNerney, Lee, DeSaulnier, Swalwell, Speier, and Khanna. At the federal level, we are working on the following issues:

Clean Corridors Act of 2019 - H.R. 2616 (DeSaulnier) - The Clean Corridors Act (CCA) is a bill that will hopefully be rolled into the upcoming federal transportation reauthorization bill. The CCA would allocate up to \$300 million in funding to expand electric vehicle and hydrogen fueling infrastructure. With our counterparts at the South Coast Air Quality Management District (AQMD), we have suggested amendments to the bill that would prioritize regions that provide matching funding, prioritize freight corridors, and prioritize projects that reduce exposure in vulnerable areas.

Wildfire Smoke Bills - S. 1812 (Merkley) and H.R. 4924 (Eshoo) - We continue to solicit support for the Senate and House bills that create wildfire smoke response programs that are somewhat similar to Assembly Bill 836 (Wicks; Chapter 393, Statutes of 2019).

Diesel Emission Reduction Act/Targeted Airshed Grant (DERA/TAG) Funding - We continue to solicit support for stable or increased funding for the DERA and TAG programs. The TAG program is a program that we are newly eligible for as a result of the recent wildfires and part of our work is to ensure that we remain eligible for a certain amount of time regardless of whether we experience a reduced wildfire season in the next couple years.

Backup Generator/Public Safety Power Shutoff (PSPS) - We have been discussing the issue of backup generation related to PSPS and ways that the federal government could support business decisions to purchase a cleaner alternative to diesel generation.

Recently, the Air District partnered with the South Coast AQMD, San Joaquin Valley Air Pollution Control District, and the Sacramento Metropolitan AQMD to author a letter to our federal delegation regarding potential nationwide infrastructure stimulus funding under consideration as an ongoing response to COVID-19. The letter touches on all the items above as potential ways to provide economic stimulus to various business sectors while providing ongoing public health benefits.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

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

Attachment 8A: H.R. 2616 (DeSaulnier) - BAAQMD & SCAQMD Joint Support Letter
Attachment 8B: California Congressional Delegation Letter

LEGISLATIVE COMMITTEE
MEETING OF 04/22/2020



375 Beale Street, Suite 600
San Francisco, CA 94105
(415) 771-6000

BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT



AGENDA 8A - ATTACHMENT

21865 Copley Drive
Diamond Bar, CA 91765
(909) 396-2000

January 24, 2020

The Honorable Mark DeSaulnier
Congressman, California's 11th Congressional District
503 Cannon House Office Building
Washington, DC 20515

H.R. 2616 Clean Corridors Act of 2019- Support

Dear Congressman DeSaulnier,

On behalf of the Bay Area Air Quality Management District and South Coast Air Quality Management District, we write to you to express our support for your *H.R. 2616; Clean Corridors Act of 2019*. The Bay Area AQMD and South Coast AQMD collectively serve nearly 25 million residents in California as the local air quality regulatory agency. In our extensive efforts to reduce air pollution throughout our regions, ozone-forming pollutants, particulate, and toxic diesel particulate from heavy duty on-road trucks and other transportation and freight sources have been consistently identified as the largest sources of air pollution impacting our residents.

H.R. 2616 would support our district's current efforts to expand electric and hydrogen infrastructure in freight and transportation corridors. As H.R. 2616 notes, greater adoption of zero emission vehicles will help reduce emissions and improve air quality, enhance the energy security of the United States by expanding the use of zero emission fuels, enhance fuel choice and utilization of electric vehicle charging infrastructure and hydrogen fueling infrastructure in order to benefit consumers, ensure that the transportation infrastructure of the United States is equipped to manage the demands and anticipated future needs of the economy, and develop a new economic sector in the United States that will create middle class jobs.

With this in mind, we would ask you to consider the following changes to H.R. 2616 to leverage current work being done by state and local air quality agencies across the country, as follows:

Preference for funding from the Clean Corridors Act should be given to 1) entities that can provide matching funding; 2) established goods movement corridors; 3) locations serving first and last mile freight near ports and freight hubs; 4) expanding the range/coverage of existing light-duty EV corridors to provide larger networks for EV drivers; and 5) locations that optimize infrastructure networks and reduce hazardous air pollutants in communities disproportionately impacted by such pollutants.

The Honorable Mark DeSaulnier
January 24, 2020
Page 2

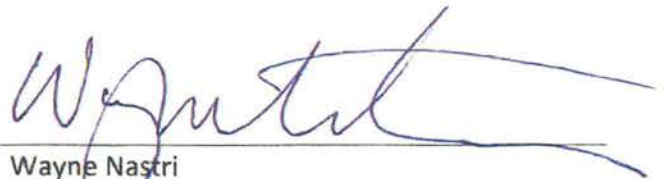
We also request that the definition of "Publicly accessible" be further defined to also include dedicated infrastructure for Transportation Network Companies and publicly-owned fleets such as municipal fleets & transit operators.

We support H.R. 2616 as a positive step towards improving our nation's highway infrastructure and look forward to working with you and other advocates on this. Should you have any questions, please feel free to contact Alan Abbs at the Bay Area AQMD at (916) 769-7769, or Lisa Tanaka O'Malley at the South Coast AQMD at (909) 396-3327.

Sincerely,



Jack P. Broadbent
Executive Officer/APCO
Bay Area Air Quality Management District



Wayne Nastri
Executive Officer/APCO
South Coast Air Quality Management District



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT



San Joaquin Valley
AIR POLLUTION CONTROL DISTRICT

SACRAMENTO METROPOLITAN



April 13, 2020

California Congressional Delegation
United States Capitol
Washington, D.C. 20515

Re: California Air Quality Needs

Dear Delegation Members:

On behalf of the Bay Area Air Quality Management District (Bay Area AQMD), the San Joaquin Valley Air Pollution Control District (San Joaquin Valley APCD), the South Coast Air Quality Management District (South Coast AQMD), and the Sacramento Metropolitan Air Quality Management District (Sac Metro AQMD), we are writing to urge Congress to include funding in upcoming legislation related to the Coronavirus pandemic (COVID-19) for forward-thinking programs that will provide immediate stimulus for the nation’s economy, while supporting public health efforts to reduce air pollution.

Collectively, our agencies serve over 31 million residents in California as their local air quality regulatory agency. As public health professionals, we strive to reduce air pollution throughout our regions, including ozone-forming pollutants, particulate matter (PM), and toxic air contaminants, while still supporting California’s economic growth. Adding funding to several current and proposed federal programs to support clean transportation, off-road and agricultural equipment, energy generation and storage, energy sector wildfire resiliency, and building retrofits would provide a vital boost to California’s economy and workforce while continuing our collective goal to provide cleaner air and enhance public health for all.

Diesel Emission Reduction Act (DERA) Program - \$1 Billion: The DERA program provides incentive funding throughout the country to replace older and more polluting diesel engines with new diesel engines or other cleaner alternative energy engines. In California, DERA provides incentives to upgrade freight handling equipment in ports, locomotives and switchers at railyards, older trucks in goods movement corridors, and farm equipment in our major agricultural areas. Recently, the Bay Area AQMD used \$1.8 million in Clean Diesel Funding Assistance Program (CDFAP) funds to replace six pieces of material handling equipment and one diesel locomotive that operate service in

Richmond and Oakland, California, respectively. Both communities are significantly, disproportionately impacted by toxic diesel particulate matter and have some of the highest health risks in California from air pollution. Significant health risk in the Oakland community can be reduced by upgrading equipment at the Port of Oakland, the sixth largest container port in the United States (U.S.) however, the cost of this cleanup is estimated to be in excess of \$200 million excluding the infrastructure for charging. The San Joaquin Valley APCD and the Sac Metro AQMD have utilized DERA funds to replace heavy-duty equipment with new cleaner equipment including cleaner tractors, trucks, and locomotives. The South Coast AQMD was awarded approximately \$1.6 million from DERA to replace 25 older heavy duty diesel trucks with near-zero NOx natural gas-powered trucks through a partnership with Clean Energy to implement a Market Acceleration Program (MAP) designed to accelerate commercial deployment. These near-zero trucks are operated in and around the Ports of Los Angeles and San Pedro, resulting in a 90-percent reduction in NOx emissions which is critical to improve the health of workers and all those living near the goods movement complex.

While authorized for \$100 million, the DERA program is funded for Fiscal Year (FY) 20 at \$87 million for the entire U.S., but in California the need and oversubscription to diesel emissions reduction incentives easily exceeds that amount by a factor of more than 10. According to the U.S. Environmental Protection Agency 2019 report¹ to Congress, every dollar invested in DERA is leveraged by as much as \$3 in matching funds, generating as much as \$11 to \$30 in public health benefits and over \$2 in fuel savings. Even if this program could receive an additional \$1 billion in funding it would still not meet the current demand in California alone but would be of significant assistance.

Targeted Airshed Grant (TAG) Program - \$500 Million: The TAG Program provides funding to regions of the country most impacted by particulate pollution, including our four regions, to develop new emission reduction incentive programs, or to fund existing underfunded programs. The TAG Program can provide funding to replace older equipment and vehicles such as heavy-duty trucks and agricultural equipment with the cleanest technologies, electrify commercial lawncare and agricultural equipment, improve residential heating through replacement of older heating devices with cleaner alternatives, and other clean air projects to support air quality improvement efforts in areas with the most difficult air quality challenges.

The San Joaquin Valley APCD has utilized TAG funds to replace heavy-duty equipment with new cleaner equipment, including tractors, trucks, and replacing residential wood burning devices with cleaner alternatives. The South Coast AQMD recently received more than \$3 million from TAG to replace 79 pre-1994 diesel school buses with near-zero natural gas technology in disadvantaged communities. These federal funds were leveraged with approximately \$32 million in state funding which replaced a total of 206

¹ DERA Fourth Report to Congress (July 2019): Highlights of the Diesel Emissions Reduction Program, United States Environmental Program, <https://www.epa.gov/sites/production/files/2019-07/documents/420r19005.pdf>

polluting, diesel school buses with lower-emission school buses in 42 school districts. These lower-emission school buses provide less polluting and safer transportation for children and reduces public exposure to toxic diesel PM emissions. Further, the funding fueled economic activity by sourcing the lower-emission school buses from U.S. manufacturers. Sac Metro AQMD and air districts of the Sacramento Federal Non-attainment Area are leveraging \$15 million in FY19 & FY20 TAG funding with close to \$15 million in local and public match, fueling economic activity in addition to reducing critical levels of pollution in the region.

The TAG program is funded for FY 20 at \$56.3 Million for the entire U.S., but again California could easily implement programs with many times that amount. This is the only funding program dedicated to areas most severely impacted and is critical to those areas efforts to achieve attainment.

Alternative Fuel Infrastructure for Economic Competitiveness and Stimulus - \$500 Million: Legislation in both the House and Senate, H.R. 2616 (DeSaulnier) and S. 674 (Carper), would support California's efforts to expand electric, hydrogen and natural gas infrastructure in freight and transportation corridors. The goals of these legislative efforts are to build an efficient network of national transportation infrastructure that will anticipate future needs of the economy and to develop a new economic sector in the U.S. that will create middle class jobs. The Bay Area AQMD, San Joaquin Valley APCD, and South Coast AQMD have previously expressed support for alternative fuel infrastructure, with recommendations that funding be prioritized for (1) existing goods movement corridors, (2) support existing regional electrification programs, and (3) maximize health benefits to our most impacted residents. Both H.R. 2616 and S. 674 provide a roadmap for a program that would begin a transition to a cleaner freight-based economy. This smart investment in our nation's transportation system would improve our country's infrastructure and would support programs such as electrification of cargo and freight handling, shore power upgrades for ocean going vessels, and clean transportation infrastructure on goods movement corridors including near-zero, natural gas heavy-duty engines. S. 674 was incorporated into the bi-partisan Senate surface transportation bill, S. 2302 (Barrasso), "America's Transportation Infrastructure Act of 2019", which was unanimously approved by the Committee on Environment and Public Works.

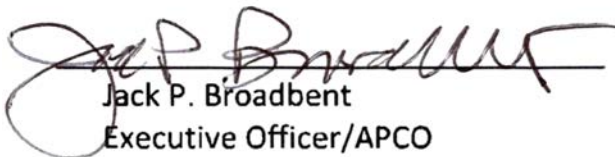
Infrastructure Improvements to Support Wildfire Resilience and Mitigate the Harmful Effects of Smoke - \$100 Million: Public utility related wildfire risk (e.g., Public Safety Power Shutoffs) could be lessened with a benefit to public health through deployment of new cleaner backup energy alternatives such as fuel-cell microgrids to replace diesel backup generation and to provide distributed power to reduce the scope of power shutoffs. As a mitigation opportunity, Senator Merkley and Congresswoman Eshoo have introduced bills (S. 1812 and H.R. 4924, respectively) that contain proposals to provide funding to retrofit buildings with improved HVAC systems to better protect individuals that are most vulnerable to the effects of wildfire smoke. In Sacramento County as an example, a multi-agency coalition is establishing guidance for

businesses, schools and other public agencies for wildfire response under a state law requiring increased coordination and preparedness to protect all residents, but especially school-age children and those most vulnerable to wildfire smoke. Funding is needed to implement responses, increase capacity to monitor air quality at very localized levels, establish clean air centers and provide the information to the public through an effective outreach strategy.

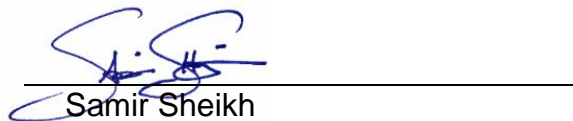
It is important to note, that due to these unprecedented times and the severity of the impact that the COVID-19 has had across the globe, there was a recent study² done by Harvard University to address the link between air pollution and COVID-19 mortality rates. The study concludes that "a small increase in long-term exposure to PM2.5 leads to a large increase in COVID-19 death rate, with the magnitude of increase 20 times that observed for PM2.5 and all-cause mortality. The study results underscore the importance of continuing to enforce existing air pollution regulations to protect human health both during and after the COVID-19 crisis."

Thank you for your strong support for California air quality and public health programs and your leadership in this time of crisis. We hope you will consider programs that provide much needed workforce and economic support while advancing clean energy, clean transportation, and improved public health. Should you have any questions, please feel free to contact Alan Abbs at the Bay Area AQMD at (916) 769-7769, Tom Jordan at (559) 230-6036 at the San Joaquin Valley APCD, or Lisa Tanaka O'Malley at the South Coast AQMD at (909) 396-3327.

