



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
MEETING
May 3, 2023

MEETING LOCATION(S) FOR IN-PERSON ATTENDANCE BY
BOARD MEMBERS AND MEMBERS OF THE PUBLIC

Main Meeting Location:

Bay Area Metro Center
1st Floor Board Room
375 Beale Street, San Francisco, CA 94105

In-Person Remote Teleconference Location(s):

Office of Contra Costa County
Supervisor John Gioia
Conference Room
11780 San Pablo Ave., Suite D
El Cerrito, CA 94530

City of Palo Alto City Hall
250 Hamilton Ave., 7th Floor
Palo Alto, CA 94301

Office of Alameda County Supervisor
David Haubert
4501 Pleasanton Avenue
Pleasanton, CA 94566

Santa Rosa Junior College Campus
Doyle Library, Room 148
1501 Mendocino Ave.
Santa Rosa, CA, 95401

County of Santa Clara
Office of Supervisor Otto Lee
70 W Hedding St
East Wing, 10th Floor
San Jose, CA 95110

Glenarden Branch Library
8724 Glenarden Parkway
Small Conference Room
Glenarden, MD 20706

THE FOLLOWING STREAMING OPTIONS WILL ALSO BE PROVIDED

These streaming options are provided for convenience only. In the event that streaming connections malfunction for any reason, the Board of Directors reserves the right to conduct the meeting without remote webcast and/or Zoom access.

The public may observe this meeting through the webcast by clicking the link available on the air district's agenda webpage at www.baaqmd.gov/bodagendas.

Members of the public may participate remotely via Zoom at <https://bayareametro.zoom.us/j/83210925199>, or may join Zoom by phone by dialing (669) 900-6833 or (408) 638-0968. The Webinar ID for this meeting is: 832 1092 5199

Public Comment on Agenda Items: The public may comment on each item on the agenda as the item is taken up. Members of the public who wish to speak on a matter on the agenda will have two minutes each to address the Board on that agenda item, unless a different time limit is established by the Chair. No speaker who has already spoken on an item will be entitled to speak to that item again.

BOARD OF DIRECTORS MEETING AGENDA

WEDNESDAY, MAY 3, 2023

9:00 AM

Chairperson, John J. Bauters

1. **Call to Order - Roll Call**

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

2. **Pledge of Allegiance**

3. **Special Orders of the Day**

CONSENT CALENDAR (Items 4 - 11)

4. Approval of the Draft Minutes of the Board of Directors Meeting of April 19, 2023

The Board of Directors will consider approving the draft minutes of the Board of Directors meeting of April 19, 2023.

5. Board Communications Received from April 19, 2023 through May 2, 2023

A copy of communications directed to the Board of Directors received by the Air District from April 19, 2023 through May 2, 2023, if any, will be distributed to the Board Members by way of email.

6. Notices of Violations Issued and Settlements in Excess of \$10,000 in the Month of March 2023

In accordance with Resolution No. 2012-08 the Board of Directors will receive a list of all Notices of Violations issued, and all settlements for amounts in excess of \$10,000 during the month of March 2023.

7. Authorization to Execute Lease Amendments for Office, Shop, Lab, and Garage Space for Meteorology and Measurement Division in Richmond

The Board of Directors will consider authorizing the Executive Officer/APCO to execute amendments to the Air District's lease agreements with Wang Brothers Investments, LLC. to be effective July 1, 2023 through June 30, 2024, and to exercise two options to extend the lease agreement by six months, if needed.

8. Consider Adopting Proposed Amendments to Sections 3, 4, 9, and 13 of Division III of the Administrative Code Regarding Senior Management Classifications

The Board of Directors will consider adopting proposed revisions to Sections 3, 4, 9, and 13 of Division III of the Administrative Code, regarding senior management classifications, to support the organizational restructuring changes the Board of Directors approved on April 19, 2023.

9. Report of the Stationary Source and Climate Impacts Committee Meeting of April 12, 2023

The Board of Directors will receive a report of the Stationary Source and Climate Impacts Committee Meeting of April 12, 2023.

10. Report of the Mobile Source & Climate Impacts Committee Meeting of April 12, 2023

The Board of Directors will receive a report of the Mobile Source & Climate Impacts Committee meeting of April 12, 2023, and will consider approval of the following action items recommended by that Committee:

A. Projects and Contracts with Proposed Awards over \$500,000:

- Action Item: Approve recommended projects with proposed grant awards over \$500,000; and
- Authorize the Executive Officer/Air Pollution Control Officer to enter into all necessary agreements with applicants for the recommended projects.

11. Report of the Community Equity, Health and Justice Committee Meeting of April 19, 2023

The Board of Directors will receive a report of the Community Equity, Health & Justice Committee meeting of April 19, 2023.

PUBLIC HEARING(S)

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

The Board of Directors will hold a public hearing to receive testimony on proposed amendments to the Air District's fee regulation, Regulation 3, that would apply beginning July 1, 2023. These amendments require two public hearings before adoption can be considered. A second public hearing is scheduled for June 7, 2023. This item will be presented by Fred Tanaka, Manager of the Engineering Division.

OTHER BUSINESS

13. Public Comment on Non-Agenda Matters

Pursuant to Government Code Section 54954.3, members of the public who wish to speak on matters not on the agenda will be given an opportunity to address the Board of Directors. Members of the public will have two minutes each to address the Board, unless a different time limit is established by the Chair.

14. Board Member Comments

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)

15. Report of the Executive Officer/APCO

16. Chairperson's Report

17. Time and Place of Next Meetings

Wednesday, May 17, 2023, at 375 Beale Street, San Francisco, CA 94105. There will be a Special Meeting starting at 8:30 a.m. to hold a public hearing to review the proposed budget for Fiscal Year 2023-2024 and provide the public with an opportunity to comment on it, followed by a Regular Meeting starting at 9:00 a.m. The meetings will be in-person for Board members, and members of the public will be able to join either in-person or via webcast.

CLOSED SESSION

18. Conference with Labor Negotiators Pursuant to Government Code Section 54957.6

Conference with Labor Negotiators

Pursuant to Government Code Section 54957.6

Agency Designated Representatives:

Laura A. Izon , Atkinson, Andelson, Loya, Ruud & Romo

John Chiladakis, Acting Chief Administrative Officer

Employee organization: BAAQMD Employees' Association

OPEN SESSION

19. 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 Air 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, Suma Peesapati, at (415) 749-4967 or by email at spesapati@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 2023

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Meeting	Wednesday	3	9:00 a.m.	1 st Floor Board Room
Board of Directors Finance and Administration Committee	Wednesday	3	1:00 p.m.	1 st Floor Board Room
Board of Directors Stationary Source and Climate Impacts Committee	Wednesday	10	10:00 a.m.	1 st Floor, Yerba Buena Room
Board of Directors Mobile Source and Climate Impacts Committee	Wednesday	10	1:00 p.m.	1 st Floor, Yerba Buena Room
Board of Directors Special Meeting Budget Hearing	Wednesday	17	8:30 a.m.	1 st Floor, Yerba Buena Room
Board of Directors Meeting	Wednesday	17	9:00 a.m.	1 st Floor, Yerba Buena Room
Board of Directors Community Equity, Health and Justice Committee	Wednesday	17	1:00 p.m.	1 st Floor, Yerba Buena Room
Community Advisory Council	Thursday	18	6:00 pm.	Cal State University, East Bay Grand Lake and Merritt 1 Rooms 1000 Broadway, Suite 109 Oakland, CA 94607

JUNE 2023

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Meeting	Wednesday	7	9:00 a.m.	1 st Floor Board Room
Board of Directors Legislative Committee	Wednesday	7	10:30 a.m.	1 st Floor Board Room
Board of Directors Finance & Administration Committee	Wednesday	7	1:00 p.m.	1 st Floor Board Room
Advisory Council Meeting	Monday	12	8:30 a.m.	1 st Floor Board Room

JUNE 2023

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Stationary Source and Climate Impacts Committee	Wednesday	14	10:00 a.m.	1 st Floor, Yerba Buena Room
Board of Directors Mobile Source and Climate Impacts Committee	Wednesday	14	1:00 p.m.	1 st Floor, Yerba Buena Room
Board of Directors Meeting	Wednesday	21	9:00 a.m.	1 st Floor Board Room
Board of Directors Community Equity, Health and Justice Committee	Wednesday	21	1:00 p.m.	1 st Floor Board Room
HL 4/26/2023 – 2:55 p.m.				G/Board/Executive Office/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John J. Bauters and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: May 3, 2023

Re: Approval of the Draft Minutes of the Board of Directors Meeting of April 19, 2023

RECOMMENDED ACTION

Approve the attached draft minutes of the Board of Directors meeting of April 19, 2023.

BACKGROUND

None.

DISCUSSION

Attached for your review and approval are the draft minutes of the Board of Directors meeting of April 19, 2023.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

ATTACHMENTS:

1. Draft Minutes of the Board of Directors Meeting of April 19, 2023

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 19, 2023

DRAFT MINUTES

This meeting was webcast, and a video recording is available on the website of the Bay Area Air Quality Management District at www.baaqmd.gov/bodagendas

CALL TO ORDER

1. **Opening Comments:** Board of Directors (Board) Chairperson, John J. Bauters, called the meeting to order at 9:03 a.m.

Roll Call:

Present, In-Person (Bay Area Metro Center, 375 Beale Street, 1st Floor Board Room, San Francisco, California, 94105): Chairperson John J. Bauters; Vice Chairperson Davina Hurt; and Directors Ken Carlson, Noelia Corzo, Juan Gonzalez, Myrna Melgar, Katie Rice, and Shamann Walton.

Present, In-Person Satellite Location: (Office of Contra Costa County Supervisor John Gioia, Conference Room, 11780 San Pablo Avenue, Suite D, El Cerrito, California, 94530): Directors Erin Hannigan, Joelle Gallagher, John Gioia, Nate Miley, Mark Ross, and Steve Young.

Present, In-Person Satellite Location: (City of Palo Alto City Hall, 250 Hamilton Avenue, 7th Floor, Palo Alto, California, 94301): Directors Margaret Abe-Koga, Sergio Lopez, Ray Mueller, and Vicki Veenker.

Present, In-Person Satellite Location: (Santa Rosa Junior College Campus, Doyle Library, Room 148, 1501 Mendocino Avenue, Santa Rosa, California, 95401): Secretary Lynda Hopkins; and Director Brian Barnacle.

Absent: Directors David Haubert, David Hudson, Tyrone Jue, and Otto Lee.

2. **PLEDGE OF ALLEGIANCE**
3. **PUBLIC MEETING PROCEDURE**
4. **SPECIAL ORDERS OF THE DAY**

Chair Bauters introduced Mark Kiffe, a new Air Quality Engineer, in the Engineering Division.

CONSENT CALENDAR (ITEMS 5 – 13)

5. Approval of the Minutes of the Board of Directors Meeting of April 5, 2023
6. Board Communications Received from April 5, 2023 through April 18, 2023
7. Personnel Out-of-State Business Travel Report for March 2023
8. Authorization to Approve an Amendment to Renew Contract for Spare the Air Advertising and Messaging Campaigns
9. Authorization of Contract to Secure Office, Shop, and Garage Space in Oakland
10. Authorization to Amend Contract with Kearns & West, Inc.
11. Authorization to Issue a Credit Card to the Interim Chief Operating Officer

12. Report of the Legislative Committee Meeting of April 5, 2023
 - a. Air District-Sponsored Bills:
 1. **Co-Sponsor** Assembly Bill 1609 (Garcia) - Air pollution: motor vehicle registration: pollution reduction.
 - b. Discussion and Consideration of Brown Act Bills:
 1. **Support** Assembly Bill 817 (Pacheco) – Open meetings: teleconferencing: subsidiary body.
 2. **Support** Senate Bill 537 (Becker) – Open meetings: local agencies: teleconferences.
 - c. Consideration of New Bills:
 1. **Oppose** Assembly Bill 698 (Essayli) – Energy; Gas stoves.
 2. **Oppose Unless Amended** Senate Bill 415 (Durazo) – Air quality: rules and regulations: socioeconomic impacts assessment.
 3. **Work with Author** on Senate Bill 768 (Caballero)- California Environmental Quality Act: vehicle miles traveled: statement of overriding consideration.
 4. **Support** Senate Bill 527 (Min) - Neighborhood Decarbonization Program.

13. Report of the Finance and Administration Committee Meeting of April 5, 2023

Public Comments

No requests received.

Board Comments

None.

Board Action

Director Melgar made a motion, seconded by Director Carlson, to **approve** Consent Calendar Items 5 – 13, inclusive; and the motion **carried** by the following vote of the Board:

AYES: Barnacle, Bauters, Carlson, Corzo, Gallagher, Gioia, Gonzalez, Hannigan, Hopkins, Hurt, Melgar, Mueller, Rice, Veenker, Walton, Young.
NOES: None.
ABSTAIN: None.
ABSENT: Abe-Koga, Jue, Haubert, Hudson, Lee, Lopez, Miley, Ross.

ACTION ITEMS

14. CONSIDER TAKING ‘SUPPORT’ POSITION ON SENATE BILL 674 (GONZALEZ)

Alan Abbs, Legislative Officer, gave the staff presentation *Consider Taking 'Support' Position on Senate Bill (SB) 674 (Gonzalez)*, including: outcome; outline; requested action; and SB 674 (Gonzalez).

NOTED PRESENT: Director Abe-Koga was noted present at 9:08 a.m.; Director Miley was noted present at 9:09 p.m.; and Director Lopez was noted present at 9:15 a.m.

Public Comments

No requests received.

Board Comments

None.

Board Action

Vice Chair Hurt made a motion, seconded by Director Gonzalez, to **adopt** the position of SUPPORT, regarding SB 674 (Gonzalez) - Air pollution: refineries: community air monitoring systems: fence-line monitoring systems; and the motion **carried** by the following vote of the Board:

- AYES: Abe-Koga, Barnacle, Bauters, Carlson, Corzo, Gallagher, Gioia, Gonzalez, Hannigan, Hopkins, Hurt, Melgar, Miley, Mueller, Rice, Veenker, Walton, Young.
- NOES: None.
- ABSTAIN: None.
- ABSENT: Jue, Haubert, Hudson, Lee, Lopez, Ross.

15. AUTHORIZATION OF ACTIONS TO SUPPORT ORGANIZATIONAL RESTRUCTURING; AND NOTICE OF PROPOSED AMENDMENTS TO SECTIONS 3, 4, 9 AND 13 OF DIVISION III OF THE ADMINISTRATIVE CODE REGARDING SENIOR MANAGEMENT CLASSIFICATIONS

Dr. Philip M. Fine, Executive Officer / Air Pollution Control Officer (APCO) gave the staff presentation *Recommend Authorization of Position Classifications to Support Organizational Restructuring*, including: outcome; outline; organizational structure; classification changes, cost impacts; and requested action.

Public Comments

Public comments were given by Jan Warren, Interfaith Climate Action Network of Contra Costa County.

Board Comments

The Board and staff discussed appreciation for the transition from the Interim Executive Officer/APCO to the new Executive Officer/APCO; whether the “reclassification” of staff positions means that staff reductions, to relocating staff members from one division to another, will occur; the need for additional Compliance & Enforcement staff; whether reclassification of positions are anticipated to increase the amount of work for a given position; and how the Air District plans to address the issues of pay equity and potential salary disparities.

Board Action

Director Melgar made a motion, seconded by Director Gonzalez, to:

Authorize the recommendations of the April 5, 2023, Finance and Administration Committee to support organizational restructuring:

1. Authorize position classifications, reclassifications, salary resolution; and
2. Receive Notice of Proposed Amendments to Sections 3, 4, 9 and 13 of Division III of the Administrative Code Regarding Senior Management Classifications and Consider Adopting the Proposed Amendments at its next Meeting on May 3, 2023.

The motion **carried** by the following vote of the Board:

- AYES: Abe-Koga, Barnacle, Bauters, Carlson, Corzo, Gallagher, Gioia, Gonzalez, Hannigan, Hopkins, Hurt, Lopez, Melgar, Miley, Mueller, Rice, Veenker, Walton, Young.
- NOES: None.
- ABSTAIN: None.
- ABSENT: Jue, Haubert, Hudson, Lee, Ross.

A link to signed Board Resolution No. 2023-04 will be added here in the approved version of these minutes.

16. ONLINE PERMITTING AND COMPLIANCE SYSTEM STATUS UPDATE AND AUTHORIZATION TO EXECUTE CONTRACT AMENDMENTS FOR THE OFFICE OF MY AIR ONLINE

Blair L. Adams, Information Systems Officer, gave the staff presentation *Online Permit Billing System Status Update and Authorization to Execute Contract Amendments for My Air Online*, including: outline; requested action; My Air Online; completed deliverables (2008 to 2012, 2013 to 2018, and 2019 to 2022); deliverable status overall; online permit billing and compliance system capitalized costs; annual budget - historical and forecasts; remaining features, future considerations; schedule; vendor specifics; and recommended action.

Public Comments

No requests received.

Board Comments

The Board and staff discussed the definition of “capitalized costs”; the objective of consolidating several legacy systems and associated processes into a modular technology ecosystem designed to streamline and semi-automate workflows to improve staff productivity, data consistency, and accessibility; when the development of new ecosystem began; where there is a capitalized asset value for the legacy systems; whether the data from the legacy systems will be moved to the new system, or at least be accessible; the decommission of the legacy systems; why permit costs are projected to decrease, beginning in 2025; whether the Air District has received customer feedback regarding My Air Online, and whether the new system will be a product that customers need and find satisfactory; whether other California Air Districts use similar permitting systems and the projected costs; the anticipated timeline for facility migrations to the new system, and whether the more complex facilities will be served outside of the new system; whether the new system tracks the speed at which customers are being served; interest in future comparisons between the legacy and new systems; whether, in 2008, the Air District anticipated spending \$36 million for the new system, how to tell whether the Air District is “on budget” for the new system, and what is the real cost and budget (operations & maintenance of the new system); and whether it is possible to create a permitting system that is shared by multiple regulating agencies/air districts.

NOTED PRESENT: Director Ross was noted present at 9:42 p.m.

Board Action

Director Gonzalez made a motion, seconded by Director Rice, to **receive** the Online Permitting Billing and Compliance System Status Update and **authorize** the Executive Officer/APCO to execute contract amendments for the office of My Air Online; and the motion **carried** by the following vote of the Board:

- AYES: Abe-Koga, Barnacle, Bauters, Carlson, Corzo, Gallagher, Gioia, Gonzalez, Hannigan, Hopkins, Hurt, Lopez, Melgar, Miley, Mueller, Rice, Ross, Veenker, Walton, Young.
- NOES: None.
- ABSTAIN: None.
- ABSENT: Jue, Haubert, Hudson, Lee.

OTHER BUSINESS

17. PUBLIC COMMENT ON NON-AGENDA MATTERS

Public comments were given by Jan Warren, Interfaith Climate Action Network of Contra Costa County.

18. BOARD MEMBER COMMENTS

Director Young spoke of the federal appeals court ruling on April 17, 2023, which overturned the City of Berkeley’s 2019 ban on natural gas in new construction, saying that it violates federal law that gives the U.S. government the authority to set energy-efficiency standards for appliances. Director Young wanted the Board and Air District staff to be aware of this, in case the amendments to Air District

Regulation 9: Inorganic Gaseous Pollutants, Rule 4: Nitrogen Oxides from Fan Type Central Furnaces (Rule 9-4) and Rule 6: Nitrogen Oxides Emissions from Natural Gas-Fired Boilers and Water Heaters (Rule 9-6), which were adopted on March 15, 2023, fall under the same scrutiny.

19. **REPORT OF THE EXECUTIVE OFFICER/APCO**

Dr. Fine reported that early next month, management audits of the Air District's Engineering and My Air Online Divisions will be conducted by Sjoberg Evashenk Consulting, Inc.

20. **CHAIRPERSON'S REPORT**

Chair Bauters reported that the Board's Community, Equity, Health, and Justice Committee will meet at 1:00 p.m. on Wednesday, April 19, 2023.

21. **TIME AND PLACE OF NEXT MEETING**

Wednesday, May 3, 2023, at 9:00 a.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Board members and members of the public will be able to either join in-person or via webcast.

CLOSED SESSION (9:58 a.m.)

22. **CONFERENCE WITH LEGAL COUNSEL RE ANTICIPATED LITIGATION (GOVERNMENT CODE SECTIONS 54956.9(a) AND (d)(2))**

Pursuant to Government Code sections 54956.9(a) and (d)(2), the Board will meet in closed session with legal counsel to discuss a significant exposure to litigation, based on facts and circumstances not known to a potential plaintiff or plaintiffs: Four cases.

REPORTABLE ACTION: Alexander Crockett, District Counsel, had nothing to report.

23. **CONFERENCE WITH LEGAL COUNSEL RE EXISTING LITIGATION (GOVERNMENT CODE SECTION 54956.9(a))**

Pursuant to Government Code Section 54956.9(a), the Board will meet in closed session with legal counsel to discuss the following cases:

Chevron U.S.A Inc. v. Bay Area Air Quality Management District, Contra Costa Superior Court Case No. MSN21-1739;

Martinez Refining Co. LLC v. Bay Area Air Quality Management District, Contra Costa Superior Court Case No. MSN21-1568;

The Athletics Investment Group, LLC v. Bay Area Air Quality Management District, Alameda County Superior Ct. No. 22CV010930; and

Communities for a Better Environment v. Bay Area Air Quality Management District and McWane Inc., Alameda Superior Court Case No. 22CV020451.

REPORTABLE ACTION: Mr. Crockett had nothing to report.

24. **CONFERENCE WITH LABOR NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54957.6**

Conference with Labor Negotiators

Pursuant to Government Code Section 54957.6

Agency Designated Representatives:

Laura A. Izon , Atkinson, Andelson, Loya, Ruud & Romo

John Chiladakis, Acting Chief Administrative Officer

Employee organization: BAAQMD Employees' Association

REPORTABLE ACTION: Mr. Crockett reported that the Board discussed the item and gave direction to the labor negotiator, regarding next steps.

OPEN SESSION (11:44 a.m.)

23. **ADJOURNMENT**

The meeting was adjourned at 11:45 a.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson John J. Bauters and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: May 3, 2023

Re: Board Communications Received from April 19, 2023 through May 2, 2023

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

None.

DISCUSSION

Copies of communications directed to the Board of Directors received by the Air District from April 19, 2023 through May 2, 2023, if any, will be distributed to the Board Members by way of email.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Justine Buenaflor
Reviewed by: Vanessa Johnson

ATTACHMENTS:

None

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John J. Bauters and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: May 3, 2023

Re: Notices of Violations Issued and Settlements in Excess of \$10,000 in the Month of
March 2023

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

None.

DISCUSSION

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

BUDGET CONSIDERATION/FINANCIAL IMPACT

The amounts of civil penalties are collected and recorded in the Air District's General Fund.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Alexander G. Crockett

ATTACHMENTS:

- 1. Notices of Violations for the Month of March 2023

NOTICES OF VIOLATIONS ISSUED

The following Notice(s) of Violation(s) were issued in March 2023:

Alameda						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
Ally Builder	FB690	Newark	A61675A	3/9/2023	11-2-303	Asbestos Violation
Ally Builder	FB690	Newark	A61675B	3/9/2023	11-2-304	Asbestos Violation
Ally Builder	FB690	Newark	A61676A	3/9/2023	11-2-401.3	Asbestos Violation
Au Energy LLC	Z1937	Fremont	A62288A	3/27/2023	2-1-307	Permit Requirement/Condition Violation
Au Energy LLC	Z1937	Fremont	A62288B	3/27/2023	8-7-302.3	Gas Dispensing Facility Violation
Berkeley HMA	A0123	Berkeley	A61749A	3/27/2023	2-1-307	Permit Requirement/Condition Violation
Berkeley Millwork & Furniture Co	B2691	Oakland	A61145A	3/16/2023	8-32-320	Wood Coating Violation
Berkeley Millwork & Furniture Co	B2691	Oakland	A61145B	3/16/2023	8-32-501	Wood Coating Violation
Berkeley Millwork & Furniture Co	B2691	Oakland	A61145C	3/16/2023	2-1-307	Permit Requirement/Condition Violation
Dublin San Ramon Services District - Wastewater TP	A1371	Pleasanton	A60891A	3/30/2023	2-1-307	Permit Requirement/Condition Violation
E Ink California, LLC	B4533	Fremont	A61765A	3/2/2023	1-523.3	Parametric Monitor Violation
P. W. Stephens Environmental, Inc.	L6230	Fremont	A61903A	3/22/2023	11-2-401.3	Asbestos Violation
Safety-Kleen of California, Inc	A1190	Newark	A61766A	3/21/2023	9-7-506	Boiler Emissions Violation
Safety-Kleen of California, Inc	A1190	Newark	A61767A	3/21/2023	9-7-506	Boiler Emissions Violation
Safety-Kleen of California, Inc	A1190	Newark	A61768A	3/27/2023	2-1-307	Permit Requirement/Condition Violation

Contra Costa						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
Arco	Y6072	Concord	A56702A	3/20/2023	8-7-301.6	Gas Dispensing Facility Violation
Arco	Y6072	Concord	A56702B	3/20/2023	8-7-302.3	Gas Dispensing Facility Violation
Big House Beans	E3777	Antioch	A60866A	3/13/2023	2-1-307	Permit Requirement/Condition Violation
Brent Smith - MILZ Construction	FB740	Danville	A61183A	3/23/2023	11-2-303.8	Asbestos Violation
California Department of Water Resources	A8930	Byron	A60863A	3/7/2023	2-1-307	Permit Requirement/Condition Violation
California Department of Water Resources	A8930	Byron	A60864A	3/7/2023	2-1-307	Permit Requirement/Condition Violation
Chevron Products Company	A0010	Richmond	A60930A	3/22/2023	12-11-502.3.1	Refinery Flare Monitoring Violation
Chevron Products Company	A0010	Richmond	A60931A	3/22/2023	12-11-502.3.1	Refinery Flare Monitoring Violation
Chevron Products Company	A0010	Richmond	A60932A	3/22/2023	12-11-502.3.1	Refinery Flare Monitoring Violation
Chevron Products Company	A0010	Richmond	A60933A	3/22/2023	12-11-502.3.1	Refinery Flare Monitoring Violation
Chevron Products Company	A0010	Richmond	A60934A	3/22/2023	12-11-502.3.1	Refinery Flare Monitoring Violation
Chevron Products Company	A0010	Richmond	A60935A	3/22/2023	12-11-502.3.1	Refinery Flare Monitoring Violation
Chevron Products Company	A0010	Richmond	A60936A	3/22/2023	12-11-502.3.1	Refinery Flare Monitoring Violation
Chevron Products Company	A0010	Richmond	A60937A	3/22/2023	12-11-502.3.1	Refinery Flare Monitoring Violation
Chevron Products Company	A0010	Richmond	A62046A	3/23/2023	6-1-301	Visible Emissions Violation
Chevron Products Company	A0010	Richmond	A62046B	3/23/2023	6-1-302	Visible Emissions Violation
Corteva Agriscience - Pittsburg Operations	A0031	Pittsburg	A60867A	3/28/2023	2-6-307	Title V Requirement/Condition Violation

Gold Bond Building Products, LLC	A0706	Richmond	A61751A	3/30/2023	2-1-301	No Authority to Construct and No Permit to Operate
Gold Bond Building Products, LLC	A0706	Richmond	A61751B	3/30/2023	2-1-302	No Authority to Construct and No Permit to Operate
Gold Bond Building Products, LLC	A0706	Richmond	A61752A	3/30/2023	2-1-302	No Permit to Operate
Griffon Ventures Inc.	Z9392	Alamo	A62324A	3/1/2023	8-7-503.3	Gas Dispensing Facility Violation
Hari Kalra	FB705	El Sobrante	A62327A	3/15/2023	8-7-301.1	Gas Dispensing Facility Violation
Phillips 66 Company - San Francisco Refinery	A0016	Rodeo	A61247A	3/13/2023	2-6-307	Title V Requirement/Condition Violation
Phillips 66 Company - San Francisco Refinery	A0016	Rodeo	A61248A	3/13/2023	2-6-307	Title V Requirement/Condition Violation
Phillips 66 Company - San Francisco Refinery	A0016	Rodeo	A61248B	3/13/2023	9-1-307	SO2 Emissions Violation
Phillips 66 Company - San Francisco Refinery	A0016	Rodeo	A61249A	3/13/2023	10	Code of Federal Regulation Violation
Phillips 66 Company - San Francisco Refinery	A0016	Rodeo	A61250A	3/13/2023	10	Code of Federal Regulation Violation
Phillips 66 Company - San Francisco Refinery	A0016	Rodeo	A61251A	3/13/2023	10	Code of Federal Regulation Violation
Phillips 66 Company - San Francisco Refinery	A0016	Rodeo	A61252A	3/13/2023	10	Code of Federal Regulation Violation
R&R Petroleum Inc.	FB716	Martinez	A60678A	3/17/2023	8-7-302.1	Gas Dispensing Facility Violation
Richmond Metal Painting	FB710	San Pablo	A61750A	3/16/2023	2-1-301	No Authority to Construct and No Permit to Operate
Richmond Metal Painting	FB710	San Pablo	A61750B	3/16/2023	2-1-302	No Authority to Construct and No Permit to Operate

Napa						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
Napa-Vallejo Waste Management Authority	A9183	Napa	A61526A	3/23/2023	2-1-307	Permit Requirement/Condition Violation
Napa-Vallejo Waste Management Authority	A9183	Napa	A61526B	3/23/2023	8-34-301.1	Landfill Violation

San Francisco						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
Port of San Francisco	FB754	San Francisco	A58096A	3/29/2023	2-1-301	No Authority to Construct and No Permit to Operate
Port of San Francisco	FB754	San Francisco	A58096B	3/29/2023	2-1-302	No Authority to Construct and No Permit to Operate
Recycle Central at Pier 96	B3292	San Francisco	A58095A	3/15/2023	2-1-307	Permit Requirement/Condition Violation

San Mateo						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
Bayside 76	Z5205	San Mateo	A62331A	3/8/2023	2-1-307	Permit Requirement/Condition Violation
Chevron	P5922	Redwood City	A62334A	3/16/2023	2-1-307	Permit Requirement/Condition Violation
Menlo Chevron	FB704	Menlo Park	A62333A	3/15/2023	8-7-301.1	Gas Dispensing Facility Violation
Menzies Aviation Inc	A5852	Millbrae	A60340A	3/2/2023	8-39-305	Gasoline Bulk Plants and Gasoline Cargo Tanks Violation
Menzies Aviation Inc	A5852	Millbrae	A60340B	3/2/2023	8-39-306	Gasoline Bulk Plants and Gasoline Cargo Tanks Violation
Menzies Aviation Inc	A5852	Millbrae	A60341A	3/2/2023	2-1-301	No Authority to Construct and No Permit to Operate

Menzies Aviation Inc	A5852	Millbrae	A60341B	3/2/2023	2-1-302	No Authority to Construct and No Permit to Operate
North San Mateo County Sanitation Dist	A1507	Daly City	A60342A	3/6/2023	2-1-307	Permit Requirement/Condition Violation
North San Mateo County Sanitation Dist	A1507	Daly City	A60342B	3/6/2023	9-7-307.1	Boiler Emissions Violation
North San Mateo County Sanitation Dist	A1507	Daly City	A60343A	3/6/2023	2-1-307	Permit Requirement/Condition Violation
North San Mateo County Sanitation Dist	A1507	Daly City	A60343B	3/6/2023	9-7-307.1	Boiler Emissions Violation
Peninsula Country Club	Z0456	San Mateo	A62330A	3/7/2023	2-1-307	Permit Requirement/Condition Violation
Pet's Rest Cemetery	A4860	Colma	A60345A	3/30/2023	2-1-307	Permit Requirement/Condition Violation
San Mateo Auto Services	Y4157	San Mateo	A62335A	3/20/2023	8-7-302.1	Gas Dispensing Facility Violation
San Mateo Auto Services	Y4157	San Mateo	A62335B	3/20/2023	2-1-307	Permit Requirement/Condition Violation
Spirit HD Colma CA, LP	A5897	Colma	A60344A	3/28/2023	2-1-307	Permit Requirement/Condition Violation
Synergy Petroleum	FB752	South San Francisco	A62325A	3/2/2023	2-1-307	Permit Requirement/Condition Violation

Santa Clara						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
Auto Pride Car Wash	FB714	San Jose	A62287A	3/17/2023	8-7-301.5	Gas Dispensing Facility Violation
Cintas Corporation	E3156	Gilroy	A59790A	3/15/2023	2-1-307	Permit Requirement/Condition Violation
City of Santa Clara	A3464	Santa Clara	A61643A	3/8/2023	8-34-301.1	Landfill Violation
City of Sunnyvale/Environmental Services	A5905	Sunnyvale	A60929A	3/8/2023	8-34-301.1	Landfill Violation

Gate of Heaven Cemetery	FB724	Los Altos	A62332A	3/13/2023	2-1-307	Permit Requirement/Condition Violation
Gate of Heaven Cemetery	FB724	Los Altos	A62332B	3/13/2023	8-7-301.1	Gas Dispensing Facility Violation
GF Saunders	FB734	San Jose	A62285A	3/7/2023	2-1-307	Permit Requirement/Condition Violation
GF Saunders	FB734	San Jose	A62285B	3/7/2023	8-7-301.5	Gas Dispensing Facility Violation
Jabil Circuits Inc	B2898	San Jose	A59791A	3/20/2023	2-1-301	No Authority to Construct and No Permit to Operate
Jabil Circuits Inc	B2898	San Jose	A59791B	3/20/2023	2-1-302	No Authority to Construct and No Permit to Operate
Lam Bao Corporation	FB732	San Jose	A62286A	3/13/2023	8-7-301.5	Gas Dispensing Facility Violation
NARJ, LLC	FB722	San Jose	A61725A	3/21/2023	8-7-302.3	Gas Dispensing Facility Violation
Resourceful Decisions Inc.	FB672	San Jose	A62284A	3/3/2023	2-1-301	No Authority to Construct

Solano						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
Pauli Systems Inc	B1117	Fairfield	A62153A	3/30/2023	2-1-302	No Permit to Operate
Restoration Management Company	Z3868	Benicia	A61677A	3/20/2023	11-2-401.5	Asbestos Violation
Syar Industries, Inc	A0128	Vallejo	A62326A	3/8/2023	8-7-301.1	Gas Dispensing Facility Violation
Valero Refining Company - California	B2626	Benicia	A62178A	3/15/2023	10	Code of Federal Regulation Violation
Valero Refining Company - California	B2626	Benicia	A62179A	3/15/2023	10	Code of Federal Regulation Violation
Valero Refining Company - California	B2626	Benicia	A62180A	3/23/2023	8-18-307	Equipment Leak Violation

Company Address Outside of Bay Area						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
1-888-4-Abatement Inc	FB682	Chico	A61674A	3/8/2023	11-2-303.6	Asbestos Violation
BP Products North America	Z9632	Artesia	A62283A	3/1/2023	8-7-302.1	Gas Dispensing Facility Violation
E.T. Abatement Inc	FB746	Modesto	A60141A	3/29/2023	11-2-401.3	Asbestos Violation
Josh Coleman	FB728	Phoenix	A62336A	3/22/2023	8-7-302.1	Gas Dispensing Facility Violation

SETTLEMENTS FOR \$10,000 OR MORE REACHED

There was 1 settlement(s) for \$10,000 or more completed in March 2023.