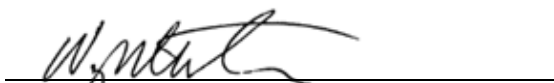
Sincerely,



Jack P. Broadbent
Executive Officer/APCO
Bay Area AQMD



Samir Sheikh
Executive Director/APCO
San Joaquin Valley APCD



Wayne Nastro
Executive Officer/APCO
South Coast AQMD



Alberto Ayala
Executive Director/APCO
Sac Metro AQMD

² Exposure to Air Pollution and COVID-19 Mortality in the United States, Last updated April 5, 2020, Harvard T.H. Chan School of Public Health, https://projects.iq.harvard.edu/files/covid-pm/files/pm_and_covid_mortality.pdf

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: April 23, 2020

Re: Report of the Stationary Source Committee Meeting of April 22, 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 Wednesday, April 22, 2020, and received the following report:

- A) Rule Making Update and Status Update.

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: 04/22/2020 – 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: April 17, 2020

Re: Rule Making Update and Status Update

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Air District staff are currently working on two suites of rule development efforts that would affect 1) petroleum refineries operations, and 2) operations that emit methane, a potent climate pollutant.

The first effort comes from California Assembly Bill (AB) 617, which established a new community-focused program to more effectively reduce exposure to air pollution and preserve public health by directing local air districts to take measures to protect communities disproportionately impacted by air pollution. As part of this program, the Air District was required to adopt an expedited schedule for implementation of Best Available Retrofit Control Technology (BARCT). The AB 617 expedited BARCT schedule was adopted in November 2018, and three rules off that schedule are slated to be presented to the Board of Directors by the end of this year, shown below.

AB 617 Expedited BARCT Rules Status and Schedule

Rule Development Project	Status	Board Hearing
Rule 6-5: Refinery Fluid Catalytic Crackers	Workshop	Nov 2020
Rule 8-5: Organic Liquid Storage Tanks	Workshop	Sep 2020
Rule 8-8: Wastewater Treatment Operations	Workshop	Sep 2020

The second suite of three new rules was listed as part of the Methane Strategy, which is an important component of the 2017 Clean Air Plan. Rule development is underway on new rules in Regulation 13: Climate Pollutants to address methane emissions, a potent, short-lived climate pollutant which is second only to carbon dioxide in the District-wide climate pollutant inventory. These three new rules are also in the workshop phase and were scheduled to be presented to the Board later this year. However, staff recommends that the two rule development efforts that target organic material operations (organic material handling and composting operations) be placed on hold.

Methane Rules Status and Schedule

Rule Development Project	Status	Board Hearing
Rule 13-2: Organic Material Handling	On-Hold	n/a
Rule 13-3: Composting Operations	On-Hold	n/a
Rule 13-5: Petroleum Hydrogen Plants	Workshop	Fall 2020

DISCUSSION

The Air District recognizes that the COVID-19 Pandemic has taken an incredible toll on not only health and well-being of the residents of the Bay Area and the planet, but also on the economy and our ability to fully engage with our external stakeholders: affected industry, community representatives, and others. In light of these unprecedented events, staff is recommending several changes to our rule development efforts. These changes and next steps for the current rule development efforts are discussed below.

Regulation 6: Particulate Matter, Rule 5: Particulate Emissions from Petroleum Refinery Fluidized Catalytic Cracking Units (Rule 6-5)

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. Fluidized catalytic cracking units are some of the largest individual sources of particulate matter 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. The current amendment effort follows previous Air District work to address these sources, as identified in the Air District's 2017 Clean Air Plan and the AB 617 Expedited BARCT Implementation Schedule.

Air District staff conducted early stakeholder outreach on this rule development effort in meetings of the Refinery Rules Technical Working Group in 2019, and is releasing draft amendments to Rule 6-5 in April 2020, for public review and comment. Staff anticipates presenting proposed amendments for the Board of Directors consideration in the fourth quarter of 2020.

Regulation 8: Organic Compounds, Rule 5: Storage of Organic Liquids (Rule 8-5)

Regulation 8: Organic Compounds, Rule 5: Storage of Organic Liquids (Rule 8-5) was one of the Air District's six rule development commitments under the AB 617 BARCT Schedule. Rule 8-5 was selected because stored organic liquids are estimated to emit over 400 tons of volatile organic compounds per year; including toxic air contaminants such as benzene, toluene, ethylbenzene, and xylene. Further, Rule 8-5 has not been evaluated for controls in over 13 years.

The application of Best Available Retrofit Control Technology on stored organic liquids has the potential to reduce volatile organic compounds emissions by 100 tons per year, as well as reductions in harmful toxic air contaminants such as benzene, toluene, ethylbenzene, and xylene. Toxic air contaminants from liquid organic storage can be emitted at ground level near communities, are emitted at ambient temperatures, and can have serious and significant health

impacts (including cancer) on nearby communities, thereby posing a toxic risk. Staff anticipates releasing amendments to Rule 8-5 in the second quarter of 2020, for public review and comment. Staff anticipates presenting proposed amendments for the Board of Directors consideration in the fourth quarter of 2020.

Regulation 8: Organic Compounds, Rule 8: Wastewater Collection and Separation Systems (Rule 8-8)

Amendment to Rule 8-8 is one of the commitments under the AB 617 BARCT Schedule. Draft amendments to Rule 8-8 are intended to further limit emissions of volatile organic compounds and methane from industrial wastewater collection and separation systems. These emission reductions would also reduce the emissions of toxic compounds and thereby help reduce the potential health risk to nearby communities.

A significant change in Rule 8-8 would be to limit emissions of total organic compounds from the wastewater collection and separation systems, thereby limiting emissions of methane in addition to limiting the emissions of organic compounds (which exclude methane). Another significant change is to add standards for wastewater collection and separation equipment with a clear, single vapor tight emissions standard (500 parts per million) for all applicable wastewater collection components and separation equipment. Potential control measures include covering lift stations, manholes, junction boxes, conveyances, and other wastewater facilities at refineries.

The Air District convened a Refinery Rules Technical Working Group meeting on January 14, 2020, to explore issues related to regulation of industrial wastewater collection and separation systems. Air District staff expects to publish draft amendments to Rule 8-8 and workshop report for public review in the second quarter of 2020, and will consider input received to further develop the rule amendments. Staff anticipates presenting proposed amendments for the Board of Directors consideration in the fourth quarter of 2020.

Regulation 13: Climate Pollutant, Rule 2: Organic Material Handling Operations (Rule 13-2) and Regulation 13: Climate Pollutants, Rule 3: Composting Operations (Rule 13-3)

Regulation of air emissions from composting operations was identified in the 2017 Clean Air Plan as part of a comprehensive strategy to reduce methane emissions in the Bay Area, and state efforts to divert organic material from landfill disposal have heightened the need for regulation. The California Air Resources Board, in conjunction with CalRecycle and California Air Pollution Control Officers Association (CAPCOA), estimate that the amount of organic waste processed in the Bay Area will double as a result of these statewide diversion mandates, potentially requiring 12 to 15 new facilities to supplement the 20 large-scale composting facilities currently permitted in the Air District. Clear regulations can improve consistency in enforcement and permitting of facilities processing organic material, but methods for measuring and estimating emissions and potential reductions remain under-developed.

Concept papers for both rules were presented at Climate Protection Workshops in November of 2018, and a hybrid approach combining both rules into one was presented at workshops in June of 2019. Representatives of the affected industries submitted over 75 comment letters in opposition to this approach, and after holding a series of industry-focused stakeholder meetings in August of 2019, the Air District subsequently returned to the approach of developing one rule addressing organic material handling operations (Rule 13-2) and one rule addressing composting operations (Rule 13-3).

In January of this year, the Air District issued a Request for Comments on draft Rule 13-2 and received 22 comments letters, including eight from state and local government agencies and ten from facility operators. In response to comments received, the Air District is suspending development of draft Rule 13-2, while continuing to assess emissions from the sector. Staff will also work with industry to improve data gathering methods, develop best management practices, and develop template permit conditions to implement consistent standards for new and modified sources. The majority of affected facilities are likely to be subject to existing new source review permit programs and thereby meet the drafted control provisions of draft Rule 13-2. Rule development staff will focus on draft Rule 13-3, as operational understanding of composting facilities is far more complete and emissions data, while incomplete, is much further developed.

Regulation 13: Climate Pollutants, Rule 5: Petroleum Refinery Hydrogen Systems (Rule 13-5)

Hydrogen gas vented from petroleum refinery hydrogen plant operations and from naphtha reforming operations sometimes includes methane and other volatile organic compounds. In order to address short-lived climate pollutants as part of the Methane Strategy, staff is developing a rule to control methane emissions from hydrogen plants, one of the largest methane sources from petroleum refineries.

Staff has conducted one-on-one meetings with refinery hydrogen plant process engineers, along with multiple visits to every refinery hydrogen plant, to better understand the reasons for and locations of methane emissions. Air District staff will conduct source tests to better understand emission parameters and possibly enhance methane emission inventories from hydrogen plants. Staff initiated outreach efforts with community members who already participate in the Refinery Rules Technical Working Group, conducting a briefing in June 2019, on the basic operations and primary processes of hydrogen plants and thereby enabling their participation in subsequent Technical Working Group discussions. Staff conducted the first Technical Working Group meeting in July 2019, to discuss potential methane emission (vented) controls for hydrogen production equipment and processes. In August 2019, staff issued a comprehensive questionnaire to all hydrogen production operators requesting pertinent parametric and emissions data relating to all hydrogen venting occurrences during the past six years. Staff is establishing an emissions inventory based on industry answers, along with information gathered by the Compliance and Enforcement Division's investigation with respect to Regulation 8, Rule 2; Miscellaneous Operations.

A workshop for draft Rule 13-5 was held in January 2020, at Air District headquarters. Staff met with Western States Petroleum Association (WSPA) and hydrogen system operators in March 2020, to discuss the draft rule. Staff is researching potential energy costs and subsequent greenhouse gas emissions associated with methane emission controls. Staff continues to further develop draft Rule 13-5 and anticipates bringing this rule before the Board for consideration during the third quarter 2020.

BUDGET CONSIDERATIONS/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Robert Cave
Reviewed by: Victor Douglas

STATIONARY SOURCE COMMITTEE
MEETING OF 04/22/2020

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: April 23, 2020

Re: Report of the Mobile Source Committee Meeting of April 22, 2020

RECOMMENDED ACTIONS

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

- 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) Vehicle Buy-Back Program Contractor Selection; and
 - 1) Approve Environmental Engineering Studies, Inc. (EES) and Pick-N-Pull Auto Dismantlers (Pick-N-Pull) as the vehicle retirement contractors and approve Direct Mail Center as the direct mail service contractor for the Fiscal Year Ending (FYE) 2021 Vehicle Buy-Back Program (VBB);
 - 2) Authorize the Executive Officer/APCO to execute contracts for; and
 - A) Vehicle scrapping and related services with EES and Pick-N-Pull, for a combined amount of up to \$7 million per year; and
 - B) Direct mail services for the VBB Program with Direct Mail Center for up to \$300,000 per year.
 - 3) Authorize the Executive Officer/APCO to extend these services and budgets for an additional three years, at the Air District's discretion, based on contractor performance.

- C) Fiscal Year Ending (FYE) 2021 Transportation Fund for Clean Air County Program Manager (CPM) Expenditure Plans.
 - 1) Approve the allocation of new Transportation Fund for Clean Air (TFCA) revenue for the CPM program for FYE 2021, as listed in Table 1; and
 - 2) Authorize the Executive Officer/APCO to enter into funding agreements with the CPMs for the funds to be programmed in FYE 2021, as listed in Table 1.

BACKGROUND

The Committee met on Wednesday, April 22, 2020, and received the following reports:

- A) Projects and Contracts with Proposed Grant Awards Over \$100,000;
- B) Vehicle Buy-Back Program Contractor Selection; and
- C) Fiscal Year Ending (FYE) 2021 Transportation Fund for Clean Air County Program Manager (CPM) Expenditure Plans.

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, TFCA, and RFG funding to projects sponsors on a reimbursement basis. Funding for administrative costs is provided by each funding source;
- B) None. Funds to implement the FYE 2021 VBB Program are included in the Air District's proposed budget. Contracts authorizing up to \$7 million annually will be made available to EES and Pick-N-Pull on a reimbursement basis for vehicles retired from a combination of CMP and MSIF funding, and up to \$300,000 annually for Direct Mail Center to pay for mailouts will be provided by the TFCA program. Staff administrative costs for VBB are covered by a combination of revenues from CMP, MSIF, and TFCA funds. Additionally, each contract will include a provision that would allow the Air District, at its sole discretion, the option to extend the contract term and budget for up to three additional years, based on contractor performance; and
- C) None. TFCA revenue is generated from DMV registration fees collected and 40% of the TFCA funds are passed through the CPMs. Administrative costs for the CPMs and the Air District are reimbursed by TFCA program revenue.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Aloha de Guzman
Reviewed by: Vanessa Johnson

Attachment 14A: 04/22/2020 – Mobile Source Committee Meeting Agenda #3
Attachment 14B: 04/22/2020 – Mobile Source Committee Meeting Agenda #4
Attachment 14C: 04/22/2020 – Mobile Source Committee Meeting Agenda #5

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: April 17, 2020

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

RECOMMENDED ACTION

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 February 6, 2019, the Board of Directors (Board) authorized Air District participation in Year 21 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, Assembly Bill (AB) 617 directed the CARB, in conjunction with local air districts, to establish the Community Air Protection Program. 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. In advance of the development of the Community Air Protection Program, the Governor and legislature established an early action component to AB 617 to use existing incentive programs to get immediate emission reductions in the communities most affected by air pollution. AB 134 (2017) appropriated \$50 million from the Greenhouse Gas Reduction Fund (GGRF) to reduce mobile source emissions, including criteria pollutants, toxic air contaminants, and greenhouse gases in those communities within the Bay Area. Senate Bill (SB) 856 (2018) continued support for these project types and appropriated \$245 million from the GGRF statewide, of which \$40 million was awarded to the Air District for Bay Area emission reduction projects. On April 3, 2019, the Board authorized the Air District to accept, obligate, and expend SB 856 grant funding. These funds can be used to implement projects under the CMP and optionally on-road truck replacements under the Proposition 1B Goods Movement Emission Reduction 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 for the Transportation Fund for Clean Air (TFCA) and requirements of the program are set forth in the 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 TFCA Regional Fund. Each year, the Board allocates funding and adopts policies and evaluation criteria that govern the expenditure of TFCA Regional Fund monies. The remaining forty percent of TFCA funds are pass-through funds that are awarded to the designated County Program Manager (CPM) in each of the nine counties within the Air District's jurisdiction.

On April 3, 2019, the Board authorized funding allocations for use of the sixty percent of the TFCA revenue in Fiscal Year Ending (FYE) 2020, cost-effectiveness limits for Air District-sponsored FYE 2020 programs, and the Executive Officer/APCO to execute grant agreements and amendments for TFCA-revenue funded projects with individual grant award amounts up to \$100,000. On June 5, 2019, the Board adopted policies and evaluation criteria for the FYE 2020 TFCA Regional Fund program.

The Bay Area Clean Air Foundation (Foundation) is a nonprofit support organization for the Air District. As part of its operation, the Foundation applies for and accepts grant funding from various sources to reduce emissions within the Air District's jurisdiction. Under the terms of an executed contract between the Air District and Foundation, Air District staff administer grant programs and revenues awarded to the Foundation. On December 5, 2017, the Foundation entered into a contract with the Reformulated Gas Settlement Fund (RFG) administrators to receive approximately \$1.3 million in funding for a program to accelerate the adoption of zero- and near-zero-emission equipment and vehicles operating in and around the West Oakland community.

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 CMP Year 21 cycle, the Air District had more than \$52 million available for eligible CMP and school bus projects from a combination of MSIF, Community Health Protection Grant Program, and CMP funds. The Air District started accepting project applications for the CMP Year 21 funding cycle on June 17, 2019. Applications are accepted and evaluated on a first-come, first-served basis.

As of April 2, 2020, the Air District had received 166 project applications. Of the applications evaluated between March 5, 2020 and April 2, 2020, six eligible projects have proposed grant awards over \$100,000. These projects will replace four pieces of airport equipment, one agricultural loader, four pieces of construction equipment, 40 transit buses, and install electric charging infrastructure for zero-emission buses and off-road equipment used at the Port of Oakland, AC Transit, and San Francisco International Airport. These projects will reduce over 5.9 tons of NO_x, ROG and PM per year. Staff recommends the allocation of \$16,471,194 for these projects from a combination of CMP and Community Health Protection funds and MSIF revenues. Attachment 1, Table 1, provides additional information on these projects.

Attachment 2 lists all of the eligible projects that have been received by the Air District as of April 2, 2020, including information about equipment category, award amounts, estimated emissions reductions, and county location. Approximately 77% of the funds have been awarded to projects that reduce emissions in highly impacted Bay Area communities. Attachment 4, Figures 4 and 5, summarize the cumulative allocation of the CMP, MSIF, and Community Health Protection Grant Program funding since 2009 (more than \$319 million awarded to 1,281 projects).

Transportation Fund for Clean Air Program:

For FYE 2020, the Air District had approximately \$32 million in TFCA monies available for eligible projects and programs. The Air District opened the FYE 2020 Vehicle Trip Reduction Program and started accepting applications on August 9, 2019. As of April 2, 2020, the Air District had received 21 project applications for the Vehicle Trip Reduction Program.

Of the applications evaluated between March 5, 2020 and April 2, 2020, there were no projects with proposed TFCA grant awards over \$100,000. Attachment 3, Table 1, lists all eligible TFCA projects that have been evaluated and awarded between July 1, 2019 and April 2, 2020, including information about project category, award amount, estimated emissions reduction, and county location. Approximately 40% of the funds have been awarded to projects that reduce emissions in highly impacted Bay Area communities.

Reformulated Gas Settlement Fund Program:

Under contract with the Foundation, the Air District has been administering the West Oakland Zero-Emission Grant Program. Approximately \$1.17 million in RFG funding has been awarded to eligible projects that reduce petroleum usage and air pollution in West Oakland and nearby communities surrounding the Port of Oakland.

Of the applications evaluated between March 5, 2020 and April 2, 2020, there were no projects with proposed RFG grant awards over \$100,000. Attachment 3, Table 2, lists all eligible RFG projects that were evaluated between July 1, 2018 and April 2, 2020, including information about equipment category, award amount, estimated emissions reduction, and county location.

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. The Air District distributes the CMP, MSIF, Community Health Protection Grant Program, TFCA, and RFG 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: Anthony Fournier and Linda Hui
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 approved projects

Attachment 3: TFCA and RFG approved and eligible projects

Attachment 4: Summary of funding awarded between 7/1/19 and 4/2/20

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 3/5/20 and 4/2/20)

Project #	Applicant name	Project Category	Project Description	Proposed contract award	Total project cost	Emission Reductions (Tons per year)			County
						NO _x	ROG	PM	
21MOY81	Alaska Airlines	Off-road	Replacement of four pieces of diesel powered portable engines/ equipment.	\$ 177,526	\$ 314,993	1.030	0.086	0.048	Alameda, San Francisco, Santa Clara
21MOY132	SSA Terminals	Off-road	Installation of five battery charging stations and associated infrastructure to support five electric utility tractor rigs at the Port of Oakland.	\$ 298,886	\$ 797,273	n/a	n/a	n/a	Alameda
21MOY136	Galante Brothers General Engineering	Off-road	Replacement of four pieces of diesel powered construction equipment.	\$ 162,725	\$ 326,186	0.877	0.160	0.093	Santa Clara
21MOY149	Alameda-Contra Costa Transit District	On-road	Replacement of diesel buses with 40 zero-emission buses and the associated infrastructure.	\$ 13,072,800	\$ 74,860,556	2.262	0.036	0.013	Alameda
21MOY150	City & County of San Francisco (SFO)	Off-road	Purchase and installation of 42 ground service equipment electric charging stations along with supporting electrical infrastructure at San Francisco International Airport.	\$ 2,545,297	\$ 5,090,595	n/a	n/a	n/a	San Francisco
21MOY155	Andrew J. Poncia dba Poncia Fertilizer Spreading	Ag/ off-road	Replacement of one diesel powered agricultural loader.	\$ 213,960	\$ 267,451	1.135	0.106	0.059	Sonoma
6 Projects				\$ 16,471,194	\$ 81,657,054	5.303	0.388	0.213	

AGENDA 3 - ATTACHMENT 2

*CMP/MSIF, FARMER and Community Health Protection Grant Program approved projects
(between 7/3/19 and 4/2/20)*

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
						NOx	ROG	PM		
20MOY230	Ag/ off-road	Equipment replacement	1	\$ 16,965.00	Cornerstone Certified Vineyard	0.024	0.019	0.006	APCO	Sonoma
20MOY235	Ag/ off-road	Equipment replacement	1	\$ 46,690.00	Goldridge Pinot LLC dba Emeritus Vineyards	0.170	0.026	0.019	APCO	Sonoma
20MOY241	Ag/ off-road	Equipment replacement	3	\$ 129,500.00	Linda Pierce Wedemeyer Exemption Trust	0.217	0.039	0.021	10/2/2019	Solano
21MOY9	On-road	Equipment replacement	1	\$ 60,000.00	Prime Tank Lines LLC	0.802	0.060	0.005	APCO	Contra Costa
20MOY248	On-road	Equipment replacement	1	\$ 40,000.00	Amritpal Singh (Truck owner/ operator)	0.604	0.052	0.000	APCO	Alameda
21MOY1	On-road	Equipment replacement	1	\$ 40,000.00	Freight 99 Express Inc (Truck owner/ operator)	0.280	0.024	0.000	APCO	Alameda
20MOY86	On-road	Equipment replacement	1	\$ 25,000.00	Sears Keith (Truck owner/ operator)	0.195	0.016	0.000	APCO	Sacramento
20MOY150	On-road	Equipment replacement	1	\$ 40,000.00	Sukjeet Singh Cheema (Truck owner/ operator)	0.667	0.057	0.000	APCO	San Joaquin
21SBP2	School bus	Equipment replacement	1	\$ 178,500.00	Campbell Union School District	0.064	0.005	0.000	10/2/2019	Santa Clara
20MOY227	On-road	Equipment replacement	1	\$ 30,000.00	JSK Trucking (Truck owner/ operator)	0.193	0.016	0.000	APCO	San Joaquin
20MOY239a	On-road	Equipment replacement	1	\$ 30,000.00	DNA Trucking, Inc.	0.252	0.021	0.000	APCO	Solano
20MOY239b	On-road	Equipment replacement	1	\$ 20,000.00	DNA Trucking, Inc.	0.203	0.017	0.000	APCO	Solano
20MOY245a	On-road	Equipment replacement	1	\$ 60,000.00	Jorge Quintero DBA QDS Transportation	1.271	0.097	0.008	APCO	Alameda
20MOY245b	On-road	Equipment replacement	1	\$ 60,000.00	QDS Transportation	0.817	0.061	0.005	APCO	Alameda
20MOY245c	On-road	Equipment replacement	1	\$ 60,000.00	Ignacio Quintero (Truck owner/ operator)	0.900	0.068	0.005	APCO	Alameda
20MOY82	On-road	Equipment replacement	1	\$ 35,000.00	Surinder Atwal (Truck owner/ operator)	0.258	0.022	0.000	APCO	Sacramento

AGENDA 3 - ATTACHMENT 2

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
						NOx	ROG	PM		
20MOY232	On-road	Equipment replacement	1	\$ 40,000.00	Mahmoud Rastegar DBA: Prosper Dedicates Lines	0.452	0.039	0.000	APCO	Placer
20MOY218	On-road	Infrastructure	1	\$ 13,717.00	Penske Truck Leasing Co., L.P.	0.000	0.000	0.000	APCO	Alameda/ San Francisco
21MOY28	Ag/ off-road	Equipment replacement	1	\$ 63,850.00	Bains Farms LLC.	0.082	0.014	0.010	APCO	Solano
21MOY17	Ag/ off-road	Equipment replacement	1	\$ 43,350.00	Sweet Lane Nursery and Vineyards, Inc.	0.041	0.009	0.008	APCO	Sonoma
21MOY23	Ag/ off-road	Equipment replacement	2	\$ 86,100.00	Trefethen Farming LLC.	0.178	0.043	0.034	APCO	Napa
20MOY250	Marine	Engine replacement	4	\$ 1,288,000.00	Amnav Maritime Corporation (Vessel: Patricia Ann)	8.609	0.270	0.476	10/2/2019	Alameda
21MOY31	Ag/ off-road	Equipment replacement	1	\$ 185,400.00	Gerald & Kristy Spaletta (Dairy)	0.566	0.074	0.052	10/2/2019	Sonoma
21MOY25	On-road	Equipment replacement	1	\$ 49,500.00	J and A Trucking Inc.	1.350	0.202	0.010	APCO	Alameda
21MOY21	Ag/ off-road	Equipment replacement	4	\$ 249,600.00	Renteria Vineyard Management, LLC.	0.790	0.121	0.089	10/2/2019	Napa
21MOY41	Ag/ off-road	Equipment replacement	2	\$ 81,750.00	Geoffrey Allen (Nursery)	0.105	0.030	0.012	APCO	San Mateo
21MOY30	Ag/ off-road	Equipment replacement	2	\$ 67,100.00	Jaswant S. Bains (Farmer)	0.289	0.044	0.025	APCO	Solano
21MOY33	Off-road	Equipment replacement	2	\$ 355,500.00	S.E.G Trucking	1.044	0.074	0.052	10/2/2019	Contra Costa
21MO12	On-road	Equipment replacement	1	\$ 30,000.00	Oscar Transport/ Oscar Rivera (Truck owner/ operator)	0.401	0.034	0.000	APCO	Alameda
21MOY34	Ag/ off-road	Equipment replacement	2	\$ 456,200.00	Custom Tractor Service	2.260	0.211	0.115	10/2/2019	Sonoma
21MOY14	Ag/ off-road	Equipment replacement	5	\$ 198,850.00	Bayview Vineyards Corp.	0.826	0.164	0.090	10/2/2019	Napa
21MOY47	Ag/ off-road	Equipment replacement	1	\$ 151,000.00	DeBernardi Dairy, Inc.	0.438	0.040	0.022	10/2/2019	Sonoma
21MOY51	Marine	Engine replacement	4	\$ 2,916,000.00	Crowley Marine Services	43.259	4.409	1.420	10/2/2019	Alameda

AGENDA 3 - ATTACHMENT 2

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
						NOx	ROG	PM		
21MOY36	Off-road	Equipment replacement	1	\$ 78,500.00	John Benward Co.	0.564	0.028	0.021	APCO	Sonoma
20MOY217	Off-road	Portable equipment replacement	1	\$ 863,500.00	Oakland Pallet Co., Inc.	2.577	0.215	0.076	10/2/2019	Alameda
20SBP246	School bus	Equipment replacement	2	\$ 179,020.00	Newark Unified School District	0.037	0.002	0.000	10/2/2019	Alameda
21MOY46	Off-road	Equipment replacement	6	\$ 772,500.00	Bigge Crane and Rigging Company	4.210	0.435	0.254	10/2/2019	Alameda
21MOY37	On-road	Equipment replacement	1	\$ 30,000.00	Joginder Singh (Truck owner/ operator)	0.392	0.033	0.000	APCO	Alameda
21MOY19	Ag/ off-road	Equipment replacement	3	\$ 127,400.00	Nissen Vineyard Services, Inc.	0.48	0.088	0.066	11/20/2019	Napa
21MOY56	Ag/ off-road	Equipment replacement	1	\$ 21,550.00	Groth Vineyards and Winery, LLC	0.047	0.038	0.010	APCO	Napa
21MOY54	Ag/ off-road	Equipment replacement	1	\$ 31,000.00	Siebert Vineyards	0.079	0.012	0.007	APCO	Sonoma
21MOY53	Ag/ off-road	Equipment replacement	1	\$ 63,150.00	S. Supery Inc.	0.159	0.025	0.019	APCO	Napa
21MOY59	Off-road	Equipment replacement	1	\$ 167,500.00	Concrush Inc.	0.696	0.065	0.037	11/20/2019	Solano
21MOY64	Ag/ off-road	Equipment replacement	1	\$ 170,250.00	Achadinha Cheese, Inc.	1.546	0.171	0.097	11/20/2019	Sonoma
21MOY50	On-road	Equipment replacement	1	\$ 25,000.00	Bal transport, Inc.	0.464	0.033	0.000	APCO	Alameda
21MOY73	Ag/ off-road	Equipment replacement	2	\$ 153,695.00	Robert Giacomini Dairy, Inc	0.276	0.040	0.023	11/20/2019	Marin
21MOY60	Marine	Engine replacement	2	\$ 276,000.00	Bass Tub Fishing	0.489	0.000	0.026	11/20/2019	Contra Costa
21MOY71	Marine	Engine replacement	2	\$ 3,814,000.00	Foss Maritime	15.352	1.518	0.504	11/20/2019	Contra Costa
21SBP77	School bus	Equipment replacement	16	\$ 3,478,697.00	Mt. Diablo Unified School District	1.040	0.075	0.005	11/20/2019	Contra Costa
20MOY103	Marine	Engine replacement	2	\$ 130,000.00	Westar Marine Services	0.221	-0.007	0.014	11/20/2019	San Francisco