- 1) On March 3, 2023, the District reached settlement with Liaoning Benefit Petroleum (US) Corporation for \$14,000, regarding the allegations contained in the following 5 Notices of Violations:

NOV #	Issuance Date	Occurrence Date	Regulation	Comments from Enforcement
A59702A	10/13/2021	11/12/2019	2-1-307	Permit Requirement/Condition Violation
A61363A	12/1/2021	10/13/2021	8-7-301.5	Gas Dispensing Facility Violation
A61364A	12/7/2021	11/3/2021	8-7-301.6	Gas Dispensing Facility Violation
A61364B	12/7/2021	11/3/2021	8-7-302.3	Gas Dispensing Facility Violation
A61375A	1/4/2022	11/3/2021	8-7-302.3	Gas Dispensing Facility Violation
A61377A	1/6/2022	10/13/2021	8-7-301.5	Gas Dispensing Facility Violation

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John J. Bauters and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: May 3, 2023

Re: Authorization to Execute Lease Amendments for Office, Shop, Lab, and Garage
Space for Meteorology and Measurement Division in Richmond

RECOMMENDED ACTION

Recommend the Board of Directors authorize the Executive Officer/APCO to:

- Execute amendments to the Air District's lease agreements with Wang Brothers Investments, LLC. effective July 1, 2023 through June 30, 2024, which would result in an estimated cost of \$553,312.20 in Fiscal Year Ending (FYE) 2024, and
- Exercise one or both options to extend the leases by six months outlined in the amendment, through December 31, 2024 and through June 30, 2025, if there are no other alternative locations available, which would result in an estimated cost of \$576,857.40.

BACKGROUND

The Air District’s Meteorology and Measurement (M&M) Division collects and analyzes emissions and air quality to support the activities of the Compliance & Enforcement, Engineering, Planning, Legal, Rules, Assessment, Inventory & Modeling, Communications, and Community Engagement Divisions. To support the operation of monitoring, testing and analysis, the M&M Division staff also develop rigorous monitoring and testing plans and procedures, develop and maintain instruments and systems, conduct quality assurance and quality control, and analyze data and communicate results. The Air Monitoring Operations, Source Test, and Performance Evaluation Sections in the M&M Division operate out of multiple suites that are leased at 3033 and 3065 Richmond Parkway, Richmond, CA. The lease agreement for 3033 Richmond Parkway Suites 300, 301, and 302 was initially signed in 2007. The lease agreements for 3033 Richmond Parkway Suite 303 and 3065 Richmond Parkway Suite 109 were initiated in 2014 and 2015, respectively. The lease agreements include office, shop, lab, and garage space.

DISCUSSION

The existing lease agreements with Wang Brothers Investments, LLC will expire on June 30, 2023 (Attachments 1a, 1b, and 1c). The Board is requested to authorize the Executive Officer/APCO to execute a one-year lease extension, effective July 1, 2023 through June 30,

2024 (Attachments 2a, 2b, and 2c). The monthly rents; estimated monthly costs for taxes, insurance, and maintenance; and estimated annual costs are listed in Table 1. The lease payments over this timeframe (FYE 2024) are anticipated to be a total of \$459,131.40 and the total estimated cost is \$553,312.20.

Table 1: Rent and other costs (monthly and annual) July 1, 2023 – June 30, 2024:

Suite	Monthly Rent	Monthly Costs (Est.)	Total Monthly Cost (Est.)	Annual Cost (Est.)
109	\$ 7,244.25	\$ 1,486.00	\$ 8,730.25	\$ 104,763.00
303	\$ 7,745.40	\$ 1,588.80	\$ 9,334.20	\$ 112,010.40
300, 301, 302	\$ 23,271.30	\$ 4,773.60	\$ 28,044.90	\$ 336,538.80

The lease amendment includes two options to extend the lease by six months, through December 31, 2024 (first option) and through June 30, 2025 (second option). The costs for rent and other expenses are listed in Table 2. If both options to extend the lease are exercised, the lease payments in FYE 2025 would be \$482,676.60 and the total estimated cost is \$576,857.40.

The duration of this lease agreement and the two options to extend the lease allow the Air District to consider other more suitable locations if and when they become available, for example the Air District HQ East location in Richmond or the property in Oakland that the Board considered at the April 19, 2023 Board meeting.

Table 2: Rent and other costs July 1, 2024 – June 30, 2025 if Air District exercises options to extend lease

Suite	Total Rent		Total Annual Rent (FYE 2024 - 2025)	Annual Cost (Est.)
	First Option	Second Option		
109	\$45,694.50	\$45,694.50	\$91,389.00	\$109,221.00
303	\$48,855.60	\$48,855.60	\$97,711.20	\$116,776.80
300, 301, 302	\$146,788.2	\$146,788.2	\$293,576.40	\$350,859.60

BUDGET CONSIDERATION/FINANCIAL IMPACT

The rental costs for FYE 2024 are proposed in the FYE 2024 budgets for Program Codes 802 (Air Monitoring Operations), 804 (Source Test), 807 (Performance Evaluation), and 810 (Air Monitoring Projects and Technology). Rental costs for future years, if needed, will continue to be included in future proposed budgets for these program codes.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Ranyee Chiang and Cynthia Zhang
Reviewed by: Greg Nudd

ATTACHMENTS:

1. 1a Executed Lease Agreement 3065 Richmond Parkway Suite 109
2. 1b Executed Lease Agreement 3033 Richmond Parkway Suite 303
3. 1c Executed Lease Agreement 3033 Richmond Parkway Suites 300, 301, 302
4. 2a Proposed Lease Amendment for 3065 Richmond Parkway Suite 109
5. 2b Proposed Lease Amendment for 3033 Richmond Parkway Suite 303
6. 2c Proposed Lease Amendment for 3033 Richmond Parkway Suites 300, 301, 302

THIRD AMENDMENT TO LEASE

THIS THIRD AMENDMENT TO LEASE ("Third Amendment") is dated, for references purposes only, 18th day of October 2021 by and between Wang Brothers Investments, LLC ("Landlord") and Bay Area Air Quality Management District (BAAQMD) ("Tenant").

THE PARTIES ENTER INTO THIS AMENDMENT based upon the following facts, understandings and intentions:

RECITALS

Landlord and Tenant entered into that certain Lease dated, for references purposes only, May 19th, 2015 pursuant to which Landlord leased to Tenant certain improved real property located in County of Contra Costa, State of California, commonly known as 3065 Richmond Parkway, Suites 109 Richmond, California, 94806 consisting of approximately 3,715 square foot of space. Capitalized terms not defined herein shall have the meaning ascribed to such terms in the Lease.

Landlord and Tenant entered into FIRST AMENDMENT TO LEASE ("First Amendment"), dated February 5th, 2018, to amend the Term, Base Rent, Common Area Operating Expenses, Option to Extend Term, and Rent Payments of the Lease.

Landlord and Tenant entered into SECOND AMENDMENT TO LEASE ("Second Amendment"), dated March 9th, 2020, to amend the Term, Base Rent, Common Area Operating Expenses, Option to Extend Term, and Rent Payments of the Lease.

Landlord and Tenant now desire to amend the Lease, subject to the terms and conditions hereinafter set forth.

AGREEMENT

NOW, THEREFORE in consideration of the mutual covenants and promises of the parties, the parties hereto modify and amend the Lease as follows:

1. By this Lease Amendment, Landlord and Tenant amend Paragraph 1.3 of the Lease, "Term." The term of the Contract shall commence on **January 1, 2022** (the "Renewal Date") and be for **Six (6) Months**, expiring **June 30, 2022**.
2. By this Lease Amendment, Landlord and Tenant amend Paragraph 1.5 of the Lease, "Base Rent." Effective on the Renewal Date, Tenant shall pay to Landlord rent ("Rent") \$1.75 per square foot. In the amount of Six Thousand Five Hundred One Dollars 25/100 (**\$6,501.25**) per month ("Base Rent"), payable on the first (1st) day of each month commencing January 1, 2022, until the lease expires on June 30, 2022.

3. By this Lease Amendment, Landlord and Tenant amend Paragraph 1.7(b) of the Lease, "Common Area Operating Expenses." Lessee shall be responsible for their share of common area operating expenses, The CAM (NNN) estimate is \$0.37c per square foot per month. The CAM (NNN) estimate will be One Thousand Three Hundred Seventy-Four Dollars and 55/100 (**\$1,374.55**) per month.
4. By this Lease Amendment, Landlord and Tenant amend Paragraph 4 of the First Amendment "Option to Extend Term." Lessee is granted two (2) separate options to extend their term (Term) for six (6) month each. Lessee must be in good standing without defaulting on lease payment within the last 12 months prior to extend the term and must notify Lessor in writing no less than 120 days if Lessee will exercise their option.

1st Option 07-01-2022 to 12-31-2022 Base rent at \$1.80 per sqft / CAM price per sqft (TBD)

2nd Option 01-01-2023 to 6-30-2023 Base rent at \$1.85 per sqft / CAM price per sqft (TBD)

5. By this Lease Amendment, Landlord and Tenant amend Paragraph 52 of the Lease, "Rent Payments." The initial and all future payments shall be made payable to Wang Brothers Investments, LLC and mailed to 2417 Mariner Square Loop, Suite 247, Alameda, CA 94501.
6. By this Lease Amendment, Landlord and Tenant add this Paragraph to the Lease, **LEASE TERMINATION:** Lessee will provide Lessor with written notice of termination of the Lease One Hundred Twenty (120) days prior to the end of the Term. Lessor reserves the right to market and show the Premises to potential tenants. Lessor shall provide tenant twenty-four (24) hours advance notice of site visits where potential tenants are to be shown the premise. Lessee shall cooperate with Lessor and Lessor's Agent when touring the premises.
7. **EFFECTIVENESS OF LEASE:** Landlord and Tenant hereby ratify and confirm each and every term and provision of the Lease and agree that all of the terms and conditions of the Lease shall remain unchanged and in full force and effect, except as amended by this Third Amendment.

In case of any conflict between the provisions of this Third Amendment and other sections of the Lease, the provisions of this Amendment superseded any conflicting provisions in the original agreement. Those terms and conditions not amended as outlined herein remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Third Amendment effective as of the date and year written above.

LANDLORD:

Wang Brothers Investments, LLC

Print Name: Vivian Zhu

Signature: 
Vivian Zhu (Oct 25, 2021 09:59 PDT)

Title: Operations Manager

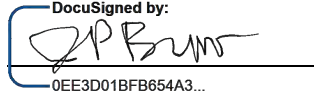
Date: Oct 25, 2021

Phone: 925-386-0285

TENANT:

Bay Area Air Quality Management District
(BAAQMD)

Print Name: Jack P. Broadbent

Signature: 
0EE3D01BFB654A3...

Title: Executive Office/APCO

Date: 10/22/2021

Phone: _____

3065 Richmond Parkway Suite 109







Lease_Amendment 3_exe

Final Audit Report

2021-10-25

Created:	2021-10-25
By:	Nora Martinez (nora@wangbrothersinvestments.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAHAHTGQ21nnoVos_8EGW_6LQ5dQ3Brmjklyu

"3065 Richmond Parkway Suite 109 Lease_Amendment 3_exe" History

-  Document digitally presigned by DocuSign\, Inc. (enterprisesupport@docusign.com)
2021-10-25 - 4:04:46 PM GMT- IP address: 96.64.246.108
-  Document created by Nora Martinez (nora@wangbrothersinvestments.com)
2021-10-25 - 4:50:37 PM GMT- IP address: 96.64.246.108
-  Document emailed to Vivian Zhu (vivian@wangbrothersinvestments.com) for signature
2021-10-25 - 4:52:26 PM GMT
-  Email viewed by Vivian Zhu (vivian@wangbrothersinvestments.com)
2021-10-25 - 4:59:08 PM GMT- IP address: 96.64.246.108
-  Document e-signed by Vivian Zhu (vivian@wangbrothersinvestments.com)
Signature Date: 2021-10-25 - 4:59:24 PM GMT - Time Source: server- IP address: 96.64.246.108
-  Agreement completed.
2021-10-25 - 4:59:24 PM GMT

THIRD AMENDMENT TO LEASE

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THE PARTIES ENTER INTO THIS AMENDMENT based upon the following facts, understandings and intentions:

RECITALS

Landlord and Tenant entered into that certain Lease dated, for references purposes only, January 27th, 2014 pursuant to which Landlord leased to Tenant certain improved real property located in County of Contra Costa, State of California, commonly known as 3033 Richmond Parkway. Suites 303 Richmond, California, 94806 consisting of approximately 3,972 square feet of space. Capitalized terms not defined herein shall have the meaning ascribed to such terms in the Lease.

Landlord and Tenant entered into FIRST AMENDMENT TO LEASE ("First Amendment"), dated February 5th, 2018, to amend the Term, Base Rent, Common Area Operating Expenses, Option to Extend Term, and Rent Payments of the Lease.

Landlord and Tenant entered into SECOND AMENDMENT TO LEASE ("Second Amendment"), dated March 9th, 2020, to amend the Term, Base Rent, Common Area Operating Expenses, Option to Extend Term, and Rent Payments of the Lease.

Landlord and Tenant now desire to amend the Lease, subject to the terms and conditions hereinafter set forth.

AGREEMENT

NOW, THEREFORE in consideration of the mutual covenants and promises of the parties, the parties hereto modify and amend the Lease as follows:

1. By this Lease Amendment, Landlord and Tenant amend Paragraph 1.3 of the Lease, "Term." The term of the Contract shall commence on **July 1, 2021** (the "Renewal Date") and be for **Twelve (12) Months**, expiring **June 30, 2022**.
2. By this Lease Amendment, Landlord and Tenant amend Paragraph 1.5 of the Lease, "Base Rent." Effective on the Renewal Date, Tenant shall pay to Landlord rent ("Rent") \$1.75 per square foot. In the amount of Six Thousand Nine Hundred Fifty-One Dollars 00/100 (**\$6,951.00**) per month ("Base Rent"), payable on the first (1st) day of each month commencing July 1, 2021 until the lease expires on June 30, 2022.

3. By this Lease Amendment, Landlord and Tenant amend Paragraph 1.7(b) of the Lease, "Common Area Operating Expenses." Lessee shall be responsible for their share of common area operating expenses, The CAM (NNN) estimate is \$0.37c per square foot per month. The CAM (NNN) estimate will be One Thousand Four Hundred Sixty-Nine Dollars and 64/100 (**\$1,469.64**) per month.
4. By this Lease Amendment, Landlord and Tenant amend Paragraph 4 of the First Amendment "Option to Extend Term." Lessee is granted two (2) separate options to extend their term (Term) for six (6) month each. Lessee must be in good standing without defaulting on lease payment within the last 12 months prior to extend the term and must notify Lessor in writing no less than 120 days if Lessee will exercise their option.

1st Option 07-01-2022 to 12-31-2022 Base rent at \$1.80 per sqft / CAM price per sqft (TBD)

2nd Option 01-01-2023 to 6-30-2023 Base rent at \$1.85 per sqft / CAM price per sqft (TBD)

5. By this Lease Amendment, Landlord and Tenant amend Paragraph 52 of the Lease, "Rent Payments." The initial and all future payments shall be made payable to Wang Brothers Investments, LLC and mailed to 2417 Mariner Square Loop, Suite 247, Alameda, CA 94501.
6. By this Lease Amendment, Landlord and Tenant add this Paragraph to the Lease, **LEASE TERMINATION:** Lessee will provide Lessor with written notice of termination of the Lease One Hundred Twenty (120) days prior to the end of the Term. Lessor reserves the right to market and show the Premises to potential tenants. Lessor shall provide tenant twenty-four (24) hours advance notice of site visits where potential tenants are to be shown the premise. Lessee shall cooperate with Lessor and Lessor's Agent when touring the premises.
7. **EFFECTIVENESS OF LEASE:** Landlord and Tenant hereby ratify and confirm each and every term and provision of the Lease and agree that all of the terms and conditions of the Lease shall remain unchanged and in full force and effect, except as amended by this Third Amendment.

In case of any conflict between the provisions of this Third Amendment and other sections of the Lease, the provisions of this Amendment superseded any conflicting provisions in the original agreement. Those terms and conditions not amended as outlined herein remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Third Amendment effective as of the date and year written above.

LANDLORD:

Wang Brothers Investments, LLC

Print Name: Vivian Zhu

Signature: 
Vivian Zhu (Oct 25, 2021 10:00 PDT)

Title: Operations Manager

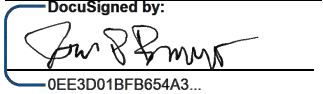
Date: Oct 25, 2021

Phone: 925-386-0285

TENANT:

Bay Area Air Quality Management District
(BAAQMD)

Print Name: Jack P. Broadbent

Signature: 
0EE3D01BFB654A3...

Title: Executive Officer/APCO

Date: 10/22/2021

Phone: _____

3033 Richmond Parkway Suite 303







Lease_Amendment 3_exe

Final Audit Report

2021-10-25

Created:	2021-10-25
By:	Nora Martinez (nora@wangbrothersinvestments.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAu5DmNPKBfd67n3ke0q47OVNF06M4U9vZ

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Signature Date: 2021-10-25 - 5:00:10 PM GMT - Time Source: server- IP address: 96.64.246.108
-  Agreement completed.
2021-10-25 - 5:00:10 PM GMT

THIRD AMENDMENT TO LEASE

THIS THIRD AMENDMENT TO LEASE ("Third Amendment") is dated, for references purposes only, 18th day of October 2021 by and between Wang Brothers Investments, LLC ("Landlord") and Bay Area Air Quality Management District (BAAQMD) ("Tenant").

THE PARTIES ENTER INTO THIS AMENDMENT based upon the following facts, understandings and intentions:

RECITALS

Landlord and Tenant entered into that certain Lease dated, for references purposes only, December 4th, 2007 pursuant to which Landlord leased to Tenant certain improved real property located in County of Contra Costa, State of California, commonly known as 3033 Richmond Parkway. Suites 300, 301 & 302 Richmond, California, 94806 consisting of approximately 11,934 square foot of space. Capitalized terms not defined herein shall have the meaning ascribed to such terms in the Lease.

Landlord and Tenant entered into FIRST AMENDMENT TO LEASE ("First Amendment"), dated February 5th, 2018, to amend the Term, Base Rent, Common Area Operating Expenses, Option to Extend Term, and Rent Payments of the Lease.

Landlord and Tenant entered into SECOND AMENDMENT TO LEASE ("Second Amendment"), dated March 9th, 2020, to amend the Term, Base Rent, Common Area Operating Expenses, Option to Extend Term, and Rent Payments of the Lease.

Landlord and Tenant now desire to amend the Lease, subject to the terms and conditions hereinafter set forth.

AGREEMENT

NOW, THEREFORE in consideration of the mutual covenants and promises of the parties, the parties hereto modify and amend the Lease as follows:

1. By this Lease Amendment, Landlord and Tenant amend Paragraph 1.3 of the Lease, "Term." The term of the Contract shall commence on **July 1, 2021** (the "Renewal Date") and be for **Twelve (12) Months**, expiring **June 30, 2022**.
2. By this Lease Amendment, Landlord and Tenant amend Paragraph 1.5 of the Lease, "Base Rent." Effective on the Renewal Date, Tenant shall pay to Landlord rent ("Rent") \$1.75 per square foot. In the amount of Twenty Thousand Eight Hundred Eighty-Four Dollars 50/100 (**\$20,884.50**) per month ("Base Rent"), payable the first (1st) day of each month commencing July 1, 2021, until the lease expires on June 30, 2022.

3. By this Lease Amendment, Landlord and Tenant amend Paragraph 1.7(b) of the Lease, "Common Area Operating Expenses." Lessee shall be responsible for their share of common area operating expenses, The CAM (NNN) estimate is \$0.37c per square foot per month. The CAM (NNN) estimate will be Four Thousand Four Hundred Fifteen Dollars and 58/100 (**\$4,415.58**) per month.

4. By this Lease Amendment, Landlord and Tenant amend Paragraph 4 of the First Amendment "Option to Extend Term." Lessee is granted two (2) separate options to extend their term (Term) for six (6) month each. Lessee must be in good standing without defaulting on lease payment within the last 12 months prior to extend the term and must notify Lessor in writing no less than 120 days if Lessee will exercise their option.

1st Option 07-01-2022 to 12-31-2022 Base rent at \$1.80 per sqft / CAM price per sqft (TBD)

2nd Option 01-01-2023 to 6-30-2023 Base rent at \$1.85 per sqft / CAM price per sqft (TBD)

5. By this Lease Amendment, Landlord and Tenant amend Paragraph 52 of the Lease, "Rent Payments." The initial and all future payments shall be made payable to Wang Brothers Investments, LLC and mailed to 2417 Mariner Square Loop, Suite 247, Alameda, CA 94501.

6. By this Lease Amendment, Landlord and Tenant add this Paragraph to the Lease, **LEASE TERMINATION:** Lessee will provide Lessor with written notice of termination of the Lease One Hundred Twenty (120) days prior to the end of the Term. Lessor reserves the right to market and show the Premises to potential tenants. Lessor shall provide tenant twenty-four (24) hours advance notice of site visits where potential tenants are to be shown the premise. Lessee shall cooperate with Lessor and Lessor's Agent when touring the premises.

7. **EFFECTIVENESS OF LEASE:** Landlord and Tenant hereby ratify and confirm each and every term and provision of the Lease and agree that all of the terms and conditions of the Lease shall remain unchanged and in full force and effect, except as amended by this Third Amendment.

In case of any conflict between the provisions of this Third Amendment and other sections of the Lease, the provisions of this Amendment superseded any conflicting provisions in the original agreement. Those terms and conditions not amended as outlined herein remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Third Amendment effective as of the date and year written above.

LANDLORD:

Wang Brothers Investments, LLC

Print Name: Vivian Zhu

Signature: 
Vivian Zhu (Oct 25, 2021 09:59 PDT)

Title: Operations Manager

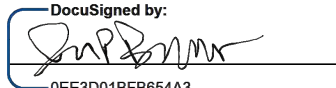
Date: Oct 25, 2021

Phone: 925-386-0285

TENANT:

Bay Area Air Quality Management District
(BAAQMD)

Print Name: Jack P. Broadbent

Signature: 
0EE3D01BFB654A3...

Title: Executive Officer/APCO

Date: 10/22/2021

Phone: _____







3033 Richmond Pkwy_ Suite 300301302_Amendment 3_exe

Final Audit Report

2021-10-25

Created:	2021-10-25
By:	Nora Martinez (nora@wangbrothersinvestments.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAJwFx9MOhgS5F6bu9iNhHpzKk6cue-tC6

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2021-10-25 - 4:59:45 PM GMT

FOURTH AMENDMENT TO LEASE

THIS FOURTH AMENDMENT TO LEASE ("Fourth Amendment") is dated, for references purposes only, 3rd day of March 2023 by and between Wang Brothers Investments, LLC ("Landlord") and Bay Area Air Quality Management District (BAAQMD) ("Tenant").

THE PARTIES ENTER INTO THIS AMENDMENT based upon the following facts, understandings, and intentions:

RECITALS

Landlord and Tenant entered into that certain Lease dated, for references purposes only, May 19th, 2015 pursuant to which Landlord leased to Tenant certain improved real property located in County of Contra Costa, State of California, commonly known as 3065 Richmond Parkway, Suite 109 Richmond, California, 94806 consisting of approximately 3,715 square foot of space. Capitalized terms not defined herein shall have the meaning ascribed to such terms in the Lease.

Landlord and Tenant entered into FIRST AMENDMENT TO LEASE ("First Amendment"), dated February 5th, 2018, to amend the Term, Base Rent, Common Area Operating Expenses, Option to Extend Term, and Rent Payments of the Lease.

Landlord and Tenant entered into SECOND AMENDMENT TO LEASE ("Second Amendment"), dated March 9th, 2020, to amend the Term, Base Rent, Common Area Operating Expenses, Option to Extend Term, and Rent Payments of the Lease.

Landlord and Tenant entered into THIRD AMENDMENT TO LEASE ("Third Amendment"), dated October 18th, 2021, to amend the Term, Base Rent, Common Area Operating Expenses, Option to Extend Term, and Rent Payments of the Lease.

Landlord and Tenant now desire to amend the Lease, subject to the terms and conditions hereinafter set forth.

AGREEMENT

NOW, THEREFORE in consideration of the mutual covenants and promises of the parties, the parties hereto modify and amend the Lease as follows:

1. By this Lease Amendment, Landlord and Tenant amend Paragraph 1.3 of the Lease, "Term." The term of the newly amended Contract shall commence on **July 1, 2023** (the "Renewal Date") and be for **Twelve (12) Months**, expiring **June 30, 2024**, with the presently existing Contract continuing through June 30, 2023.

2. By this Lease Amendment, Landlord and Tenant amend Paragraph 1.5 of the Lease, "Base Rent." Effective on the Renewal Date, Tenant shall pay to Landlord rent ("Rent") \$1.95 per square foot. In the amount of Seven Thousand Two Hundred Forty-Four Dollars 25/100 (**\$7,244.25**) per month ("Base Rent"), payable on the first (1st) day of each month commencing July 1, 2023, until the lease expires on June 30, 2024.
3. By this Lease Amendment, Landlord and Tenant amend Paragraph 1.7(b) of the Lease, "Common Area Operating Expenses." Lessee shall be responsible for their share of common area operating expenses, The CAM (NNN) estimate is \$0.40c per square foot per month. The CAM (NNN) estimate will be One Thousand Four Hundred Eighty-Six Dollars (**\$1,486.00**) per month.
4. By this Lease Amendment, Landlord and Tenant amend Paragraph 4 of the First Amendment "Option to Extend Term." Lessee is granted two (2) separate options to extend their term (Term) for six (6) month each. Lessee must be in good standing without defaulting on lease payment within the last 12 months prior to extend the term and must notify Lessor in writing no less than 90 days if Lessee will exercise their option.

1st Option: **07-01-2024 to 12-31-2024 Base rent at \$2.05 per sqft / CAM price per sqft (TBD)**

2nd Option: **01-01-2025 to 06-30-2025 Base rent at \$2.05 per sqft / CAM price per sqft (TBD)**

5. By this Lease Amendment, Landlord and Tenant amend Paragraph 52 of the Lease, "Rent Payments." The initial and all future payments shall be made payable to Wang Brothers Investments, LLC and mailed to 2417 Mariner Square Loop, Suite 247, Alameda, CA 94501.
6. **EFFECTIVENESS OF LEASE:** Landlord and Tenant hereby ratify and confirm each and every term and provision of the Lease and agree that all of the terms and conditions of the Lease shall remain unchanged and in full force and effect, except as amended by this Fourth Amendment.

In case of any conflict between the provisions of this Fourth Amendment and other sections of the Lease, the provisions of this Amendment superseded any conflicting provisions in the original agreement. Those terms and conditions not amended as outlined herein remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Fourth Amendment effective as of the date and year written above.

LANDLORD:

Wang Brothers Investments, LLC

Print Name: _____

Signature: _____

Title: _____

Date: _____

Phone: _____

TENANT:

Bay Area Air Quality Management District
(BAAQMD)

Print Name: _____

Signature: _____

Title: _____

Date: _____

Phone: _____

FOURTH AMENDMENT TO LEASE

THIS FOURTH AMENDMENT TO LEASE ("Fourth Amendment") is dated, for references purposes only, 3rd day of March 2023 by and between Wang Brothers Investments, LLC ("Landlord") and Bay Area Air Quality Management District (BAAQMD) ("Tenant").

THE PARTIES ENTER INTO THIS AMENDMENT based upon the following facts, understandings, and intentions:

RECITALS

Landlord and Tenant entered into that certain Lease dated, for references purposes only, January 27th, 2014 pursuant to which Landlord leased to Tenant certain improved real property located in County of Contra Costa, State of California, commonly known as 3033 Richmond Parkway, Suite 303 Richmond, California, 94806 consisting of approximately 3,972 square foot of space. Capitalized terms not defined herein shall have the meaning ascribed to such terms in the Lease.

Landlord and Tenant entered into FIRST AMENDMENT TO LEASE ("First Amendment"), dated February 5th, 2018, to amend the Term, Base Rent, Common Area Operating Expenses, Option to Extend Term, and Rent Payments of the Lease.

Landlord and Tenant entered into SECOND AMENDMENT TO LEASE ("Second Amendment"), dated March 9th, 2020, to amend the Term, Base Rent, Common Area Operating Expenses, Option to Extend Term, and Rent Payments of the Lease.

Landlord and Tenant entered into THIRD AMENDMENT TO LEASE ("Third Amendment"), dated October 18th, 2021, to amend the Term, Base Rent, Common Area Operating Expenses, Option to Extend Term, and Rent Payments of the Lease.

Landlord and Tenant now desire to amend the Lease, subject to the terms and conditions hereinafter set forth.

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1. By this Lease Amendment, Landlord and Tenant amend Paragraph 1.3 of the Lease, "Term." The term of the newly amended Contract shall commence on **July 1, 2023** (the "Renewal Date") and be for **Twelve (12) Months**, expiring **June 30, 2024**, with the presently existing contract continuing through June 30, 2023.

2. By this Lease Amendment, Landlord and Tenant amend Paragraph 1.5 of the Lease, "Base Rent." Effective on the Renewal Date, Tenant shall pay to Landlord rent ("Rent") \$1.95 per square foot. In the amount of Seven Thousand Seven Hundred Forty-Five Dollars 40/100 (**\$7,745.40**) per month ("Base Rent"), payable on the first (1st) day of each month commencing July 1, 2023, until the lease expires on June 30, 2024.
3. By this Lease Amendment, Landlord and Tenant amend Paragraph 1.7(b) of the Lease, "Common Area Operating Expenses." Lessee shall be responsible for their share of common area operating expenses, The CAM (NNN) estimate is \$0.40c per square foot per month. The CAM (NNN) estimate will be One Thousand Five Hundred Eighty-Eight Dollars and 80/100 (**\$1,588.80**) per month.
4. By this Lease Amendment, Landlord and Tenant amend Paragraph 4 of the First Amendment "Option to Extend Term." Lessee is granted two (2) separate options to extend their term (Term) for six (6) month each. Lessee must be in good standing without defaulting on lease payment within the last 12 months prior to extend the term and must notify Lessor in writing no less than 90 days if Lessee will exercise their option.

1st Option: **07-01-2024 to 12-31-2024 Base rent at \$2.05 per sqft / CAM price per sqft (TBD)**

2nd Option: **01-01-2025 to 06-30-2025 Base rent at \$2.05 per sqft / CAM price per sqft (TBD)**

5. By this Lease Amendment, Landlord and Tenant amend Paragraph 52 of the Lease, "Rent Payments." The initial and all future payments shall be made payable to Wang Brothers Investments, LLC and mailed to 2417 Mariner Square Loop, Suite 247, Alameda, CA 94501.
6. **EFFECTIVENESS OF LEASE:** Landlord and Tenant hereby ratify and confirm each and every term and provision of the Lease and agree that all of the terms and conditions of the Lease shall remain unchanged and in full force and effect, except as amended by this Fourth Amendment.

In case of any conflict between the provisions of this Fourth Amendment and other sections of the Lease, the provisions of this Amendment superseded any conflicting provisions in the original agreement. Those terms and conditions not amended as outlined herein remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Fourth Amendment effective as of the date and year written above.

LANDLORD:

Wang Brothers Investments, LLC

Print Name: _____

Signature: _____

Title: _____

Date: _____

Phone: _____

TENANT:

Bay Area Air Quality Management District
(BAAQMD)

Print Name: _____

Signature: _____

Title: _____

Date: _____

Phone: _____

FOURTH AMENDMENT TO LEASE

THIS FOURTH AMENDMENT TO LEASE ("Fourth Amendment") is dated, for references purposes only, 3rd day of March 2023 by and between Wang Brothers Investments, LLC ("Landlord") and Bay Area Air Quality Management District (BAAQMD) ("Tenant").

THE PARTIES ENTER INTO THIS AMENDMENT based upon the following facts, understandings, and intentions:

RECITALS

Landlord and Tenant entered into that certain Lease dated, for references purposes only, December 4th, 2007 pursuant to which Landlord leased to Tenant certain improved real property located in County of Contra Costa, State of California, commonly known as 3033 Richmond Parkway, Suites 300, 301, & 302, Richmond, California, 94806 consisting of approximately 11,934 square foot of space. Capitalized terms not defined herein shall have the meaning ascribed to such terms in the Lease.

Landlord and Tenant entered into FIRST AMENDMENT TO LEASE ("First Amendment"), dated February 5th, 2018, to amend the Term, Base Rent, Common Area Operating Expenses, Option to Extend Term, and Rent Payments of the Lease.

Landlord and Tenant entered into SECOND AMENDMENT TO LEASE ("Second Amendment"), dated March 9th, 2020, to amend the Term, Base Rent, Common Area Operating Expenses, Option to Extend Term, and Rent Payments of the Lease.

Landlord and Tenant entered into THIRD AMENDMENT TO LEASE ("Third Amendment"), dated October 18th, 2021, to amend the Term, Base Rent, Common Area Operating Expenses, Option to Extend Term, and Rent Payments of the Lease.

Landlord and Tenant now desire to amend the Lease, subject to the terms and conditions hereinafter set forth.

AGREEMENT

NOW, THEREFORE in consideration of the mutual covenants and promises of the parties, the parties hereto modify and amend the Lease as follows:

1. By this Lease Amendment, Landlord and Tenant amend Paragraph 1.3 of the Lease, "Term." The term of the newly amended Contract shall commence on **July 1, 2023** (the "Renewal Date") and be for

Twelve (12) Months, expiring **June 30, 2024**, with the presently existing Contract continuing through June 30, 2023.

2. By this Lease Amendment, Landlord and Tenant amend Paragraph 1.5 of the Lease, “Base Rent.” Effective on the Renewal Date, Tenant shall pay to Landlord rent ("Rent") \$1.95 per square foot. In the amount of Twenty-Three Thousand Two Hundred Seventy-One Dollars 30/100 (**\$23,271.30**) per month (“Base Rent”), payable on the first (1st) day of each month commencing July 1, 2023, until the lease expires on June 30, 2024.
3. By this Lease Amendment, Landlord and Tenant amend Paragraph 1.7(b) of the Lease, “Common Area Operating Expenses.” Lessee shall be responsible for their share of common area operating expenses, The CAM (NNN) estimate is \$0.40c per square foot per month. The CAM (NNN) estimate will be Four Thousand Seven Hundred Seventy-Three Dollars and 60/100 (**\$4,773.60**) per month.
4. By this Lease Amendment, Landlord and Tenant amend Paragraph 4 of the First Amendment “Option to Extend Term.” Lessee is granted two (2) separate options to extend their term (Term) for six (6) month each. Lessee must be in good standing without defaulting on lease payment within the last 12 months prior to extend the term and must notify Lessor in writing no less than 90 days if Lessee will exercise their option.

1st Option: **07-01-2024 to 12-31-2024** Base rent at **\$2.05** per sqft / **CAM** price per sqft (**TBD**)

2nd Option: **01-01-2025 to 06-30-2025** Base rent at **\$2.05** per sqft / **CAM** price per sqft (**TBD**)

5. By this Lease Amendment, Landlord and Tenant amend Paragraph 52 of the Lease, “Rent Payments.” The initial and all future payments shall be made payable to Wang Brothers Investments, LLC and mailed to 2417 Mariner Square Loop, Suite 247, Alameda, CA 94501.
6. **EFFECTIVENESS OF LEASE:** Landlord and Tenant hereby ratify and confirm each and every term and provision of the Lease and agree that all of the terms and conditions of the Lease shall remain unchanged and in full force and effect, except as amended by this Fourth Amendment.