AGENDA 3 - ATTACHMENT 2

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
						NOx	ROG	PM		
21MOY61	Off-road	Equipment replacement	6	\$ 811,875.00	Amazon Recycling and Disposal, Inc.	3.679	0.584	0.369	11/20/2019	Alameda
20SBP23	School bus	Equipment replacement	2	\$ 373,861.00	Sonoma Valley Unified School District - Increase of ~\$12k from 3/6/19 approval.	0.131	0.009	0.001	11/20/2019	Sonoma
21MOY65	Ag/ off-road	Equipment replacement	2	\$ 140,440.00	Simoni & Massoni Farms, LLC	0.695	0.103	0.064	11/20/2019	Contra Costa
21MOY43	On-road	Equipment replacement	1	\$ 30,000.00	Narwal Trucking, Inc.	0.210	0.018	0.000	APCO	Sacramento
21MOY66	On-road	Equipment replacement	1	\$ 15,000.00	Kapil Kumar (Truck owner/ operator)	0.130	0.011	0.000	APCO	Sacramento
21MOY69	Ag/ off-road	Equipment replacement	1	\$ 51,580.00	Anselmo Farms, LLC	0.120	0.024	0.014	APCO	Solano
21MOY67	On-road	Equipment replacement	1	\$ 40,000.00	Surchejan Johal (Truck owner/ operator)	0.294	0.025	0.000	APCO	Sacramento
21MOY85	On-road	Equipment replacement	1	\$ 10,000.00	W&D Wholesale Foods, INC.	0.271	0.032	0.014	APCO	San Francisco
21MOY48a	On-road	Equipment replacement	1	\$ 40,000.00	Gonzalez Pallets Inc.	0.827	0.072	0.006	APCO	Santa Clara
21MOY48b	On-road	Equipment replacement	1	\$ 40,000.00	Gonzalez Pallets Inc.	0.874	0.076	0.006	APCO	Santa Clara
21MOY48c	On-road	Equipment replacement	1	\$ 40,000.00	Gonzalez Pallets Inc.	0.666	0.057	0.005	APCO	Santa Clara
21MOY48d	On-road	Equipment replacement	1	\$ 40,000.00	Gonzalez Pallets Inc.	0.763	0.066	0.005	APCO	Santa Clara
21MOY83	On-road	Equipment replacement	1	\$ 45,000.00	DJ Trucking Enterprise, Inc.	0.366	0.048	0.002	APCO	Monterey
21MOY82	Ag/ off-road	Equipment replacement	1	\$ 58,600.00	Andrews Vineyards	0.118	0.025	0.018	APCO	Solano
21SBP32	School bus	CNG Tank replacement	2	\$ 40,000.00	Newark Unified School District	0.000	0.000	0.000	APCO	Alameda
21MOY87	On-road	Equipment replacement	1	\$ 40,000.00	Gurjit S. Mann (Truck owner/ operator)	0.654	0.057	0.000	APCO	Alameda
21MOY8	Ag/ off-road	Equipment replacement	1	\$ 57,300.00	Garry Mahrt (Dairy and sheep farm)	0.093	0.009	0.005	APCO	Sonoma

AGENDA 3 - ATTACHMENT 2

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
						NOx	ROG	PM		
21MOY27	Ag/ off-road	Equipment replacement	1	\$ 60,350.00	Four Seasons Vineyard Management	0.130	0.007	0.007	APCO	Sonoma
21MOY72	Ag/ off-road	Equipment replacement	2	\$ 93,380.00	Napa Second Generation Inc. (Vineyard management)	0.423	0.053	0.042	APCO	Sonoma
21MOY88	Ag/ off-road	Equipment replacement	1	\$ 118,940.00	Ghiggeri and Stonebarger LLC	0.708	0.086	0.056	1/29/2020	Contra Costa
20MOY238	Off-road	Equipment replacement	3	\$ 59,280.00	CLY Incorporated dba Point Pacific Drilling	1.265	0.177	0.113	APCO	Sonoma
21MOY94	On-road	Equipment replacement	1	\$ 30,000.00	Jaskaran Dhillon (Truck owner/ operator)	0.232	0.019	0.000	APCO	Sutter
21MOY93	On-road	Equipment replacement	1	\$ 40,000.00	Simon Andermichael (Truck owner/ operator)	0.303	0.026	0.000	APCO	Alameda
21MOY105	On-road	Equipment replacement	1	\$ 20,000.00	Brar Bros Trucking (Gurjal Singh)	0.935	0.123	0.040	APCO	Alameda
21MOY74	On-road	Equipment replacement	1	\$ 20,000.00	AT Produce (Abraham Torres)	0.424	0.061	0.025	APCO	Stockton
21MOY84	On-road	Equipment replacement	1	\$ 30,000.00	Lenaco Corporation	0.406	0.047	0.021	APCO	San Mateo
21MOY96	On-road	Equipment replacement	1	\$ 20,000.00	Ng's Group Transportation, Inc.	0.420	0.061	0.024	APCO	San Mateo
21MOY57	On-road	Equipment replacement	2	\$ 174,400.00	Summit Steel Works Corporation	0.071	0.004	0.000	3/4/2020	Santa Clara
21MOY108	On-road	Equipment replacement	1	\$ 26,750.00	Ontrack Moving, LLC	0.393	0.026	0.003	APCO	Alameda
21MOY107	Ag/ off-road	Equipment replacement	2	\$ 111,195.00	Olive Tree Farm	0.179	0.020	0.016	3/4/2020	Sonoma
21MOY115	Ag/ off-road	Equipment replacement	2	\$ 279,120.00	F.A. Maggiore & Sons, LLC	0.707	0.086	0.053	3/4/2020	Contra Costa
21MOY122	Ag/ off-road	Equipment replacement	1	\$ 38,625.00	TMR Wine Company, LLC	0.047	0.005	0.006	APCO	Napa
21MOY111	Ag/ off-road	Equipment replacement	1	\$ 52,624.00	Haire Management Co. LLC	0.164	0.111	0.018	APCO	Napa
21MOY112	Ag/ off-road	Equipment replacement	2	\$ 83,700.00	Walnut Grove Partnership	0.257	0.052	0.025	APCO	Solano

AGENDA 3 - ATTACHMENT 2

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
						NOx	ROG	PM		
21MOY128	Ag/ off-road	Equipment replacement	1	\$ 56,510.00	Bob Balestra (Vineyard)	0.173	0.022	0.015	APCO	Solano
21MOY100	Marine	Engine replacement	2	\$ 354,000.00	Golden Gate Scenic Steamship Corp.	0.898	0.000	0.048	3/4/2020	San Francisco
21MOY110	On-road	Equipment replacement	1	\$ 40,000.00	Ahsan Trucking	0.662	0.056	0.000	APCO	Alameda
21MOY124	Ag/ off-road	Equipment replacement	1	\$ 60,545.00	Perry Kozlowski Ranch	0.047	0.012	0.009	APCO	Sonoma
21MOY126	Ag/ off-road	Equipment replacement	2	\$ 77,250.00	T and M Agricultural Services, LLC	0.160	0.029	0.025	APCO	Napa
21MOY125	Marine	Engine replacement	4	\$ 3,056,000.00	Baydelta Navigation LTD	33.696	4.427	1.237	3/4/2020	San Francisco
21SBP98	School bus	Equipment replacement	2	\$ 323,778.00	Palo Alto Unified School District	0.094	0.006	0.005	3/4/2020	Santa Clara
21SBP114	School bus	Equipment replacement	4	\$ 1,672,500.00	Santa Clara Unified School District	0.440	0.041	0.004	3/4/2020	Santa Clara
21MOY79	Marine	Engine replacement	2	\$ 112,000.00	Westar Marine Services	0.259	0.001	0.014	3/4/2020	San Francisco
21SBP75	School bus	Equipment replacement	4	\$ 3,080,000.00	West County Transportation Agency	1.186	0.088	0.000	3/4/2020	Sonoma
21MOY130	On-road	Equipment replacement	1	\$ 50,000.00	HS_Trucking	0.758	0.056	0.005	APCO	Alameda
21MOY147	Marine	Engine replacement	2	\$ 182,000.00	Sophia Fisheries, Inc.	0.656	0.006	0.024	4/15/2020	San Mateo
20SBP186	School bus	Equipment replacement	7	\$ 1,504,235.00	Franklin-McKinley School District (Increase of \$152k from 5/1/19)	0.461	0.030	0.003	4/15/2020	Santa Clara
21MOY81	Off-road	Portable equipment replacement	4	\$ 177,526.00	Alaska Airlines	1.030	0.086	0.048	tbd	Alameda, San Francisco, Santa Clara
21MOY150	Off-road	Infrastructure	42	\$ 2,545,297.00	City & County of San Francisco (SFO)	n/a	n/a	n/a	tbd	San Francisco
21MOY132	Off-road	Infrastructure	5	\$ 298,886.00	SSA Terminals	n/a	n/a	n/a	tbd	Alameda
21MOY155	Ag/ off-road	Equipment replacement	1	\$ 213,960.00	Andrew J. Poncia dba Poncia Fertilizer Spreading	1.135	0.107	0.059	tbd	Sonoma

AGENDA 3 - ATTACHMENT 2

Project #	Equipment category	Project type	# of engines	Proposed contract award	Applicant name	Emission Reductions (Tons per year)			Board approval date	County
						NOx	ROG	PM		
21MOY136	Off-road	Equipment replacement	4	\$ 162,725.00	Galante Brothers General Engineering	0.877	0.160	0.093	tbd	Santa Clara
21MOY149	On-road	Equipment replacement	40	\$ 13,072,800.00	Alameda-Contra Costa Transit District	2.262	0.036	0.013	tbd	Alameda
103 Projects			285	\$ 47,701,466.00		157.996	16.493	6.203		

MOBILE SOURCE COMMITTEE
 MEETING OF 04/22/2020

AGENDA 3 - ATTACHMENT 3

Table 1 - Summary of all TFCA approved and eligible projects (evaluated between 7/1/19 and 4/2/20)