In case of any conflict between the provisions of this Fourth Amendment and other sections of the Lease, the provisions of this Amendment superseded any conflicting provisions in the original agreement. Those terms and conditions not amended as outlined herein remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Fourth Amendment effective as of the date and year written above.

LANDLORD:

Wang Brothers Investments, LLC

Print Name: _____

Signature: _____

Title: _____

Date: _____

Phone: _____

TENANT:

Bay Area Air Quality Management District
(BAAQMD)

Print Name: _____

Signature: _____

Title: _____

Date: _____

Phone: _____

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John J. Bauters and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: May 3, 2023

Re: Consider Adopting Proposed Amendments to Sections 3, 4, 9, and 13 of Division III
of the Administrative Code Regarding Senior Management Classifications

RECOMMENDED ACTION

Adopt proposed revisions to Sections 3, 4, 9 and 13 of Division III of the Administrative Code, regarding senior management classifications, to support the organizational restructuring changes the Board of Directors approved on April 19, 2023.

BACKGROUND

At the April 19, 2023, Board of Directors meeting, the Board approved various items related to organizational restructuring, including position classifications, reclassifications, and a salary resolution. The new organizational structure will eliminate a layer of executive management result in a flattening of the organization, all of which will increase overall responsiveness. The new structure will feature a uniform executive team consisting of five at-will Deputy Executive Officers over focused functional areas, along with two at-will Senior Assistant Council positions that report to the District Counsel.

DISCUSSION

To support the new organizational structure, four new at-will Deputy Executive Officer and two new at-will Senior Assistant Counsel positions are being established by converting existing civil servant executive management positions to at-will positions. These Deputy Executive Officer and Senior Assistant Counsel positions would serve at the pleasure of the Executive Officer and District Counsel respectively, and the employment agreement for each incumbent would be renewed within a three-year term of employment or the agreement would expire. Existing employees incumbent in a Deputy Executive Officer position would retain their civil servant status, and any current employees appointed to either a Deputy Executive Officer or Senior Assistant Counsel position prior to January 1, 2024, would be granted rights to return to their prior positions. The proposed changes to the Administrative Code are necessary to support converting these civil servant positions to at-will positions.

The reorganization is also creating a new at-will position classification for the Chief Operating Officer. The proposed Administrative Code changes also establish similar provisions applicable to this position.

The language of the proposed revisions is set forth in the Attachment, in underline/~~strikeout~~ format.

The Finance and Administration Committee considered these proposed Administrative Code amendments at its April 5, 2023, meeting, along with the position classifications, reclassifications, and a salary resolution involved in the organizational restructuring. The Finance and Administration Committee voted to recommend all of these changes to the Board of Directors. Per Division I, Section 14.1 of the Administrative Code, notice must be provided at a Board of Directors regular meeting before the Board may adopt any amendments to the Administrative Code. At its April 19, 2023, meeting, the Board received notice that the proposed Administrative Code amendments would be considered at today's meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Alexander Crockett
Reviewed by: John Chiladakis

ATTACHMENTS:

- 1. Attachment - Proposed Administrative Code Revisions

Bay Area Air Quality Management District
Amendment to Administrative Code

The following amendments to the Bay Area Air Quality Management District’s Administrative Code are adopted to amend the Deputy Executive Officer (“DEO”) and Senior Assistant Counsel (“SAC”) classifications. The District is working on a complete restatement of the Administrative Code in Fiscal Year 2023-24 and this change will be incorporated into that restatement.

The Board adopts the following revision to the District’s Administrative Code to amend the DEO and SAC classifications. By this action, the Board intends that employees hired into the SAC and DEO classifications after the effective date of the amendment will be “at will” employees and excluded from any disciplinary appeal process provided by the Administrative Code or by District practice, except as explicitly provided herein. In addition, the Board intends that the Executive Officer/APCO and the District Counsel may hire employees into these classifications without the competitive recruitment process normally required by the Administrative Code.

Therefore, the Board makes the following amendments to the District’s Administrative Code.

Section 3.3 of Division III of the Administrative Code is amended as follows:

SECTION 3 RIGHTS AND OBLIGATIONS

3.3 DISCIPLINARY ACTION AND RIGHT OF APPEAL.

- (a) Except for individuals in classifications which serve at the pleasure of the Board of Directors or the District Counsel (see Section III-3.3(c), below), the APCO shall have the right, for due cause, to demote, dismiss, reduce in pay, or suspend without pay any employee. Notice of such action must be in writing and served on such employee by personal service-ly, by e-mail at the address on file with the District, or by registered first class U.S. mail (or equivalent) on such employee. Except for individuals serving in the classifications listed in subsection (c), below, the notice will state the action to be taken and contain the reasons for such action.
- (b) Except as provided herein, Any employees, as defined in Section I, Definitions, shall have the right to appeal the disciplinary action, through the grievance procedure defined in Section III-4.
- (c) The following individuals shall serve at the will of the appointing authority and shall not have any right to appeal any disciplinary action through the grievance procedure defined in Section III-4, regardless of whether they held a prior position in the District. Individuals appointed to the classifications identified below may also be subject to a fixed term of employment and the incumbent will be separated at the expiration of that term (unless said term is extended by the identified appointing authority). Individuals appointed to the classifications identified below are not subject to a probationary period pursuant to Section III -7.3. Likewise,

individuals appointed to the classifications identified below are not subject to the Layoff and Recall provisions of Section III-9.3

- (1) Any individual appointed by the Board of Directors and employed under an employment contract, including the Executive Officer/APCO and District Counsel;
 - (2) Any individual appointed by the Executive Officer to the classification of Chief Operating Officer, who shall serve at the pleasure of the Executive Officer/APCO
 - (3) Any individual appointed by the Executive Officer to the classification of Deputy Executive Officer after January 1, 2023, shall serve at the pleasure of the Executive Officer/APCO;
 - (4) Any individual appointed by the District Counsel to the classification of Senior Assistant Counsel, who shall serve at the pleasure of the District Counsel; and
 - (5) Limited Term employees.
- (d) Notwithstanding Section 3.3(c), any existing District employee who is appointed to the Deputy Executive Officer or Senior Assistant Counsel classification after January 1, 2023, but prior to January 1, 2024, shall be entitled to return to a vacant position in the last classification they held prior to their appointment to the Deputy Executive Officer or Senior Assistant Counsel classification, and at the same salary step they held prior to their appointment to their appointment to the Deputy Executive Officer or Senior Assistant Counsel classification. Reinstatement to the vacant position shall occur upon the termination of their appointment to the Deputy Executive Officer or Senior Assistant Counsel classification, whether that occurs (1) at the end of a specified term, (2) due to their voluntary request to vacate the classification, or (3) at the discretion of the District Counsel or Executive Officer/APCO.
- (1) For a Deputy Executive Officer, if no vacant position exists in the employee's previously-held classification, the employee shall be offered alternate employment by the District. The form of alternate employment shall be at the discretion of the Executive Officer but may include a vacant position in any classification for which they meet the minimum qualifications as determined by the Executive Officer, reclassification of an existing position, or creation of a new position. Alternatively, the Executive Officer/APCO may reclassify a Deputy Executive Officer position to a lower classification. Employees under this provision will be placed at the salary step closest to the current pay for the salary prior to their appointment to the Deputy Executive

- Officer classification. If the top step of the salary range for the employee's new position is lower than the current pay for the salary the current pay for the prior to their appointment to the Deputy Executive Officer classification, the employee's salary will be Y-rated at the current pay for the salary step they held prior to their appointment to the Deputy Executive Officer classification, without the need for additional Board approval under Section III-6.5.
- (2) For a Senior Assistant Counsel, if no vacant Assistant Counsel position exists, the District Counsel shall reclassify the Senior Assistant Counsel position to Assistant Counsel, and reclassify an existing Assistant Counsel position to Senior Assistant Counsel. In the event of reclassification of a Senior Assistant Counsel under this paragraph, the reclassified Senior Assistant Counsel will be placed at the Assistant Counsel salary step they occupied prior to appointment to the Senior Assistant Counsel classification.
 - (3) Employees who have not completed probation prior to being appointed to the Deputy Executive Officer or Senior Assistant Counsel classification will be required to complete probation in their reinstated position after reinstatement and will have only those rights accorded probationary employees by these rules.
 - (4) Employees appointed pursuant to this Section III-3.3(d) are subject to discipline up to and including suspension while in the classification of Deputy Executive Officer or Senior Assistant Counsel without appeal. However, if the District seeks to terminate an individual who had already passed probation in a District classification with appeal rights, the individual will first be removed from the Deputy Executive Officer or Senior Assistant Counsel classification and reinstated to another classification as provided in Section III-3.3(d)(1) or III-3.3(d)(2), above. The District may then initiate disciplinary proceedings up to and including termination and the employee may appeal that termination pursuant to the grievance procedure defined in Section III-4. The discipline may be based in whole or in part on conduct which occurred in the Deputy Executive Officer or Senior Assistant Counsel classification. However, any reinstatement would be to the employee's current (civil service) classification. Discipline imposed on an employee in a Deputy Executive Officer or Senior Assistant Counsel classification may be used for purposes of progressive discipline.

Section 4.1 of Division III of the Administrative Code is amended as follows:

SECTION 4 GRIEVANCE PROCEDURE

4.1 DEFINITION.

A grievance is an employee claim of (a) an alleged violation, misunderstanding, or misinterpretation of a specific section of the Memorandum of Understanding,

or (b) any matter within the scope of the Meyers-Milias-Brown Act, or (c) any disciplinary action or demotion, ~~except for separations not covered by Section III-9.3 (Layoff and Recall) or discipline involving individuals appointed to the classifications identified in Section III-3.3(c).~~ The parties recognize that disputes should be resolved expeditiously at the lowest possible administrative level. Herein is a systematic procedure for obtaining consideration of grievances.

Section 9.2 of Division III of the Administrative Code is amended as follows:

SECTION 9 SEPARATIONS

9.2 DISMISSAL.

(a) The Appointing Authority (APCO or District Counsel) may, for good and sufficient reason, take any or all necessary disciplinary actions including discharge to ensure the continuity and integrity of the District's functions and work place.

(b) A non-probationary employee whose employment is terminated because of unsatisfactory service, misconduct, or for other just causes shall be given written notice stating the reasons for dismissal, and may be given two (2) weeks' notice before the date on which the employee's services will be terminated. However, (1) Employees terminated for misconduct such as drinking or being intoxicated on the job, fighting, theft, creating a severe safety hazard, gross negligence, or other acts of serious misconduct, (2) Probationary Employees, and (3) "At Will" employees in the classifications identified in Section III-3.3(c) may be dismissed without prior notice.

~~The APCO, may for good and sufficient reason, take any or all necessary disciplinary actions including discharge to ensure the continuity and integrity of the District's functions and work place.~~

(c) Individuals serving in at-will positions pursuant to Section III-3.3(c) serve at the will of the appointing authority and may be separated for any reason or for no reason, with or without prior notice, and with no right to appeal or grieve any disciplinary action. In addition, appointments to positions in the classifications identified in Section III-3.3(c) may be for a fixed term of employment and the incumbent will be separated at the expiration of that term (unless the employee has return rights to a prior position pursuant to Section III-3.3(d) or said term is extended by the identified appointing authority). Except as expressly provided in Section III-3.3(d), individuals separated from a position in the classifications identified in Section III-3.3(c) shall have no right to return to any other District position, regardless of seniority or tenure.

A New Section 13.3 is added to Division III of the Administrative Code:

SECTION 13 METHOD OF FILLING VACANCIES

13.3 EXEMPTIONS

- (a) Appointments to positions in the following classifications shall be exempt from the recruitment process in Sections 13.1 and 13.2:
- (1) Executive Officer/Air Pollution Control Officer;
 - (2) District Counsel;
 - (3) Chief Operating Officer;
 - (4) Deputy Executive Officer;
 - (5) Senior Assistant Counsel.
- (b) Appointments to the classifications listed in subsection (a), above, need not include a competitive recruitment process and may be appointed directly by the appointing authority listed in in Section III-3.3(c), subject to budgetary approval. Appointments to these classifications may be made at any salary step, notwithstanding any limitations in this Code, including Sections III-6.2 or III-6.4.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John J. Bauters and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: May 3, 2023

Re: Report of the Stationary Source and Climate Impacts Committee Meeting of April
12, 2023

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

None.

DISCUSSION

The Stationary Source and Climate Impacts Committee met on Wednesday, April 12, 2023, and approved the minutes of March 8, 2023.

The Committee then reviewed and discussed the staff presentation *Fugitive Dust Regulatory Analysis and Recommendations*.

The Committee then reviewed and discussed the staff presentation *Updated 2023 Stationary Source and Climate Impacts Committee Work Plan*.

The Committee then reviewed and discussed the staff presentation *Update on the Bay Area Healthy Homes Initiative*.

Finally, the Committee reviewed and discussed the guest presentation *BlocPower & Bay Area Air Quality Management District*.

The next meeting of this committee will be on Wednesday, May 10, 2023, at 10:00 a.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will also be webcast for members of the public. This concludes the report of the Stationary Source and Climate Impacts Committee.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

ATTACHMENTS:

1. Stationary Source and Climate Impacts Committee Meeting Memorandums of April 12, 2023

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Lynda Hopkins and Members
of the Stationary Source and Climate Impacts Committee

From: Philip M. Fine
Executive Officer/APCO

Date: April 12, 2023

Re: Fugitive Dust Regulatory Analysis and Recommendations

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

Fugitive dust emissions are generated from earth moving operations, such as construction sites, road dust, and at industrial facilities. The Air District administers various programs to control particulate matter and fugitive dust emissions from industrial facilities, earth-moving, and construction activities. These programs include:

- **Regulation 6 – Particulate Matter:** The Rules contained in Regulation 6 establish limits and other administrative requirements to reduce particulate matter and fugitive dust emissions. Specifically, Regulation 6, Rule 1 – General Requirements (Rule 6-1) and Regulation 6, Rule 6 - Prohibition of Trackout (Rule 6-6) sets standards and requirements for controlling and mitigating fugitive dust emissions at dust generating facilities.
- **Permitting Program:** The Air District issues air quality permits for stationary equipment and manages the resulting air emissions. Applications for new or modified equipment at earth-moving operations are evaluated for compliance with the Air District’s Rules and Regulations.
- **Enforcement Program:** The Air District conducts compliance inspections of sources of air pollution including fugitive dust.

Although the Air District’s programs were effective in improving regional air quality and making progress towards our air quality goals, fugitive dust emissions largely impact nearby neighbors and may require alternative methods of control. In late 2020, the Air District’s Advisory Council published a Particulate Matter Reduction Strategy Report and concluded particulate matter (including fugitive dust) was the “most important risk driver in Bay Area air quality,” highlighting the need to investigate and develop strategies to further reduce exposure to particulate matter and fugitive dust emissions. The impacts of particulate matter were also a focus during the Assembly Bill (AB) 617 Community Emission Reduction Planning (CERP) Process in West Oakland. The West Oakland CERP, *Owning Our Air: The West Oakland*

Community Action Plan, included a Further Study Measure that states that “The Air District will investigate potential rulemaking to limit fugitive dust from construction activity.” In addition, staff continue to receive input on fugitive dust issues and impacts from many other communities including Bayview Hunters Point, Richmond/San Pablo, and East Oakland.

DISCUSSION

In response to community concerns, Air District staff are exploring potential rulemaking opportunities to address localized exposures to fugitive dust. The initial phase of this effort includes a Fugitive Dust White Paper, which is included as Attachment 1.

The purpose of the Fugitive Dust White Paper is to review the Air District’s existing particulate matter programming, focusing on fugitive dust, and to identify strategies and recommendations for potential rule development activities to further address fugitive dust issues. The knowledge assessment and gap analysis explore potential strategies for program improvements through an analysis and review of rules and regulations from other jurisdictions, as well as advancements in monitoring and control techniques. Through this work, staff identified potential opportunities and preliminary recommendations for further actions, which include:

- Increase the practical enforceability of requirements by amending Regulation 6, Rule 1: General Requirements and Regulation 6, Rule 6: Prohibition of Trackout.
- Increase the mitigation of fugitive dust emissions by introducing the regulatory language requiring compliance with Dust Control Plans for earth moving operations.
- Further reduce fugitive dust emissions by implementing regulatory language mandating compliance with best management practices and/or best available control measures.
- Increase accountability by introducing regulatory language for a “Notice of Requirements” document for sites with equipment with the potential to generate fugitive dust.
- Explore inclusion of a potential “dust fee” or “plan registration fee” so additional compliance and enforcement activities may be appropriately resourced.
- Explore future opportunities to lower the permitted allowable PM-emission threshold, similar to New Source Review for Toxic Air Contaminants.

As the regulatory process begins, staff will continue to engage with community groups and representatives to seek input and help shape future recommendations for further Air District efforts.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Eric Lara
Reviewed by: Elizabeth Yura

ATTACHMENTS:

1. Fugitive Dust White Paper

STATIONARY SOURCE AND
CLIMATE IMPACTS COMMITTEE
MEETING OF 04/12/2023



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

Fugitive Dust White Paper

Regulatory analysis and recommendations to further address fugitive dust and particulate matter emissions

STATIONARY SOURCE AND
CLIMATE IMPACTS COMMITTEE
MEETING OF 04/12/2023

Planning & Climate Protection	Rules & Strategic Policy
Mark Tang	Eric Lara
Principal Air Quality Specialist	Senior Air Quality Specialist

March 28, 2023

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I. Acknowledgements

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STATIONARY SOURCE AND
CLIMATE IMPACTS COMMITTEE
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II. List of Abbreviations and Acronyms

AB 617 – Assembly Bill 617

Air District or BAAQMD – Bay Area Air Quality Management District

ATCM – Air Toxic Control Measure

BAAQMD – Bay Area Air Quality Management District

BACM – Best Available Control Measures

BMP – Best Management Practices

CAP – Community Action Plan

CAPP – Community Air Protection Program

CARB – California Air Resources Board

CERP – Community Emissions Reduction Plan

CEQA – California Environmental Quality Act

DCP – Dust Control Plan

DES – Clark County Department of Environment and Sustainability

EPA – Environmental Protection Agency

ICAPCMD – Imperial County Air Pollution Control District

MCAQD – Maricopa County Air Quality Department

MRR – Monitoring, recordkeeping, and reporting

NAAQS – National Ambient Air Quality Standards

NOA – Natural Occurring Asbestos

NOx – Nitrogen oxides

PM – Particulate Matter

Rule 2-1 – Regulation 2, Rule 1: General Requirements

Rule 6-1 – Regulation 6, Rule 1: General Requirements

Rule 6-6 – Regulation 6, Rule 6: Prohibition of Trackout

SCAQMD – South Coast Air Quality Management District

SMAQMD – Sacramento Metropolitan Air Quality Management District

SOx – Sulfur Oxides

TAC – Toxic air contaminant

TSP – Total Suspended Particulate

WOCAP – West Oakland Community Action Plan

STATIONARY SOURCE AND
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III. Executive Summary

The Bay Area Air Quality Management District (Air District) administers many emissions reduction programs focused on particulate matter (PM) including fugitive dust. While PM exposures declined region-wide, many communities remain disproportionately impacted. Further reductions are needed to attain air quality standards, address environmental injustice, and achieve public health benefits. Historically underserved communities continue to bear the brunt of PM emissions and associated health impacts, especially in communities near significant PM sources such as oil refining, high-volume roadways, and marine operations. Fugitive dust emissions at PM-generating sources tend to be heavily influenced by both wind conditions and human activities, and emissions are episodic in nature. PM can pass through the nasal passage and enter the lungs, leading to serious health effects associated with the heart and lungs.¹ Recent research and scientific analysis has also increased the Air District's understanding of the relationship between PM exposure and health impacts, including increased pulmonary disease such as asthma and increased premature morbidity.

The Air District's Advisory Council published a *Particulate Matter Reduction Strategy Report* in late 2020 and concluded that PM was the "most important health risk driver in Bay Area air quality..."² Community feedback, especially among representatives from overburdened communities also identified PM as a major concern and priority for reduction. Additionally, the West Oakland Community Action Plan (WOCAP)³ identified fugitive dust as a further study measure for the Air District to investigate potential rulemaking to limit fugitive dust from construction activities.

This white paper explores opportunities to innovate, update and adjust Air District programs to further reduce exposure to particulate matter in the form of fugitive dust and therefore reduce associated health impacts. While this white paper broadly characterizes the challenges associated with existing programs, the focus of this white paper centers on opportunities for potential rulemaking activities to control fugitive dust, especially from sources of fugitive dust emissions such as, construction projects, earth moving activities, paved and unpaved roads, and bulk storage facilities.

A complete overview is provided below, including a gap analysis of existing Air District regulations and a list of recommended options as follows:

- Increase the practical enforceability of requirements by amending Regulation 6, Rule 1: General Requirements and Regulation 6, Rule 6: Prohibition of Trackout.
- Increase the mitigation of fugitive dust emissions by introducing the regulatory language requiring compliance with Dust Control Plans for earth moving operations.

¹ Environmental Protection Agency, n.d. What is Particulate Matter? Accessed April 15, 2021:

<https://www.epa.gov/pm-pollution/particulate-matter-pm-basics#PM>

² BAAQMD, 2020. *Particulate Matter: Spotlight on Health Protection. Advisory Council Particulate Matter Reduction Strategy Report*. San Francisco. https://www.baaqmd.gov/~media/files/board-of-directors/advisory-council/2020/ac_particulate_matter_reduction_strategy_report.pdf?la=en&rev=570867c8b25e4ca0b2f93f80c4c1ef02

³ BAAQMD and West Oakland Environmental Indicators Project, 2019. *Owning Our Air. The West Oakland Community Action Plan – Volume 1: The Plan*. <https://www.baaqmd.gov/~media/files/ab617-community-health/west-oakland/100219-files/final-plan-vol-1-100219-pdf.pdf?la=en>

- Further reduce fugitive dust emissions by implementing regulatory language mandating compliance with best management practices and/or best available control measures.
- Increase accountability by introducing regulatory language for a “Notice of Requirements” document for sites with equipment with the potential to generate fugitive dust.
- Explore inclusion of a potential “dust fee” or “plan registration fee” so additional compliance and enforcement activities may be appropriately resourced.
- Explore opportunities to lower the permitted allowable PM-emission threshold, similar to New Source Review for Toxic Air Contaminants.

Each recommended action should be developed in coordination with relevant stakeholders including community advocates. It is important to note, this white paper provides a qualitative overview and future development activities will conduct qualitative and quantitative analysis to support proposed actions.

STATIONARY SOURCE AND
CLIMATE IMPACTS COMMITTEE
MEETING OF 04/12/2023

IV. Impetus

Problem Statement

The focus of this white paper centers on mitigating and reducing the impacts of episodic exposure from fugitive dust, particularly in overburdened communities. Exposure to fugitive dust emissions can lead to acute health effects and this white paper will discuss opportunities for potential rulemaking activities to control fugitive dust, with a focus on construction projects, earth moving activities, paved and unpaved roads, and bulk handling and storage facilities. This white paper will provide an overview of the Air District's existing particulate matter programming, focusing on fugitive dust, and will identify strategies and recommendations for potential rule development activities to reduce fugitive dust and particulate matter emissions.

V. Introduction

Particulate Matter Background

Particulate matter, also known as PM, is characterized as a “complex mixture of extremely small particles and liquid droplets.”⁴ PM is often categorized by size, with particles that are 10 micrometers in diameter or smaller referred to as ‘PM₁₀’ and fine particles 2.5 micrometers in diameter or smaller as ‘PM_{2.5}.’ PM can also be categorized as Total Suspended Particulate (TSP), which encompasses all airborne particles and as Ultrafine PM, defined as particles smaller than 0.1 micrometers in diameter.⁵

Particulate matter can also be categorized by material and composition, such as diesel PM. Diesel PM is categorized by the State of California as a toxic air contaminant (TAC), which results in additional regulatory requirements to protect public health.⁶ Diesel PM is primarily generated by diesel fuel combustion in backup generators, lawn equipment and on-road and off-road equipment and vehicles.

Sources of PM include industrial sources such as refineries, concrete batch plants, or landfills, or from construction sites, paved or unpaved roads, fires and brake and tire wear from mobile sources. PM can also form in the atmosphere as a result of chemical reactions from gases in the air such as sulfur oxides (SO_x) and nitrogen oxides (NO_x). PM from sources such as construction sites, paved or unpaved roads, and bulk storage facilities may result in fugitive dust. Fugitive dust is generally defined as particulate matter that is released into the air through mechanical disturbance or high wind speeds. The EPA defines fugitive (dust) emissions as those that could not reasonably pass through a stack, chimney, vent, or other functionally-equivalent opening.

PM can pass through the nasal passage and enter the lungs, leading to serious health effects associated with the heart and lungs.⁷ In December 2020, the Air District Advisory Council published its *Particulate*

⁴ Environmental Protection Agency (n 1).

⁵ BAAQMD, 2018. Staff Report – Particulate Matter, Proposed New Regulation 6: Common Definitions and Test Methods. Accessed April 15, 2021: https://www.baaqmd.gov/~/media/dotgov/files/rules/archive-2018-regulation-6/bundled-documents/20180801_50_sr_0600-pdf.pdf?la=zh-tw

⁶ California Air Resources Board, n.d. CARB Identified Toxic Air Contaminants. Accessed May 2, 2021: <https://ww2.arb.ca.gov/resources/documents/carb-identified-toxic-air-contaminants>

⁷ Environmental Protection Agency (n 1).

Matter Reduction Strategy Report (Report),⁸ concluding that “PM is the most important health risk driver in Bay Area air quality, both PM_{2.5} as a criteria pollutant and diesel PM as a toxic air contaminant.”⁹ The report also stated that further particulate matter reductions are needed to reduce overall health risks in the Bay Area. As elevated PM_{2.5} exposures occur in locations adjacent to local sources, it is of utmost importance to control and reduce these emissions in these communities.

By way of the Clean Air Act, the Environmental Protection Agency (EPA) sets National Ambient Air Quality Standards (NAAQS) for criteria air pollutants, including PM₁₀ and PM_{2.5}.¹⁰ Through rule development, permitting, enforcement, and monitoring, the Air District regulates PM emissions in the San Francisco Bay Area to comply with the NAAQS. It’s important to note that exposure levels below the NAAQS still cause adverse health impacts; there is no “safe” level of PM exposure.

Despite decades of progress in reducing air pollution, some communities bear a disproportionate burden. These are usually, low-income communities of color which bear additional health burdens due to the health impacts of institutional racism (for example, chronic stress from housing and food insecurity). In the Bay Area, many fugitive dust sources are over-represented in these overburdened communities.

In response to Assembly Bill (AB) 617, the California Air Resources Board (CARB) established the Community Air Protection Program (CAPP).¹¹ The CAPP was created to reduce community exposure to air pollution in communities most impacted. The Air District partners with CARB and local communities to develop, implement strategic plans (also called Community Emissions Reduction Programs, or “CERPs”) and identify funding to support programs that reduce air emissions in these communities. Many communities identified PM as a high priority air pollutant for further reductions.

Because of these health considerations and policy drivers, Air District staff are analyzing additional mechanisms to control and reduce fugitive dust and particulate matter emissions in the Bay Area.

Engagement

Air District staff received input on fugitive dust issues and impacts from various community stakeholders in Bayview Hunters Point (San Francisco), Richmond/San Pablo, and East and West Oakland. Some highlighted operations included large and small aggregate facilities, metal recycling operations, and construction sites. Staff took the opportunity to document community concerns surrounding PM and witness PM-related activity that may impact community health.

In addition, the impacts of PM were a focus during the AB 617 Community Emission Reduction Planning (CERP) Process in West Oakland as well as in the formation of the Richmond-North Richmond-San Pablo CERP, currently in progress. The Bayview Hunters Point and East Oakland CERP processes are presently launching, but staff anticipate fugitive dust to be one of the issues at the forefront of their concerns.

⁸ BAAQMD, 2020 (n 2).

⁹ *Ibid.*

¹⁰ Environmental Protection Agency, n.d. Criteria Air Pollutants. Accessed April 15, 2021: <https://www.epa.gov/criteria-air-pollutants>

¹¹ California Air Resources Board, n.d. Community Air Protection Program. Accessed April 15, 2021: <https://ww2.arb.ca.gov/capp>

Additionally, the West Oakland CERP, *Owning Our Air: The West Oakland Community Action Plan (CAP)*, included a Further Study Measure that states that “The Air District will investigate potential rulemaking to limit fugitive dust from construction activity.”¹²

VI. Existing Landscape

As previously discussed, the purpose of this paper is to identify potential strategies that can strengthen and improve existing Air District programs to further control and reduce fugitive dust PM emissions. The Air District’s Advisory Council “recognized that particulate matter is a major driver of health risks from Bay Area air quality.”¹³ The Advisory Council also recognized “there is no known threshold for harmful PM_{2.5} health effects” and recommended further actions to reduce PM exposure and achieve additional health benefits.¹⁴ Additionally, ongoing engagement with local communities raised concerns surrounding fugitive dust emissions from dust generating sites, including but not limited to, construction operations, stockpiles, and earthmoving operations. The following sections discuss the current impetus and existing landscapes that may affect PM programming, including rules, monitoring, enforcement, and planning activities.

Framework for Regulating and Evaluating PM Impacts

Regional & Local PM Emissions

While a regionally-focused regulatory framework successfully reduced PM exposures across the Bay Area, additional strategies may be needed to control PM emissions, including fugitive dust, at a local level.

PM emissions reduction programs traditionally target achieving regional criteria pollutant reductions where an ambient air quality standard was established.¹⁵ These ambient air quality standards are based on air basins and benefit entire regions. However, the regional approach may not adequately protect subregional and local marginalized communities which historically bear elevated negative environmental conditions and associated health effects. This approach also fails to consider the cumulative impacts of many sources of air pollution, a major concern of community advocates.

Conversely, because diesel PM is listed by the State of California as a TAC, sources of diesel PM emissions are evaluated based on modeled localized exposures and emissions from the most impacted locations which must not exceed specific cancer risk thresholds. The Air District evaluates sources of TAC’s utilizing a health risk screening analysis, which models localized exposures and cancer risk. TAC emissions cannot exceed specific cancer risk thresholds for nearby receptors (residents and workers); failure to do so would result in a rejection of the application for a Permit to Operate.

In December 2021, the Air District’s Board of Directors adopted amendments to Regulation 2, Rule 1: General Requirements (Rule 2-1) and Regulation 2, Rule 5: New Source Review for Toxic Air

¹² BAAQMD, 2019 (n 3).

¹³ BAAQMD, 2020 (n 2).

¹⁴ BAAQMD, 2020 (n 2).

¹⁵ California Air Resources Board, n.d. Criteria Air Pollutants. Accessed May 2, 2021: <https://ww2.arb.ca.gov/our-work/programs/criteria-air-pollutants>

Contaminants (Rule 2-5), which increased community health protections by lowering the cancer risk threshold for TAC emissions, including diesel PM, in Overburdened Communities.

As noted, currently there is not an established framework and methodology to evaluate health risks from localized concentrations of PM. Air District staff is currently studying potential solutions, which may inform future rulemaking efforts to amend the Air District's regulations.

California Environmental Quality Act (CEQA)

Localized and short duration impacts from PM emissions are also considered when evaluating a project's environmental impacts in accordance with CEQA. The Air District publishes the CEQA Air Quality Guidelines (Guidelines) to assist lead agencies in evaluating air quality impacts of projects and plans proposed in the Bay Area. The Guidelines outline thresholds of significance for determining the significance of air quality impacts, screening criteria, assessment, and mitigation of project impacts. The Air District periodically updates the CEQA guidelines and thresholds to reflect changes in the legal and regulatory landscape, as well as advancements in scientific knowledge, analytical methods, and mitigation strategies and technologies.

Existing Air District PM Emissions Reductions Programming

The Air District's existing PM programs are administered through various activities described in more detail below.

Compliance & Enforcement

The Air District administers a comprehensive Compliance & Enforcement Program. Air Quality Inspectors are tasked with verifying pollution-generating sources comply with federal, state, and local regulations, including compliance with Air District-issued Permits to Operate. Inspectors frequently conduct site visits and investigations when fielding complaints and at regular intervals as part of their role in enforcing the regulations at alleged sites or complaint locations.

Due to high wind gusts generally being intermittent in nature, exceedances of current applicable rules and regulations pertaining to fugitive dust can be challenging for Air District inspectors to verify (see also Rules & Regulations section below). Therefore, frequent oversight and follow-up is often necessary to determine non-compliance. Often, collaboration with the public is necessary to appropriately and efficiently respond to ongoing emissions events which can be done through the robust complaint filing and response program.

Fugitive dust emissions at PM-generating sources tend to be heavily influenced by both wind conditions and human activities such as driving over unpaved roadways and/or earth moving activities such as the disturbance or transfer of stockpiles. Additionally, meteorological conditions such as high wind conditions significantly exacerbate fugitive dust. While high wind speeds are generally easily forecasted on a regional scale, they are more difficult to pinpoint at the local scale. A well-designed approach to controlling fugitive dust emissions during high wind speeds is achievable by integrating the proper management framework into the existing regulations, allowing for a more efficient use of Air District time and resources by providing a more streamlined method to determine compliance.

Violations & Settlements

Air District inspectors issue a Notice to Comply (NTC) or a Notice of Violation (NOV) whenever an observed violation is documented. An NTC resembles a ‘fix-it ticket’ and is typically issued when the violation is an administrative violation or when the violation is minor and not related to emissions. NTCs typically can be corrected immediately or within a specified timeframe, typically no more than 14 days. An NOV is issued for violations of a serious nature, which may result in a greater public health threat or for unresolved or reoccurring minor violations. NOV’s are issued when a facility violates a federal, state, or local regulation or when a facility violates the requirements in their Permit to Operate. NOV’s can result in monetary penalties that can vary depending on the severity of the violation.

Rules & Regulations

Regulation 6, Rule 1: General Requirements (Rule 6-1), and Regulation 6, Rule 6: Prohibition of Trackout (Rule 6-6) are the two Air District regulations that address PM emissions from aggregate, concrete, sand, and other earth moving operations (including construction sites).

Both rules were last amended in 2018, as a suite of PM-related rule amendments. The Air District’s Advisory Council and substantial stakeholder engagement subsequently highlighted the need to strengthen and improve these rules to reduce localized PM exposure, especially in overburdened communities.

Regulation 6, Rule 1: General Requirements

Regulation 6, Rule 1: General Requirements set forth the general emissions limitations of PM in “the atmosphere through the establishment of limitations on emission rates, emission concentrations, visible emissions and opacity.”¹⁶ The majority of PM emissions controls for concrete batch plants, aggregate plants, and sand-related operations, collectively defined under Rule 6-1 as ‘regulated bulk material sites’ are controlled under this regulation.

As written, Rule 6-1 may not achieve the desired PM reductions due to several issues with the existing language / requirements and lack of standards that suppress fugitive emissions.

Challenges with existing regulation language:

- **Enforceability**

The existing regulation contains requirements that are difficult to enforce. The burden of proof to issue violations from fugitive dust is tied to opacity and Ringlemann Chart observations which require a minimum of 3 minutes in any hour exceedances. PM emissions and fugitive dust are typically caused by intermittent meteorological conditions such as high winds which do not always exceed the visible emissions evaluation standards.