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			
19EV006	LD Infrastructure	Install and operate 20 DC fast charging stations at 7 transportation corridor facilities in San Francisco, Novato, Emeryville, and Santa Clara	\$500,000	EVgo Services, LLC	0.268	0.103	0.021	7/3/19	Yes	Multi-County
19EV015	LD Infrastructure	Install and operate 5 dual-port level 2 (low) and 3 single-port level 2 (high) charging stations at 3 public transit parking facilities in Albany and Oakland	\$21,500	Metropolitan Transportation Commission	0.010	0.015	0.000	12/20/19	Yes	Alameda
19EV016	LD Infrastructure	Install and operate 7 dual-port level 2 (low) charging stations at a workplace facility in Napa	\$17,500	County of Napa	0.008	0.012	0.000	10/2/19	No	Napa
19EV017	LD Infrastructure	Install and operate 2 single-port level 2 (high) charging stations with a 17.28 kW solar array at a destination facility in Richmond	\$12,000	AHAH, LLC	0.003	0.004	0.000	7/2/19	Yes	Contra Costa
19EV019	LD Infrastructure	Install and operate 18 single-port and 54 dual-port level 2 (high) charging stations at 8 workplace facilities in San Rafael	\$270,000	San Rafael City Schools	0.124	0.185	0.004	1/29/20	Yes	Marin
19EV020	LD Infrastructure	Install and operate 16 single-port level 2 (high) charging stations at a multi-dwelling unit facility in San Francisco	\$37,648	One Rincon Hill Association	0.015	0.022	0.000	10/30/19	Yes	San Francisco
19EV021	LD Infrastructure	Install and operate 14 single-port level 2 (high) and 1 single-port level 2 (low) charging stations at 4 workplace, 2 multi-dwelling unit, and 1 transit parking facilities in Richmond	\$55,500	City of Richmond	0.020	0.030	0.001	11/15/19	Yes	Contra Costa
19EV022	LD Infrastructure	Install and operate 2 single-port level 2 (high) charging stations at 1 multi-dwelling unit facility in Palo Alto	\$14,000	W-K Arastradero, LLC	0.003	0.004	0.000	8/28/19	No	Santa Clara
19EV023	LD Infrastructure	Install and operate 3 dual-port level 2 (high) charging stations at a multi-dwelling unit facility in San Mateo	\$24,000	Mode Residences, LLC	0.006	0.008	0.000	7/31/19	No	San Mateo
19EV025	LD Infrastructure	Install and operate 2 dual-port level 2 (high) charging stations at a multi-dwelling unit facility in Campbell	\$16,000	Revere Residences, LLC	0.004	0.006	0.000	9/3/19	Yes	Santa Clara
19EV033	LD Infrastructure	Install and operate 5 dual-port level 2 (high) charging stations at a workplace facility in Napa	\$20,000	City of Napa	0.009	0.014	0.003	8/14/19	No	Napa
19EV034	LD Infrastructure	Install and operate 2 single-port level 2 (high) and 24 dual-port Level 2 (high) charging stations at 1 workplace facility in Milpitas	\$78,000	View, Inc	0.036	0.053	0.001	8/20/19	No	Santa Clara
19EV035	LD Infrastructure	Install and operate 3 single-port level 2 (high) charging stations at 1 multi-dwelling unit facility in Hayward	\$10,313	Edward D. Kellar dba Windsor Arms	0.006	0.009	0.000	10/30/19	Yes	Alameda
19EV038	LD Infrastructure	Install and operate 4 dual port and 3 single-port level 2 (high) charging stations at 1 destination facility in Santa Clara	\$25,000	City of Santa Clara	0.012	0.017	0.000	10/9/19	Yes	Santa Clara
19EV042	LD Infrastructure	Install and operate 12 dual-port level 2 (high) charging stations at 6 workplace and 1 multi-dwelling unit facilities in Corte Madera, Sunnyvale, Fairfield, Pleasanton, and San Ramon	\$57,000	Cool Earth Solar Development	0.022	0.033	0.001	10/22/19	Yes	Multi-County
19EV046	LD Infrastructure	Install and operate 18 single-port level 2 (high) charging stations at 2 destination facilities in San Francisco	\$36,594	Imperial Parking (U.S.), LLC dba Impark	0.019	0.028	0.001	10/29/19	Yes	San Francisco
19EV048	LD Infrastructure	Install and operate 7 dual-port level 2 (high) and 2 DC fast charging stations at a workplace facility in Santa Clara	\$64,000	Roche Molecular Systems, Inc.	0.030	0.044	0.001	9/30/19	Yes	Santa Clara
19EV050	LD Infrastructure	Install and operate 5 dual-port Level 2 (high) charging stations at 4 multi-dwelling unit facilities in Robert Park and Santa Rosa	\$40,000	Warm Springs Realty Holdings, LLC	0.009	0.014	0.003	9/6/19	No	Sonoma
19EV052	LD Infrastructure	Install and operate 2 dual-port level 2 (low) and 1 single-port level 2 (high) charging stations at 1 multi-dwelling unit facility in San Ramon	\$17,200	Bollinger Crest Apartment Investors, LP	0.004	0.006	0.000	11/19/19	No	Contra Costa
19EV056	LD Infrastructure	Install and operate 4 single-port level 2 (high) charging stations at 1 multi-dwelling unit facility in Oakland	\$10,000	Uptown Place Homeowner's Association	0.002	0.003	0.000	9/24/19	Yes	Alameda
19EV057	LD Infrastructure	Install and operate 3 single-port and 28 dual-port level 2 (high) charging stations at 4 workplace facilities in Atherton and Redwood City	\$99,000	Redwood City School District	0.046	0.068	0.001	9/3/19	No	San Mateo
19EV062	LD Infrastructure	Install and operate 8 single-port level 2 (high) charging stations at 1 multi-dwelling unit facility in Cupertino	\$23,752	19608 Pruneridge Ave (Cupertino), LLC	0.014	0.021	0.000	12/5/19	No	Santa Clara
19EV063	LD Infrastructure	Install and operate 8 dual-port level 2 (high) charging stations at 2 workplace facilities in Milpitas	\$32,000	City of Milpitas	0.015	0.022	0.004	9/10/19	No	Santa Clara
19EV064	LD Infrastructure	Install and operate 10 single-port level 2 (high) charging stations at 5 workplace facilities in Pleasanton, Walnut Creek, San Jose, and Fremont	\$30,000	JKL Corporation	0.014	0.020	0.000	10/18/19	Yes	Multi-County
19EV065	LD Infrastructure	Install and operate 606 single-port level 2 (high) and 6 DC fast charging stations at 18 multi-dwelling unit and workplace facilities in San Francisco, San Jose, Walnut Creek, Palo Alto, Sunnyvale, Belmont, Oakland and Livermore	\$2,500,000	PowerFlex Systems, LLC	0.881	1.309	0.026	10/2/19	Yes	Multi-County
19EV068	LD Infrastructure	Install and operate 3 dual-port level 2 (high) charging stations at 1 workplace facility in Burlingame	\$12,000	Aperia Technologies Inc.	0.006	0.008	0.000	10/29/19	No	San Mateo
19EV070	LD Infrastructure	Install and operate 4 single-port level 2 (high) charging stations at a destination facility in San Francisco	\$12,000	Hornblower Cruises and Events	0.006	0.008	0.000	11/3/19	Yes	San Francisco
19EV072	LD Infrastructure	Install and operate 4 single-port level 2 (high) charging stations with a 16.7 kW solar array at a workplace facility in Sonoma	\$16,000	Sweazey Property Investments, LLC	0.006	0.008	0.000	10/18/19	No	Sonoma
19EV076	LD Infrastructure	Install and operate 15 single-port Level 2 (high) and 1 DC fast charging stations at 1 multi-dwelling unit facility in Milpitas	\$123,000	Milpitas - District 1 Associates, LLC	0.029	0.043	0.001	11/19/19	No	Santa Clara

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			
19EV077	LD Infrastructure	Install and operate 40 DC fast charging stations at 8 transportation corridor facilities in San Ramon, San Mateo, Newark, San Francisco, Millbrae, Cupertino, Castro Valley, and Emeryville	\$1,000,000	EVgo Services, LLC	0.336	0.499	0.010	10/2/19	Yes	Multi-County
19EV079	LD Infrastructure	Install and operate 3 single-port level 2 (high) charging stations at a multi-dwelling unit facility in Campbell	\$21,000	Brentwood Campbell, LLC dba Brentwood Apartments	0.005	0.007	0.000	11/19/19	Yes	Santa Clara
19EV080	LD Infrastructure	Install and operate 3 single-port level 2 (high) charging stations at a multi-dwelling unit facility in Campbell	\$21,000	Lyon NC Portfolio Investors, LLC dba Lyon Pebble Creek Apartments, LLC	0.005	0.007	0.000	12/5/19	No	Santa Clara
19EV081	LD Infrastructure	Install and operate 3 single-port level 2 (high) charging stations at a multi-dwelling unit facility in Campbell	\$21,000	Pruneyard West, LLC dba Pruneyard West Apartments	0.005	0.007	0.000	11/19/19	Yes	Santa Clara
19EV082	LD Infrastructure	Install and operate 3 single port level 2 (high) charging stations at a multi-dwelling unit facility in Campbell	\$21,000	Lyon NC Portfolio Investors, LLC dba Lyon Shadow Creek Apartments, LLC	0.005	0.007	0.000	12/5/19	Yes	Santa Clara
19EV083	LD Infrastructure	Install and operate 3 single-port level 2 (high) charging stations at a multi-dwelling unit facility in Mountain View	\$21,000	Lyon NC Portfolio Investors, LLC dba Lyon Maplewood Apartments, LLC	0.005	0.007	0.000	12/5/19	No	Santa Clara
20R02	LD Vehicles	Vehicle Buy Back Program	\$150,000	BAAQMD	N/A	N/A	N/A	NA	No	Regional
20R09	Bicycle Facilities	Install 0.2 miles of Class I bikeway in San Ramon	\$390,000	City of San Ramon	0.012	0.018	0.041	11/20/19	Yes	Contra Costa
20R11	Bicycle Facilities	Install 1.58 miles of Class IV bikeway in Los Gatos	\$293,900	Town of Los Gatos	0.010	0.015	0.029	1/29/20	No	Santa Clara
20R12	Bicycle Facilities	Install and maintain 20 electronic bicycle lockers at San Francisco General Hospital	\$34,000	San Francisco Department of Public Health	0.004	0.005	0.009	11/21/19	Yes	San Francisco
20R15	Bicycle Facilities	Install 0.26 miles of Class IV bikeway in San Leandro	\$220,000	City of San Leandro	0.008	0.009	0.024	1/29/20	Yes	Alameda
20R17	Bicycle Facilities	Install and maintain 80 electronic bicycle lockers in Belmont, Redwood City, Mountain View, Sunnyvale, and San Jose	\$200,000	Peninsula Corridor Joint Powers Board	0.043	0.048	0.130	11/20/19	Yes	Multi-County
20R19	Bicycle Facilities	Install and maintain a bike station with 270 new secure bike parking spaces in Oakland	\$675,000	San Francisco Bay Area Rapid Transit District	0.072	0.095	0.237	11/20/19	Yes	Alameda
20R21	Bicycle Facilities	Install 518 bike rack parking spaces in 8 schools in Palo Alto	\$38,800	Palo Alto Unified School District	0.028	0.061	0.041	11/21/19	No	Santa Clara
20R22	Bicycle Facilities	Install and maintain 20 electronic bicycle lockers at the Berkeley Marina Mall	\$50,000	City of Berkeley	0.006	0.008	0.018	11/20/19	Yes	Alameda
20R23	Bicycle Facilities	Install and maintain 44 electronic bicycle lockers at the El Cerrito and San Leandro BART Stations	\$110,000	San Francisco Bay Area Rapid Transit District	0.015	0.018	0.044	1/29/20	Yes	Multi-County
20R27	Bicycle Facilities	Install and maintain 36 electronic bicycle lockers at the Seaplane Lagoon Ferry Terminal, Harbor Ferry Terminal, and Alameda City Hall	\$80,000	City of Alameda	0.013	0.017	0.042	3/4/20	Yes	Alameda
20R26	On-road Trucks & Buses	Purchase and operate one battery-electric shuttle	\$13,500	California State University - Maritime Academy	0.005	0.003	0.001	10/2/19	Yes	Solano
19RFG20*	On-road Trucks & Buses	Purchase and operate two electric terminal tractors	\$29,780	CASS, Inc.	0.174	0.001	0.001	3/4/20	Yes	Alameda
20R01	Trip Reduction	Enhanced Mobile Source & Commuter Benefits Enforcement	\$80,230	BAAQMD	N/A	N/A	N/A	NA	No	Regional
20R03	Trip Reduction	Spare The Air/Intermittent Control Programs	\$2,185,138	BAAQMD	N/A	N/A	N/A	NA	No	Regional
20R06	Trip Reduction	PresidiGo Downtown Shuttle	\$120,000	Presidio Trust	0.129	0.206	0.429	11/20/19	Yes	San Francisco
20R08	Trip Reduction	Pleasanton Connector Shuttles	\$80,000	San Joaquin Regional Rail Commission	0.202	0.285	0.772	11/20/19	Yes	Alameda
20R10	Trip Reduction	Caltrain Shuttle Program	\$485,000	Peninsula Corridor Joint Powers Board	1.893	2.280	5.292	11/20/19	No	Multi-County
20R13	Trip Reduction	Cupertino On-Demand Shuttle Pilot Program	\$192,900	Santa Clara Valley Transportation Authority (VTA)	0.055	0.063	0.140	11/20/19	No	Santa Clara
20R18	Trip Reduction	SJSU Ridesharing & Trip Reduction	\$111,000	Associated Students, San Jose State University	0.154	0.162	0.372	1/29/20	Yes	Multi-County
20R20	Trip Reduction	Rideshare to Transit in San Mateo County	\$300,000	City/County Association of Governments of San Mateo County	0.126	0.123	0.313	3/4/20	No	San Mateo
20R25	Trip Reduction	ACE Shuttle Bus Program	\$949,000	Santa Clara Valley Transportation Authority	1.254	1.276	3.450	3/4/20	Yes	Santa Clara
19RFG21†	School Bus	Purchase and operate 15 battery-electric school buses	\$276,200	Züm Services, Inc.	0.111	0.006	0.029	3/4/20	Yes	Alameda
20RSB01‡	School Bus	Match funding for Project #21SBP98 and #21SBP114 for the replacement of 6 diesel/CNG school buses with battery electric school buses	\$681,052	BAAQMD	N/A	N/A	N/A	3/4/20	No	Santa Clara

Total **59 Projects** **\$13,032,507** **6.294** **7.346** **11.496**

* The award amount is in addition to \$102,390 in RFG funds.

† The award amount is in addition to \$173,800 in RFG funds.

‡ In addition to \$1,996,278 in state funds, this TFCFA award amount includes \$513,500 to Project #21SBP98 and \$167,552 to Project #21SBP114.

Table 2 - Summary of all RFG approved and eligible projects (evaluated between 7/1/18 and 4/2/20)

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			
19RFG04*	Off-road (non-ag)	Purchase and operate 3 electric forklifts and one electric terminal truck	\$40,200	Wyse Logistics	0.097	0.013	0.006	10/17/18	Yes	Alameda
19RFG06†	LD Infrastructure	Install and operate 43 dual-port level 2 EV charging stations	\$94,000	Hayward Unified School District	0.054	0.071	0.001	10/17/18	Yes	Alameda
19RFG13	LD Infrastructure	Install and operate 10 50kW DC fast charging stations	\$389,400	EVgo Service, LLC	0.040	0.060	0.001	6/5/19	Yes	Alameda
19RFG14	Off-road (non-ag)	Purchase and operate one electric terminal tractor	\$39,400	Oakland Maritime Support Services, Inc.	0.066	0.011	0.007	5/23/19	Yes	Alameda
19RFG16	Off-road (non-ag)	Purchase and operate one electric terminal tractor	\$80,000	GSC Logistics, Inc.	0.051	0.002	0.003	8/29/19	Yes	Alameda
19RFG18	Off-road (non-ag)	Purchase and operate 5 electric vehicles	\$21,300	Another Corporate ISP LLP DBA Monkeybrains	0.001	0.001	0.002	10/30/19	Yes	Alameda
19RFG19	Off-road (non-ag)	Purchase and operate one electric terminal tractor	\$80,000	Oakland Pallet Co.	0.097	0.001	0.003	10/30/19	Yes	Alameda
19RFG20‡	On-road Trucks & Buses	Purchase and operate 2 electric terminal tractors	\$102,390	CASS, Inc.	0.597	0.005	0.005	3/4/20	Yes	Alameda
19RFG21§	School Bus	Purchase and operate 15 battery-electric school buses	\$173,800	Züm Services, Inc.	0.070	0.004	0.018	3/4/20	Yes	Alameda
Total	9 Projects		\$1,020,490		0.073	0.167	0.047			

* The award amount is in addition to \$80,000 in TFCA funds.
 † The award amount is in addition to \$172,000 in TFCA funds.
 ‡ The award amount is in addition to \$29,780 in TFCA funds.
 § The award amount is in addition to \$276,200 in TFCA funds.