- **Monitoring/Data**

Community stakeholders have requested additional PM air monitoring, both at the fenceline of facilities with the potential to emit PM or generate fugitive dust, and in the surrounding

¹⁶ BAAQMD, August 2018. *Regulation 6, Rule 1: Particulate Matter General Requirements*. Accessed July 6, 2021: <https://www.baaqmd.gov/~/media/dotgov/files/rules/archive-2018-regulation-6-rule-1/documents/rg0601-pdf.pdf?la=en&rev=57b56e4a39be4995b3d021c8dd7c941c>

community. Currently, the Air District operates a robust network of 17 regulatory-grade PM_{2.5} air monitoring stations around the region in compliance with EPA regulations. This number exceeds what is required by USEPA for characterizing regional PM_{2.5} levels. Given the high cost of the regulatory-grade monitors, it's not feasible to deploy enough to completely characterize local impacts. Therefore, we must also consider other sources of information to inform policy and implementation programs to reduce localized PM emissions impacts.

Challenges with regulation standards:

- **Fugitive Dust**

As written, our current tools for addressing fugitive dust emissions through enforcement is through the use of opacity or Ringlemann Chart observations (see Enforceability above). Due to the intermittent nature of wind events and the intricacies of documenting noncompliance, it is challenging for Air District inspection staff to certify fugitive dust violations. In many other jurisdictions (which will be further outlined below), any fugitive dust observed by an inspector is subject to enforcement action, without adhering to opacity or Ringlemann Chart observations as long as an observable plume crosses a property line.

- **Moisture Content & Stabilization**

The existing rule does not mandate stockpile stabilization requirements, and instead relies on visible emissions evaluations to control fugitive dust. As previously noted, visible emissions evaluations present enforceability difficulties and challenges. Recommendations would include stockpile moisture content or adequately wetted requirements, in addition to mandating dust management plans and other operational modifications during high wind events, or when there is potential for windblown fugitive dust. See 'Recommendations' section for further discussion.

- **Record Keeping / Dust Management Plan**

The current Rule 6-1 has limited record keeping requirements under Section 6-1-502 (as related to regulated bulk material sites), which states "persons monitoring emissions in accordance with the requirements of Regulation 1 shall keep records, report emission excesses and provide summaries of data collected as required by Regulation 1."¹⁷ This monitoring, recordkeeping, and reporting (MRR) requirement does little to reduce emissions – an expansion of this record keeping requirement to a formal Dust Management Plan that requires additional mitigation measures during observed exceedances would likely increase the efficacy of the regulation in reducing PM emissions.

Regulation 6, Rule 6: Prohibition of Trackout

Regulation 6, Rule 6: Prohibition of Trackout was adopted by the Air District Board of Directors on August 1, 2018 and is focused on road dust generated by vehicles moving over unpaved roads (rendering them airborne). Additionally, Rule 6-6 addresses mud, dirt and earth that can be tracked out onto roadways by mobile equipment such as construction equipment.

Although the language and requirements for the prevention and mitigation of track out are clearly described in Rule 6-6, the regulation is extremely difficult to enforce.

¹⁷ *Ibid.*

Section 6-6-301 of Rule 6-6 states the following:

“Prohibition of Trackout onto Paved Roadways: The owner/operator of any Large Bulk Material Site, Large Construction Site, or Large Disturbed Surface Site shall not cause or allow trackout at any active exit from such site onto an adjacent paved public roadway or shoulder of a paved public roadway that exceeds cumulative 25 linear feet and creates fugitive dust visible emissions without cleaning up such trackout within 4 hours of when the owner/operator identifies such excessive trackout; and shall not cause or allow more than 1 quart of trackout to remain on the adjacent paved public roadway or the paved shoulder of the paved public roadway at the end of any workday.”¹⁸

There is an extremely large burden of proof for this requirement, making it not practically enforceable. It is a challenge for Air District inspectors to clearly identify 25 linear feet and collect more than 1 quart of trackout over a 4-hour period. This is especially difficult in communities where dust-generating sources are located next to each other making it challenging to determine the offending operator.

Regulation 2, Rule 1: Permits - General Requirements

The Air District conducts a comprehensive engineering evaluation and generate permitting determinations upon review. During the review, staff ensure facilities are meeting applicable regulations. Regulation 2, Rule 1, outlines the applicable requirements, limits, and standards pertaining to each specific source type or operation.¹⁹ If an evaluation determines that the new or modified source at a facility is subject to a permit to operate it is considered non-exempt.

Non-exempt sources are those that do not meet exemption thresholds for that particular operation or source type and must therefore obtain a Permit to Operate and an Authority to Construct from the Air District, pursuant to Rule 2-1. Examples of such sources include equipment at refineries, concrete batch plants, industrial facilities, backup diesel generators, autobody shops, and gas stations.

If an evaluation determines the new or modified source does not exceed permitting thresholds outlined in Rule 2-1, it is considered *exempt* from permitting requirements. A complete list of applicable exemptions are listed under the Air District’s Rule 2-1-100 section. Examples of potential exemptions include temporary portable equipment and sources which do not exceed the throughput (processing) threshold in any of the Air District’s rules. Another example are construction sites which are currently exempt from permitting per Rule 2-1 Section 113 Subsection 2.18. Although exempt, these sources must still comply with general emissions standards and limits in Rule 2-1. In addition, they remain subject to public nuisance requirements per Rule 1-301 and visible emission standards per Rule 6-1.

CARB NOA ATCM:

¹⁸ BAAQMD. August 1, 2018. *Regulation 6, Rule 6: Prohibition of Trackout*. Accessed July 6, 2021: <https://www.baaqmd.gov/~media/dotgov/files/rules/archive-2018-regulation-6-rule-6/documents/rg0606-pdf.pdf?la=en>

¹⁹ BAAQMD. December 15, 2021. *Regulation 2, Rule 1: Permits – General Requirements*. Accessed January 20, 2022: https://www.baaqmd.gov/~media/dotgov/files/rules/reg-2-permits/2021-amendments/documents/20211215_rg0201-pdf.pdf?la=en&rev=103cc60e706947d3ad1e4f5a090483c1

The Air District was delegated the authority to administer and enforce CARBs [Asbestos Airborne Toxic Control Measure \(ATCM\) for Construction, Grading, Quarrying, and Surface Mining Operations](#). The ATCM is specific to Naturally Occurring Asbestos (NOA) but may provide a framework to augment the existing Air District Regulation 6 suite of PM rules such as the approval of an operator-developed dust control plan. Approved dust control plans must contain specific monitoring procedures, the use of on-site dust suppression technologies and operational parameters to reduce fugitive dust containing NOA. Dust control plans are currently not required under any other Air District rule or regulation, but may be considered for future recommendations. Additionally, this ATCM introduces the adequately wetted requirement and testing method. This requirement is outlined under section 93105 (h)(5)(B):

“If no moisture threshold is specified in a district-approved asbestos dust mitigation plan, a sample of at least one (1) quart in volume shall be taken from the top three (3) inches of a road, or bare area or from the surface of a stockpile. The sample shall be poured out from a height of four (4) feet onto a clean hard surface. The material shall be considered to be adequately wetted if there is no observable dust emitted when the material is dropped.”

VII. Knowledge Assessment of PM Regulatory Landscape

Air District staff conducted an analysis of existing PM emissions related control regulations at other air districts in California, Nevada and Arizona. As noted previously, the Air District’s Regulation 6, Rule 1 and Regulation 6, Rule 6 may be improved with the inclusion of additional emission suppression standards, clarification of rule language to provide greater enforceability, and the inclusion of monitoring plans.

Discussion of Opportunities

Potential opportunities and measures to enhance the Air District’s PM programming are categorized into the following broad categories: process weight limits, fugitive dust, dust control plans, and a gap analysis.

Process weight limits

The Air District’s Rules and Regulations prescribe *Standards*, which specify limitations or requirements that operators must comply with. These standards may specify operating parameters, emissions standards, or other administrative requirements. All operators are required to meet the standards regardless of whether the operator must obtain an Air District Permit to Operate, unless the operator qualifies for an exemption.

Operators or facilities that emit PM emissions are subject to process weight limits as prescribed by Rule 6-1. Process weights are the total weight of all materials introduced into an operation, including solid fuels and process air.”²⁰ The Air District’s process weight limits may be amended to reduce these process weights limits, similar to those in Sacramento Metropolitan Air Quality Management District (SMAQMD) [Rule 404 Particulate Matter](#) and [Rule 405 Dust and Condensed Fumes](#) and Clark County Department of Environment and Sustainability (DES)’s [Section 27 – Particulate Matter from Process Weight Rate](#).

²⁰ BAAQMD, 2018 (n 16).

Fugitive Dust

Fugitive dust is generally defined as particulate matter that is released into the air through mechanical disturbance or high wind speeds. This material can be suspended in the air by direct or indirect human activities. For example, fugitive dust may be generated when paved, unpaved, stabilized or unstabilized surfaces are disturbed and the dust is carried by wind off the property. Air District Rule 6-1 limits fugitive dust from Regulated Bulk Material Sites. Rule 6-6 limits fugitive dust from Trackout.

Although both Rule 6-1 and Rule 6-6 limit fugitive dust, the standards are very narrowly prescribed. In both instances, fugitive dust is prohibited only if the dust exceeds specific opacity or Ringlemann Chart standards, over a specific period of time. For Rule 6-6, the prohibition of fugitive dust is specifically associated with Trackout.

The large burden of proof has limited Air District inspectors' ability to issue violations, and consideration should be given to amending these regulations to streamline and simplify enforcement. Sacramento Metropolitan Air Quality Management District (SMAQMD) [Rule 403 Fugitive Dust](#) limits fugitive dust from "being airborne beyond the property line from what the emission originates, from any construction, handling or storage activity, or any wrecking, excavation, grading, clearing of land or solid waste disposal operation."²¹ The SMAQMD Rule 403 Fugitive Dust also omits any opacity or Ringlemann Chart standard.

Other jurisdictions also require dust generating operations to submit a Dust Control Plan for approval (see following section).

Dust Control Plans

Many jurisdictions, including air districts and cities, require an approved Dust Control Plan (DCP) prior to commencement of any dust generating operations. DCPs are flexible and can be tailored to specific operations as requirements at construction sites may vary from the needs at a concrete batch plant.

Currently, the Air District does not require the submittal and approval of a DCP prior to issuance of a Permit to Operate. However, the Air District administers the Naturally Occurring Asbestos (NOA) Program, which does require Air District approval of an Asbestos Dust Mitigation Plan. The Asbestos Dust Mitigation Plan must address and describe how the operator will mitigate potential emissions from trackout, active storage piles, inactive disturbed surface areas and storage piles, traffic on unpaved on-site roads, earth moving activities, off-site transport of materials, and post-project stabilization of disturbed soil surfaces. In addition, the Air District may also require Asbestos Air Monitoring Plans for certain projects.

Many regulations do not prescribe specific operating parameters or control technologies to implement; the applicant/operator must identify and maintain these components in their DCPs. Dust control plans ensure that the operator is aware of applicable requirements and that they take the appropriate measures to control their emissions through the implementation of identified best management

²¹ SMAQMD. August, 1977. *Rule 403 Fugitive Dust*. Accessed May 15, 2022: <http://www.airquality.org/ProgramCoordination/Documents/rule403.pdf>

practices (BMPs) or best available control measures (BACM). Some of the best management practices that exist for fugitive dust are described *Table 1* below.

Table 1: Best Management Practices for Fugitive Dust Suppression

Emission Suppression Option	Description
Wetting during active and inactive dust-generating activities including unpaved on-site roads	Apply water in sufficient quantities to suppress the generation of dust from onsite activities and unpaved on-site roads
Stabilization of on-site roads	Pave active roadways. Stabilization may also include semi-permanent techniques such as crusting or vegetative stabilization (applying temporary vegetative or seeding)
Moisture content of stockpiles	Maintaining specific moisture content of stockpiles to prevent wind erosion
Property Exit Controls	Install trackout mats, trackout plates, gravel pad and/or tire washers at property exits
Wet Vacuum Trucks	Clean up trackout with wet vacuum trucks on a specific frequency
Fenceline Air Monitoring	Implement a robust air monitoring plan to measure PM emissions exceedances
Covers and Enclosures	Use of covers and/or enclosures over conveyers, stockpiles and on trucks
Clean truck routes	Implement a trucking route that bypasses sensitive communities, or limit the use of local corridors
Signage and Speed Limits	Implement an onsite speed limit and install applicable signage to aid in minimizing fugitive dust emissions
On-site Dust Manager	Identify on-site trained manager responsible for implementation and maintenance of the DCP
Dust Control Training Classes	Operator representatives must successfully complete a Dust Control Training Class
Cease Operations	Cease operations when meteorological conditions warrant and fugitive dust cannot be prevented.

The Air District could consider implementing a future DCP Program. This would tier dust suppression requirements based on the potential to emit (such as size or throughput of operation) and based on past violation history – operators with a history of violating Rules 6-1 and 6-6 would be subject to increasing more restrictive emissions suppression controls.

To enforce a DCP, the Air District would need to develop a program to administer them. Given the increase in required resources, a DCP program would likely need to be supported with fees that would come in the form of registration and/or filing fees. As an alternative, the Air District may also consider incorporating DCPs and/or BACMs into Regulation 6.

The Air District’s existing permitting program extends to most facilities; however, construction sites are currently exempt. Adding requirements for Dust Control Plans or incorporating best management practices directly into the rule could be beneficial.

Gap Analysis

Air District staff completed a gap analysis to review existing regulatory and programming to control PM emissions, which are also discussed above. Specifically, staff reviewed regulations and programming at the following jurisdictions due to their experience with dust suppression:

- California Air Resources Board (CARB)
- Clark County (NV) Department of Environment and Sustainability (DES)
- Imperial County Air Pollution Control District (ICAPCD)
- Maricopa County Air Quality Department (MCAQD)
- Sacramento Metropolitan Air Quality Management District (SMAQMD)
- South Coast Air Quality Management District (SCAQMD)

The tables below **Error! Reference source not found.** summarizes the findings from the gap analysis.

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Burden of Proof for Sources of Fugitive Dust Emissions

This category evaluates methods currently used by other jurisdictions in order to reduce the burden of proof among Air District Rules and Regulations by introducing Dust Control Plans and clear requirements for any general sources with the potential to generate fugitive dust emissions.

Table 2: Knowledge Assessment and Opportunities for Burden of Proof for Sources of fugitive dust emissions

Jurisdiction Reference	Rule	Section	BAAQMD Rule Opportunity	BAAQMD Opportunity
SCAQMD	Rule 403 Fugitive Dust	(d)(1)(A)	Rule 6-1, Rule 6-6	BAAQMD fugitive dust violation can be defined as observable dust crossing the property lines
SMAQMD	Rule 403 Fugitive Dust	301		
DES	Section 41 – Fugitive Dust	1.1.1 a)		
ICAPCD	Regulation VIII – Rule 800 Series Fugitive Dust Rules	800: D.3, 801: E.1.c, F.2, F.5, F.6, F.7	Rule 6-1, Rule 6-6	Dust Control Plans, including stabilization, moisture content, operator monitoring, recordkeeping and best available control measures for fugitive dust
SCAQMD	Rule 403 Fugitive Dust, Rule 403.1 Coachella Valley, Rule 403.2 Large Roadway Projects	Implementation handbook Table 1, (e)(2)		
MCAQD	Rule 310 – Fugitive Dust from Dust-Generating Operations, Rule 310.01 – Non-Traditional Sources of Fugitive Dust	305, 401, 402, 403, 503		
SCAQMD	Rule 403.2 Fugitive Dust from Large Projects	(d)(1), (d)(2), (e)(1)-(e)(3)		
MCAQD	Rule 310 – Fugitive Dust from Dust-Generating Operations, Rule 310.01 – Non-Traditional Sources of Fugitive Dust	302		
CARB	Asbestos ATCM for Construction, Grading,	(d)(1)(A)	Rule 6-1, Rule 6-6	Requirements for large roadway or construction projects including notification, signage, speed limits, recordkeeping, dust control supervisor, and best available control measures

	Quarrying, and Surface Mining Operations			
ICAPCD	Regulation VIII – Rule 800 Series Fugitive Dust Rules	800: F.1, Appendix B, 801: F.1, 802: F.1, 803: F.1, 805: F.1, F.3, 806: E.3, E.4, 806: E.3	Rule 6-1, Rule 6-6	Open roadways on property must be stabilized (i.e. gravel, vegetation) or paved at all earth moving operations
MCAQD	Rule 310 – Fugitive Dust from Dust-Generating Operations, Rule 310.01 – Non-Traditional Sources of Fugitive Dust	310: 304, 310.01: 301, 302		
SCAQMD	Rule 403 Fugitive Dust, Rule 403.1 Coachella Valley	Implementation handbook, (d)(2), (d)(3)		
ICAPCD	Regulation VIII – Rule 800 Series Fugitive Dust Rules	800: F.3	Rule 6-1, Rule 6-6	Adequately wetted determinations and test methods
CARB	Asbestos ATCM for Construction, Grading, Quarrying, and Surface Mining Operations	(d)(1)(B), (2)(B)		
MCAQD	Rule 310.01 – Fugitive Dust from Non-Traditional Sources of Fugitive Dust	305, 306	Rule 6-6	Minimize allowable trackout threshold and compliance determination procedures
CARB	Asbestos ATCM for Construction, Grading, Quarrying, and Surface Mining Operations	(4)(A)		
ICAPCD	Regulation VIII – Rule 800 Series Fugitive Dust Rules	803, 806		
SCAQMD	Control of Particulate	(d)(1)	Rule 6-1, Rule 6-6	Registration requirements for sites not subject to permitting

	Emissions from Metal Recycling and Shredding Operations			
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Permitted Facility Restrictions

This category evaluates methods currently used by other jurisdictions in order to strengthen PM emissions standards and introduce dust control measures.

Table 3: Knowledge Assessment and Opportunities for Permitted Facility Restrictions

Jurisdiction Reference	Rule	Section	BAAQMD Rule Opportunity	BAAQMD Opportunity
SMAQMD	Rule 404 Particulate Matter, Rule 405 Dust and Condense Fumes	301	Rule 6-1	Reduce PM emissions limit of 0.23 grams per dry standard cubic meter (0.01 grains per dry standard cubic foot)
DES	Section 27 – Particulate Matter from Process Weight Rate	27	Rule 6-1	Reduce PM process weight limits
MCAQD	Rule 310 – Fugitive Dust from Non-Traditional Sources of Fugitive Dust	302	Rule 6-1	Permitting requirements for large dust-generating operations

Monitoring and Data

This category evaluates methods currently used by other jurisdictions in order to perform fenceline monitoring at dust generating facilities, monitor meteorological conditions, and perform adequate recordkeeping.

Table 4: Knowledge Assessment and Opportunities for Monitoring and Data

Jurisdiction Reference	Rule	Section	BAAQMD Rule Opportunity	BAAQMD Opportunity
SCAQMD	Rule 403 Fugitive Dust	(d)(3)		
CARB	Asbestos ATCM for Construction, Grading, Quarrying, and Surface Mining Operations	(4)(H), (5)(A), (g)	Rule 6-1, Rule 6-6	Dust Control Plans with fenceline monitoring

SCAQMD	Control of Particulate Emissions from Metal Recycling and Shredding Operations	(5), (j)	Rule 6-1, Rule 6-6	Wind speed monitoring, BACM, and recordkeeping
SCAQMD	Rule 403.1 Coachella Valley	(d)(5), (g)		
SCAQMD	Control of Particulate Emissions from Metal Recycling and Shredding Operations	(l)		
CARB	Asbestos ATCM for Construction, Grading, Quarrying, and Surface Mining Operations	(G)4		
SCAQMD	Rule 403.2 Large Roadway Projects	(e)(2)	Rule 6-1, Rule 6-6	Vehicle speed monitoring, BACM, and recordkeeping
SCAQMD	Control of Particulate Emissions from Metal Recycling and Shredding Operations	(f)(4)		
ICAPCD	Regulation VIII – Rule 800 Series Fugitive Dust Rules	805: F.4.f.1		
MCAQD	Rule 310 – Fugitive Dust from Dust-Generating Operations	302.8, 304.2, 305.2, 305.6, 305.7, 305.12		
CARB	Asbestos ATCM for Construction, Grading, Quarrying, and Surface Mining Operations	(d)(1)(B)2, (e)(1)(A), (4)(D)1, (B)1		
ICAPCD	Regulation VIII – Rule 800 Series Fugitive Dust Rules	F.5		
MCAQD	Rule 310 – Fugitive Dust from Dust-	502	Rule 6-1, Rule 6-6	Daily self-inspection reports for those subject to dust control plans

	Generating Operations			
CARB	Asbestos ATCM for Construction, Grading, Quarrying, and Surface Mining Operations	(2)(A), (B), (4)(H)	Rule 6-1, Rule 6-6	Asbestos Dust Control Plans that may include fenceline monitoring and adequately wetted determinations

CARB: California Air Resources Board

DES: Clark County (NV) Department of Environment and Sustainability

ICAPCD: Imperial County Air Pollution Control District

MCAQD: Maricopa County Air Quality Department

SMAQMD: Sacramento Metropolitan Air Quality Management District

SCAQMD: South Coast Air Quality Management District

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VIII. Recommendations

Considering community concerns and the Air District Advisory Council's recommendations, this report provides several potential options to reduce fugitive dust PM emissions. It is important to note that staff have not yet extensively evaluated impacts nor the required resources to support the recommended efforts. Any future development and implementation of PM emissions reduction programming should continue with robust community and stakeholder engagement strategies, especially among those most impacted by PM emissions.

Regulation 6, Rule 1: General Requirements

Air District staff should explore opportunities to amend Rule 6-1 with the following:

- 1 Amend the process weight limit to be more health protective;
- 2 Expand fugitive dust property line requirements to all operations with the potential to emit fugitive dust, where a violation is determined once fugitive dust crosses the property line. This would lower the burden of proof for enforcement by eliminating the need to obtain opacity readings in these situations. Such amendments may emulate the SMAQMD, SCAQMD, and DES fugitive dust regulations;
- 3 Add a new standard to require minimum moisture content and stabilization testing of stockpiles and associated administrative requirements. This would require developing a testing methodology and determining feasibility. Alternatively, staff could explore adopting the adequately wetted standard in CARBs ATCM for Construction and Grading Operations;
- 4 Add a new requirement for appropriate control techniques under high wind speed meteorological conditions exceeding 25 miles per hour, similar to SCAQMD Rule 403.1 and Rule 1460; and
- 5 Add requirements for large roadway and construction projects including notification, recordkeeping, applicable standards, and best available control measures.

Regulation 6, Rule 6: Trackout

Air District staff should explore opportunities to amend Rule 6-6 with the following:

- 1 Investigate reducing burden of proof for enforcement for documenting trackout. Currently the burden of proof is 25 linear feet of trackout and more than 1 quart of trackout over 4 hours at the end of the workday. Such amendments may emulate MCAQD, ICAPCD, and CARB rule; and
- 2 Add a new standard to require immediate clean-up of trackout so less road dust is generated over the course of the workday. Such amendments would emulate ICAPCDs rule.

Best Management Practices and Best Available Control Measures

Air District staff should explore the opportunity to incorporate the implementation of best management practices (BMPs) or best available control measures (BACM) directly within both Rules 6-1 and 6-6 as standards. BMPs outlined directly in the rules may further deter potential fugitive dust emissions and make it easier for inspectors and operators to determine compliance and noncompliance. Examples include, but are not limited to: adequate dust suppression measures used before, during, and after any earth moving activities, appropriate water usage to prevent windblown dust, proper trackout control measures at all exits, dust control supervisor onsite at all times, proper record keeping and monitoring, limiting vehicular speeds and traffic, proper post-stabilization measures, etc.

Notice of Requirements

Air District staff should explore generating a “Notice of Requirements” fact sheet to distribute to potential violators. Given the high quantity of businesses, construction projects, and general operations that may not be subject to Air District permitting thresholds or requirements but may still have the potential to generate fugitive dust, it could be advantageous to develop a formal document that would serve as a fact sheet. This fact sheet would include all the general applicable rules and regulations pertaining to fugitive dust and ways to minimize and control fugitive dust emissions to remain in compliance. This document could be distributed by inspectors to any businesses, construction projects, or general operations that receive a complaint or violation. This document would help put potential violators on notice and would also alleviate community concerns regarding potential sources of fugitive dust emissions that may fall below permitting thresholds or requirements.

Dust Control Plans

Air District staff should also explore the opportunity to incorporate regulatory requirements for DCPs as deemed appropriate, such as for large road or construction projects or for a facility that frequently receives violations or complaints. DCPs would include site-specific BMPs or BACMs to follow and would require robust recordkeeping requirements. If deemed necessary, DCPs could also potentially mandate the requirement for fence-line monitoring at upwind and downwind locations with enforceable standards. As DCPs may affect both permitted facilities and those currently falling below permitting thresholds or requirements, this concept would be appropriate as an amendment to Rule 6-1, or as a new rule under the Regulation 6 suite of rules. See the DCP subsection above for details on specific controls (page 13).

Fees

The inclusion of a potential “dust fee” or “plan registration fee” should also be explored so additional compliance and enforcement activities associated with Regulation 6 and/or DCPs may be appropriately resourced.

Permitting

Air District staff should continue researching methodologies to evaluate PM emissions similar to TACs with health risk modeling. Air District staff should continue coordination to ensure this effort may be integrated into other updates to the Air District’s PM Programming. In addition, Air District staff should investigate amending regulations to require an exposure threshold similar to the TAC Cancer Risk thresholds in Regulation 2, Rule 5: New Source Review of Toxic Air Contaminants, if an approved methodology is developed.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Lynda Hopkins and Members
of the Stationary Source and Climate Impacts Committee

From: Philip M. Fine
Executive Officer/APCO

Date: April 12, 2023

Re: Updated 2023 Stationary Source and Climate Impacts Committee Work Plan

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

The Stationary Source and Climate Impacts Committee (Committee) considers and recommends policies to the Board of Directors relating to stationary sources. The Committee recommends positions to the Board of Directors on stationary source policy issues affecting the implementation of the two State and Federal Air Quality Management Plans and key planning policy issues such as Federal and State Air Quality Management Plan development and air quality and economic modeling.

The Committee also reviews and makes recommendations to the Board of Directors regarding major stationary source programs including: permitting, compliance, small business assistance, toxics, source education, and rule development. The Committee recommends to the Board of Directors positions concerning federal and state regulations that affect stationary sources.

The Committee also recommends policies to the Board of Directors for disbursement of supplemental environmental project grants. The Committee also considers and recommends to the Board of Directors policies and positions of the Air District relating to climate protection activities and funding relative to stationary sources. The Committee also keeps itself informed on actions and proposed actions by local, regional, state, federal, and international agencies and organizations relating to climate protection relative to stationary sources.

DISCUSSION

In March, the Committee discussed a proposed work plan for 2023 and provided staff with feedback. The Committee will review and discuss the updated schedule and workplan for meetings in 2023.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Sonam Shah-Paul
Reviewed by: Greg Nudd

ATTACHMENTS:

1. 2023 SSCI Committee Workplan

STATIONARY SOURCE AND
CLIMATE IMPACTS COMMITTEE
MEETING OF 04/12/2023

Updated 2023 Stationary Source and Climate Impacts Committee Meeting Workplan

Meeting Schedule	Topics
April – May	<p><u>Air District Statutory Authorities</u> Legal will provide an overview of the Air District’s regulatory authority.</p> <p><u>Fugitive Dust White Paper Recommendations</u> PM exposure from fugitive dust is a significant health concern. This paper lays out policy options to reduce dust emissions and exposure. Dust sources were a priority in the West Oakland Community Action Plan.</p> <p><u>Bay Area Healthy Homes Initiative</u> Update on the Air District’s partnerships in Alameda and Contra Costa County for full home retrofits focused on low-income families suffering from asthma.</p> <p><u>Submitting Rules into the State Implementation Plan</u> In preparation for the development of an attainment plan for PM2.5, the Air District should start submitting beneficial rules to EPA for inclusion into the State Implementation Plan so they may be credited toward attaining the standards.</p> <p><u>Discussion on Prescribed Burning in the Bay Area</u> Additional information on the procedures for prescribed burning in the Bay Area.</p>
June – July	<p><u>Rules mid-year review</u> Regular update on upcoming rules, and rulemaking priorities.</p> <p><u>Update on Incident Response Monitoring</u> Update to the Committee on the work with the Ad Hoc committee on incident response monitoring and modeling</p> <p><u>Refinery Community and Fenceline Monitoring</u> Briefing on the status of community and fenceline monitoring in refinery communities. Update on pending legislation and possible impacts on the Air District.</p>

	<p><u>Sources Causing Particulate Matter Exposure (InMAP Results)</u> Report on what sources are causing particulate matter exposure, and by how much, at the regional level and for key communities. Based on a partnership with the University of Washington and UC Berkeley.</p> <p><u>Overview of How the Air District Conducts Socioeconomic Analyses</u> Review of the statutory requirements and approaches for conducting socioeconomic analyses for rulemaking and planned improvements to the process.</p> <p><u>Overview of Permitting Timelines</u> Presentation on current permitting timelines, concerns from the regulated community and potential next steps.</p>
August – No Meeting	
September – October	<p><u>Rule 8-8: Refinery Wastewater</u> Update on rulemaking to reduce emissions from refinery wastewater systems. Part of the AB 617 BARCT schedule.</p> <p><u>Rule 8-18: Refinery Heavy Liquid Leaks</u> Update on rulemaking to reduce emissions from refinery wastewater systems. Part of the AB 617 BARCT schedule.</p> <p><u>Metal Recycling and Shredding Operations</u> White paper on reducing emissions from metal recycling and shredding operations. This is a priority of the West Oakland Community Action Plan.</p>
November – December	<p><u>Priority Control Measures in the Richmond-North Richmond-San Pablo CERP</u> Briefing on the stationary source control measures identified as priorities in the Richmond-North Richmond-San Pablo Community Emissions Reduction Plan.</p> <p><u>Health Impacts of Wood Smoke and Possible Policy Responses</u> Results of an analysis of the geographic concentration of wood smoke, the health and equity impact of that pollution, and a discussion of some possible policy responses by the Air District. Wood smoke was identified as a priority in the West Oakland Action Plan.</p>

Pending:

- Indirect Source Rule (ISR)
 - *Staff is coordinating with the Board of Directors to determine the appropriate Committee to bring forth this agenda item. As needed, this item may be brought before the Board of Directors to refer to the appropriate Committee of the Board.*
- Information on Just Transition
- Rule 11-18
- Rule Implementation

STATIONARY SOURCE AND
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BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Lynda Hopkins and Members
of the Stationary Source and Climate Impacts Committee

From: Philip M. Fine
Executive Officer/APCO

Date: April 12, 2023

Re: Update on the Bay Area Healthy Homes Initiative

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

On September 15, 2021, the Air District Board of Directors accepted a grant award of \$1,999,279 from the Automobile Emissions Research and Technology Fund, administered by the California Attorney General's Office, for the Air District's proposal titled "Bay Area Healthy Homes Initiative: a program to reduce exposure to transportation emissions in communities overburdened with air pollution and asthma." The Bay Area Healthy Homes Initiative (BAHHI) seeks to build on and expand the Asthma Mitigation Project pilot effort in Contra Costa County, led by Contra Costa Public Health since 2018 and partially funded by the Air District since August 2020. This pilot was the first effort in the region to integrate health and climate interventions to improve the health outcomes of vulnerable groups. It aimed to combine in-home asthma services with home assessments to determine the most needed retrofits to address asthma triggers and improve energy efficiency for high-risk asthma patients. The BAHHI program expands the work of the pilot project to Contra Costa and Alameda County asthma patients and residents living in these overburdened communities by integrating additional interventions that address the cumulative air pollution burden into the existing model. The awarded funds allow this initiative to continue to build capacity and expand the pilot program significantly. On March 2, 2022, the Air District Board of Directors approved contracts with Contra Costa County Health Services, Association for Energy Affordability, County of Alameda (Asthma Start), and Energy Council (StopWaste) to implement the program. Implementation of the BAHHI program started during the summer of 2022.

DISCUSSION

This presentation will provide an update on the early implementation of the BAHHI program, with a focus on the development of the program infrastructure and early recruitment statistics. Over its two-year grant term, the program will target up to 105 high-risk asthma patients (adults and children) and 750-1,000 residents from areas most impacted by traffic-related air pollution in Contra Costa and Alameda counties. For asthma patients, health interventions include home asthma education, environmental asthma trigger assessment, and the patient's asthma condition evaluation before and after program completion. These interventions are led by the Contra Costa and Alameda county health departments. This initiative supports comprehensive and impactful home retrofits that address existing asthma triggers, energy efficiency, and exposure to outdoor pollution. The Association for Energy Affordability (AEA) is coordinating these retrofits and quantifying resulting indoor air quality improvements in 20 percent of these homes, including nitrogen oxides, carbon monoxide, particulate matter, and greenhouse gas emissions reductions. This data can help demonstrate the multiple benefits and cost-effectiveness associated with these interventions.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Idania Zamora
Reviewed by: Abby Young

ATTACHMENTS:

None

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Lynda Hopkins and Members
of the Stationary Source and Climate Impacts Committee

From: Philip M. Fine
Executive Officer/APCO

Date: April 12, 2023

Re: Greener and Healthier Buildings at Bay Area Disadvantaged Communities by
BlocPower

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

The Air District is focused on accelerating San Francisco Bay Area's transition to clean and healthy buildings through local government support, grants, partnerships, and regulation. Since 2018, District staff has been working with the region's local governments on these efforts.

In December 2021, the Air District secured a \$2 million grant from the Automobile Emissions Research and Technology Fund, administered by the California Attorney General's Office, to lead the Bay Area Healthy Homes Initiative program. This pilot program aims to improve health outcomes of vulnerable groups by integrating interventions such as building retrofits that address asthma triggers, energy efficiency, and exposure to outdoor pollution. The Air District relies on a strong partnership with county health departments, regional agencies, and local non-profit organizations to implement this program successfully.

In March 2023, the Air District adopted rule amendments to Regulation 9, Rule 4: Nitrogen Oxides from Fan Type Residential Central Furnaces ("Rule 9-4") and Regulation 9, Rule 6: Nitrogen Oxides Emissions from Natural Gas-Fired Boilers and Water Heaters ("Rule 9-6") to include zero-NOx emission standards for residential space and water heating. One of the significant considerations associated with implementing these rules is the cost of retrofitting the existing housing stock, especially the potential impacts on low-income families. At this time, feasible compliance technologies are electric, carry a price premium and may require electrical system upgrades for some older homes. For this reason, staff has convened the Building Appliance Rules Implementation Working Group (IWG). The IWG is a diverse array of stakeholders to provide thought leadership on addressing technical and financial barriers to equitable appliance electrification.

DISCUSSION

BlocPower is an organization dedicated to making buildings greener, healthier, and smarter for all. Founded in 2014, BlocPower has upgraded approximately 5,000 buildings in over 20 US cities. Mr. Donnel Baird, the Chief Executive Officer of BlocPower, will present on the company’s community-centered, integrated, and data-driven approach to greening buildings. He will discuss BlocPower’s innovative funding strategies and experience with local workforce development. Mr. Baird will also focus on BlocPower partnerships with East Bay Community Energy and the City of Berkeley on Bay Area projects involving low-income building retrofits. BlocPower is a member of the Air District’s Building Appliance Rules IWG.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Idania Zamora
Reviewed by: Abby Young

ATTACHMENTS:

None

STATIONARY SOURCE AND CLIMATE IMPACTS COMMITTEE MEETING OF 04/12/2023

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John J. Bauters and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: May 3, 2023

Re: Report of the Mobile Source & Climate Impacts Committee Meeting of April 12,
2023

RECOMMENDED ACTION

A) Projects and Contracts with Proposed Awards over \$500,000.

1. **Approve** recommended projects with proposed grant awards over \$500,000; and
2. **Authorize** the Executive Officer/ Air Pollution Control Officer to enter into all necessary agreements with applicants for the recommended projects.

BACKGROUND

None.

DISCUSSION

The Mobile Source & Climate Impacts Committee met on Wednesday, April 12, 2023, and approved the Minutes of the Mobile Source and Climate Impacts Committee meeting of March 8, 2023.

The Committee then reviewed and discussed the staff presentation *Projects and Contracts with Proposed Awards over \$500,000*. The Committee recommends the Board:

1. **Approve** recommended projects with proposed grant awards over \$500,000; and
2. **Authorize** the Executive Officer/ Air Pollution Control Officer to enter into all necessary agreements with applicants for the recommended projects.

The Committee then reviewed and discussed the staff presentation *Updated 2023 Mobile Source and Climate Impacts Committee Work Plan*.

The Committee then reviewed and discussed the staff presentation *Transportation Fund for Clean Air Audit #23 Results*.

Finally, the Committee reviewed and discussed the staff presentation *Overview of Air District's Voluntary Mobile Source Grant Programs and Summary of Results for Calendar Year 2022*.

The next meeting of the Mobile Source & Climate Impacts Committee will be on Wednesday, May 10, 2023, at 1:00 p.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will also be webcast for members of the public. This concludes the Chair Report of the Mobile Source & Climate Impacts Committee.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

ATTACHMENTS:

1. Mobile Source and Climate Impacts Committee Meeting Memorandums of April 12, 2023

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Myrna Melgar and Members
of the Mobile Source and Climate Impacts Committee

From: Philip M. Fine
Executive Officer/APCO

Date: April 12, 2023

Re: Projects and Contracts with Proposed Grant Awards Over \$500,000

RECOMMENDED ACTION

Recommend the Board of Directors:

1. Approve recommended projects with proposed grant awards over \$500,000 as shown in Attachment 1; and
2. Authorize the Executive Officer/Air Pollution Control Officer to enter into all necessary agreements with applicants for the recommended projects.

BACKGROUND**Carl Moyer Program and Mobile Source Incentive Fund**

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. Projects eligible under the CMP guidelines include heavy-duty diesel engine applications such as on-road trucks and buses, off-road construction, agricultural equipment, marine vessels, locomotives, stationary agricultural pump engines, and electric and hydrogen charging stations that support the deployment of new zero-emission vehicles and equipment. Per AB 1390, at least 50% of CMP funds must be allocated to projects that benefit communities with the most significant exposure to air contaminants or localized air contaminants.

Assembly Bill (AB) 923 (Firebaugh), enacted in 2004 (codified as Health and Safety Code (HSC) Section 44225), authorized local air districts to increase motor-vehicle-registration surcharges by up to \$2 additional per vehicle and use the revenue to fund projects eligible under the CMP guidelines. AB 923 revenue is deposited in the Air District's Mobile Source Incentive Fund (MSIF).

The Board of Directors (Board) authorizes the Air District's participation in each cycle of the CMP, including an allocation of MSIF revenue as match funds.

Community Air Protection Program

In 2017, AB 617 directed CARB, in conjunction with local air districts to establish 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. The AB 617 initiative calls for strategies to address air quality issues in impacted communities, including community-level monitoring, uniform emission reporting across the State, stronger regulation of pollution sources, and incentives for reducing air pollution and public health impacts from mobile and stationary sources.

Beginning in fiscal year ending (FYE) 2018, the California Legislature approved funding from the State's Greenhouse Gas Reduction Fund (GGRF), which is used to reduce criteria pollutants, toxic air contaminants, and greenhouse gases, for the Community Air Protection Program (CAPP). CAPP incentive funds may be used to fund projects eligible under the CMP and on-road truck replacements under the Proposition 1B Goods Movement Emission Reduction Program. Following additional approvals from CARB, CAPP incentive funds may also potentially be used to fund stationary source and mobile source projects that have been identified and prioritized by communities with a Community Emissions Reduction Program, pursuant to HSC Section 44391.2. At least 80% of CAPP incentive funds must be allocated to projects that benefit disadvantaged communities (Senate Bill (SB)535), and low-income communities (AB 1550).

Funding Agricultural Replacement Measures for Emission Reductions (FARMER)

In February 2018, CARB developed the FARMER Program Guidelines that outline requirements for eligible agricultural equipment replacement projects evaluated under the CMP guidelines, including harvesting equipment, heavy-duty trucks, pump engines, tractors, and other equipment used in agricultural operations. Subsequent updates to the FARMER guidelines expanded eligible projects to include zero-emission demonstration projects and added flexibility for funding zero-emission equipment. Under the California State Budget, GGRF funds are appropriated to CARB for each new cycle of the FARMER program for the continued reduction of criteria, toxic, and greenhouse gas emissions from the agricultural sector.

Transportation Fund for Clean Air

In 1991, the California State Legislature authorized the Air District to impose a \$4 surcharge on motor vehicles registered within the nine-county Bay Area to fund projects that reduce on-road motor vehicle emissions within the Air District's jurisdiction. The statutory authority and requirements for the Transportation Fund for Clean Air (TFCA) are set forth in HSC Sections 44241 and 44242. Sixty percent of TFCA funds are awarded by the Air District to eligible projects and programs implemented directly by the Air District (e.g., Spare the Air program) and to a program referred to as the Regional Fund. The remaining forty percent of the funds are directly granted, or passed through, to the designated Bay Area County Program Managers, who in turn award TFCA funds to eligible projects within their county. Each year, the Board allocates funding and adopts policies and evaluation criteria that govern the expenditure of TFCA monies. On April 6, 2022, the Board authorized funding allocations for use of the sixty percent of the

TFCA revenue in FYE 2023, and cost-effectiveness limits for Air District-sponsored FYE 2023 programs. On May 4, 2022, the Board adopted policies and evaluation criteria for the FYE 2023 Regional Fund program.

For each new CMP, TFCA, CAPP, and FARMER funding cycle, the Board authorizes the Air District’s participation in these programs. The current cycles for these funding sources are shown in Table 1, with initial or estimated revenues, \$117 million of which will be available for funding FYE 23 projects.

Table 1
Funding Sources and Initial Revenues

Funding Source Cycle	Initial or Estimated Revenue (in Millions)*	Board Authorization Date
CMP Year 23	\$10.7	1/20/2021
CMP Year 24	\$31.2	12/1/2021
CAPP Year 5	\$35.4	12/1/2021
FARMER Year 4	\$ 3.5	12/1/2021
TFCA Regional Fund FYE 2023	\$28.9	4/6/2022
MSIF	\$12.0	n/a
Total	\$121.7	

*Some revenues were partially obligated to projects in FYE22 and therefore full amounts may not be available for award to projects in FYE23.

Applications for grant funding received by the Air District are reviewed and evaluated for eligibility under the respective governing policies and guidelines established by each funding source, e.g., CARB, the Board. At least quarterly, staff provides updates to the Mobile Source and Climate Impacts Committee or Board of Directors on the status of incentive funding for the current fiscal year, including total funding awarded, remaining funds available for award, funds allocated by county and by equipment category type, and percentage of funding benefitting low-income residents and impacted communities, including Air District-identified Community Air Risk Evaluation (CARE) areas, disadvantaged SB 535 communities, and/or low-income AB 1550 communities. The reported award allocations and emissions reduction benefits to counties and impacted communities, which are based on information provided by each applicant, does not include “regional” projects, where all communities receive benefits, or projects where the location of the benefit has not yet been determined.

On April 6, 2022, the Board authorized the Air Pollution Control Office (APCO)/Executive Officer to approve projects with awards up to \$500,000. For all projects with proposed awards greater than \$500,000, staff brings recommendations of these projects to the Board for approval.

DISCUSSION

For the FYE 2023, the Air District had approximately \$117 million available in CMP, MSIF, CAPP, FARMER, and TFCA funds for eligible projects, including prior year funds. Under these funding sources, the Air District accepts project applications on a rolling basis and evaluates them on a first-come, first-served basis.

Between February 3, 2023 and March 9, 2023, staff evaluated two new eligible projects with proposed awards of over \$500,000. These two projects will replace a total of four diesel school buses with four electric zero-emissions school buses and install a total of four supporting electric charging stations. The proposed projects are estimated to reduce nearly 0.3 tons of NOx, ROG, and PM emissions per year. Staff recommends approval of the allocations of up to \$2,003,345 for these projects from a combination of CMP, MSIF, CAPP, and TFCA revenues. Attachment 1 provides additional information on the projects. Both projects proposed for approval benefit priority areas.

Attachment 2, updated at least quarterly, lists all eligible projects that have been awarded by the Air District between July 1, 2022, and March 9, 2023, including information about project equipment, award amounts, estimated emissions reductions, community benefits, and project locations. Over 89% of these funds have been awarded or allocated to low-income residents or to projects that reduce emissions in CARE, disadvantaged SB 535 communities, and/or low-income AB 1550 communities. The percentage will change over time as the remaining funds are awarded later in the fiscal year and as more complete information about the location of projects and program participants becomes available.

Attachment 3 provides fiscal year facts and figures on the status of funding available and allocations by county and category as of March 9, 2023.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The Air District distributes the CMP, MSIF, CAPP, FARMER, and TFCA funding to project sponsors on a reimbursement basis. The two projects will cost up to \$2,003,345 and will be paid for out of one or more of the state and local incentive funds discussed in this report upon project completion expected within the next one to three years. Funding for administrative costs to implement these programs, including evaluating, contracting, and monitoring projects for multiple years, is provided by each funding source.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Daniel Langmaid and Kenneth Mak
Reviewed by: Minda Berbeco, Alona Davis, and Karen Schkolnick

ATTACHMENTS:

1. Projects with grant awards greater than \$500,000 (evaluated 2/3/23 to 3/9/23)
2. All projects - awarded, allocated, and recommended (7/1/22 to 3/9/23)
3. Funding Facts and Figures (7/1/22 through 3/9/23)

MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE
MEETING OF 04/12/2023

ATTACHMENT 1

Table 1 - Projects with grant awards greater than \$500k (Evaluated between 2/3/23 and 3/9/23)
 Carl Moyer Program, Transportation Fund for Clean Air, Mobile Source Incentive Fund, FARMER, and Community Air Protection Program

Project #	Applicant Name	Project Category	Project Description	Proposed Contract Award	Total Project Cost	Emission Reductions (tons per year)			County	Benefits Priority Area(s)
						NO _x	ROG	PM		
23SBP32	Castro Valley Unified School district	On-Road	Replace two diesel-powered school buses with two electric-powered school buses with associated infrastructure. Infrastructure includes two level 2 bus chargers, and associated electric equipment/wiring.	\$1,130,562.00	\$1,205,869.51	0.1261	0.0127	0.0012	Alameda	Yes
23SBP51	St. Helena Unified School District	On-Road	Replace two diesel-powered school buses with two electric-powered school buses with associated infrastructure. Infrastructure includes two level 2 bus chargers, and associated electric equipment/wiring.	\$872,783.00	\$958,498.54	0.1469	0.0113	0.0009	Napa	Yes
Totals				\$2,003,345.00	\$2,164,368.05	0.273	0.024	0.002		

2 Projects

MOBILE SOURCE AND
 IMPACTS COMMITTEE
 MEETING OF 04/12/2023

ATTACHMENT 2

Data in this table are updated quarterly. Funds awarded or allocated after the date range below will be reflected in the next quarterly update.

CMP/MSIF, TFCA, FARMER and Community Air Protection Program projects (awarded and allocated between 7/1/22 and 3/9/23)

Project #	Project Category	Project Description	Number of Engines	Proposed Contract Award	Applicant Name	Emission Reductions (tons per year)			County	Board/APCO Approval Date	Benefits Priority Area(s)	Funding Source ¹
						NOx	ROG	PM				
23R01	Trip Reduction	Enhanced Mobile Source & Commuter Benefits Enforcement	N/A	\$ 150,000	BAAQMD	TBD*	TBD*	TBD*	Regional	6/15/22	N/A	1
23R02	LD Vehicles	Vehicle Buy Back Program Implementation	N/A	\$ 200,000	BAAQMD	N/A	N/A	N/A	Regional	6/15/22	N/A	1
23R03	Trip Reduction	Spare The Air/ Intermittent Control/ Flex Your Commute Programs	N/A	\$ 2,290,000	BAAQMD	TBD*	TBD*	TBD*	Regional	6/15/22	N/A	1
23R04	LD Infrastructure	FYE 23 Charge! Program	N/A	\$ 5,350,000	BAAQMD	TBD*	TBD*	TBD*	Regional	6/15/22	N/A	1
22MOY305	Ag/ off-road	Equipment replacement	2	\$ 123,600	Shifflett Ranch & Vineyard LLC	0.241	0.035	0.024	Napa	7/1/22	No	2
22MOY311	Ag/ off-road	Equipment replacement	1	\$ 153,100	Jay A Clay	0.363	0.047	0.027	Sonoma	7/8/22	Yes	2
22SBP337	School Bus	Equipment replacement	1	\$ 400,000	Hayward Unified School District	0.042	0.002	0.001	Alameda	7/11/22	Yes	1, 2
22MOY229	Ag/ off-road	Equipment replacement	1	\$ 43,900	Boething Treeland Farms inc.	0.059	0.009	0.006	San Mateo	7/11/22	No	2
22MOY334	Ag/ off-road	Equipment replacement	1	\$ 135,800	Point Reyes Pastures Inc.	0.276	0.036	0.020	Marin	7/11/22	Yes	2
22SBP117	School Bus	Equipment replacement + Infrastructure	8	\$ 4,370,779	San Mateo Union High School District	0.731	0.058	0.026	San Mateo	7/20/22	Yes	1, 2
22SBP232	School Bus	Equipment replacement + Infrastructure	5	\$ 1,916,236	Antioch Unified School District	0.378	0.029	0.002	Contra Costa	7/20/22	Yes	1, 2
22SBP248	School Bus	Equipment replacement	3	\$ 648,794	Mt. Diablo Unified School District	0.203	0.016	0.008	Contra Costa	7/20/22	Yes	1
22MOY320	Ag/ off-road	Equipment replacement	1	\$ 49,300	Atlas Oaks Ranch, LLC	0.047	0.011	0.009	Napa	8/12/22	No	2
22MOY342	Ag/ off-road	Equipment replacement	3	\$ 100,300	Vinas Del Norte LLC	0.181	0.028	0.025	Napa	8/16/22	Yes	2
22MOY341	Ag/ off-road	Equipment replacement	1	\$ 65,800	Williams Ranch	0.276	0.036	0.025	Sonoma	8/17/22	No	2
22MOY234	Ag/ off-road	Equipment replacement	3	\$ 253,300	DCS END POST DRIVING	0.755	0.107	0.062	Napa	9/2/22	No	2
22MOY318	Ag/ off-road	Equipment replacement	1	\$ 49,300	Ahmann Ranches, LLC	0.156	0.024	0.014	Napa	9/9/22	No	2
22MOY359	Ag/ off-road	Equipment replacement	1	\$ 39,000	Spaletta Dairy	0.118	0.018	0.011	Marin	9/21/22	Yes	2
22MOY349	Ag/ off-road	Equipment replacement	1	\$ 92,700	Cobb Creek Holdings, LLC DBA CCH Ag Services	0.162	0.027	0.019	Napa	9/21/22	No	2
22MOY63	Ag/ off-road	Equipment replacement	1	\$ 286,800	B & T Farms	0.684	0.072	0.037	Santa Clara	9/21/22	Yes	2
22SBP279	School Bus	Equipment replacement + Infrastructure	5	\$ 1,640,986	East Side Union High School District	0.502	0.045	0.003	Santa Clara	9/21/22	Yes	1, 2
22SBP340	School Bus	Equipment replacement + Infrastructure	3	\$ 1,237,496	Sequoia Union High School District	0.325	0.033	0.002	San Mateo	9/21/22	Yes	1, 2
22MOY202	On-road	Infrastructure	0	\$ 600,000	Solano County Transit	N/A	N/A	N/A	Solano	12/7/22	Yes	2
22SBP236	School Bus	Equipment replacement + Infrastructure	6	\$ 2,087,000	Liberty Union High School District	0.652	0.050	0.004	Contra Costa	12/7/22	Yes	1, 2
23MOY2	Ag/ off-road	Equipment replacement	2	\$ 440,600	Simoni & Massoni Farms, LLC	1.007	0.062	0.029	Contra Costa	10/24/22	Yes	2
23MOY6	Ag/ off-road	Equipment replacement	1	\$ 72,200	Ortiz Family Farm	0.172	0.021	0.014	Sonoma	10/24/22	Yes	2
23MOY3	Ag/ off-road	Equipment replacement	1	\$ 418,300	Poncica Fertilizer, Inc.	1.056	0.096	0.060	Sonoma	10/28/22	Yes	2
23MOY5	Ag/ off-road	Equipment replacement	1	\$ 60,500	German Vineyards LLC	0.041	0.010	0.008	Solano	10/28/22	No	2

ATTACHMENT 2

Data in this table are updated quarterly. Funds awarded or allocated after the date range below will be reflected in the next quarterly update.

CMP/MSIF, TFCA, FARMER and Community Air Protection Program projects (awarded and allocated between 7/1/22 and 3/9/23)

Project #	Project Category	Project Description	Number of Engines	Proposed Contract Award	Applicant Name	Emission Reductions (tons per year)			County	Board/APCO Approval Date	Benefits Priority Area(s)	Funding Source ¹
						NOx	ROG	PM				
22SBP203 ¹	School Bus	Equipment replacement + Infrastructure	9	\$ 94,024	Oak Grove School District	0.5705	0.0470	0.0035	Santa Clara	12/7/22	Yes	1
22MOY325	On-road	Infrastructure	0	\$ 1,000,000	Penske Truck Leasing Co., L.P.	N/A	N/A	N/A	Alameda	12/7/22	Yes	2
22MOY326	On-road	Infrastructure	0	\$ 1,000,000	Penske Truck Leasing Co., L.P.	N/A	N/A	N/A	Alameda	12/7/22	Yes	2
22MOY327	On-road	Infrastructure	0	\$ 1,000,000	Penske Truck Leasing Co., L.P.	N/A	N/A	N/A	San Mateo	12/7/22	Yes	2
22MOY284	Off-road	Engine replacement	3	\$ 850,500	TraPac, LLC	2.592	0.202	0.083	Alameda	12/7/22	Yes	2
23MOY1	Ag/ off-road	Equipment replacement	2	\$ 732,400	Ielmorini Custom Spreading, LLC	2.969	0.303	0.178	Marin	12/7/22	Yes	2
23MOY15	Ag/ off-road	Equipment replacement	1	\$ 78,500	Trademark Vineyards, LLC	0.108	0.017	0.013	Napa	11/4/22	No	2
23MOY23	Ag/ off-road	Equipment replacement	1	\$ 38,200	Martinelli Vineyard Management, Inc.	0.140	0.022	0.013	Sonoma	11/14/22	No	2
23MOY7	Ag/ off-road	Equipment replacement	3	\$ 367,500	C & F Farms inc	0.912	0.106	0.065	Santa Clara	11/15/22	Yes	2
23MOY14	Ag/ off-road	Equipment replacement	2	\$ 94,400	Robert T Jordan, DBA: Grand Crew Vineyard Management	0.046	0.029	0.001	Napa	11/22/22	No	2
23MOY28	Ag/ off-road	Equipment replacement	1	\$ 70,300	Isley Brothers Farming, LLC	0.031	0.020	0.001	Napa	11/22/22	No	2
22MOY356	Ag/ off-road	Equipment replacement	1	\$ 93,400	Imhof Tractor Service, Inc	0.247	0.027	0.015	Alameda	11/28/22	Yes	2
23MOY16	Ag/ off-road	Equipment replacement	1	\$ 46,900	Daylight Vineyard Management, Inc.	0.069	0.005	0.004	Sonoma	11/29/22	No	2
23MOY30	Ag/ off-road	Equipment replacement	6	\$ 401,800	Antinori California	0.017	0.387	0.065	Napa	12/28/22	No	2
23MOY29	Ag/ off-road	Equipment replacement	2	\$ 70,900	Channel Lumber	0.069	0.006	0.003	Contra Costa	1/5/23	Yes	2
23MOY25	Ag/ off-road	Equipment replacement	1	\$ 63,600	Navone Vineyard Management Co	0.127	0.019	0.014	Napa	1/12/23	No	2
23MOY60	Ag/ off-road	Equipment replacement	1	\$ 222,300	F.A. Maggioro & Sons, LLC	0.602	0.030	0.015	Contra Costa	2/2/23	Yes	2
23MOY22	Ag/ off-road	Equipment replacement	1	\$ 60,900	Jack Neal and Son Inc	0.144	0.023	0.017	Napa	2/6/23	No	2
23MOY17	Ag/ off-road	Equipment replacement	1	\$ 50,800	JPW Development Co., LLC	0.025	0.023	0.006	Solano	2/6/23	No	2
23MOY37	Ag/ off-road	Equipment replacement	2	\$ 143,000	Fred J Fisher	0.227	0.037	0.027	Sonoma	2/7/23	No	2
VBB-FYE23	LD Vehicles	Vehicle Buy Back program projects	586	\$ 703,200	Various	5.588	9.007	0	All	Through 12/31/2022 ²	Yes	2
23MOY41	Ag/ off-road	Equipment replacement	1	\$ 146,000	Pomponio Farms LLC	0.372	0.048	0.028	San Mateo	2/9/2023	No	2
23SBP13	School Bus	Equipment replacement	2	\$ 294,978	Fairfield-Suisun Unified School District	0.111	0.007	0.000	Solano	2/27/2023	Yes	2
23SBP51	School Bus	Equipment replacement + Infrastructure	2	\$ 872,783	St. Helena Unified School District	0.150	0.011	0.001	Napa	tbd	Yes	1,2
23MOY55	Ag/ off-road	Equipment replacement	2	\$ 132,000	Miranda Vineyard Management	0.303	0.050	0.036	Sonoma	3/3/2023	No	2
23MOY4	Ag/ off-road	Equipment replacement	1	\$ 69,900	Crane Family Ranches LLC	0.107	0.014	0.009	Sonoma	3/6/2023	No	2
23SBP32	School Bus	Equipment replacement + Infrastructure	2	\$ 1,130,562	Castro Valley Unified School District	0.126	0.013	0.001	Alameda	tbd	Yes	1,2

ATTACHMENT 2

Data in this table are updated quarterly. Funds awarded or allocated after the date range below will be reflected in the next quarterly update.

CMP/MSIF, TFCA, FARMER and Community Air Protection Program projects (awarded and allocated between 7/1/22 and 3/9/23)

Project #	Project Category	Project Description	Number of Engines	Proposed Contract Award	Applicant Name	Emission Reductions (tons per year)			County	Board/APCO Approval Date	Benefits Priority Area(s)	Funding Source ¹
						NOx	ROG	PM				
23MOY58	Ag/ off-road	Equipment replacement	1	\$ 51,800	Petaluma Pumpkin Patch, LLC	0.078	0.004	0.005	Sonoma	44993	Yes	2
23MOY11	Ag/ off-road	Equipment replacement	1	\$ 97,000	Bains Farms LLC	0.008	0.002	0.000	Solano	44950	No	2
TOTALS		57 Projects	689	\$ 33,253,438		24.2	11.3	1.0				

¹ Funding source includes (1) Transportation Fund for Clean Air; (2) CMP/MSIF, FARMER and Community Air Protection Program.

* Funds have been allocated to these programs and projects and results will be determined at the end of project period.

¹ This project was previously approved on March 2, 2022 for \$4,593,083. This line item represents an increase in funding for the school buses under this project in FYE 2023. The current total project award amount is \$3,474,877.

² Awards under the Vehicle Buy Back program were approved between July 1, 2022 and December 31, 2022.

MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE
MEETING OF 04/12/2023

ATTACHMENT 3

Funding Facts and Figures

7/1/22 through 3/9/23

Funding Sources Reported: Transportation Fund for Clean Air (TFCA), Carl Moyer Program (CMP), Community Air Protection Program (CAPP), Mobile Source Incentive Fund (MSIF), and Funding Agricultural Replacement Measures for Emission Reductions (FARMER)

Figure 1. Status of FYE 2023 funding

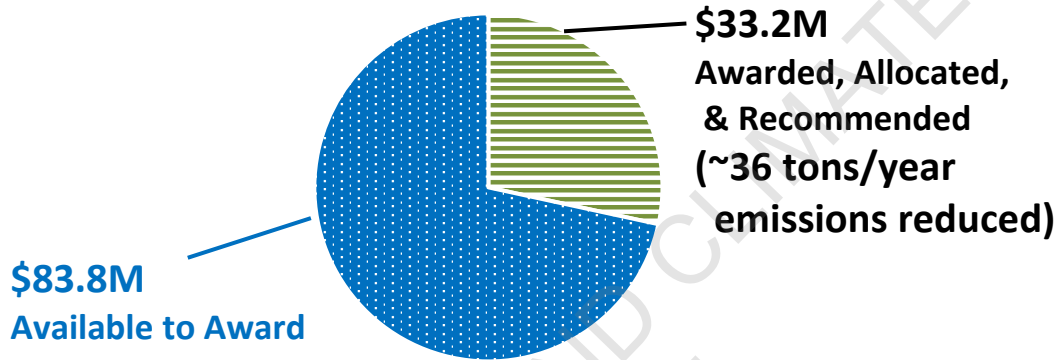


Figure 2. Funding Awarded by County in FYE 2023
includes funds allocated, awarded, & recommended for award

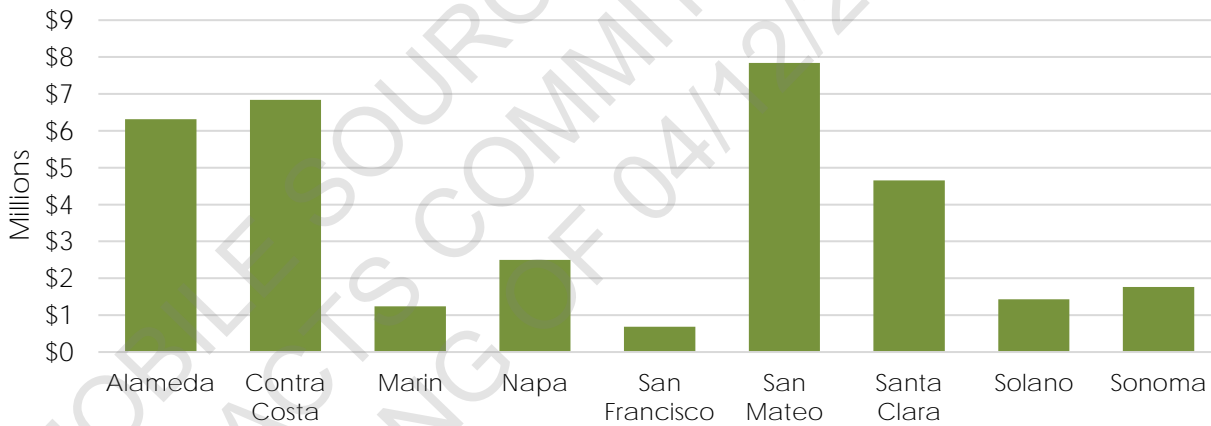
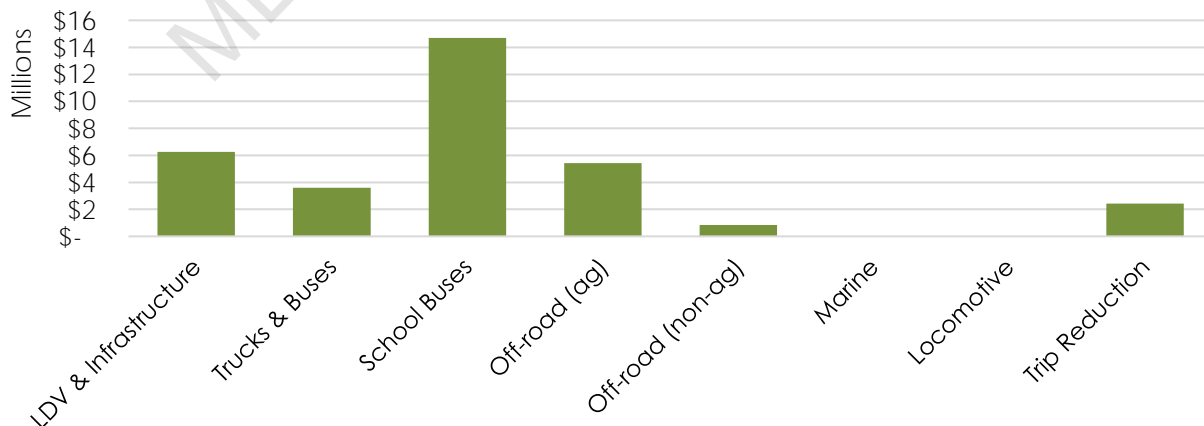


Figure 3. Funding Awarded by Project Category in FYE 2023
includes funds allocated, awarded, & recommended for award



BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Myrna Melgar and Members
of the Mobile Source and Climate Impacts Committee

From: Philip M. Fine
Executive Officer/APCO

Date: April 12, 2023

Re: Updated 2023 Mobile Source and Climate Impacts Committee Meeting Work Plan

RECOMMENDED ACTION

None; Informational item only.

BACKGROUND

The Mobile Source and Climate Impacts Committee (Committee) considers and recommends policies and positions of the District relating to transportation planning and funding, on-road and off-road mobile sources, and mobile source fuels. The Committee keeps itself informed on actions or proposed actions by local, regional, state and federal agencies affecting air pollutant emissions from mobile sources.

The Committee also considers and recommends to the Board of Directors policies and positions of the District relating to climate protection activities and funding relative to mobile sources. The Committee will also keep itself informed on actions and proposed actions by local, regional, state, federal, and international agencies and organizations relating to climate protection relative to mobile sources.

DISCUSSION

In March, the Committee discussed a proposed work plan for 2023 and provided staff with feedback. The Committee will review and discuss the updated schedule and workplan for meetings in 2023.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Sonam Shah-Paul
Reviewed by: Veronica Eady

ATTACHMENTS:

1. Updated 2023 Mobile Source and Climate Impacts Committee Workplan

MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE
MEETING OF 04/12/2023

Updated 2023 Mobile Source and Climate Impacts Committee Workplan

Meeting Schedule	Topics
April – May	<ul style="list-style-type: none"> • Projects and Contracts with Proposed Grant Awards Over \$500,000 • 2022 Annual Report and Grants Program Overview • FYE 2024 TFCA County Program Manager Expenditure Plans • Audit Report (Regional Fund and County Program Manager) • Updates to the TFCA Regional Fund Policies and Evaluation Criteria for FYE 2024
June – July	<ul style="list-style-type: none"> • Projects and Contracts with Proposed Grant Awards Over \$500,000 (tentative) • Consideration of FYE 2023 Charge! Projects and EV Charging Update
August – No Meeting	
September – October	<ul style="list-style-type: none"> • Projects and Contracts with Proposed Grant Awards Over \$500,000 • Proposed Updates to the TFCA County Program Manager Fund Policies for FYE 2025 • Accept state funds for FYE 2025 Incentive Programs • Aviation/Airport Sources of Air Pollution and General Aviation Fuel
November – December	<ul style="list-style-type: none"> • Projects and Contracts with Proposed Grant Awards Over \$500,000 • Report on Transportation Fund for Clean Air Projects Expenditures and Effectiveness for FYE 2023 • Transportation Fund for Clean Air Program Regional Fund Projects - Audit #23 Results • Clean Cars for All Program (CCFA) update

Pending:

- Indirect Source Rule (ISR)

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Myrna Melgar and Members
of the Mobile Source and Climate Impacts Committee

From: Philip M. Fine
Executive Officer/APCO

Date: April 12, 2023

Re: Transportation Fund for Clean Air Program Audit #23 Results

RECOMMENDED ACTION

None. Informational item only.

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. Since 1992, the Air District has allocated these funds to its Transportation Fund for Clean Air (TFCA) Program to fund eligible projects and programs. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code (HSC) Sections 44241 and 44242.

Sixty percent of TFCA funds are awarded by the Air District to eligible projects and programs implemented directly by the Air District (e.g., Spare the Air) and through a grant program known as the Regional Fund. The remaining 40% of TFCA funds are forwarded to the designated agency within each Bay Area county to be distributed via the County Program Manager Fund.

HSC Section 44242 requires that the Air District conduct an audit of projects and programs funded with TFCA monies, at least once every two years. The Air District typically conducts an audit of Regional Fund projects and Air District-Sponsored programs annually and County Program Manager Fund projects biennially. On October 4, 2017, the Air District's Board of Directors (Board) approved the award of a contract to Simpson & Simpson, LLP for audit services, including a financial and compliance review of TFCA-funded projects and programs. On January 20, 2021, the Board approved an extension of that contract of up to two additional years.

DISCUSSION

The *Audit Summary Reports*, included as Attachment 1 and 2, summarizes the results of Audit #23 conducted by Simpson & Simpson covering the Regional Fund, the County Program Manager Fund and Air District-sponsored projects completed prior to June 30, 2021 and a review of Air District's administrative expense of TFCA funds incurred between July 1, 2020 and June 30, 2021. For the purpose of TFCA audits, projects are considered "completed" after the Air District has approved a project sponsor's final invoice, which documents the project sponsor's expenditure of all eligible project funds and the completion of transportation services or all initial project milestones. During this audit **no financial findings were identified, but one compliance finding, which is further discussed below in the County Program Manager Fund section.** A list of the projects and programs that were reviewed for Audit #23 is available in Appendix B in each of the attached reports.

Audit field work was conducted by Simpson & Simpson, LLP during the months of March 2022 through March 2023. Following the completion of field work, Simpson & Simpson, LLP issued a draft audit report to each of the project sponsors and offered an opportunity to those with any preliminary findings to provide a management response.

Results for TFCA Regional Fund and Air District-Sponsored Programs

The Audit Summary Report for the TFCA Regional Fund and Air District-Sponsored Programs is included as Attachment 1. Appendix B of this report contains a list of the projects and programs that were audited. **There were no reported findings.**

The lack of findings in Regional Fund and Air District-Sponsored projects reflects an overall improvement in the Air District's adherence to program requirements and is the result of actions taken by Air District staff over the years to improve and strengthen its own administrative processes.

Results for TFCA County Program Manager Fund

The Audit Summary Report for the County Program Manager Fund is included as Attachment 2. Appendix B of this report contains a list of the projects and programs that were audited. There was **one compliance finding** reported regarding Contra Costa Transportation Authority's (CCTA) TFCA County Program Manager administrative funds. The auditors noted that they were unable to verify the administrative funds expended for two years of administrative costs (projects 19CC00 and 20CC00) because CCTA historically has allocated hours allowed for this TFCA Program by the budget, which is set annually, instead of by actual expenditures. This is the same compliance finding reported in the prior audit for project #18CC00. Subsequently, a resolution was adopted by CCTA in 2020 following the audit recommendation to address this issue. Due to delayed project closure periods, projects that were already in implementation prior to 2020 will have the same issue identified in Audit 21. **The report also confirms that CCTA has since implemented the time keeping system in 2020, after the prior audit was completed.**

The CCTA’s management response acknowledges that CCTA has since changed their payroll procedure to timecards and will be able to meet future audit requirements. For this reason, staff considers this audit finding to be corrected and CCTA remains in good standing as long as they continue to abide by the improvements that are described in their own management’s response.