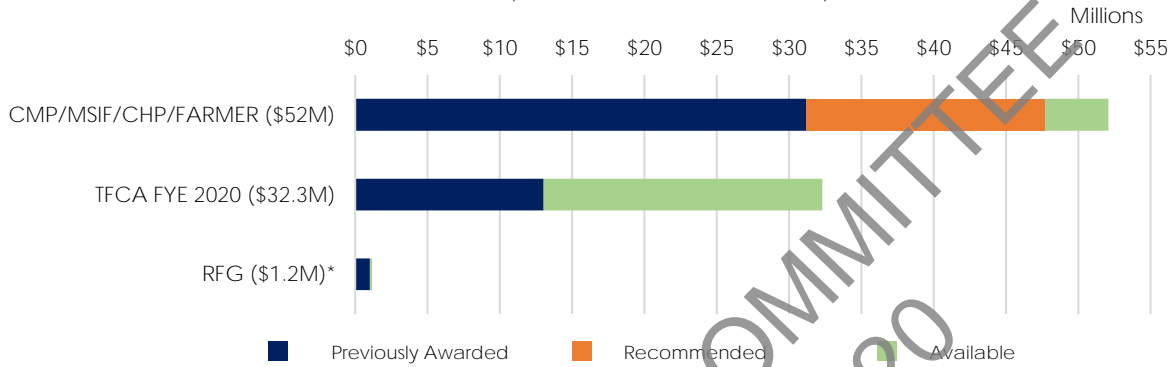
MOBILE SOURCE COMMITTEE
 MEETING OF 04/22/2020

AGENDA 3 - ATTACHMENT 4

Figures 1-3 summarize funding awarded 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)
- Reformulated Gasoline Settlement Fund (RFG)

Figure 1. Status of FYE 2020 funding by source
includes funds awarded, recommended for award, and available



* Includes funding awarded in FYE 2019 for RFG projects

Figure 2. Funding awarded in FYE 2020 by county:
includes funds awarded & recommended for award

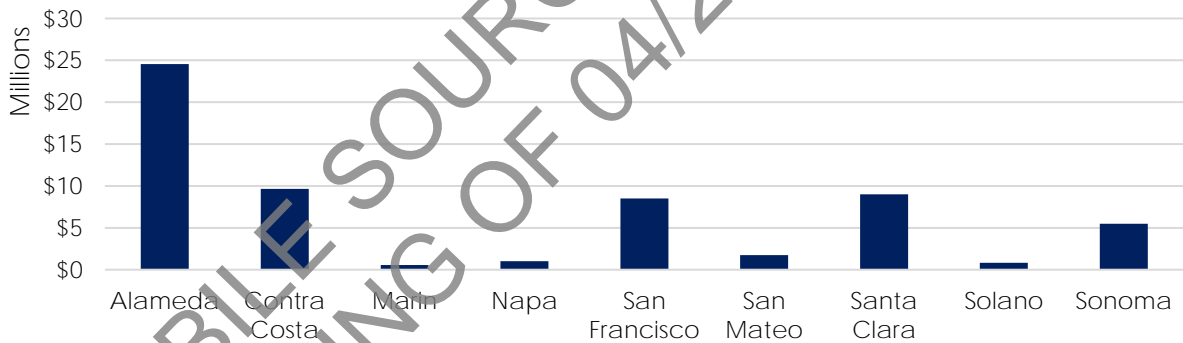
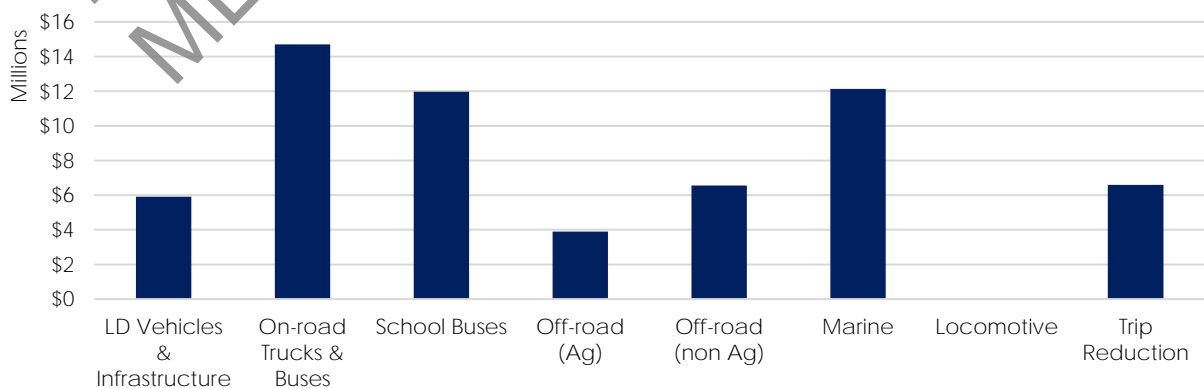


Figure 3. Funding awarded in FYE 2020 by project category
includes funds awarded & recommended for award



AGENDA 3 - ATTACHMENT 4

Figure 4. CMP/MSIF/CHP/FARMER funding awarded since 2009 by county

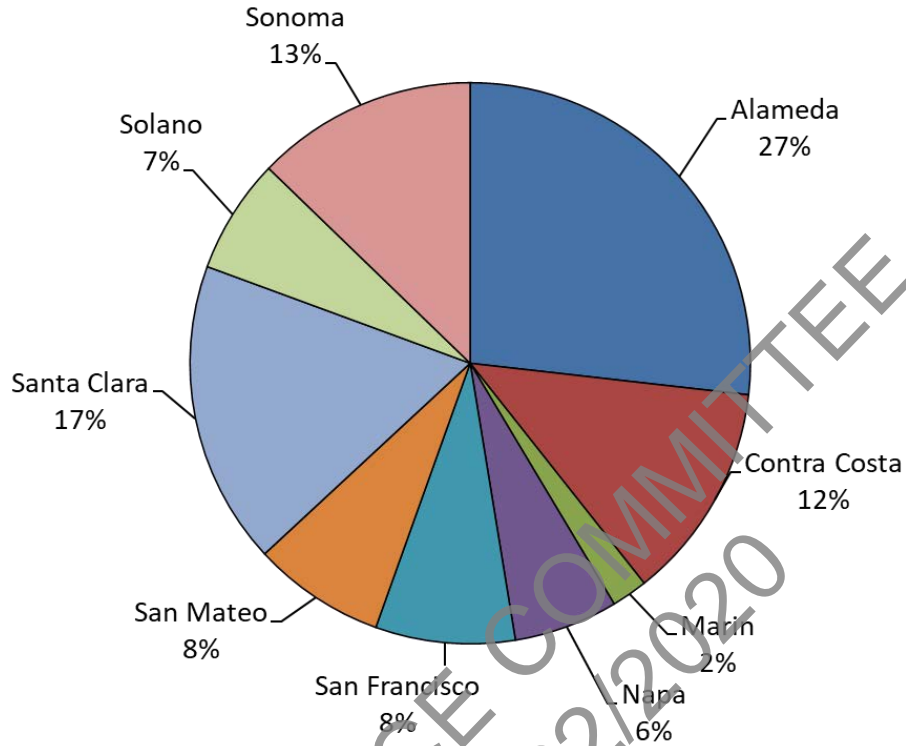
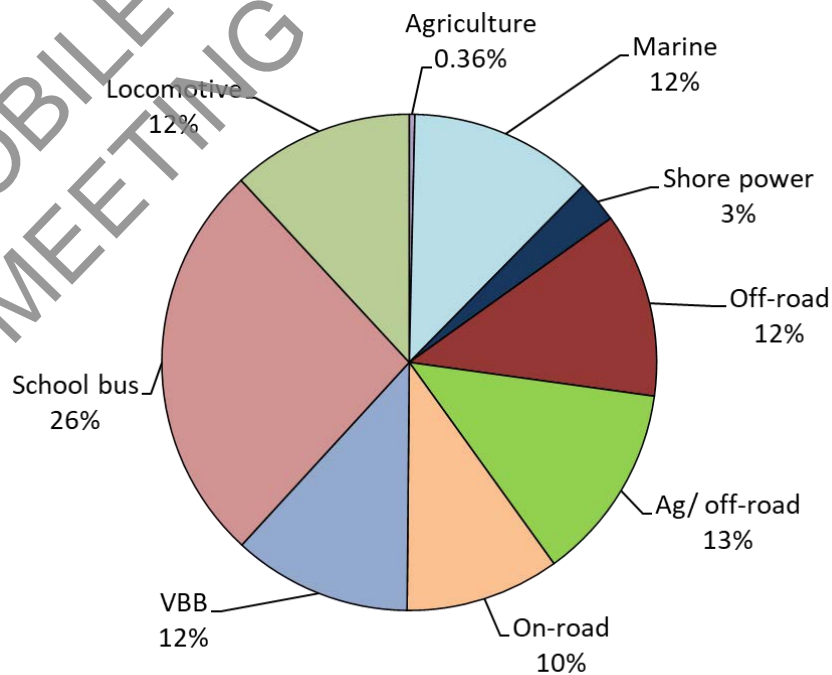


Figure 5. CMP/MSIF/CHP/FARMER funding awarded since 2009 by category



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: April 17, 2020

Re: Vehicle Buy-Back Program Contractor Selection

RECOMMENDED ACTIONS

Recommend Board of Directors:

- 1) Approve Environmental Engineering Studies, Inc. (EES) and Pick-N-Pull Auto Dismantlers (Pick-N-Pull) as the vehicle retirement contractors and approve Direct Mail Center as the direct mail service contractor for the Fiscal Year Ending (FYE) 2021 Vehicle Buy-Back Program (VBB);
- 2) Authorize the Executive Officer/APCO to execute contracts for:
 - a. Vehicle scrapping and related services with EES and Pick-N-Pull, for a combined amount of up to \$7 million per year; and
 - b. Direct mail services for the VBB Program with Direct Mail Center for up to \$300,000 per year.
- 3) Authorize the Executive Officer/APCO to extend these services and budgets for an additional three years, at the Air District's discretion, based on contractor performance.

BACKGROUND

The VBB program is a voluntary vehicle retirement and scrapping program that takes older, high-polluting vehicles off Bay Area roads. To implement the program, the Air District contracts with vehicle dismantlers to pay participating vehicle owners to retire and scrap their eligible vehicles. To advertise this program, the Air District uses a direct mail campaign to inform potentially eligible vehicle owners about the VBB program.

The VBB program is supported by a combination of the Carl Moyer Program (CMP), Mobile Source Incentive Fund (MSIF), and Transportation Fund for Clean Air (TFCA) grant program funds. Since beginning operation in 1996, the Air District VBB program has retired over 87,000 vehicles and reduced over 5,000 tons of reactive organic gas (ROG), over 4,300 tons of nitrogen oxide (NOx), and over 39 tons of particulate matter (PM). Currently, the VBB program offers

\$1,000 to Bay Area vehicle owners to scrap their operable, registered model year 1996 or older motor vehicles. Starting in July 2020, staff will be increasing the vehicle model year to 1997 and increasing the amount offered to vehicle owners to \$1,200. The Air District may also add a motorcycle scrap component to the program in the near future.

For a vehicle to be eligible for the program, it must meet operability and registration requirements – including being smog check compliant – to establish that the vehicle, if not scrapped, could continue to operate and pollute. By providing vehicle owners with a financial incentive to scrap the vehicle before it would otherwise be retired due to aging, the program captures what would have been the remaining life of the vehicle as excess emissions. This concept of excess emissions is a requirement of the funding sources for the program (CMP/MSIF guidelines), both of which are governed by the California Air Resources Board (CARB) - Voluntary Accelerated Light-Duty Vehicle Retirement (VAVR) Regulation.

The VBB direct mail campaign uses the California Department of Motor Vehicles' (DMV) database to contact, by mail, the owners of older, light-duty vehicles that may be eligible for the program. Mailings are conducted bi-monthly with potentially eligible vehicle owners receiving notice of the program approximately three months prior to the expiration of their DMV registration.

DISCUSSION

Due to the high volume of vehicles processed through the VBB program, upwards of 5,000 vehicles per year, significant contractor support is necessary. The Air District issued two Request for Proposals (RFP) on February 3, 2020. One RFP sought vehicle retirement contractors and the second sought a direct mail service provider. Responses to the RFPs were due to the Air District by March 2, 2020.

Vehicle retirement contractor RFP

The scope of work contained in the RFP for vehicle retirement contractors conforms to the CARB-VAVR Regulation and CMP/MSIF guidelines. The RFP was sent to 30 companies and posted on the Air District website. The Air District received two proposals in response to the RFP: one from EES and the other from Pick-N-Pull.

A three-person panel was convened to review the responses to the RFP, including two Air District staff and one Metropolitan Transportation Commission (MTC) staff person. The panel evaluated the proposals using six criteria set forth in the RFP: Experience/Qualifications; Available Resources/Customer Relations; Coverage/Availability; Price; Advertising; and, Understanding of the Program and Thoroughness/Responsiveness of the Proposal. The results of Air District staff's scoring of the proposals are summarized in Table 1 below.

Table 1 – Scoring of Vehicle Retirement Contractor Proposals

Name	Points (100 possible points)
Pick-N-Pull	94.33
Environmental Engineering Studies, Inc.	88.00

EES scored lower primarily due to its higher overhead cost. Factors contributing to the higher overhead cost are: 1) record low scrap metal prices, 2) increased vehicle processing fees, and 3) fees it pays to its subcontractors (participating dismantling yards). Staff contacted EES and Pick-N-Pull and asked them both to review their originally proposed bids and offered them the opportunity to submit their lowest bid. In response, EES submitted a revised bid with lower cost that is just slightly higher than the cost that is allowed under its current contract with the Air District.

Both EES and Pick-N-Pull have experience successfully operating and providing dismantler services for the Air District’s VBB program. To maximize the number of available locations and geographical distribution of buy back sites in the Bay Area, staff is recommending the approval of both EES and Pick-N-Pull as contractors for this program.

Direct mail service contractor RFP

The direct mail campaign services for the VBB involves mailing a letter to approximately 22,916 vehicle owners bi-monthly (approximately 550,000 vehicle owners total in a single year) to inform them of the early retirement option in advance of the date that their annual smog check is due. The RFP announcement for the direct mail services contract was mailed to 11 companies and posted on the Air District website. The Air District received five proposals in response to the RFP.

Proposals were evaluated by the same three-person panel that reviewed and scored the dismantler proposals. Direct mail proposals were evaluated using five criteria set forth in the RFP: Expertise, Skill, Approach, Cost, and Firm’s Specialty/Focus Area – Local Business/Green Business. Evaluation of costs involved a review of quotes for data management, letter and envelope production, and standard mail bulk-rate postage fees.

Direct Mail Center’s proposal scored the highest (See Table 2) and was selected as the successful contractor. Direct Mail Center is also a local business, located in San Francisco.