Air District staff will continue to work closely with the County Program Managers to improve and strengthen administrative processes and will also be updating the County Program Manager Fund Expenditure Plan Guidance to clarify the audit-compliant requirements.

Agreed-Upon Procedures

In addition to conducting the financial and compliance audits, Simpson & Simpson, LLP also performed a review of Agreed-Upon Procedures (AUP) to verify project sponsors’ compliance with other aspects of the TFCA Funding Agreement, including that

- 1. Expenditures are properly supported;
- 2. Administrative expenses are appropriately documented;
- 3. Use of an indirect cost rate is consistent with the Air District Guidelines;
- 4. Appropriate resolutions authorizing the grant application are adopted or, where applicable, an authorizing letter of commitment is included;
- 5. Required reports are submitted on time and contained all information required;
- 6. The Air District is acknowledged as a project funder;
- 7. Matching Funds requirements are met or exceeded.

The AUP results are currently being reviewed internally and will be used by staff to further improve the administration of the TFCA program.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. Administrative costs for the TFCA audit and staff are provided by the funding source.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Hannah Cha
Reviewed by: Karen Schkolnick, Minda Berbeco and Ken Mak

ATTACHMENTS:

1. TFCA Regional Fund and Air District-sponsored programs Audit #23 Summary Report
2. TFCA County Program Manager Audit #23 Summary Report

MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE
MEETING OF 04/12/2023

**04/12/2023 MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE MEETING**

ATTACHMENT 1

**BAY AREA AIR QUALITY
MANAGEMENT DISTRICT**

**TRANSPORTATION FUND
FOR CLEAN AIR PROGRAM**

**REGIONAL FUND AND
AIR DISTRICT-SPONSORED PROGRAMS**

AUDIT NO. 23 SUMMARY REPORT



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
REGIONAL FUND AND AIR DISTRICT-SPONSORED PROGRAMS**

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MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE
MEETING OF 04/12/2023

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
REGIONAL FUND AND AIR DISTRICT-SPONSORED PROGRAMS
Audit No. 23 Summary Report**

1 – INTRODUCTION

The Bay Area Air Quality Management District (Air District) was created by the California legislature in 1955. The Air District's structure, operating procedures and authority are established by Division 26 of the California Health and Safety Code.

The Air District includes seven counties: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo and Santa Clara and portions of two other counties, Southwestern Solano and Southern Sonoma. The Air District is governed by a twenty-two-member Board of Directors that includes representatives from all of the above counties.

The Air District's jurisdiction is limited principally to policing non-vehicular sources of air pollution within the Bay Area, primarily industry pollution and burning. Any company wishing to build or modify a facility in the Bay area must first obtain a permit from the Air District to ensure that the facility complies with all applicable rules.

The Air District also acts as the program administrator for Transportation Fund for Clean Air (TFCA) funds and Mobile Source Incentive funds (MSIF) derived from Assembly Bill 434 and Assembly Bill 923 respectively. TFCA and MSIF funding comes from a \$4 and \$2 surcharge, respectively, on motor vehicles registered within the Air District. TFCA funding may only be used to fund eligible projects that reduce motor vehicle emissions and support the implementation of the transportation and mobile source control measures in the Clean Air Plan in place at time of award. All projects must fall within the categories listed in State Law (Health and Safety Code Section 44241).

The Health and Safety Code requires the Air District to pass-through no less than 40% of the TFCA revenues raised within a particular county, after audit and administrative costs, to that county's designated Program Manager. The remaining 60% is for Regional Fund grants and is being allocated to projects on a competitive basis. Projects are evaluated using the Air District's Board adopted evaluation and scoring criteria.

2 – PROGRAM DESCRIPTION

Health and Safety Code Section 44223 and 44225 authorize a surcharge on the motor vehicle registration fee (surcharge) to be used by the Bay Area Air Quality Management District (Air District) and local governments specifically for programs to reduce air pollution from motor vehicles. The Department of Motor Vehicles collects the surcharge and allocates the amounts to the Air District. The Air District administers these funds through the Transportation Fund for Clean Air (TFCA) Program. Under the TFCA Program, money is allocated to two funds: (1) 60% is placed in the Regional Fund and allocated to agencies on a competitive basis by the Air District and (2) 40% is placed in the Program Manager Fund and allocated to designated agencies. Allowable projects under Health and Safety Code Section 44241 include the following:

- The implementation of ridesharing programs.
- The purchase or lease of clean fuel buses for school districts and transit operators.
- The provision of local feeder bus or shuttle service to rail and ferry stations and to airports.
- Implementation and maintenance of local arterial traffic management, including, but not limited to, signal timing, transit signal preemption, bus stop relocation and “smart streets.”

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
REGIONAL FUND AND AIR DISTRICT-SPONSORED PROGRAMS
Audit No. 23 Summary Report**

2 – PROGRAM DESCRIPTION (continued)

- Implementation of rail-bus integration and regional transit information systems.
- Implementation of demonstration projects in telecommuting and in congestion pricing of highways, bridges, and public transit.
- Implementation of vehicle-based projects to reduce mobile source emissions, including, but not limited to, engine repowers, engine retrofits, fleet modernization, alternative fuels, and advanced technology demonstrations.
- Implementation of a smoking vehicles program.
- Implementation of an automobile buy-back scrappage program operated by a governmental agency.
- Implementation of bicycle facility improvement projects that are included in an adopted countywide bicycle plan or congestion management program.
- The design and construction by local public agencies of physical improvements that support development projects that achieve motor vehicle emission reductions. The projects and the physical improvements shall be identified in an approved area-specific plan, redevelopment plan, general plan, or other similar plans.

State law requires that any agency receiving TFCA funding be subject to an audit, at least once every two years. Health and Safety Code Section 44242 provides the legal compliance guidelines for the Air District to follow in the event revenues are not spent appropriately or when projects do not result in emission reductions. Health and Safety Code Sections 44241 and 44242 are provided in Appendix A.

The Air District retained the firm of Simpson and Simpson LLP to conduct TFCA financial and compliance Audit No. 23, which included Regional Fund projects and Air District-sponsored programs completed prior to June 30, 2021. These audits were conducted during the months of March 2022 through March 2023.

A total of 18 individual project sponsors and 24 projects were audited, with \$9,631,910.92 total funds expended for projects included in Audit No. 23. A listing of the projects audited is provided in Appendix B. Unmodified opinions were issued on all 18 financial audit reports.

3 – AUDIT PROCESS

The audits were designed to address numerous financial and compliance objectives; however, the principal objectives of the audits were to (1) provide assurance that amounts reported in the Schedules of Expenditures are fairly stated, and (2) determine whether projects financed through the Air District's Regional Fund met funding agreement requirements. The audit procedures were specifically designed for TFCA financial and compliance requirements, which are described below:

Audit of the Schedules of Expenditures

The financial audits were conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
REGIONAL FUND AND AIR DISTRICT-SPONSORED PROGRAMS
Audit No. 23 Summary Report**

3 – AUDIT PROCESS (continued)

Procedures performed included, but were not limited to:

- Gaining an understanding of the project sponsors' internal controls over the financial reporting of the TFCA program through observation, inquiry, and supporting documentation.
- Tracing expenditures related to the TFCA program to the project sponsor's accounting records.
- Validating TFCA expenditures related to vendor disbursements, payroll, and administrative charges to supporting documentation.
- Conducting interviews with project sponsors to inquire about known, alleged, or suspected fraud related to the program.

Compliance Auditing Procedures

The audits were performed in accordance with the requirements outlined in the Health and Safety Code, individual funding agreements, and Government Auditing Standards. The principal focus of the compliance auditing procedures was to ensure TFCA expenditures were paid in accordance with the program's objectives (Health and Safety Code Section (HSC) 44241). Compliance audits were planned and performed to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to in the HSC could have a direct and material effect on projects reported in the Schedules occurred.

The audit includes examining, on a test basis, evidence about the project sponsor's compliance with those requirements and performing such other procedures as considered necessary in the circumstances.

Auditing procedures performed included, but were not limited to:

- Testing expenditures for allowable costs in accordance with Section 44241 of the Health and Safety Code.
- Verifying that the project sponsor used the TFCA funds for the reduction of emissions from motor vehicles.

4 – PROJECT SPONSOR FINDINGS

Audit of the Schedules of Expenditures

No project sponsor findings were identified for the projects audited as part of Audit No. 23.

Compliance Auditing Procedures

No project sponsor findings were identified for the projects audited as part of Audit No. 23.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
REGIONAL FUND AND AIR DISTRICT-SPONSORED PROGRAMS
Audit No. 23 Summary Report**

5 – OTHER PROGRAM COMPLIANCE REVIEW

An Agreed Upon Procedures (AUP) engagement was performed to test the project sponsor's compliance with other aspects of the TFCA Funding Agreement. These procedures were determined and prepared by the Air District for the auditors to perform.

The auditors issued a separate AUP Report on the results of the procedures performed.

MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE
MEETING OF 04/12/2023

APPENDIX A

HEALTH AND SAFETY CODE SECTIONS 44241 AND 44242

MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE
MEETING OF 04/12/2023

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
REGIONAL FUND AND AIR DISTRICT-SPONSORED PROGRAMS
Appendix A - Health and Safety Code Sections 44241 and 44242
For Audit No. 23**

44241

- (a) Fee revenues generated under this chapter in the bay district shall be subvned to the bay district by the Department of Motor Vehicles after deducting its administrative costs pursuant to Section 44229.
- (b) Fee revenues generated under this chapter shall be allocated by the bay district to implement the following mobile source and transportation control projects and programs that are included in the plan adopted pursuant to Sections 40233, 40717, and 40919:
 - (1) The implementation of ridesharing programs.
 - (2) The purchase or lease of clean fuel buses for school districts and transit operators.
 - (3) The provision of local feeder bus or shuttle service to rail and ferry stations and to airports.
 - (4) Implementation and maintenance of local arterial traffic management, including, but not limited to, signal timing, transit signal preemption, bus stop relocation and "smart streets."
 - (5) Implementation of rail-bus integration and regional transit information systems.
 - (6) Implementation of demonstration projects in telecommuting and in congestion pricing of highways, bridges, and public transit. No funds expended pursuant to this paragraph for telecommuting projects shall be used for the purchase of personal computing equipment for an individual's home use.
 - (7) Implementation of vehicle-based projects to reduce mobile source emissions, including, but not limited to, engine repowers, engine retrofits, fleet modernization, alternative fuels, and advanced technology demonstrations.
 - (8) Implementation of a smoking vehicles program.
 - (9) Implementation of an automobile buy-back scrappage program operated by a governmental agency.
 - (10) Implementation of bicycle facility improvement projects that are included in an adopted countywide bicycle plan or congestion management program.
 - (11) The design and construction by local public agencies of physical improvements that support development projects that achieve motor vehicle emission reductions. The projects and the physical improvements shall be identified in an approved area-specific plan, redevelopment plan, general plan, or other similar plan.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Appendix A - Health and Safety Code Sections 44241 and 44242
REGIONAL FUND
For Audit No. 23**

44241 (continued)

- (c) (1) Fee revenue generated under this chapter shall be allocated by the bay district for projects and programs specified in subdivision (b) to cities, counties, the Metropolitan Transportation Commission, transit districts, or any other public agency responsible for implementing one or more of the specified projects or programs. Fee revenue generated under this chapter may also be allocated by the bay district for projects and programs specified in paragraph (7) of subdivision (b) to entities that include, but are not limited to, public agencies, consistent with applicable policies adopted by the governing board of the bay district. Those policies shall include, but are not limited to, requirements for cost-sharing for projects subject to the policies. Fee revenues shall not be used for any planning activities that are not directly related to the implementation of a specific project or program.
- (2) The bay district shall adopt cost-effectiveness criteria for fee revenue generated under this chapter that projects and programs are required to meet. The cost-effectiveness criteria shall maximize emissions reductions and public health benefits.
- (d) Not less than 40 percent of fee revenues shall be allocated to the entity or entities designated pursuant to subdivision (e) for projects and programs in each county within the bay district based upon the county's proportionate share of fee-paid vehicle registration.
- (e) In each county, one or more entities may be designated as the overall program manager for the county by resolutions adopted by the county board of supervisors and the city councils of a majority of the cities representing a majority of the population in the incorporated area of the county. The resolution shall specify the terms and conditions for the expenditure of funds. The entities so designated shall be allocated the funds pursuant to subdivision (d) in accordance with the terms and conditions of the resolution.
- (f) Any county, or entity designated pursuant to subdivision (e), that receives funds pursuant to this section, at least once a year, shall hold one or more public meetings for the purpose of adopting criteria for expenditure of the funds, if those criteria have been modified in any way from the previous year. Any county, or entity designated pursuant to subdivision (e), that receives funds pursuant to this section, at least once a year, shall also hold one or more public meetings to review the expenditure of revenues received pursuant to this section by any designated entity. If any county or entity designated pursuant to subdivision (e) that receives funds pursuant to this section has not allocated all of those funds within six months of the date of the formal approval of its expenditure plan by the bay district, the bay district shall allocate the unallocated funds in accordance with subdivision(c).

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
Appendix A - Health and Safety Code Sections 44241 and 44242
REGIONAL FUND
For Audit No. 23**

44242

- (a) Any agency which receives funds pursuant to Section 44241 shall, at least once every two years, undertake an audit of each program or project funded. The audit shall be conducted by an independent auditor selected by the bay district in accordance with Division 2 (commencing with Section 1100) of the Public Contract Code. The district shall deduct any audit costs which will be incurred pursuant to this section prior to distributing fee revenues to cities, counties, or other agencies pursuant to Section 44241.
- (b) Upon completion of an audit conducted pursuant to subdivision (a), the bay district shall do both of the following:
 - (1) Make the audit available to the public and to the affected agency upon request.
 - (2) Review the audit to determine if the fee revenues received by the agency were spent for the reduction of air pollution from motor vehicles pursuant to the plan prepared pursuant to Sections 40233 and 40717.
- (c) If, after reviewing the audit, the bay district determines that the revenues from the fees may have been expended in a manner which is contrary to this chapter or which will not result in the reduction of air pollution from motor vehicles pursuant to that plan, the district shall do all of the following:
 - (1) Notify the agency of its determination.
 - (2) Within 45 days of the notification pursuant to paragraph (1), hold a public hearing at which the agency may present information relating to expenditure of the revenues from the fees.
 - (3) After the public hearing, if the district determines that the agency has expended the revenues from the fees in a manner which is contrary to this chapter or which will not result in the reduction of air pollution from motor vehicles pursuant to the plan prepared pursuant to Sections 40233 and 40717, the district shall withhold these revenues from the agency in an amount equal to the amount which was inappropriately expended. Any revenues withheld pursuant to this paragraph shall be redistributed to the other cities within the county, or to the county, to the extent the district determines that they have complied with the requirements of this chapter.
- (d) Any agency which receives funds pursuant to Section 44241 shall encumber and expend the funds within two years of receiving the funds, unless an application for funds pursuant to this chapter states that the project will take a longer period of time to implement and is approved by the district or the agency designated pursuant to subdivision (e) of Section 44241. In any other case, the district or agency may extend the time beyond two years, if the recipient of the funds applies for that extension and the district or agency, as the case may be, finds that significant progress has been made on the project for which the funds were granted.

APPENDIX B
LISTING OF AUDITED PROJECTS

MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE
MEETING OF 04/12/2023

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM
REGIONAL FUND AND AIR DISTRICT-SPONSORED PROGRAMS**

**Appendix B – Listing of Audited Projects
For Audit No. 23**

TFCA Project Number	Project Sponsor	Project Description	Final Project Expenditures through 6/30/2021
08R74	Successor Agency to the Richmond Community Redevelopment Agency	Richmond Transit Village Pedestrian Improvements	\$ 451,405.86
16HDG001	Goodwill Industries of San Francisco, San Mateo, and Marin Counties and BYD	Purchase/lease 11 battery-electric heavy-duty trucks	62,272.68
17R20	City of Santa Rosa	City of Santa Rosa Bikeway Project	180,995.04
17R22	City of Redwood City	City of Redwood City Bikeway Project	29,206.00
17R29	San Francisco Municipal Transportation Agency	San Francisco Municipal Transportation Agency Electronic Bicycle Locker Project	50,000.00
18R10	Peninsula Corridor Joint Powers Board	Caltrain Shuttle Program	612,000.00
18R13	City of Alameda	City of Alameda Bikeway Project	137,980.71
18R16	City of South San Francisco	City of South San Francisco Bikeway Project	119,431.76
18R22	San Francisco Community College District	San Francisco Community College District Electronic Bicycle Locker Project	32,000.00
19EV076	Milpitas - District 1 Owner, LLC	Milpitas - District 1 Owner, LLC's Electric Vehicle Charging Project	94,995.00
19R15	Peninsula Corridor Joint Powers Board	Caltrain Shuttle Program	652,600.00
19R16	Santa Clara Valley Transportation Authority	ACE Shuttle Bus Program	916,201.00
19R18	Associated Students, San Jose State University	SJSU Trip Reduction	139,500.00
19RFG04	Wyse Logistics	Electric Equipment for Bulk Material Handling, Warehouse, and Delivery Operations	109,800.00
20R08	San Joaquin Regional Rail Commission	Pleasanton Connector Shuttles	33,657.78
20R10	Peninsula Corridor Joint Powers Board	Caltrain Shuttles	333,695.09
20R17	Peninsula Corridor Joint Powers Board	Caltrain Station Electronic Bicycle Locker Installation	200,000.00
20R23	Bay Area Rapid Transit District (BART)	Bike Locker Addition at El Cerrito Plaza and San Leandro BART	110,000.00
20R30	City of Fremont	Upgrade Class II to Class IV bikeways in City of Fremont.	130,000.00
21SBP114	Santa Clara Unified School District	School Bus Replacement	167,552.00
21R00	Bay Area Air Quality Management District	Administration	1,628,618.00
21R01	Bay Area Air Quality Management District	Enhanced Mobile Source Inspections/Commuter Benefits	850,000.00
21R02	Bay Area Air Quality Management District	Vehicle Buy Back Program	300,000.00
21R03	Bay Area Air Quality Management District	Spare the Air/Intermittent Control Programs	2,290,000.00
Final Project Expenses			\$ 9,631,910.92
Total Projects			24
Total Project Sponsors			18

**04/12/2023 MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE MEETING**

ATTACHMENT 2

**BAY AREA AIR QUALITY
MANAGEMENT DISTRICT**

**TRANSPORTATION FUND FOR CLEAN AIR
PROGRAM MANAGER FUND**

AUDIT NO. 23 SUMMARY REPORT

MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE
MEETING OF 04/12/2023



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND**

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MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE
MEETING OF 04/12/2023

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND
Audit No. 23 Summary Report**

1 – INTRODUCTION

The Bay Area Air Quality Management District (Air District), created by the California legislature in 1955, is the state's first regional agency dealing with air pollution. The Air District regulates stationary sources of air pollution within the nine San Francisco Bay Area counties in California. The Air District's jurisdiction includes Alameda County, Contra Costa County, Marin County, Napa County, City/County of San Francisco, San Mateo County, Santa Clara County, southern Sonoma County, and south-western Solano County. The primary mission of the Air District is to achieve ambient air quality standards designed to protect the public's health and the environment. The Air District is governed by a twenty-two-member Board of Directors who has the authority to develop and enforce regulations for the control of air pollution within its jurisdiction

2 – PROGRAM DESCRIPTION

Health and Safety Code Section 44223 and 44225 authorize a surcharge on the motor vehicle registration fee (surcharge) to be used by the Bay Area Air Quality Management District (Air District) and local governments specifically for programs to reduce air pollution from motor vehicles. The Department of Motor Vehicles collects the surcharge and allocates the amounts to the Air District. The Air District administers these funds through the Transportation Fund for Clean Air (TFCA) Program. Under the TFCA Program, money is allocated to two funds: (1) 60% is placed in the Regional Fund and allocated to agencies on a competitive basis by the Air District and (2) 40% is placed in the Program Manager Fund and allocated to designated agencies. Allowable projects under Health and Safety Code Section 44241 include the following:

- The implementation of ridesharing programs.
- The purchase or lease of clean fuel buses for school districts and transit operators.
- The provision of local feeder bus or shuttle service to rail and ferry stations and to airports.
- Implementation and maintenance of local arterial traffic management, including, but not limited to, signal timing, transit signal preemption, bus stop relocation and "smart streets."
- Implementation of rail-bus integration and regional transit information systems.
- Implementation of demonstration projects in telecommuting and in congestion pricing of highways, bridges, and public transit.
- Implementation of vehicle-based projects to reduce mobile source emissions, including, but not limited to, engine repowers, engine retrofits, fleet modernization, alternative fuels, and advanced technology demonstrations.
- Implementation of a smoking vehicles program.
- Implementation of an automobile buy-back scrappage program operated by a governmental agency.
- Implementation of bicycle facility improvement projects that are included in an adopted countywide bicycle plan or congestion management program.
- The design and construction by local public agencies of physical improvements that support development projects that achieve motor vehicle emission reductions. The projects and the physical improvements shall be identified in an approved area-specific plan, redevelopment plan, general plan, or other similar plan.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND
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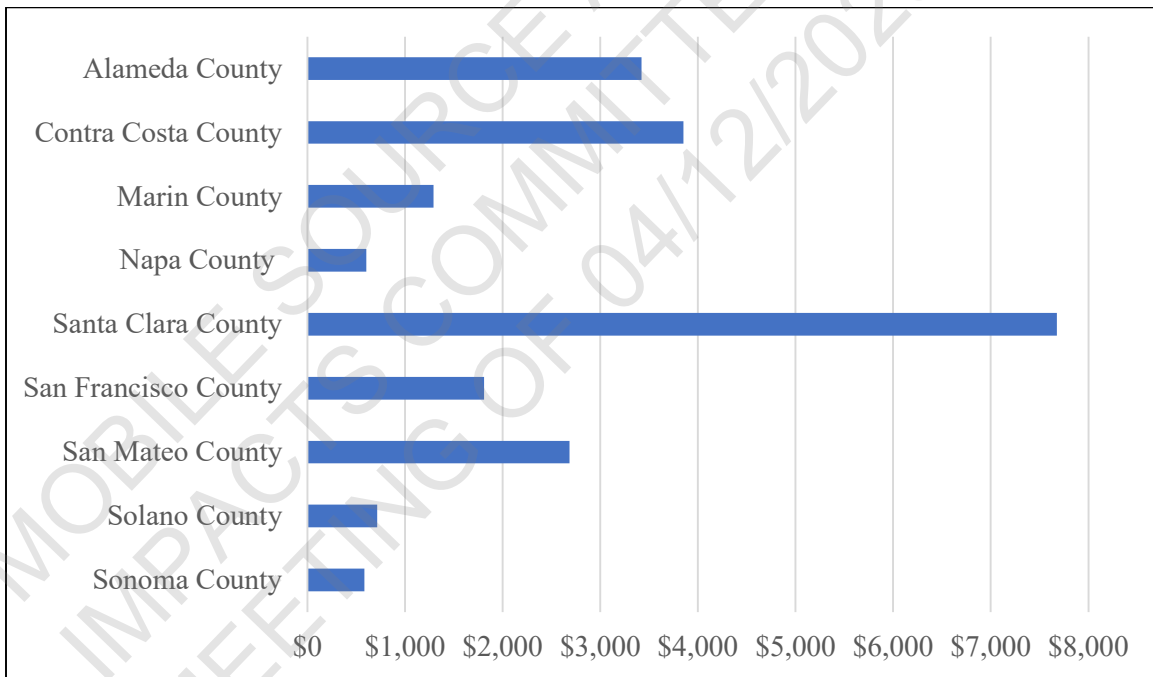
2 – PROGRAM DESCRIPTION (continued)

State law requires that any agency receiving TFCA funding be subject to an audit, at least once every two years. Health and Safety Code Section 44242 provides the legal compliance guidelines for the Air District to follow in the event revenues are not spent appropriately or when projects do not result in emission reductions. Health and Safety Code Sections 44241 and 44242 are provided in Appendix A.

The Air District retained the firm of Simpson and Simpson LLP to conduct TFCA financial and compliance Audit No. 23, which included completed projects funded through the Program Manager Fund for the project period ended June 30, 2021. These audits were conducted during the months of March 2022 through March 2023.

The graph below reports the amount of TFCA Funds allocated to each of the individual Program Managers for projects that closed during the period from July 1, 2019, through June 30, 2021. These audits were conducted during the months of March 2022 through March 2023. A list of audited projects is provided in Appendix B.

**Total Funds Expended by Program Manager for Projects Completed
During the Period of July 1, 2019, through June 30, 2021 (in thousands)**



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND
Audit No. 23 Summary Report**

3 – AUDIT PROCESS

The audits were designed to address numerous financial and compliance objectives; however, the principal objectives of the audits were to (1) provide assurance that amounts reported in the Schedules of Expenditures are fairly stated, and (2) determine whether projects financed through the Air District's Program Manager Fund met funding agreement requirements. The audit procedures were specifically designed for TFCA financial and compliance requirements, which is described below.

Audit of the Schedules of Expenditures

The financial audits were conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Procedures performed included, but were not limited to:

- Gaining an understanding of the Program Managers' internal controls over financial reporting of the TFCA program through observation, inquiry, and supporting documentation.
- Tracing expenditures related to the TFCA program to the Program Manager's accounting records.
- Validating TFCA expenditures related to vendor disbursements, payroll, and administrative charges to supporting documentation.
- Conducting interviews with Program Managers to inquire about known, alleged or suspected fraud related to the program.

Compliance Auditing Procedures

The audits were performed in accordance with the requirements outlined in the Health and Safety Code, individual funding agreements and Government Auditing Standards. The principal focus of the compliance auditing procedures was to ensure TFCA expenditures were paid in accordance with the program's objectives (Health and Safety Code Section (HSC) 44241). Compliance audits were planned and performed to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to in the HSC could have a direct and material effect on projects reported in the Schedules occurred.

Auditing procedures performed included, but were not limited to:

- Testing expenditures for allowable costs in accordance with Section 44241 of the Health and Safety Code.
- Verifying that the project sponsor used the TFCA funds for the reduction of emissions from motor vehicles.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND
Audit No. 23 Summary Report**

4 – PROGRAM MANAGER’S FINDINGS

Contra Costa Transportation Authority - Finding No. 2021-1 – Program Administration – Payroll Expenditures

TFCA Project Affected

- Project Number: 19CC00 and 20CC00
- Project Sponsor: Contra Costa Transportation Authority (Authority)
- Project Description: Program Administration (Material Weakness)

Criteria

Payroll expenditures incurred by the Authority are required to be supported by employee time sheets as stipulated in the funding agreement between the Bay Area Air Quality Management District (Air District) and the Authority:

To maintain, and to require that each Sub-awardee maintain, employee time sheets documenting those hourly labor costs incurred in the implementation of this Agreement, including both administrative and Program Project implementation costs, or to establish an alternative method to document staff costs charged to the funded project.

Time sheets should reflect an employee’s hours of actual time incurred on the program.

Condition, Cause and Effect

We reviewed the total expenditures charged to TFCA Project 19CC00 and 20CC00, Program Administration (Program), amounting to \$98,083.39 and \$105,516.82 respectively, which is made up of payroll charges incurred during the time period of July 1, 2018 through June 30, 2019 and July 1, 2019 through June 30, 2020, for a total of four (4) Authority personnel in both fiscal year of 2019 and 2020.

The Authority provided time sheets supporting the total hours charged by the personnel. We identified that the hours charged to the Program was not based on actual hours incurred by the personnel but was based on a budgeted allocation of hours, established in the beginning of the year, which remains fixed throughout the fiscal year. The personnel enters their total hours worked on a daily basis for all of their job duties, but do not specifically track their time worked on the Program.

The Authority’s payroll system will allocate a predetermined fixed percentage (estimated amount of time) to the Program and the Authority will evaluate the total payroll costs charged to the Program to ensure it did not exceed the legislatively mandated cap of 6.25% of their respective fiscal year’s TFCA revenue distribution.

The Authority does have the capability for its personnel to track hours on a per project basis but have not implemented this requirement specifically over the Program.

The Authority’s lack of tracking personnel time incurred on the Program establishes an internal control environment in which the Authority would be unable to prevent or detect potential overcharges in payroll time incurred.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND
Audit No. 23 Summary Report**

4 – PROGRAM MANAGER’S FINDINGS (continued)

Consequently, the supporting documentation provided is not sufficient to support the total payroll costs charged amounting to \$98,083.39 and \$105,516.82 for 19CC00 and 20CC00, respectively.

Questioned Costs

As a result, a total of \$98,083.39 and \$105,516.82 represents unsupported payroll costs charged to TFCA Project 19CC00 and 20CC00, Program Administration. The Schedule of Expenditures of Transportation Fund reflects an audit adjustment removing these costs from the Final Project Expenditures as of June 30, 2021.

Recommendation

We recommend that the Authority implement a time keeping system which requires employees who work on the Program to charge time based on actual hours incurred and not based on a fixed budgeted percentage.

Authority’s Response

The CCTA’s Finance Department has historically reviewed and allocated time on the TFCA program administration based on actual time spent by staff implementing and managing the program funds. CCTA’s historical role has been to review the list of duties by all staff carrying out the TFCA program. Staff would review on an annual basis and at the midyear budget the amount of time used to deliver the programs. These hours were added into the existing payroll system and allocated over the fiscal year as a percentage of payroll costs to reflect the percentage of time to deliver the program.

Effective May 2020, CCTA has implemented a new payroll timesheet system that has the capabilities to track hours on a bi-weekly basis and will utilize this system moving forward to allocate time spent on the implementation and tracking of the TFCA administrative program management.

The tasks involved by CCTA to deliver on the programs is as follows:

- Reporting to TFCA – CCTA Program Manager
- Reading of TFCA reports and coordinating with TFCA staff – CCTA Program Manager
- Board Letters prepared to allocate funding and programs CCTA Program Manager and Administrative Staff
- Creating of templates to create contracts and PO’s – CCTA Program Manager and Finance Staff
- Paying monthly invoices – CCTA Program Manager and Finance Staff
- Budget and Financial Reporting on the TFCA fund – CCTA Program Manager and Finance Staff
- Working with all the county agencies and transportation agencies for updates and reporting and providing guidance – CCTA Program Manager

We confirm that we use the timesheet method above to calculate our County Program’s Administrative Cost and will consistently follow the Administrative procedure.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND
Audit No. 23 Summary Report**

4 – PROGRAM MANAGER’S FINDINGS (continued)

Finding No. 2019-1 – Program Administration – Payroll Expenditures

TFCA Project Affected

- Project Number: 18CC00
- Project Sponsor: Contra Costa Transportation Authority (Authority)
- Project Description: Program Administration (Material Weakness)

Recommendation

We recommend that the Authority implement a time keeping system which requires employees who work on the Program to charge time based on actual hours incurred and not based on a fixed budgeted percentage.

Current Status

Implemented.

5 – OTHER PROGRAM COMPLIANCE REVIEW

An Agreed Upon Procedures (AUP) engagement was performed to test the project sponsor’s compliance with other aspects of the TFCA Funding Agreement. These procedures were determined and prepared by the Air District for the auditors to perform.

The auditors issued a separate AUP Report on the results of the procedures performed.

APPENDIX A

HEALTH AND SAFETY CODE SECTIONS 44241 AND 44242

MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE
MEETING OF 04/12/2023

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND
Appendix A - Health and Safety Code Sections 44241 and 44242
Audit No. 23 Summary Report**

44241

- (a) Fee revenues generated under this chapter in the bay district shall be subvned to the bay district by the Department of Motor Vehicles after deducting its administrative costs pursuant to Section 44229.
- (b) Fee revenues generated under this chapter shall be allocated by the bay district to implement the following mobile source and transportation control projects and programs that are included in the plan adopted pursuant to Sections 40233, 40717, and 40919:
 - (1) The implementation of ridesharing programs.
 - (2) The purchase or lease of clean fuel buses for school districts and transit operators.
 - (3) The provision of local feeder bus or shuttle service to rail and ferry stations and to airports.
 - (4) Implementation and maintenance of local arterial traffic management, including, but not limited to, signal timing, transit signal preemption, bus stop relocation and "smart streets."
 - (5) Implementation of rail-bus integration and regional transit information systems.
 - (6) Implementation of demonstration projects in telecommuting and in congestion pricing of highways, bridges, and public transit. No funds expended pursuant to this paragraph for telecommuting projects shall be used for the purchase of personal computing equipment for an individual's home use.
 - (7) Implementation of vehicle-based projects to reduce mobile source emissions, including, but not limited to, engine repowers, engine retrofits, fleet modernization, alternative fuels, and advanced technology demonstrations.
 - (8) Implementation of a smoking vehicles program.
 - (9) Implementation of an automobile buy-back scrappage program operated by a governmental agency.
 - (10) Implementation of bicycle facility improvement projects that are included in an adopted countywide bicycle plan or congestion management program.
 - (11) The design and construction by local public agencies of physical improvements that support development projects that achieve motor vehicle emission reductions. The projects and the physical improvements shall be identified in an approved area-specific plan, redevelopment plan, general plan, or other similar plan.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND
Appendix A - Health and Safety Code Sections 44241 and 44242
Audit No. 23 Summary Report**

44241 (continued)

- (c) (1) Fee revenue generated under this chapter shall be allocated by the bay district for projects and programs specified in subdivision (b) to cities, counties, the Metropolitan Transportation Commission, transit districts, or any other public agency responsible for implementing one or more of the specified projects or programs. Fee revenue generated under this chapter may also be allocated by the bay district for projects and programs specified in paragraph (7) of subdivision (b) to entities that include, but are not limited to, public agencies, consistent with applicable policies adopted by the governing board of the bay district. Those policies shall include, but are not limited to, requirements for cost-sharing for projects subject to the policies. Fee revenues shall not be used for any planning activities that are not directly related to the implementation of a specific project or program.
- (2) The bay district shall adopt cost-effectiveness criteria for fee revenue generated under this chapter that projects and programs are required to meet. The cost-effectiveness criteria shall maximize emissions reductions and public health benefits.
- (d) Not less than 40 percent of fee revenues shall be allocated to the entity or entities designated pursuant to subdivision (e) for projects and programs in each county within the bay district based upon the county's proportionate share of fee-paid vehicle registration.
- (e) In each county, one or more entities may be designated as the overall program manager for the county by resolutions adopted by the county board of supervisors and the city councils of a majority of the cities representing a majority of the population in the incorporated area of the county. The resolution shall specify the terms and conditions for the expenditure of funds. The entities so designated shall be allocated the funds pursuant to subdivision (d) in accordance with the terms and conditions of the resolution.
- (f) Any county, or entity designated pursuant to subdivision (e), that receives funds pursuant to this section, at least once a year, shall hold one or more public meetings for the purpose of adopting criteria for expenditure of the funds, if those criteria have been modified in any way from the previous year. Any county, or entity designated pursuant to subdivision (e), that receives funds pursuant to this section, at least once a year, shall also hold one or more public meetings to review the expenditure of revenues received pursuant to this section by any designated entity. If any county or entity designated pursuant to subdivision (e) that receives funds pursuant to this section has not allocated all of those funds within six months of the date of the formal approval of its expenditure plan by the bay district, the bay district shall allocate the unallocated funds in accordance with subdivision(c).