Table 2 – Scoring of Direct Mail Contractor Proposals

Company Name	Points (100 possible points)
Direct Mail Center	90.00
KP LLC	88.33
MarkSYS	83.67
California Integrated Media	73.00
United Mailing Services	69.00

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. Funds to implement the FYE 2021 VBB Program are included in the Air District's proposed budget. Contracts authorizing up to \$7 million annually will be made available to EES and Pick-N-Pull on a reimbursement basis for vehicles retired from a combination of CMP and MSIF funding, and up to \$300,000 annually for Direct Mail Center to pay for mailouts will be provided by the TFCA program. Staff administrative costs for VBB are covered by a combination of revenues from CMP, MSIF, and TFCA funds. Additionally, each contract will include a provision that would allow the Air District, at its sole discretion, the option to extend the contract term and budget for up to three additional years, based on contractor performance.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Mae Go
Reviewed by: Karen Schkolnick

MOBILE SOURCE COMMITTEE
MEETING OF 04/22/2020

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: April 17, 2020

Re: Fiscal Year Ending (FYE) 2021 Transportation Fund for Clean Air County Program
Manager (CPM) Expenditure Plans

RECOMMENDED ACTION

Recommend Board of Directors:

1. Approve the allocation of new Transportation Fund for Clean Air (TFCA) revenue for the CPM program for FYE 2021, as listed in Table 1, and
2. Authorize the Executive Officer/APCO to enter into funding agreements with the CPMs for the funds to be programmed in FYE 2021, as listed in Table 1.

BACKGROUND

In 1991, the California State Legislature authorized the Bay Area Air Quality Management District (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. The legislative requirements that enable the use of the funds are codified in California Health and Safety Code (HSC) Sections 44241 and 44242.

Forty percent of new TFCA revenue is passed through to the designated CPM in each of the nine counties within the Air District's jurisdiction based on each county's proportionate share of vehicle registration fees collected. The Air District awards the other sixty percent to eligible projects and programs it implements directly (e.g., Spare the Air) and to the TFCA Regional Fund program.

Pursuant to HSC Section 44241, CPMs must award TFCA funds to eligible projects within six months of the Air District Board of Directors' (Board) approval of their expenditure plans. Annually, CPMs submit expenditure plans to the Air District specifying the status of their prior year funding that is available for reprogramming and interest accrued. The Board adopted the policies and cost-effectiveness criteria for expenditure of CPM TFCA funds in FYE 2021 on November 20, 2019.

DISCUSSION

The Air District received proposed expenditure plans from all nine CPMs. Table 1 shows the TFCA monies that are estimated to be available to CPMs in FYE 2021:

- **Column A** (highlighted in blue) shows the new revenue projected to accrue from Department of Motor Vehicles (DMV) revenue from each county's proportionate share of vehicle registration fees collected.
- **Column B** shows TFCA carry-over funds available for reprogramming as reported by CPMs in their expenditure plans. Carry-over funds include TFCA monies from projects that were recently completed under budget and/or canceled, and any interest earned.
- **Column C** (highlighted in yellow) shows total amount of TFCA funds that are estimated to be available to CPMs in FYE 2021 (sum of values in columns A+B).

Table 1: Proposed Allocation of Funding for County Program Managers in FYE 2021

	A	B	C
County Program Manager	Estimated New TFCA Revenue	TFCA Funds to be Reprogrammed	Total FYE 2021 TFCA Funds
Alameda County Transportation Commission	\$2,078,522	\$952,811	\$3,031,333
Contra Costa Transportation Authority	\$1,678,060	\$105,523	\$1,783,589
Transportation Authority of Marin	\$373,237	\$33,213	\$406,450
Napa Valley Transportation Authority	\$210,117	\$20,092	\$230,209
San Francisco County Transportation Authority	\$754,480	\$104,637	\$859,117
San Mateo City/County Association of Governments	\$1,223,635	\$180,560	\$1,404,195
Santa Clara Valley Transportation Authority	\$2,619,956	\$117,803	\$2,737,759
Solano Transportation Authority	\$360,638	\$11,703	\$372,341
Sonoma County Transportation Authority	\$644,155	\$167,849	\$812,004
TOTAL	\$9,942,806	\$1,694,191	\$11,636,997

BUDGET CONSIDERATION / FINANCIAL IMPACT

None. TFCA revenue is generated from DMV registration fees collected and 40% of the TFCA funds are passed through to the CPMs. Administrative costs for the CPMs and the Air District are reimbursed by TFCA program revenue.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Betty Kwan and Adriana Kolev
Reviewed by: Chengfeng Wang and Karen Schkolnick

MOBILE SOURCE COMMITTEE
MEETING OF 04/22/2020

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: April 23, 2020

Re: Report of the Climate Protection Committee Meeting of April 22, 2020

RECOMMENDED ACTION

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

BACKGROUND

The Committee met on Wednesday, April 22, 2020, and received the following report:

- A) Update on Climate Protection Program.

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

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) None. Resources to implement the Climate Protection Program have been included in the Fiscal Year Ending (FYE) 2020 and the FYE 2021 Proposed Budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Aloha de Guzman
Reviewed by: Vanessa Johnson

Attachment 15A: 04/22/2020 – Climate Protection Committee Meeting Agenda #3

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: April 15, 2020

Re: Update on Climate Protection Program

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

In November 2005, the Air District Board of Directors (Board) adopted a resolution establishing the Climate Protection Program. Since that time, the Air District has demonstrated leadership in climate protection through its role as a regional convener, funder, technical expert, and regulatory agency, and has pursued a strategy of integrating climate protection into all Air District functions. In November 2013, the Board adopted a resolution establishing a goal of reducing regional greenhouse gas (GHG) emissions 30% below 1990 levels by 2050.

On April 19, 2017, the Board adopted *Spare the Air – Cool the Climate*, the Air District's 2017 Clean Air Plan (Plan). The Plan includes a mid-term goal of reducing GHG emissions 40% below 1990 levels by 2030. The Plan includes an aggressive rule-making schedule, as well as many non-regulatory control measures that identify activities the Air District will undertake to achieve GHG emission reductions in all economic sectors.

DISCUSSION

Staff will provide the Climate Protection Committee with an update on implementation of the Air District's comprehensive Climate Protection Program. The update will include regulatory and non-regulatory measures, including work with local governments to support local greenhouse gas mitigation, work with regional and state agencies, and collaborations with other air districts.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. Resources to implement the Climate Protection Program have been included in the Fiscal Year Ending (FYE) 2020 and the FYE 2021 Proposed Budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Abby Young
Reviewed by: Henry Hilken

CLIMATE PROTECTION COMMITTEE
MEETING OF 04/22/2020

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: April 29, 2020

Re: Report of the Budget and Finance Committee Meeting of April 29, 2020

RECOMMENDED ACTIONS

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

- A) Proposed Amendments to Air District Regulation 3: Fees; and
 - 1) Adopt a new fee for implementation of Assembly Bill (AB) 617 on Title V Facilities; and
 - 2) Revisit imposition of additional fees later in 2020, as the economic and facility activity level picture become clearer.

BACKGROUND

The Committee met on Wednesday, April 29, 2020, and received the following reports:

- A) Proposed Amendments to Air District Regulation 3: Fees.

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

BUDGET CONSIDERATION/FINANCIAL IMPACT

- A) The recommended AB 617 fees would increase fee revenues by approximately \$1.05 million. This will backfill the \$1 million deficit in the AB 617 allocation to the Air District in the California Air Resources Board budget proposal for the upcoming fiscal year.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Aloha de Guzman
Reviewed by: Vanessa Johnson

Attachment 16A: 04/29/2020 – Budget and Finance Committee Meeting Agenda #3

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

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

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 23, 2020

Re: Proposed Amendments to Air District Regulation 3: Fees

RECOMMENDED ACTIONS

Recommend the Board of Directors:

- Adopt a new fee for implementation of Assembly Bill (AB) 617 on Title V Facilities; and
- Revisit imposition of additional fees later in 2020, as the economic and facility activity level picture become clearer.

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.

DISCUSSION

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 3A – BAAQMD 2020 Cost Recovery Report), staff proposed the following changes to existing fee schedules (see Attachment 3B - 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. 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 1.

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 a number of 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) to the Budget and Finance Committee at its April 29, 2020 meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The recommended AB 617 fees would increase fee revenues by approximately \$1.05 million. This will backfill the \$1 million deficit in the AB 617 allocation to the Air District in the California Governor's budget proposal for the upcoming fiscal year.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Barry Young
Reviewed by: Pamela Leong, Damian Breen, and Jeff McKay

Attachment 3A: BAAQMD 2020 Cost Recovery Study
Attachment 3B: Proposed Regulation 3: Fees
Attachment 3C: 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

BUDGET AND FINANCE COMMITTEE
MEETING OF 04/29/2020

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BUDGET AND FINANCE COMMITTEE
MEETING OF 04/29/2020

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.



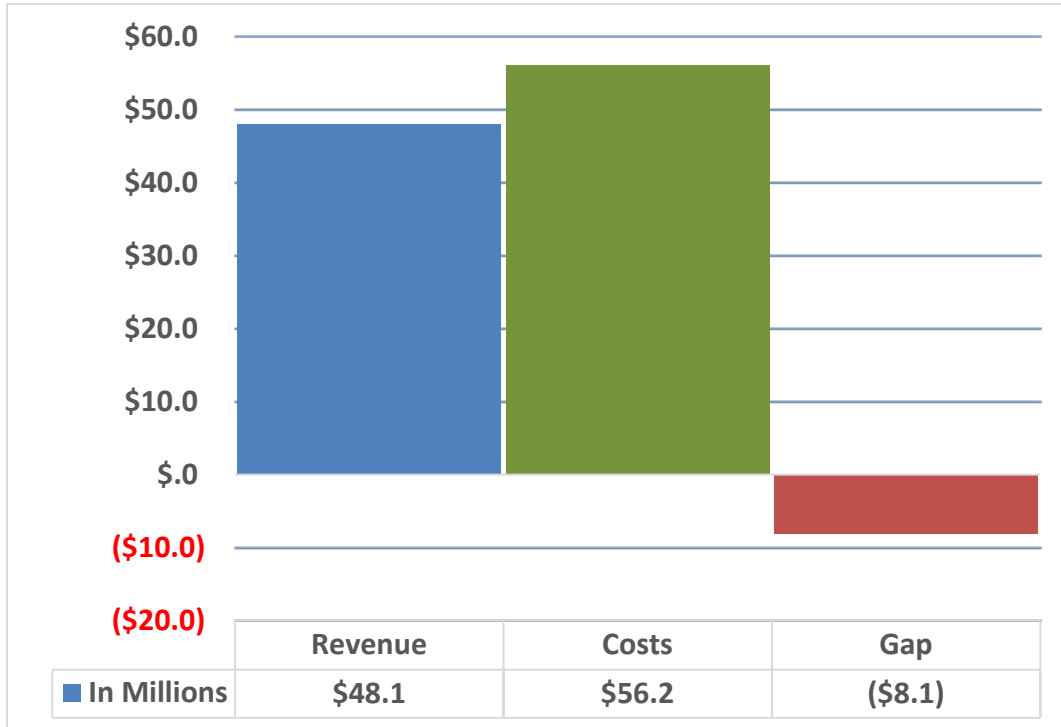
BAY AREA
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2020 Cost Recovery Study

FIGURES

BUDGET AND FINANCE COMMITTEE
MEETING OF 04/29/2020

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



BUDGET AND F
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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 - 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	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	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	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	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	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%	

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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 PM₁₀ in an amount calculated by the APCO equal to or exceeding 50 tons per year.
(Adopted 1/1/83; Amended 2/21/90; 6/6/90; 8/2/95; 6/7/00)
- 3-214 Deleted October 20, 1999, effective March 1, 2000**
- 3-215 Deleted October 20, 1999, effective March 1, 2000**
- 3-216 Deleted October 20, 1999, effective March 1, 2000**
- 3-217 Deleted October 20, 1999, effective March 1, 2000**
- 3-218 Deleted October 20, 1999, effective March 1, 2000**
- 3-219 Deleted October 20, 1999, effective March 1, 2000**
- 3-220 Deleted October 20, 1999, effective March 1, 2000**
- 3-221 Deleted October 20, 1999, effective March 1, 2000**
- 3-222 Deleted October 20, 1999, effective March 1, 2000**
- 3-223 Start-up Date:** Date when new or modified equipment under an authority to construct begins operating. The holder of an authority to construct is required to notify the APCO of this date at least 3 days in advance. For new sources, or modified sources whose authorities to construct have expired, operating fees are charged from the startup date.
(Adopted 6/4/86; Amended 6/6/90)
- 3-224 Permit to Operate:** Written authorization from the APCO pursuant to Section 2-1-302.
(Adopted 6/4/86; Amended 6/7/00)
- 3-225 Deleted June 3, 2015**
- 3-226 Air Toxics "Hot Spots" Information and Assessment Act of 1987:** The Air Toxics "Hot Spots" Information and Assessment Act of 1987 directs the California Air Resources Board and the Air Quality Management Districts to collect information from industry on emissions of potentially toxic air contaminants and to inform the public about such emissions and their impact on public health. It also directs the Air Quality Management District to collect fees sufficient to cover the necessary state and District costs of implementing the program.
(Adopted 10/21/92; Amended 6/15/05)
- 3-227 Toxic Air Contaminant, or TAC:** An air pollutant that may cause or contribute to an increase in mortality or in serious illness or that may pose a present or potential hazard to human health. For the purposes of this rule, TACs consist of the substances listed in Table 2-5-1 of Regulation 2, Rule 5.
(Adopted 10/21/92; Amended 6/15/05)

- 3-228 Deleted December 2, 1998
- 3-229 Deleted December 2, 1998
- 3-230 Deleted December 2, 1998
- 3-231 Deleted December 2, 1998
- 3-232 Deleted December 2, 1998
- 3-233 Deleted December 2, 1998
- 3-234 Deleted December 2, 1998
- 3-235 Deleted December 2, 1998
- 3-236 Deleted December 2, 1998
- 3-237 **PM₁₀**: See Section 2-1-229 of Regulation 2, Rule 1.

(Adopted June 7, 2000)

- 3-238 **Risk 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 ~~\$508524~~, 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 \$508524, 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 \$508524 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,⁷ 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, SO₂, or PM₁₀ at any source or the emission of a toxic air contaminant above the trigger levels identified in Table 2-5-1
- 1.4 The condition change does not require a public notice.

306.2 Other Condition Changes: Applicant shall pay the filing, initial, and risk 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 ~~\$508524~~ 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 ~~\$508524~~ 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 ~~\$508524~~.

(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 ~~\$1,3264,286~~ for each source included in the alternative compliance plan, not to exceed ~~\$13,25942,860~~.

(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 PM₁₀ shall pay a fee based on Schedule M. This fee is in addition to permit and other fees otherwise authorized to be collected from such facilities and shall be included as part of the annual permit renewal fees.

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

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

320.1 An applicant who qualifies as a small business under Regulation 3-209 shall pay a Toxic Inventory Fee as set out in Schedule N up to a maximum fee of ~~\$10,36840,056~~ 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:

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

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 ~~\$103400~~ for facilities with one permitted source, including gasoline dispensing facilities,
- 327.2 ~~\$204498~~ for facilities with 2 to 5 permitted sources,
- 327.3 ~~\$407395~~ for facilities with 6 to 10 permitted sources,
- 327.4 ~~\$611593~~ for facilities with 11 to 15 permitted sources,
- 327.5 ~~\$811787~~ for facilities with 16 to 20 permitted sources,
- 327.6 ~~\$1,014984~~ 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 ~~\$508524~~ 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 PM₁₀ shall pay a community air monitoring fee based on Schedule X. This fee is in addition to permit and other fees otherwise authorized to be collected from such facilities and shall be included as part of the annual permit renewal fees.

(Adopted 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 ~~\$1,6074,559~~ for facilities with one source subject to risk reduction pursuant to Regulation 11, Rule 18, including gasoline dispensing facilities;

341.2 ~~\$3,2143,117~~ for facilities with 2 to 5 sources subject to risk reduction pursuant to Regulation 11, Rule 18;

341.3 ~~\$6,4276,234~~ for facilities with 6 to 10 sources subject to risk reduction pursuant to Regulation 11, Rule 18;

341.4 ~~\$12,85512,468~~ for facilities with 11 to 15 sources subject to risk reduction pursuant to Regulation 11, Rule 18;

341.5 ~~\$25,70924,936~~ for facilities with 16 to 20 sources subject to risk reduction pursuant to Regulation 11, Rule 18;

341.6 ~~\$34,27933,248~~ 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 ~~\$160,681,455,859~~.

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 ~~\$2,6792,598~~ for facilities with one to 10 sources subject to risk reduction pursuant to Regulation 11, Rule 18, including gasoline dispensing facilities;
- 342.2 ~~\$7,0706,857~~ for facilities with 11 to 50 sources subject to risk reduction pursuant to Regulation 11, Rule 18;
- 342.3 ~~\$14,99714,546~~ 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 ~~\$220,243~~ 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 FEES¹**

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

		Large Companies	Small Business	Third Party
1.	For each application for variance exceeding 90 days, in accordance with §42350, including applications on behalf of a class of applicants, which meet the requirements of the Hearing Board Rules for a valid and proper class action for variance Plus, for each hearing in addition to the first hearing necessary to dispose of said variance application in accordance with §42350, the additional sum of	\$6,999 6,086 \$3,504 047	\$1,047 940 \$353 07	
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	\$4,202 654 \$2,098 824	\$1,047 940 \$353 07	
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	\$2,788 424 \$2,098 824	\$353 07 \$353 07	
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	\$2,788 424 \$2,098 824	\$353 07 \$353 07	
5.	For each application to revoke a variance	\$4,202 654	\$353 07	
6.	For each application for approval of a Schedule of Increments of Progress in accordance with §41703	\$2,788 424	\$353 07	
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	\$6,999 6,086 \$3,504 047	\$1,047 940 \$353 07	
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	\$4,202 654 \$2,098 824	\$1,047 940 \$353 07	

		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	\$7046,12	
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	\$7046,12	
13.	For each application for an emergency variance in accordance with §42359.5	\$1,7471,519	\$3533,07	
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	\$1,047,910	\$1,0479,10
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:

$$\text{Fee} = (\text{Opacity}^* \text{ equivalent} - 20) \times \text{number of days allowed in variance} \times \text{\$6.855-96}$$

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:

$$\text{Fee} = (\text{Opacity}^* \text{ equivalent} - 40) \times \text{number of days allowed by variance} \times \text{\$6.855-96}$$

* 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: ~~\$69.7167.64~~ per MM BTU/HOUR
 - a. The minimum fee per source is: ~~\$372364~~
 - b. The maximum fee per source is: ~~\$130,027,126,117~~
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
~~\$69.7167.64~~ per MM BTU/hr
 - b. Minimum RAF for first TAC source: ~~\$896869~~
 - c. RAF for each additional TAC source: ~~\$69.7167.64~~ per MM BTU/hr
*
 - d. Minimum RAF per additional TAC source: ~~\$372364*~~
 - e. Maximum RAF per source is: ~~\$130,027,126,117~~
* 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: \$~~361.66350.79~~ per single product nozzle (spn)
\$~~361.66350.79~~ per product for each multi-product nozzle (mpn)
2. PERMIT TO OPERATE FEE: \$~~138.53134.36~~ per single product nozzle (spn)
\$~~138.53134.36~~ 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:

$$\$500.18485.14 \times \{[(mpn_{proposed})(products \text{ per nozzle}) + spn_{proposed}] - [(mpn_{existing})(products \text{ per nozzle}) + spn_{existing}]\}$$

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 \$~~508524~~ 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: \$~~4,750.494,607.65~~ per single product loading arm
\$~~4,750.494,607.65~~ 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: \$~~5,3795,217~~
 - b. RAF for each additional TAC source: \$~~47514,608~~ *

* 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: \$~~1,3241,284~~ per single product loading arm
\$~~1,3241,284~~ 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)

BUDGET AND FINANCE COMMITTEE
DRAFT
MEETING OF 04/29/2020

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: \$1,8064,752 per 1,000 gallons
 - b. The minimum fee per source is: \$899872
 - c. The maximum fee per source is: \$71,76969,611

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: \$598524 plus initial fee
 - b. Minimum RAF for first TAC source: \$1,4811,436
 - c. RAF for each additional TAC source: equal to initial fee *
 - d. Minimum RAF per additional TAC source: \$899872 *
 - e. Maximum RAF per source is: \$71,76969,611

* 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: \$899872 per 1,000 gallons
 - b. The minimum fee per source is: \$648629
 - c. The maximum fee per source is: \$35,88234,803

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: ~~\$681,664~~
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: ~~\$1,279,244~~
 - b. RAF for each additional TAC source: ~~\$681,664*~~

* 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: ~~\$5,741,992~~
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: ~~\$6,515,665~~
 - b. RAF for each additional TAC source: ~~\$5,741,992*~~

* 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: ~~\$2,866,249~~
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: ~~\$7,579,953~~
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: ~~\$8,352,662~~
 - b. RAF for each additional TAC source: ~~\$7,579,953*~~

* 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: ~~\$3,787,474~~
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: ~~\$39,259,694~~
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: ~~\$39,900,372,290~~
 - b. RAF for each additional TAC source: ~~\$39,259,694*~~

* 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)

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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)

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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)

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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: ~~\$828760~~
- b. The maximum fee per source is: ~~\$66,29260,818~~

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):

~~\$560544~~ 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):

~~\$1,6644,527~~ 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: ~~\$1,4414,322~~
- c. RAF for each additional TAC source: equal to initial fee *
- d. Minimum RAF per additional TAC source: ~~\$828760~~ *
- e. Maximum RAF per source is: ~~\$66,29260,818~~

* 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: ~~\$600550~~
- b. The maximum fee per source is: ~~\$33,14030,404~~

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)

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**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: ~~\$763700~~
 - b. If the washing or drying capacity exceeds 100 pounds: ~~\$763700~~ plus
For that portion of the capacity exceeding 100 pounds: ~~\$22.8420.95~~ 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: ~~\$508524~~ plus initial fee
 - b. Minimum RAF for first TAC source: ~~\$1,3574,245~~
 - c. RAF for each additional TAC source: equal to initial fee*
 - d. Minimum RAF per additional TAC source: ~~\$763700*~~

* 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: ~~\$557544~~
 - b. If the washing or drying capacity exceeds 100 pounds: ~~\$557544~~ plus
For that portion of the capacity exceeding 100 pounds: ~~\$11.4740.52~~ 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) ~~\$6,6795,808~~
 - b. Active Landfill (Waste and Cover Material Dumping Process) ~~\$3,3382,903~~
 - c. Active Landfill (Excavating, Bulldozing, and Compacting Processes) ~~\$3,3382,903~~

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: ~~\$508524~~ 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) ~~\$3,3382,903~~
 - b. Active Landfill (Waste and Cover Material Dumping Process) ~~\$1,6694,454~~
 - c. Active Landfill (Excavating, Bulldozing, and Compacting Processes) ~~\$1,6694,454~~

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) ~~\$3,6803,200~~
 - b. Evaluation of Inactive Site Questionnaire as required by Health & Safety Code Section 41805.5(b) ~~\$1,8454,604~~
 - 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) ~~\$1,8454,604~~
 - d. Evaluation of Initial or Amended Design Capacity Reports as required by Regulation 8, Rule 34, Section 405 ~~\$1,3574,180~~
 - 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 ~~\$1,3574,180~~
 - g. Evaluation of Annual Report as required by Regulation 8, Rule 34, Section 411 ~~\$3,3962,953~~

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 feet 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 PM₁₀, the fee shall be based on the following:

- | | | |
|----|-------------------|---|
| 1. | Organic Compounds | \$128.37 <u>\$124.51</u> per ton |
| 2. | Sulfur Oxides | \$128.37 <u>\$124.51</u> per ton |
| 3. | Nitrogen Oxides | \$128.37 <u>\$124.51</u> per ton |
| 4. | PM ₁₀ | \$128.37 <u>\$124.51</u> per ton |

Emissions calculated by the APCO shall be based on the data reported for the most recent 12-month period prior to billing. In calculating the fee amount, emissions of Organic Compounds, Sulfur Oxides, Nitrogen Oxides, or PM₁₀, if occurring in an amount less than 50 tons per year, shall not be counted.

(Amended 7/3/91; 6/15/94; 7/1/98; 5/9/99; 6/7/00; 6/6/01, 5/1/02, 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09; 6/16/10; 6/4/14; 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, TBD)

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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 ~~\$930869~~ per source
- b. MFR EMISSIONS FEE..... ~~\$36,5934.20~~ 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 ~~\$9,2968,688~~ 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 ~~\$1,2954,210~~ per application
- b. SYNTHETIC MINOR INITIAL PERMIT FEE ~~\$930869~~ per source
- c. SYNTHETIC MINOR REVISION FEE..... ~~\$930869~~ 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 ~~\$1,2954,210~~ per application
- b. MFR INITIAL PERMIT FEE ~~\$1,2954,210~~ per source
- c. MFR ADMINISTRATIVE AMENDMENT FEE ~~\$366342~~ per application
- d. MFR MINOR REVISION FEE ~~\$1,8381,718~~ per source modified
- e. MFR SIGNIFICANT REVISION FEE ~~\$3,4273,203~~ per source modified
- f. MFR REOPENING FEE ~~\$1,1241,050~~ per source modified
- g. MFR RENEWAL FEE ~~\$546510~~ 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 ~~\$1,9364,809~~ 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 \$~~15,819~~14,784

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 \$~~221,207~~ per source, not to exceed \$~~21,746~~20,323

(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)

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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)

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**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): ~~\$730635~~

Any person submitting a request to amend an existing ADMP shall pay the following fee: ~~\$374325~~

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: ~~\$5,6354,900~~

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: ~~\$166444~~ 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)

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**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)

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**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 Prescribed Burning and, as such, is subject to the Prescribed Burning operation fee in Section 3 below.

² Upon the determination of the APCO that heavy winter rainfall has prevented this type of burning, the burn period may be extended to no later than June 30.

- c. Any person who provided notification required under Regulation 5, Section 406, who seeks to burn an amount of material greater than the amount listed in that initial notification, shall provide a subsequent notification to the District under Regulation 5, Section 406 and shall pay an additional open burning operation fee prior to burning.

2. Any Marsh Management fire conducted pursuant to Regulation 5, Section 401.13 is subject to the following fee, which will be determined for each property by the proposed acreage to be burned:

- a. OPERATION FEE: \$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 (Prescribed Burning) 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)

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**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: ~~\$2,0694,799~~

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)

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**SCHEDULE X
MAJOR STATIONARY SOURCE COMMUNITY AIR MONITORING FEES**

For each major stationary source, emitting 35 tons per year or more of Organic Compounds, Sulfur Oxides, Nitrogen Oxides, Carbon Monoxide and/or PM₁₀ within the vicinity of a District proposed community air monitoring location, the fee shall be based on the following:

- | | | |
|----|-------------------|-----------------|
| 1. | Organic Compounds | \$60.61 per ton |
| 2. | Sulfur Oxides | \$60.61 per ton |
| 3. | Nitrogen Oxides | \$60.61 per ton |
| 4. | Carbon Monoxide | \$60.61 per ton |
| 5. | PM ₁₀ | \$60.61 per ton |

Emissions calculated by the APCO shall be based on the data reported for the most recent 12-month period prior to billing. In calculating the fee amount, emissions of Organic Compounds, Sulfur Oxides, Nitrogen Oxides, Carbon Monoxide, or PM₁₀, if occurring in an amount less than 35 tons per year, shall not be counted.

(Adopted: 6/15/16; Amended: 6/21/17)

BUDGET AND FINANCE COMMITTEE
MEETING OF 04/29/2020



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

DRAFT STAFF REPORT

PROPOSED AMENDMENTS TO BAAQMD REGULATION 3: FEES

April 17, 2020

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BUDGET AND FINANCE COMMITTEE
MEETING OF 04/29/2020

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, $4 \times \$180/\text{hour} \times 2,080 \text{ hours} = \$1,497,600$

One Programmer Analyst II at \$160/hour, $\$160/\text{hour} \times 2,080 \text{ hours} = \$332,800$

One C&E Air Quality Specialist II at \$172/hour, $\$172/\text{hour} \times 2,080 \text{ hours} = \$357,760$

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, Statutes 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 PM_{2.5}, 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 PM₁₀. 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.

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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.

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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.

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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.

BUDGET AND FINANCE
MEETING OF 04/29/2020



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

DRAFT STAFF REPORT
PROPOSED AMENDMENTS TO
BAAQMD REGULATION 3: FEES

APPENDIX B
PROPOSED REGULATORY LANGUAGE
REGULATION 3: FEES