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND
Appendix A - Health and Safety Code Sections 44241 and 44242
Audit No. 23 Summary Report**

44242

- (a) Any agency which receives funds pursuant to Section 44241 shall, at least once every two years, undertake an audit of each program or project funded. The audit shall be conducted by an independent auditor selected by the bay district in accordance with Division 2 (commencing with Section 1100) of the Public Contract Code. The district shall deduct any audit costs which will be incurred pursuant to this section prior to distributing fee revenues to cities, counties, or other agencies pursuant to Section 44241.
- (b) Upon completion of an audit conducted pursuant to subdivision (a), the bay district shall do both of the following:
- (1) Make the audit available to the public and to the affected agency upon request.
 - (2) Review the audit to determine if the fee revenues received by the agency were spent for the reduction of air pollution from motor vehicles pursuant to the plan prepared pursuant to Sections 40233 and 40717.
- (c) If, after reviewing the audit, the bay district determines that the revenues from the fees may have been expended in a manner which is contrary to this chapter or which will not result in the reduction of air pollution from motor vehicles pursuant to that plan, the district shall do all of the following:
- (1) Notify the agency of its determination.
 - (2) Within 45 days of the notification pursuant to paragraph (1), hold a public hearing at which the agency may present information relating to expenditure of the revenues from the fees.
 - (3) After the public hearing, if the district determines that the agency has expended the revenues from the fees in a manner which is contrary to this chapter or which will not result in the reduction of air pollution from motor vehicles pursuant to the plan prepared pursuant to Sections 40233 and 40717, the district shall withhold these revenues from the agency in an amount equal to the amount which was inappropriately expended. Any revenues withheld pursuant to this paragraph shall be redistributed to the other cities within the county, or to the county, to the extent the district determines that they have complied with the requirements of this chapter.
- (d) Any agency which receives funds pursuant to Section 44241 shall encumber and expend the funds within two years of receiving the funds, unless an application for funds pursuant to this chapter states that the project will take a longer period of time to implement and is approved by the district or the agency designated pursuant to subdivision (e) of Section 44241. In any other case, the district or agency may extend the time beyond two years, if the recipient of the funds applies for that extension and the district or agency, as the case may be, finds that significant progress has been made on the project for which the funds were granted.

APPENDIX B
LISTING OF AUDITED PROJECTS

MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE
MEETING OF 04/12/2023

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND**

**Appendix B – Listing of Audited Projects
Audit No. 23 Summary Report**

Alameda County Transportation Commission:

Project Description	TFCA Project Number	Final Project Expenditures through 6/30/2021
Alameda County Transportation Commission		
Webster Street , SMART corridor	08ALA01	\$ 420,000.00
Webster Street, SMART Corridor	09ALA01	400,000.00
Program Administration	17ALA00	122,675.05
Alameda County TDM Program, FY 19/20	19ALA02	162,891.43
Alameda TFCA Program Administration	20ALA00	128,081.49
Countywide Transportation Demand Mgmt (TDM) Program, FY 20-21	20ALA03	297,228.59
Alameda County Transportation Commission / ACCMA		
I-80 Corridor Arterial Management	10ALA02	100,000.00
Bay Area Rapid Transit District		
West Oakland BART Station Bike Locker Expansion	20ALA09	100,000.00
California State University, East Bay		
CSUEB - Hayward BART 2nd Shuttle, FYs 2018-19 & 2019-20	19ALA07	62,500.00
City of Alameda		
Otis Drive Class 2 Bike Lanes, Traffic Calming and Safety Improvements	20ALA01	175,000.00
City of Dublin		
San Ramon Road Arterial Mgmt	16ALA05	146,351.99
City of Hayward		
Clawiter Road Arterial Management	11ALA08	153,636.72
City of Livermore		
Iron Horse Trail Gap Closure in Livermore	18ALA05	193,000.00
City of Oakland		
City Racks, phase 13	18ALA06	100,000.00
Broadway Shuttle Operations, FY 2019-20	19ALA06	253,500.00
City of San Leandro		
San Leandro LINKS Shuttle, FYs 18/19 & 19/20	18ALA08	130,000.00
Livermore Amador Valley Transit Authority		
LAVTA Rte 30 BRT Operations, FYs 19/20-20/21	19ALA08	477,000.00
Total		<u>\$ 3,421,865.27</u>

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND**

**Appendix B – Listing of Audited Projects
Audit No. 23 Summary Report**

Contra Costa Transportation Authority:

Project Sponsor	TFCA Project Number	Final Project Expenditures through 6/30/2021
Contra Costa Transportation Authority		
Program Administration	19CC00	\$ 98,083.39
Central/East SOV Trip/Emissions Reduction Program	19CC02	910,326.00
Contra Costa TFCA Program Administration	20CC00	105,516.82
Central/East SOV Trip/Emissions Reduction Program	20CC02	918,010.99
Contra Costa TFCA Program Administration	21CC00	93,916.99
West Contra Costa Transportation Advisory Committee		
West Contra Costa Commute Incentive Program	10CC01	66,041.65
West County Employer Outreach	10CC02	97,033.00
West Contra Costa Commute Incentive Program	11CC01	55,000.00
West Contra Costa Trip Reduction Program	18CC01	326,389.00
West Contra Costa Trip Reduction Program	19CC01	361,898.00
City of San Ramon		
511CC Southwest Student Program	11CC06	151,125.88
511 CC Countywide Vanpool Incentive Program	14CC06	56,175.00
Southwest Contra Costa County Emissions/Trip Reduction Program	18CC03	290,443.00
Southwest Emissions/Trip Reduction Program	19CC03	322,042.00
Total		\$ 3,852,001.72

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND
Appendix B – Listing of Audited Projects
Audit No. 23 Summary Report**

Transportation Authority of Marin:

Project Description	TFCA Project Number	Final Project Expenditures through 6/30/2021
Transportation Authority of Marin		
Vanpool Program	12MAR02	\$ 10,318.00
Program Administration	15MAR00	17,622.43
Program Administration	16MAR00	18,221.65
Program Administration	19MAR00	22,823.88
Marin TFCA Program Administration	20MAR00	23,058.71
Marin TFCA Program Administration	21MAR00	22,422.05
City of Mill Valley		
Camino Alto Bicycle and Pedestrian Safety and Operational Improvements	18MAR02	107,094.00
City of Novato		
Lamont Ave Class 2 Bike Lanes	16MAR01	317,862.00
Novato Blvd. Multiuse Path	21MAR01	326,255.81
San Rafael City Schools		
Coordinated Charging Station Deployment Project	19MAR02	60,000.00
Town of Corte Madera		
Tamal Vista Boulevard Bike/Ped Improvements	18MAR01	366,000.00
Total		\$ 1,291,678.53

MOBILE SOURCE AND CLIMATE
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**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
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Appendix B – Listing of Audited Projects
Audit No. 23 Summary Report**

Napa County Transportation and Planning Agency:

Project Description	TFCA Project Number	Final Project Expenditures through 6/30/2021
Napa Valley Transportation Authority		
Program Administration	19NAP00	\$ 5,372.85
Napa TFCA Program Administration	20NAP00	7,353.44
Napa TFCA Program Administration	21NAP00	13,132.00
City of American Canyon		
American Canyon Park and Ride	14NAP03	94,999.66
SR29 Traffic Signal Interconnect Project	15NAP02	225,666.00
Donaldson Way Sidewalk Gap Project	17NAP02	55,428.00
City of Calistoga		
Calistoga EV Charging Station	17NAP01	8,000.00
City of Napa		
California Blvd. Class II Bike Lane Gap Closure	12NAP01	112,600.00
City of St. Helena		
Pope Street Class II bike lane	14NAP02	52,048.91
County of Napa		
Hybrid-Electric Light Duty Vehicle Purchase	12NAP03	11,990.00
Napa County Public Works Department		
Purchase 14 Hybrid Light-Duty Vehicles	16NAP03	9,416.00
Napa County Transportation and Planning Agency		
Program Administration	15NAP00	8,405.94
Total		<u>\$ 604,412.80</u>

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND**

**Appendix B – Listing of Audited Projects
Audit No. 23 Summary Report**

Santa Clara Valley Transportation Authority:

Project Description	TFCA Project Number	Final Project Expenditures through 6/30/2021
Santa Clara Valley Transportation Authority		
Program Administration	15SC00	\$ 118,598.85
Three-Position Exterior Bike Racks for Buses	16SC01	696,998.00
Downtown Feeder Service - DASH and Rapid 500	19SC01	955,000.00
Santa Clara TFCA Program Administration	20SC00	163,939.00
Downtown Feeder Service - DASH	20SC01	442,999.72
Santa Clara TFCA Program Administration	21SC00	163,747.00
Rapid 500 Shuttle	21SC01	1,232,000.00
City of Cupertino		
McClellan Class 4 Separated Bike Lane	19SC06	55,000.00
City of Morgan Hill		
Main Avenue Bicycle Lanes	19SC12	65,100.00
Madrone Channel Trail Improvements	20SC08	33,400.00
City of Palo Alto		
Charleston-Arastradero Adaptive Timing Project (SynchoGreen)	18SC09	250,604.00
City of San Jose		
San Jose Bike Racks	18SC12	63,212.00
City of Santa Clara		
Homestead Road Signal Improvements	09SC09	252,000.00
Lafayette Signal Timing Project	17SC02	210,000.00
Bowers Signal Timing Project	17SC03	590,000.00
School Improvements	17SC04	290,000.00
Lick Mill Signal Timing	18SC13	166,000.00
Homestead Signal Timing Project	18SC14	300,000.00
Agnew/De la Cruz signal timing project	18SC15	220,000.00
Mission College Bike Lanes	18SC16	109,500.00
Benton Street Bicycle Lanes	19SC11	77,000.00
Saratoga Avenue Bike Lanes	20SC07	38,500.00
City of Sunnyvale		
Safe Routes to School - Pedestrian Infrastructure Improvements at Various Locations	17SC13	415,961.00
Arques Avenue Signal Timing Improvements	18SC01	36,400.00
Caribbean Drive Signal Timing Improvements	18SC02	49,919.00
Evelyn Avenue Corridor Signal Timing Improvements	18SC03	29,804.00
Fair Oaks Avenue Signal Timing Improvements	18SC04	117,511.00
Reed Avenue Corridor Signal Timing Improvements	18SC05	29,804.00
Sunnyvale Avenue Corridor Signal Timing Improvements	18SC06	76,955.00
County of Santa Clara Roads and Airports Department		
Almaden Expressway Weekday and Weekend Signal Coordination	19SC04	175,000.00
Santa Clara County		
Interim Bicycle Improvement through I-280/Page Mill Interchange Area	17SC11	125,000.15
Town of Los Gatos		
Roberts Road Safe Routes to School Bicycle Improvements	19SC02	39,500.00
Los Gatos School Bus Route A	20SC03	22,000.00
Los Gatos School Bus Route B	20SC04	65,000.00
Total		\$ 7,676,452.72

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND**

**Appendix B – Listing of Audited Projects
Audit No. 23 Summary Report**

San Francisco County Transportation Authority:

Project Description	TFCA Project Number	Final Project Expenditures through 6/30/2021
San Francisco County Transportation Authority		
Program Administration	15SF00	\$ 36,985.85
San Francisco TFCA Program Administration	20SF00	48,234.56
San Francisco TFCA Program Administration	21SF00	46,808.63
Golden Gate Bridge, Highway & Transportation District		
Bike Racks on Buses	19SF05	82,046.42
San Francisco Department of the Environment		
Emergency Ride Home	19SF03	131,977.61
San Francisco Municipal Transportation Agency		
Commute By Bike	12SF06	103,757.85
San Francisco New Resident Outreach	16SF03	164,765.95
Alternative Fuel Taxicab Vehicle Incentive Program	17SF02	52,500.00
Replace SF Paratransit Diesel Cutaway Vehicles with Hybrid Sedans	18SF01	270,000.00
Short-Term Bicycle Parking	18SF04	164,928.00
Short-Term Bike Parking	20SF03	358,414.00
San Francisco State University		
Gator Pass Implementation Project	17SF01	350,000.00
Total		<u>\$ 1,810,418.87</u>

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND**

**Appendix B – Listing of Audited Projects
Audit No. 23 Summary Report**

City/County Association of Governments of San Mateo County:

Project Description	TFCA Project Number	Final Project Expenditures through 6/30/2021
City/County Association of Governments of San Mateo County		
Program Administration	15SM00	\$ 28,099.57
San Mateo TFCA Program Administration	20SM00	59,654.72
Program Administration	21SM00	53,688.09
Peninsula Traffic Congestion Relief Alliance		
Countywide Voluntary Trip Reduction Program	15SM01	457,500.00
San Mateo County Carpool Incentives Program 2.0	19SM03	225,634.84
Countywide Voluntary Trip Reduction Program	20SM01	600,000.00
Countywide Voluntary Trip Reduction Program	21SM01	482,643.60
San Mateo County Transit District		
SamTrans Shuttle Program	15SM02	438,280.00
SamTrans Signal Prioritization for Buses on El Camino Real	18SM03	40,181.32
SamTrans Shuttle Program	20SM02	150,000.00
SamTrans Shuttle Program	21SM02	150,000.00
Total		<u>\$ 2,685,682.14</u>

MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE
MEETING OF 04/12/2023

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND**

**Appendix B – Listing of Audited Projects
Audit No. 23 Summary Report**

Solano Transportation Authority:

Project Description	TFCA Project Number	Final Project Expenditures through 6/30/2021
Solano Transportation Authority		
Program Administration	19SOL00	\$ 22,099.00
Solano Commute Alternatives Outreach and Incentive Program	19SOL01	183,249.20
First/Last Mile Pilot Program (Lyft)	19SOL02	100,482.00
Solano TFCA Program Administration	20SOL00	21,110.40
Solano Transportation Authority/Solano Napa Commuter Information		
Solano Commute Alternatives Outreach and Incentive Program	18SOL01	191,259.56
Solano Transportation Authority/Solano Mobility		
Lyft First/Last Mile Pilot Program	18SOL02	97,093.84
Cal Maritime		
California State University Maritime Academy's On Campus Electric Vehicle Chargers	20SOL04	31,050.00
California State University Maritime Academy		
Electric Shuttle Van for Cal Maritime Campus	21SOL07	20,000.00
City of Suisun City		
Suisun City EV Chargers: Amtrak P&R and City Hall	19SOL03	47,322.29
Total		\$ 713,666.29

MOBILE SOURCE AND CLIMATE IMPACTS COMMITTEE MEETING OF 04/12/2023

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
TRANSPORTATION FUND FOR CLEAN AIR PROGRAM MANAGER FUND
Appendix B – Listing of Audited Projects
Audit No. 23 Summary Report**

Sonoma County Transportation Authority:

Project Sponsor	TFCA Project Number	Final Project Expenditures through 6/30/2021
Sonoma County Transportation Authority		
Sonoma TFCA Program Administration	20SON00	\$ 40,745.53
Sonoma TFCA Program Administration	21SON00	39,389.25
City of Petaluma		
Petaluma Transit – Transit Marketing	20SON02	90,631.00
Sonoma County Transit		
Transit Marketing Program	17SON03	71,265.00
Electric Bus Purchase	18SON03	168,543.00
All-Electric Transit Bus Purchase	19SON02	173,949.00
Total		\$ 584,522.78

MOBILE SOURCE AND CLIMATE
IMPACTS COMMITTEE
MEETING OF 04/12/2023

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Myrna Melgar and Members
of the Mobile Source and Climate Impacts Committee

From: Philip M. Fine
Executive Officer/APCO

Date: April 12, 2023

Re: Overview of Air District's Voluntary Mobile Source Grant Programs and Summary
of Results for Calendar Year 2022

RECOMMENDED ACTION

None. Informational item only.

BACKGROUND

The Bay Area Air Quality Management District (Air District) was established in 1955 as the first regional air quality agency in the United States. Its mission is to protect and improve public health, air quality, and the global climate while creating a healthy breathing environment for Bay Area residents. To achieve this, the Air District employs a comprehensive set of programs and strategies that includes regulation, community engagement and outreach, and voluntary incentives.

The Air District's Emissions Inventory for 2015 shows that more than half of the air pollution generated in the Bay Area, including reactive organic gases (ROG), nitrogen oxides (NO_x), and particulate matter (PM) emissions, and over 40% of the GHGs, come from mobile sources, which is comprised of cars, buses, trucks, agricultural tractors and equipment, cargo handling equipment, marine vessels, locomotives, and others. Although the Air District is tasked with regulating stationary sources of air pollution in its jurisdiction, it lacks the authority to regulate mobile source emissions. Federal and state agencies such as the US Environmental Protection Agency and the California Air Resources Board (CARB) regulate these sources.

To reduce air pollution from mobile sources, the Air District began administering voluntary incentive programs in 1992, with the passage of legislation that authorized DMV generated fees to be used for programs and projects that work to reduce air pollution from on-road vehicles. Over the past 30 years, the number of mobile source grant programs has increased and has allowed the Air District to be able to fund a greater number of projects that achieve reductions of air pollution from more types of mobile sources.

The mobile source incentive programs administered by the Air District work to improve air quality primarily by incentivizing the replacement of older and polluting equipment with newer and cleaner alternatives. The eligibility and programmatic requirements for these programs are established by the authorizing legislation, state adopted guidelines, and Board adopted policies. In recent years, the state guidelines have begun to be modified to help incentivize owners to apply for upgrades to zero- and near zero-emission technologies, and the installation of electric and hydrogen vehicle charging stations, instead of old to new diesel replacements .

Administration of each cycle or allotment of funding typically involves a duration of at least 10-15 years to allow time for program development, solicitation for new projects, evaluation and contracting, grantees to do their project (i.e., put the new equipment into service) and to operate the funded equipment as required in the grant agreement, project monitoring, reporting, audit, and records retention. Most of the mobile source funding is administered on a first-come, first-served basis whereby staff can help and respond directly to applicants' questions. Additional information about the Air District's mobile source grant funding sources is provided in the second part of this report and more information about the typical lifecycle and workflow associated with mobile source grant programs is provided in Attachment 2.

In addition to the funds discussed in this report, Air District also manages other sources of funds that are complementary to these mobile source grants and which have a different primary focus, including equity and community benefits, such as the Community Air Protection Implementation and James Carey Smith programs.

DISCUSSION

2022 Annual Report

In calendar year 2022, the Air District awarded over \$59 million to eligible projects in the Bay Area that will improve air quality by reducing criteria pollutant emissions from mobile sources. These projects are expected to reduce emissions by over 275 tons per year of criteria pollutants, including ROG, NOx, and PM. In addition, \$12.8 million was also awarded to projects in communities outside of the Bay Area throughout California through Volkswagen Environmental Mitigation Trust and Proposition 1B Goods Movement Emission Reduction Program. eligible projects were awarded funding from more than eight sources of funding including the Transportation Fund for Clean Air (TFCA), Mobile Source Incentive Fund (MSIF), Carl Moyer Program (CMP), Community aAir Protection Incentives Grant Program (CAP), Funding for Agricultural Replacement Measures for Emission Reductions (FARMER), Clean Cars for All/California Climate Investments (CCI), California Proposition 1B Goods Movement Emission Reduction Program (Prop 1B), and Volkswagen NOx Mitigation (VW). Attachment 1 provides additional details on the projects awarded by the Air District in 2022. More information about the Air Districts' mobile source grant funding is provided in the section that follows this report.

Equity is an important focus for the Air District and all mobile source grant programs managed by the Air District require a portion and in some cases up to 80% of funds be awarded to eligible projects that reduce diesel pollution, air toxics, and exposure to air pollutants in communities most impacted by air pollution. In 2022, over 76% of the funds were awarded to projects that will operate in priority communities, including disadvantaged and low-income communities, Air District designated Community Air Risk Evaluation (CARE) areas, and to low-income residents.

Staff also worked to promote the availability of funding to support the accelerated adoption of zero-emission (including electric and hydrogen) and cleanest available technology, with nearly \$28 million of the funds awarded to zero-emissions projects that will be deploying 778 pieces of new zero-emission vehicles, equipment, and electric vehicle charging stations.

The following section provides more detailed information about each of the sources of funding that were used to award grants to eligible projects in calendar year 2022.

Overview of the Air District's Mobile Source Grant Funding

More information about each of the Air District's mobile source grant funding that was used to award grants to eligible projects in calendar year 2022 is provided below.

Carl Moyer Program (CMP)

The Air District has participated in the Carl Moyer Program, in cooperation with the California Air Resources Board, since the program began in 1999. This program provides grants to owners of eligible equipment to reduce emissions of oxides of nitrogen (NO_x), reactive organic gases (ROG), and particulate matter (PM) from existing heavy-duty engines by upgrading them. The CMP also includes a companion program referred to by CARB as the Carl Moyer State Reserve Program, which has similar requirements as the CMP, but is usually limited to be used for a single project category selected by CARB each year.

Eligible equipment includes on-road trucks and buses, off-road equipment, marine vessels, locomotives, stationary agricultural pump engines, forklifts, and refueling infrastructure that supports zero emissions vehicles. Approximately \$18 million is allocated for the Air District annually between the CMP and State Reserve Programs (sunset date is 2033) and up to 6.25% of these funds may be used for administrative cost recovery.

Community Air Protection Incentives Grant Program (CAP Incentives)

In 2017, Assembly Bill (AB) 617 directed the California Air Resources Board, in conjunction with local air districts to establish the Community Air Protection (CAP) Program. Beginning in 2018, the State authorized funding for a CAP Incentive program that is designed to primarily achieve hyperlocal reductions in air pollution and reduce community exposure to diesel particulate and toxic air contaminants.

Pursuant to the state-adopted CAP Incentives 2019 Guidelines and the legislative requirements imposed on Greenhouse Gas Reduction Funds, there are at least 70% of these funds must be awarded to projects located in Disadvantaged Communities (DAC) and at least 80% of the funds

must be awarded to DAC and/or Low-Income Communities (LIC) shown in CARB's Priority Population Investments 4.0 map (<https://webmaps.arb.ca.gov/PriorityPopulations/>).

These funds may be awarded to mobile source projects eligible under the Carl Moyer Program, the California Proposition 1B Goods Movement Emission Reduction Program (for heavy duty trucks only), and a limited number of stationary source emission reduction projects. Staff has been working with CARB and other California air districts to expand eligibility to include more stationary source project types and projects that are identified as priorities by communities with a State-approved Community Emissions Reduction Program, pursuant to HSC Section 44391.2.

To date the Air District has been allocated five rounds of CAP incentive funding by CARB totaling nearly \$193 million and up to 6.25% of awarded funds may be used for administrative cost recovery.

Funding Agricultural Replacement Measures for Emission Reductions (FARMER)

In 2018, the California Air Resources Board established the FARMER Program that provides grant funding for eligible projects that reduce criteria, toxic, and greenhouse gas emissions from the agricultural sector. The FARMER program targets the voluntary early replacement of older, dirtier equipment that is used in agricultural operations, such as harvesting equipment, heavy-duty trucks, agricultural pump engines, tractors, and other equipment. Since its inception in 2018, the State has allocated between \$800,000 and \$3.8 million annually to the Bay Area Air District for its participation in the FARMER program and up to 6.25% of these funds may be used for administrative cost recovery.

Mobile Source Incentive Fund (MSIF)

Assembly Bill 923 (AB 923 – Firebaugh), enacted in 2004 (codified as Health and Safety Code 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 into the Air District's Mobile Source Incentive Fund (MSIF). The Health & Safety Code stipulates that air districts may use this revenue for projects eligible for funding under the: Carl Moyer Program, Lower Emission School Bus Program, Light-Duty Vehicle Scrap Program, and Agricultural Assistance Program. In 2022, the Legislature renewed the authority for this program through 2033. Approximately \$12.5 million accrues annually for this program and up to 6.25% of these funds may be used for administrative cost recovery.

Transportation Fund for Clean Air (TFCA)

In 1991, the California State Legislature authorized the Air District to impose a \$4 surcharge on motor vehicles registered within its nine-county jurisdiction to fund projects that reduce on-road motor vehicle emissions. The Air District allocates these funds to eligible projects through the Transportation Fund for Clean Air (TFCA) program. The statutory authority for the TFCA and requirements of the program are set forth in California Health and Safety Code Sections 44241 and 44242. Approximately \$25 million accrues annually for this program (there is no sunset date) and up to 6.25% of these funds may be used for administrative cost recovery.

Up to 60% of project funds received are awarded directly by the Air District to a program referred to as the TFCA Regional Fund and to eligible Air District programs (e.g., Spare the Air). The remaining 40% is forwarded to the designated county transportation agency within each Bay Area County to be distributed through the TFCA County Program Manager Fund program.

TFCA funding may be used to award grants to on-road projects including upgrade of passenger vehicles, trucks, and buses, and may also be used to award grants to government agencies that sponsor trip reduction strategies such as the installation of new bicycle paths and lanes and secure bike parking facilities.

California Proposition 1B Goods Movement Emission Reduction Program (Prop 1-B)

In November 2006, California voters authorized the Legislature to appropriate \$1 billion in bond funding to quickly reduce air pollution and health risk from freight movement along California's trade corridors. On February 28, 2008, the CARB approved an allocation of \$140 million from projected bond sales for emission reduction projects in the Bay Area trade corridor. These funds may be awarded to eligible projects such as equipment replacements, repowers, and retrofits of on-road, marine, locomotive, and off-road engines, and the installation of electric and hydrogen stations for heavy duty equipment. To date, this program has funded projects including the upgrade and replacement of over 2,000 diesel trucks and installation of shore power infrastructure at 12 berths at the Port of Oakland.

The Air District is currently administering the final round of Prop 1B funding through 2025. Funding for administrative cost recovery ranges from 3-5% based on the type of project that is awarded by the Air District.

Volkswagen Environmental Mitigation Trust (VW Trust)

The VW Trust was established after a settlement with Volkswagen and other parties for their use of illegal defeat devices and is intended to fully mitigate the lifetime excess oxides of nitrogen (NOx) emissions caused by their actions. The CARB is the designated Lead Agency acting on the State as the beneficiary for California's share of VW Trust funds. In 2018, the Air District was selected by CARB to administer VW Trust funding on a statewide-basis for the zero-emission freight and marine category totaling \$70 million and the light-duty zero emission vehicle infrastructure category totaling \$10 million, including \$8 million that may be used for administrative cost recovery. VW Trust funds will be managed by the Air District over a ten-year period ending in 2028.

Clean Cars for All Program (CCFA)

The Clean Cars for All Program (CCFA) provides grants to low-income households (up to 400% of the Federal Poverty Level) to replace their older, high polluting vehicles with newer, cleaner vehicles or mobility options, such as public transit cards or e-bikes. Participants can purchase or lease a new or used hybrid electric vehicle, plug-in electric vehicle (PHEV), battery electric vehicle (BEV), or fuel cell electric vehicle, and are eligible for a rebate to install a home charger or purchase a portable charger if they purchase a PHEV or BEV through CCFA. The program's eligibility criteria are limited to 76 zip codes in the Bay Area, which are identified as disadvantaged communities based on CalEnviroScreen. Despite the limited eligibility, the demand for the CCFA incentives has steadily increased since the program's launch.

Since its inception in 2019, the program has been allocated more than \$45 million, with an additional \$28 million expected for the current fiscal year, from state and local funds, including CARB's CCI, Volkswagen settlement fund, Air District's TFCA, and CARB's Air Quality Improvement Program and Low-carbon transportation funds.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Chengfeng Wang
Reviewed by: Karen Schkolnick

ATTACHMENTS:

1. List of Projects Awarded in 2022
2. Summary of the Lifecycle of Mobile Source Grant Programs

List of Projects Awarded in 2022

County Location	Project Number	Grantee Name	Project Description	Award Amount	Priority Area	# of Units	Type of Unit	Zero Emission Type	# of Supportive Charging Units
Alameda	20GMCH01	Mutual Express Company	Replace 1 yard truck with 1 electric yard truck and install EV charging	\$ 115,000	Y	1	Yard Truck	Electric	1
Alameda	20GMCH04	Schnitzer Steel Industries, Inc.	Replace 4 yard trucks with 4 electric yard trucks and install EV charging	\$ 460,000	Y	4	Yard Truck	Electric	4
Alameda	20GMCH10	ITS Technologies and Logistics, LLC	Replace 6 yard trucks with 6 electric ones and install EV charging	\$ 690,000	Y	6	Yard Truck	Electric	6
Alameda	21GM0003	Yonas Trucking	Replace 1 diesel truck with electric truck and install an EV charger	\$ 230,000	Y	1	Truck	Electric	1
Alameda	21GM0006	JW International Transport Inc.	Replace 1 diesel truck with 1 Low NO _x truck	\$ 100,000	N	1	Truck	N/A	N/A
Alameda	21GM0007	Mercury Trucking System Company	Replace 1 diesel truck with 1 Low NO _x truck	\$ 100,000	Y	1	Truck	N/A	N/A
Alameda	21GMCH01	Dow Chemical Company	Replace 2 yard trucks with 2 electric yard trucks and install EV charging	\$ 230,000	Y	2	Yard Truck	Electric	2
Alameda	2202-27794	Union Sanitary District	Install 2 DCFC, 1 single port Level-2 (high), and 15 dual-port Level-2 (high) charging stations with solar at 1 workplace facility in Union City	\$ 103,000	N	18	Charging Station	Electric	N/A
Alameda	22GM0003	Ethan LLC	Replace 1 diesel truck with an electric one and install an EV charger	\$ 230,000	Y	1	Truck	Electric	1
Alameda	22GM0004	Mewael Trucking	Replace 1 diesel truck with an electric one and install an EV charger	\$ 230,000	Y	1	Truck	Electric	1
Alameda	22MOY160	Baydelta Navigation LTD	Replace 4 Tier-2 engines with Tier-3 and Tier-4 engines in a tug boat	\$ 882,250	Y	N/A	Engine	N/A	N/A
Alameda	22MOY196	A.C. Fishing Charters, Inc.	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 69,120	Y	N/A	Engine	N/A	N/A
Alameda	22MOY206	Wente Bros.	Replace 1 Tier-1 tractor with a Tier-4 tractor	\$ 64,000	Y	1	Agricultural Eq	N/A	N/A
Alameda	22MOY217	Happy Hooker Sportfishing, LLC	Replace 2 Tier-0 engines with Tier-3 engines in a charter fishing vessel	\$ 152,000	Y	N/A	Engine	N/A	N/A
Alameda	22MOY238	Alameda-Contra Costa Transit District	Expand AC Transit's hydrogen fueling facility in Oakland D4	\$ 4,505,255	Y	1	H2 Tank	Hydrogen	N/A
Alameda	22MOY241	C-Gull II Sportfishing Inc.	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 103,200	Y	N/A	Engine	N/A	N/A

List of Projects Awarded in 2022

County Location	Project Number	Grantee Name	Project Description	Award Amount	Priority Area	# of Units	Type of Unit	Zero Emission Type	# of Supportive Charging Units
Alameda	22MOY245	C-Gull II Sportfishing Inc.	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 120,560	Y	N/A	Engine	N/A	N/A
Alameda	22MOY281	California Dawn Sportfishing Inc.	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 37,080	Y	N/A	Engine	N/A	N/A
Alameda	22MOY286	John J. Atkinson Jr.	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 25,400	Y	N/A	Engine	N/A	N/A
Alameda	22MOY288	New Easy Rider Sportfishing LLC.	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 38,304	Y	N/A	Engine	N/A	N/A
Alameda	22SBP337	Hayward Unified School District	Replace 1 CNG school buses with one electric bus	\$ 400,000	Y	1	School Bus	Electric	N/A
Alameda	Clean Cars for All	Residents	Scrap light-duty vehicle and provide home charging station or portable charger	\$ 4,353	Y	3	Charging Station	Electric	N/A
Alameda	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with zero-emission electric vehicle	\$ 693,500	Y	81	Car	Electric	N/A
Alameda	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with zero-emission hydrogen fuel cell vehicle	\$ 117,500	Y	13	Car	Hydrogen	N/A
Alameda	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with public transit card or e-bike	\$ 127,500	Y	17	Car	N/A	N/A
Alameda	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with hybrid vehicle	\$ 669,000	Y	101	Car	Hybrid	N/A
Alameda	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with plug-in hybrid vehicle	\$ 467,000	Y	54	Car	Plug-In Hybrid	N/A
Alameda	County Program Manager	N/A	Projects administered by County Transportation Agencies that reduce on-road motor vehicle emissions by replacing combustion vehicles with zero-emission electric vehicles	\$ 1,500,000	N	4	Bus	Electric	N/A
Alameda	County Program Manager	N/A	Projects administered by County Transportation Agencies that reduce on-road motor vehicle emissions by conducting trip-reduction strategies	\$ 1,352,000	N	N/A	Trip Reduction	N/A	N/A
Alameda	LDV-21-0135	RenewAge Energy Solutions	Install 4 EV charging stations	\$ 100,000	Y	4	Charging Station	Electric	N/A

List of Projects Awarded in 2022

County Location	Project Number	Grantee Name	Project Description	Award Amount	Priority Area	# of Units	Type of Unit	Zero Emission Type	# of Supportive Charging Units
Alameda	LDV-21-0364	Equilon Enterprises LLC	Install 2 EV charging stations	\$ 142,764	Y	2	Charging Station	Electric	N/A
Alameda	LDV-21-0377	EVgo Services LLC	Install 8 EV charging stations	\$ 360,000	Y	8	Charging Station	Electric	N/A
Alameda	LDV-21-0385	Blink Network LLC	Install 2 EV charging stations	\$ 121,992	Y	2	Charging Station	Electric	N/A
Alameda	Vehicle Buy Back	Residents	Vehicle Buy-Back Program paid 248 owners \$1,200 per vehicle to early retire (scrap) 1998 and older model vehicles	\$ 297,600	Y	248	Car	N/A	N/A
Alameda	VWFM-22-0518	Economy Lumber Co. of Oakland	Replace 2 Tier-4 Final heavy-lift forklifts with 2 zero-emission ones	\$ 214,900	Y	2	Forklift	Electric	N/A
Alameda	VWFM-22-0523	CASS, Inc.	Replace 2 LPG heavy-lift forklifts with 2 zero-emission ones	\$ 100,600	Y	2	Forklift	Electric	2
Contra Costa	2202-27788	The Shores at Marina Bay Community Association	Install 2 single-port Level-2 (high) and 4 dual-port Level-2 (high) chargers at 1 multi-unit dwelling (MUD) facility in Richmond	\$ 48,000	Y	6	Charging Station	Electric	N/A
Contra Costa	22MOY160	Baydelta Navigation LTD	Replace 4 Tier-2 engines with Tier-3 and Tier-4 engines in a tug boat	\$ 882,250	Y	N/A	Engine	N/A	N/A
Contra Costa	22MOY196	A.C. Fishing Charters, Inc.	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 84,480	Y	N/A	Engine	N/A	N/A
Contra Costa	22MOY217	Happy Hooker Sportfishing, LLC	Replace 2 Tier-0 engines with Tier-3 engines in a charter fishing vessel	\$ 19,000	Y	N/A	Engine	N/A	N/A
Contra Costa	22MOY228	Wooden Boats for Veterans Foundation	Replace 1 Tier-0 engine with Tier-3 engine in a work boat	\$ 17,060	Y	N/A	Engine	N/A	N/A
Contra Costa	22MOY241	C-Gull II Sportfishing Inc.	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 38,700	Y	N/A	Engine	N/A	N/A
Contra Costa	22MOY245	C-Gull II Sportfishing Inc.	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 45,210	Y	N/A	Engine	N/A	N/A
Contra Costa	22MOY261	Bay Marine Services, LLC	Replace 2 Tier-0 engines with Tier-3 engines on a work boat	\$ 28,000	Y	N/A	Engine	N/A	N/A
Contra Costa	22MOY281	California Dawn Sportfishing Inc.	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 12,360	Y	N/A	Engine	N/A	N/A

List of Projects Awarded in 2022

County Location	Project Number	Grantee Name	Project Description	Award Amount	Priority Area	# of Units	Type of Unit	Zero Emission Type	# of Supportive Charging Units
Contra Costa	22MOY288	New Easy Rider Sportfishing LLC.	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 9,120	Y	N/A	Engine	N/A	N/A
Contra Costa	22SBP232	Antioch Unified School District	Replace 5 diesel school buses with 5 electric ones and install 5 EV chargers	\$ 1,907,186	Y	5	School Bus	Electric	5
Contra Costa	22SBP248	Mt Diablo School District	Replace 3 CNG school buses with 3 electric ones	\$ 648,794	N	3	School Bus	Electric	N/A
Contra Costa	Clean Cars for All	Residents	Scrap light-duty vehicle and provide home charging station or portable charger	\$ 377	Y	1	Charging Station	Electric	N/A
Contra Costa	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with zero-emission electric vehicle	\$ 287,000	Y	34	Car	Electric	N/A
Contra Costa	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with zero-emission hydrogen fuel cell vehicle	\$ 39,500	Y	5	Car	Hydrogen	N/A
Contra Costa	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with public transit card or e-bike	\$ 105,000	Y	14	Car	N/A	N/A
Contra Costa	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with hybrid vehicle	\$ 201,000	Y	29	Car	Hybrid	N/A
Contra Costa	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with plug-in hybrid vehicle	\$ 338,500	Y	39	Car	Plug-In Hybrid	N/A
Contra Costa	County Program Manager	N/A	Projects administered by County Transportation Agencies that reduce on-road motor vehicle emissions by conducting trip-reduction strategies	\$ 1,561,050	N	N/A	Trip Reduction	N/A	N/A
Contra Costa	Vehicle Buy Back	Residents	Vehicle Buy-Back Program paid 163 owners \$1,200 per vehicle to early retire (scrap) 1998 and older model vehicles	\$ 195,600	Y	163	Car	N/A	N/A
Contra Costa	VWFM-21-0319	Port of Richmond	Install 1 new shore power system	\$ 1,003,250	Y	1	Berth	Electric	N/A
Marin	22MOY160	Baydelta Navigation LTD	Replace 4 Tier-2 engines with Tier-3 and Tier-4 engines in a tug boat	\$ 352,900	Y	N/A	Engine	N/A	N/A
Marin	22MOY196	A.C. Fishing Charters, Inc.	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 38,400	Y	N/A	Engine	N/A	N/A
Marin	22MOY215	Reel Screamer Charters LLC	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 9,350	N	N/A	Engine	N/A	N/A

List of Projects Awarded in 2022

County Location	Project Number	Grantee Name	Project Description	Award Amount	Priority Area	# of Units	Type of Unit	Zero Emission Type	# of Supportive Charging Units
Marin	22MOY217	Happy Hooker Sportfishing, LLC	Replace 2 Tier-0 engines with Tier-3 engines in a charter fishing vessel	\$ 57,000	Y	N/A	Engine	N/A	N/A
Marin	22MOY228	Wooden Boats for Veterans Foundation	Replace 1 Tier-0 engine with Tier-3 engine in a work boat	\$ 17,060	Y	N/A	Engine	N/A	N/A
Marin	22MOY241	C-Gull II Sportfishing Inc.	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 51,600	Y	N/A	Engine	N/A	N/A
Marin	22MOY245	C-Gull II Sportfishing Inc.	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 60,280	Y	N/A	Engine	N/A	N/A
Marin	22MOY281	California Dawn Sportfishing Inc.	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 18,540	Y	N/A	Engine	N/A	N/A
Marin	22MOY285	Drake's View Dairy LLC	Replace 1 Tier-0 with 1 Tier-4 tractor/loader	\$ 50,400	Y	1	Agricultural Eq	N/A	N/A
Marin	22MOY286	John J. Atkinson Jr.	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 44,450	Y	N/A	Engine	N/A	N/A
Marin	22MOY288	New Easy Rider Sportfishing LLC.	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 43,776	Y	N/A	Engine	N/A	N/A
Marin	22MOY293	Golden Gate Bridge, Highway & Transportation District	Replace 4 Tier-3 engines with Tier-4 engines in 2 ferries (2 each)	\$ 705,000	Y	N/A	Engine	N/A	N/A
Marin	22MOY295	A&S Landscape Materials, Inc.	Replace 1 Tier-2 wheel loader with 1 Tier-4 equipment wheel loader	\$ 169,000	Y	1	Agricultural Eq	N/A	N/A
Marin	22MOY334	Point Reyes Pastures Inc.	Replace 1 Tier-0 with 1 Tier-4 tractor/crawler	\$ 135,800	Y	1	Agricultural Eq	N/A	N/A
Marin	22SBP192	Bolinas-Stinson Union School District	Replace 1 diesel school bus with 1 electric one and install 1 Level-2EV charger	\$ 405,300	N	1	School Bus	Electric	1
Marin	County Program Manager	N/A	Projects administered by County Transportation Agencies that reduce on-road motor vehicle emissions by conducting trip-reduction strategies	\$ 393,254	N	N/A	Trip Reduction	N/A	N/A
Marin	Vehicle Buy Back	Residents	Vehicle Buy-Back Program paid 39 owners \$1,200 per vehicle to early retire (scrap) 1998 and older model vehicles	\$ 46,800	Y	39	Car	N/A	N/A

List of Projects Awarded in 2022

County Location	Project Number	Grantee Name	Project Description	Award Amount	Priority Area	# of Units	Type of Unit	Zero Emission Type	# of Supportive Charging Units
Marin	VWFM-22-0514	Angel Island Tiburon Ferry Inc.	Repower 2 ferries by replacing 2 Tier-3 engines with 2 zero-emission engines in 1 ferry and use those Tier-3 engines to replace 2 Tier-0 engines in a second low-use ferry	\$ 960,500	N	2	Engine	Electric	N/A
Multiple	2202-28039	EVgo Services LLC	Install 63 single-port DC Fast and 27 dual-port DC Fast charging stations at 19 transportation corridor facilities in Antioch, Belmont, Concord, El Cerrito, Livermore, Los Gatos, Milpitas, Oakley, Palo Alto, Petaluma, San Francisco, San Jose, Santa Rosa, Sebastopol, Vallejo, and Walnut Creek	\$ 2,510,000	Y	90	Charging Station	Electric	N/A
Multiple	22R01	Air District	Commuter Benefits Program provides compliance assistance and outreach to Bay Area employers with 50 or more employees Enhanced Inspection patrols for reporting smoking vehicles and enforcement of CA drayage truck regulation	\$ 150,000	N	N/A	Trip Reduction	N/A	N/A
Multiple	22R03	Air District	Spare The Air Program conducts outreach strategies to reduce ozone precursors in summer by reducing vehicle trips	\$ 2,887,185	N	N/A	Trip Reduction	N/A	N/A
Napa	2201-26844	City of Calistoga	Install 2 dual-port Level-2 (high) and 1 single-port Level-2 (high) charger at 2 destination facilities in Calistoga	\$ 11,000	Y	3	Charging Station	Electric	N/A
Napa	22MOY157	Walsh Vineyards Management	Replace 3 Tier-0 tractors with 3 Tier-4 tractors	\$ 133,400	N	3	Agricultural Eq	N/A	N/A
Napa	22MOY180	Frog's Leap Winery	Replace 1 Tier-2 engine with a Tier-4 engine tractor	\$ 32,400	N	1	Agricultural Eq	N/A	N/A
Napa	22MOY195	Ilsley Brothers Farming, LLC	Replace 1 Tier-2 engine with a Tier-4 engine tractor	\$ 54,000	N	1	Agricultural Eq	N/A	N/A
Napa	22MOY208	Jack Neal and Son Inc	Replace 1 Tier-0 loader/backhoe with 1 Tier-4 loader/backhoe	\$ 117,100	N	1	Agricultural Eq	N/A	N/A

List of Projects Awarded in 2022

County Location	Project Number	Grantee Name	Project Description	Award Amount	Priority Area	# of Units	Type of Unit	Zero Emission Type	# of Supportive Charging Units
Napa	22MOY220	Atlas Vineyard Management, LLC	Replace 2 Tier-1 tractors with 2 Tier-4 tractors, and 1 Tier-2 tractor with 1 Tier-4 tractor/crawler	\$ 80,150	N	N/A	Agricultural Eq	N/A	N/A
Napa	22MOY225	Hardin Vineyard Management LLC	Replace 1 Tier-0 with 1 Tier-4 loader, and replace 1 Tier-0 with 1 Tier-4 tractor	\$ 135,600	Y	2	Agricultural Eq	N/A	N/A
Napa	22MOY234	DCS Endpost Driving	Replace 1 Tier-0 tracked loader with backhoe attachment with 1 Tier-4 compact crawler excavator, replace 1 Tier-0 with 1 Tier-4 tractor loader, and replace 1 Tier-0 with 1 Tier-4 loader/backhoes	\$ 253,300	N	3	Agricultural Eq	N/A	N/A
Napa	22MOY251	New Pina Vineyard Management, LLC.	Replace 3 Tier-0 and 1 Tier-2 tractors with four Tier-4 ones; replace 1 Tier-1 tractor with 1 Tier-4 tractor/crawler; and replace 1 Tier-1 wheeled carrier with 1 Tier-4 tracked carrier	\$ 258,000	N	5	Agricultural Eq	N/A	N/A
Napa	22MOY277	Colinas Farming Company	Replace 2 Tier-0, 1 Tier-1, and 1 Tier-2 tractors with four Tier-4 tractors	\$ 192,400	N	4	Agricultural Eq	N/A	N/A
Napa	22MOY282	Twin Peaks Winery, Inc.	Replace 2 Tier-1 with 2 Tier-4 tractor	\$ 94,000	N	2	Agricultural Eq	N/A	N/A
Napa	22MOY283	John Edward White	Replace 1 Tier-0 with 1 Tier-4 tractor, and 1 Tier-0 with 1 Tier-4 tractor/loader 1-Main	\$ 75,800	N	2	Agricultural Eq	N/A	N/A
Napa	22MOY287	A Cut Above Viticulture Service inc.	Replace 1 Tier-1 with 1 Tier-4 tractor	\$ 71,400	Y	1	Agricultural Eq	N/A	N/A
Napa	22MOY290	Cafaro Family Vineyard	Replace 1 Tier-2 with 1 Tier-4 tractor	\$ 26,200	N	1	Agricultural Eq	N/A	N/A
Napa	22MOY291	Turley Wine Cellars inc	Replace 1 Tier-1 with 1 Tier-4 tractor, and replace 1 Tier-2 with 1 Tier-4 tractor	\$ 114,500	N	2	Agricultural Eq	N/A	N/A
Napa	22MOY292	Buena Tierra Vineyards, Inc.	Replace 2 Tier-0 with 2 Tier-4 tractor	\$ 97,000	N	2	Agricultural Eq	N/A	N/A
Napa	22MOY305	Shifflett Ranch & Vineyard LLC	Replace 2 Tier-0 with 2 Tier-4 tractor/crawler	\$ 123,600	N	2	Agricultural Eq	N/A	N/A
Napa	22MOY317	Patrick Elliott-Smith	Replace 1 Tier-0 with 1 Tier-4 tractor with loader and fork attachment	\$ 46,100	N	1	Agricultural Eq	N/A	N/A
Napa	22MOY318	Ahmann Ranches, LLC	Replace 1 Tier-0 with 1 Tier-4 tractor with a loader attachment	\$ 49,300	N	1	Agricultural Eq	N/A	N/A
Napa	22MOY320	Atlas Oaks Ranch, LLC	Replace 1 Tier-0 with 1 Tier-4 tractor/loader	\$ 49,300	N	1	Agricultural Eq	N/A	N/A

List of Projects Awarded in 2022

County Location	Project Number	Grantee Name	Project Description	Award Amount	Priority Area	# of Units	Type of Unit	Zero Emission Type	# of Supportive Charging Units
Napa	22MOY342	Vinas Del Norte LLC	Replace 1 Tier-1 with 1 Tier-4 tractor, replace 1 Tier-2 with 1 Tier-4 tractor, and replace 1 Tier-2 with 1 Tier-4 tractor/crawler	\$ 100,300	Y	3	Agricultural Eq	N/A	N/A
Napa	22MOY349	Cobb Creek Holdings, LLC	Replace 1 Tier-0 with 1 Tier-4 forklift	\$ 92,700	N	1	Agricultural Eq	N/A	N/A
Napa	22MOY98	St. Supery Inc.	Replace 1 Tier-0 compact tracked loader with 1 Tier-4 compact tracked loader	\$ 44,000	N	1	Agricultural Eq	N/A	N/A
Napa	23MOY14	Robert T Jordan	Replace 1 Tier-0 with 1 Tier-4 tractor, and replace 1 Tier-1 with 1 Tier-4 tractor TC-3-Main	\$ 94,400	N	2	Agricultural Eq	N/A	N/A
Napa	23MOY15	Trademark Vineyards, LLC	Replace 1 Tier-1 with one Tier-4 tractor/crawler	\$ 78,500	N	1	Agricultural Eq	N/A	N/A
Napa	23MOY28	Ilisley Brothers Farming, LLC	Replace 1 Tier-0 with one Tier-4 tractor/crawler	\$ 70,300	N	1	Agricultural Eq	N/A	N/A
Napa	County Program Manager	N/A	Projects administered by County Transportation Agencies that reduce on-road motor vehicle emissions by conducting trip-reduction strategies	\$ 189,704	N	N/A	Trip Reduction	N/A	N/A
Napa	Vehicle Buy Back	Residents	Vehicle Buy-Back Program paid 21 owners \$1,200 per vehicle to early retire (scrap) 1998 and older model vehicles	\$ 25,200	Y	21	Car	N/A	N/A
Non-Bay Area	20GMCH06	Lineage Logistics	Replace 1 yard truck with 1 electric yard truck and install EV charging	\$ 115,000	Y	1	Yard Truck	Electric	1
Non-Bay Area	22GM0010	MLI Leasing, LLC	Replace 5 diesel trucks with 5 CNG trucks	\$ 500,000	N	5	Truck	N/A	N/A
Non-Bay Area	22GM0011	EGA Financial LLC	Replace 2 diesel trucks with 2 CNG trucks	\$ 200,000	N	2	Truck	N/A	N/A
Non-Bay Area	LDV-21-0135	RenewAge Energy Solutions	Install 30 EV charging stations	\$ 750,000	Y	30	Charging Station	Electric	N/A
Non-Bay Area	LDV-21-0364	Equilon Enterprises LLC	Install 2 EV charging stations	\$ 142,764	Y	2	Charging Station	Electric	N/A
Non-Bay Area	LDV-21-0377	EVgo Services LLC	Install 30 EV charging stations	\$ 1,350,000	Y	30	Charging Station	Electric	N/A
Non-Bay Area	LDV-21-0382	EV Connect, Inc.	Install 1 charging station	\$ 12,800	Y	1	Charging Station	Electric	N/A

List of Projects Awarded in 2022

County Location	Project Number	Grantee Name	Project Description	Award Amount	Priority Area	# of Units	Type of Unit	Zero Emission Type	# of Supportive Charging Units
Non-Bay Area	LDV-21-0383	ChargePoint, Inc.	Install 322 EV charging stations	\$ 1,165,000	Y	322	Charging Station	Electric	N/A
Non-Bay Area	LDV-21-0385	Blink Network LLC	Install 8 EV charging stations	\$ 42,924	Y	8	Charging Station	Electric	N/A
Non-Bay Area	LDV-21-0393	ABM Electrical Power Services, LLC	Install 2 EV charging stations	\$ 165,818	Y	2	Charging Station	Electric	N/A
Non-Bay Area	VWFM-21-0162	San Diego Unified Port District	Install 1 new shore power system	\$ 2,500,000	Y	1	Berth	Electric	N/A
Non-Bay Area	VWFM-21-0182	Oxnard Harbor District	Install 2 new shore power systems	\$ 5,000,000	Y	2	Berth	Electric	N/A
Non-Bay Area	VWFM-21-0222	United Airlines	Replace 4 airport ground support equipment units with zero-emission equipment and install EV charging	\$ 178,100	N	4	Airport Ground Support Eq	Electric	2
Non-Bay Area	VWFM-21-0402	Brutocao Vineyards, Inc.	Replace 1 Tier-0 heavy-lift forklift with 1 new zero-emission heavy-lift forklift	\$ 140,300	Y	1	Forklift	Electric	1
Non-Bay Area	VWFM-21-0403	Amazing Coachella, Inc.	Replace 1 uncontrolled LPG heavy-lift forklift with 1 zero-emission electric heavy-lift forklift	\$ 120,000	Y	1	Forklift	Electric	1
Non-Bay Area	VWFM-21-0434	J.E.M. Equipment Manufacturing LLC	Replace 1 LPG Uncontrolled heavy-lift forklift with 1 zero-emission electric forklift	\$ 53,000	Y	1	Forklift	Electric	1
Non-Bay Area	VWFM-21-0447	Yuba River Moulding and Millwork Inc.	Replace 1 LPG heavy-lift forklift and 1 Tier-1 forklift with new zero-emission ones	\$ 279,000	N	2	Forklift	Electric	2
Non-Bay Area	VWFM-22-0526	Hornblower Cruises and EEvents Inc	Replacing a gasoline engine on a ferry with a new zero-emission electric engine	\$ 44,500	N	1	Engine	Electric	N/A
San Francisco	22MOY160	Baydelta Navigation LTD	Replace 4 Tier-2 engines with Tier-3 and Tier-4 engines in a tug boat	\$ 529,350	Y	N/A	Engine	N/A	N/A
San Francisco	22MOY196	A.C. Fishing Charters, Inc.	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 64,000	Y	N/A	Engine	N/A	N/A
San Francisco	22MOY215	Reel Screamer Charters LLC	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 13,090	N	N/A	Engine	N/A	N/A
San Francisco	22MOY217	Happy Hooker Sportfishing, LLC	Replace 2 Tier-0 engines with Tier-3 engines in a charter fishing vessel	\$ 152,000	Y	N/A	Engine	N/A	N/A
San Francisco	22MOY224	Duane Winter	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 39,900	N	N/A	Engine	N/A	N/A

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County Location	Project Number	Grantee Name	Project Description	Award Amount	Priority Area	# of Units	Type of Unit	Zero Emission Type	# of Supportive Charging Units
San Francisco	22MOY228	Wooden Boats for Veterans Foundation	Replace 1 Tier-0 engine with Tier-3 engine in a work boat	\$ 17,060	Y	N/A	Engine	N/A	N/A
San Francisco	22MOY241	C-Gull II Sportfishing Inc.	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 64,500	Y	N/A	Engine	N/A	N/A
San Francisco	22MOY245	C-Gull II Sportfishing Inc.	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 75,350	Y	N/A	Engine	N/A	N/A
San Francisco	22MOY281	California Dawn Sportfishing Inc.	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 55,620	Y	N/A	Engine	N/A	N/A
San Francisco	22MOY286	John J. Atkinson Jr.	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 57,150	Y	N/A	Engine	N/A	N/A
San Francisco	22MOY288	New Easy Rider Sportfishing LLC.	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 91,200	Y	N/A	Engine	N/A	N/A
San Francisco	22MOY293	Golden Gate Bridge, Highway & Transportation District	Replace 4 Tier-3 engines with Tier-4 engines in 2 ferries (2 each)	\$ 705,000	Y	N/A	Engine	N/A	N/A
San Francisco	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with zero-emission electric vehicle	\$ 91,000	Y	10	Car	Electric	N/A
San Francisco	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with zero-emission hydrogen fuel cell vehicle	\$ 9,500	Y	1	Car	Hydrogen	N/A
San Francisco	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with public transit card or e-bike	\$ 30,500	Y	4	Car	N/A	N/A
San Francisco	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with hybrid vehicle	\$ 80,000	Y	12	Car	Hybrid	N/A
San Francisco	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with plug-in hybrid vehicle	\$ 34,000	Y	4	Car	Plug-In Hybrid	N/A
San Francisco	County Program Manager	N/A	Projects administered by County Transportation Agencies that reduce on-road motor vehicle emissions by conducting trip-reduction strategies	\$ 734,039	N	N/A	Trip Reduction	N/A	N/A
San Francisco	Vehicle Buy Back	Residents	Vehicle Buy-Back Program paid 130 owners \$1,200 per vehicle to early retire (scrap) 1998 and older model vehicles	\$ 156,000	Y	130	Car	N/A	N/A

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County Location	Project Number	Grantee Name	Project Description	Award Amount	Priority Area	# of Units	Type of Unit	Zero Emission Type	# of Supportive Charging Units
San Mateo	22MOY204	San Mateo Lumber Company, Inc.	Replace 2 gasoline-powered construction forklifts to 2 electric forklifts and install charging stations	\$ 219,674	Y	2	Forklift	Electric	2
San Mateo	22MOY215	Reel Screamer Charters LLC	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 164,560	N	N/A	Engine	N/A	N/A
San Mateo	22MOY224	Duane Winter	Replace 2 Tier-2 engines with Tier-3 engines in a charter fishing vessel	\$ 93,100	N	N/A	Engine	N/A	N/A
San Mateo	22MOY229	Boething Treeland Farms inc.	Replace 1 Tier-0 with 1 Tier-4 tree grinder and wood processor	\$ 43,900	N	1	Agricultural Eq	N/A	N/A
San Mateo	22MOY264	Lost Fae LLC	Replace 1 Tier-0 with 1 Tier-4 tractor with loader and backhoe attachment	\$ 51,700	Y	1	Agricultural Eq	N/A	N/A
San Mateo	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with zero-emission electric vehicle	\$ 110,000	Y	13	Car	Electric	N/A
San Mateo	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with zero-emission hydrogen fuel cell vehicle	\$ 9,500	Y	1	Car	Hydrogen	N/A
San Mateo	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with public transit card or e-bike	\$ 30,000	Y	4	Car	N/A	N/A
San Mateo	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with hybrid vehicle	\$ 33,000	Y	5	Car	Hybrid	N/A
San Mateo	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with plug-in hybrid vehicle	\$ 52,500	Y	7	Car	Plug-In Hybrid	N/A
San Mateo	County Program Manager	N/A	Projects administered by County Transportation Agencies that reduce on-road motor vehicle emissions by conducting trip-reduction strategies	\$ 1,171,000	N	N/A	Trip Reduction	N/A	N/A
San Mateo	Vehicle Buy Back	Residents	Vehicle Buy-Back Program paid 151 owners \$1,200 per vehicle to early retire (scrap) 1998 and older model vehicles	\$ 181,200	Y	151	Car	N/A	N/A
Santa Clara	2202-27968	Blink Network LLC	Install 16 dual-port Level-2 (high) chargers at 2 MUD, 1 workplace, and 1 destination facilities in Morgan Hill and San Jose	\$ 112,000	Y	16	Charging Station	Electric	N/A
Santa Clara	22MOY309	San Felipe Farms LP	Replace ten diesel Tier-0 engine tractors with ten Tier-4 engine tractors	\$ 1,050,300	Y	10	Agricultural Eq	N/A	N/A

List of Projects Awarded in 2022

County Location	Project Number	Grantee Name	Project Description	Award Amount	Priority Area	# of Units	Type of Unit	Zero Emission Type	# of Supportive Charging Units
Santa Clara	22MOY63	B & T Farms	Replace 1 Tier-3 with 1 Tier-4 tractor	\$ 286,800	Y	1	Agricultural Eq	N/A	N/A
Santa Clara	22SBP203	Oak Grove School District	Replace 9 diesel school buses with 9 electric ones and install 9 EV chargers	\$ 3,380,853	Y	9	School Bus	Electric	9
Santa Clara	22SBP216	Campbell Union High School District	Replace 3 diesel school buses with 3 electric ones and install 3 EV chargers	\$ 1,510,616	Y	3	School Bus	Electric	3
Santa Clara	Clean Cars for All	Residents	Scrap light-duty vehicle and provide home charging station or portable charger	\$ 8,285	Y	8	Charging Station	Electric	N/A
Santa Clara	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with zero-emission electric vehicle	\$ 773,000	Y	86	Car	Electric	N/A
Santa Clara	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with zero-emission hydrogen fuel cell vehicle	\$ 66,000	Y	8	Car	Hydrogen	N/A
Santa Clara	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with public transit card or e-bike	\$ 60,000	Y	8	Car	N/A	N/A
Santa Clara	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with hybrid vehicle	\$ 669,000	Y	99	Car	Hybrid	N/A
Santa Clara	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with plug-in hybrid vehicle	\$ 621,000	Y	70	Car	Plug-In Hybrid	N/A
Santa Clara	County Program Manager	N/A	Projects administered by County Transportation Agencies that reduce on-road motor vehicle emissions by conducting trip-reduction strategies	\$ 2,741,045	N	N/A	Trip Reduction	N/A	N/A
Santa Clara	LDV-21-0135	RenewAge Energy Solutions	Install 2 EV charging stations	\$ 50,000	Y	2	Charging Station	Electric	N/A
Santa Clara	Vehicle Buy Back	Residents	Vehicle Buy-Back Program paid 275 owners \$1,200 per vehicle to early retire (scrap) 1998 and older model vehicles	\$ 330,000	Y	275	Car	N/A	N/A
Solano	2112-26426	EV Charging Solutions, Inc	Install 10 single-port Level-2 (high) and 10 dual-port direct-current fast charger (DCFC) at 1 MUD facility in Suisun City	\$ 320,000	N	20	Charging Station	Electric	N/A
Solano	22GM0005	Chavez Transport	Replace 16 diesel trucks with 16 CNG trucks	\$ 1,600,000	N	16	Truck	N/A	N/A
Solano	22MOY160	Baydelta Navigation LTD	Replace 4 Tier-2 engines with Tier-3 and Tier-4 engines in a tug boat	\$ 882,250	Y	N/A	Engine	N/A	N/A

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County Location	Project Number	Grantee Name	Project Description	Award Amount	Priority Area	# of Units	Type of Unit	Zero Emission Type	# of Supportive Charging Units
Solano	22MOY227	German Vineyards LLC	Replace 1 Tier-1 tractor with a Tier-4 tractor and replace 1 Tier-0 tractor with a Tier-4 tractor	\$ 104,400	N	2	Agricultural Eq	N/A	N/A
Solano	22MOY228	Wooden Boats for Veterans Foundation	Replace 1 Tier-0 engine with Tier-3 engine in a work boat	\$ 34,120	Y	N/A	Engine	N/A	N/A
Solano	22MOY253	Alan Willey	Replace 1 Tier-0 loader/backhoe with 1 Tier-4 loader/backhoe	\$ 60,800	N	1	Agricultural Eq	N/A	N/A
Solano	22MOY259	Morrison Ranch	Replace 1 Tier-1 with 1 Tier-4 tractor	\$ 70,200	N	1	Agricultural Eq	N/A	N/A
Solano	22MOY261	Bay Marine Services, LLC	Replace 2 Tier-0 engines with Tier-3 engines on a work boat	\$ 112,000	Y	N/A	Engine	N/A	N/A
Solano	22MOY312	Larry's Produce LLC	Replace 3 Tier-0 with 3 Tier-4 tractor	\$ 219,500	N	3	Agricultural Eq	N/A	N/A
Solano	23MOY5	German Vineyards LLC	Replace 1 Tier-1 with one Tier-4 tractor/crawler	\$ 60,500	N	1	Agricultural Eq	N/A	N/A
Solano	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with zero-emission electric vehicle	\$ 17,000	Y	2	Car	Electric	N/A
Solano	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with hybrid vehicle	\$ 47,000	Y	7	Car	Hybrid	N/A
Solano	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with plug-in hybrid vehicle	\$ 41,500	Y	5	Car	Plug-In Hybrid	N/A
Solano	County Program Manager	N/A	Projects administered by County Transportation Agencies that reduce on-road motor vehicle emissions by installing charging stations	\$ 142,511	N	15	Charging Station	Electric	N/A
Solano	County Program Manager	N/A	Projects administered by County Transportation Agencies that reduce on-road motor vehicle emissions by conducting trip-reduction strategies	\$ 175,000	N	N/A	Trip Reduction	N/A	N/A
Solano	LDV-21-0127	EV Charging Solutions, Inc.	Install 58 EV charging stations	\$ 406,000	Y	58	Charging Station	Electric	N/A
Solano	LDV-21-0362	Clean Fuel Connection, Inc.	Install 6 EV charging stations	\$ 42,000	Y	6	Charging Station	Electric	N/A
Solano	LDV-21-0383	ChargePoint, Inc.	Install 27 EV charging stations	\$ 67,500	Y	27	Charging Station	Electric	N/A

List of Projects Awarded in 2022

County Location	Project Number	Grantee Name	Project Description	Award Amount	Priority Area	# of Units	Type of Unit	Zero Emission Type	# of Supportive Charging Units
Solano	Vehicle Buy Back	Residents	Vehicle Buy-Back Program paid 48 owners \$1,200 per vehicle to early retire (scrap) 1998 and older model vehicles	\$ 57,600	Y	48	Car	N/A	N/A
Sonoma	22MOY220	Atlas Vineyard Management, LLC	Replace 2 Tier-1 tractors with 2 Tier-4 tractors, and 1 Tier-2 tractor with 1 Tier-4 tractor/crawler	\$ 80,150	N	N/A	Agricultural Eq	N/A	N/A
Sonoma	22MOY226	Sonoma-Cutrer Vineyards, Inc.	Replace 2 Tier-2 tractors with 2 Tier-4 tractors	\$ 108,400	N	2	Agricultural Eq	N/A	N/A
Sonoma	22MOY235	Cornerstone Certified Vineyard	Replace 1 Tier-2 engine with a Tier-4 engine tractor	\$ 50,300	N	1	Agricultural Eq	N/A	N/A
Sonoma	22MOY250	George Bianchi INC	Replace 1 Tier-0 skid steer loader with a Tier-4 skid steer loader, 1 Tier-0 excavator with a Tier-4 excavator, and 1 Tier-0 loader with a Tier-4 loader	\$ 447,500	N	3	Agricultural Eq	N/A	N/A
Sonoma	22MOY258	Foley Family Farms, LLC	Replace 2 Tier-0 tractors with 2 Tier-4 tractors	\$ 119,400	N	2	Agricultural Eq	N/A	N/A
Sonoma	22MOY263	Balletto Ranch, Inc.	Replace 1 Tier-0 with 1 Tier-4 tractor and replace 1 Tier-1 with 1 Tier-4 tractor	\$ 129,900	N	2	Agricultural Eq	N/A	N/A
Sonoma	22MOY266	Complete Equipment, Inc.	Replace 1 Tier-0 with 1 Tier-4 skip loader	\$ 90,600	N	1	Agricultural Eq	N/A	N/A
Sonoma	22MOY270	Dirt Farmer & Company, A California Corporation	Replace 1 Tier-2 to 1 Tier-4 tractor, and 1 Tier-3 to 1 Tier-4 tractor/crawler	\$ 90,400	N	2	Agricultural Eq	N/A	N/A
Sonoma	22MOY271	Pinheiro dairy	Replace 1 Tier-0 with 1 Tier-4 tractor	\$ 67,100	Y	1	Agricultural Eq	N/A	N/A
Sonoma	22MOY311	Jay A Clay	Replace 1 Tier-0 dozer with 1 Tier-4 dozer	\$ 153,100	Y	1	Agricultural Eq	N/A	N/A
Sonoma	22MOY358	Land Revision	Replace 1 Tier-0 with 1 Tier-4 tractor/loader	\$ 42,300	N	1	Agricultural Eq	N/A	N/A
Sonoma	22SBP177	West County Transportation Agency	Replace 7 CNG school buses with 7 low-NOx CNG	\$ 1,540,000	Y	7	School Bus	N/A	N/A
Sonoma	23MOY23	Martinelli Vineyard Management, Inc.	Replace 1 Tier-0 with 1 Tier-4 tractor/loader	\$ 38,200	N	1	Agricultural Eq	N/A	N/A
Sonoma	23MOY6	Ortiz Family Farm	Replace 1 Tier-0 with 1 Tier-4 tractor	\$ 72,200	Y	1	Agricultural Eq	N/A	N/A
Sonoma	Clean Cars for All	Residents	Scrap light-duty vehicle and replace with plug-in hybrid vehicle	\$ 19,000	Y	2	Car	Plug-In Hybrid	N/A

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Sonoma	County Program Manager	N/A	Projects administered by County Transportation Agencies that reduce on-road motor vehicle emissions by replacing combustion vehicles with zero-emission electric vehicles	\$ 332,801	N	2	Bus	Electric	N/A
Sonoma	County Program Manager	N/A	Projects administered by County Transportation Agencies that reduce on-road motor vehicle emissions by conducting trip-reduction strategies	\$ 190,953	N	N/A	Trip Reduction	N/A	N/A
Sonoma	Vehicle Buy Back	Residents	Vehicle Buy-Back Program paid 75 owners \$1,200 per vehicle to early retire (scrap) 1998 and older model vehicles	\$ 90,000	Y	75	Car	N/A	N/A

1. "County Location" refers to the county in which the project is operated or domiciled. If the project operates in more than one county in the Bay Area, it is categorized as "Multiple." Projects awarded through the VW NOx Mitigation Trust program or the Goods Movement Program, and operated outside of the Bay Area counties, are categorized as "Non-Bay Area."
2. "Priority Area" identifies whether projects provide emissions reduction benefits to disadvantaged and low-income communities identified using California Climate Investments Priority Populations 2022 CES 4.0 at <https://webmaps.arb.ca.gov/PriorityPopulations/>, Air District designated Community Air Risk Evaluation (CARE) areas identified using the map at <https://www.baaqmd.gov/CARE>, and low-income residents whose income falls within one of the specified income brackets of the Air District's Clean Cars for All program at <https://www.baaqmd.gov/funding-and-incentives/residents/clean-cars-for-all>.
3. "# of Units" represents the number of vehicles, engines, or pieces of equipment, or publicly accessible charging stations. Supportive infrastructure is not included in this count.
4. "Zero Emission Type" indicates the technology used by the new vehicle/equipment or charging infrastructure to achieve zero emissions.
5. "# of Supportive Charging Units" represents the number of charging stations installed to support the new zero-emission vehicle/equipment.

Attachment 2: Summary of the Lifecycle of Mobile Source Grant Programs

Typical workflow and timeline following the acceptance of a new cycle or source of funding.

Phase	Duration	Description
Program Development	Typically, between 6 months to 2 years	<ul style="list-style-type: none"> As needed, staff negotiate and finalize a contract and/or scope of work with the funding source representatives. Develop solicitation and program materials: policies & procedures, administrative operating procedures, contract templates, guidance documents, materials for website, webinars, and outreach. Develop new or update existing grants management system that will be used to accept applications and track data that will be compiled throughout the life of the funded projects and program. Launch solicitation, accept applications, conduct outreach, aid applicants, evaluate applications, prepare recommendations for award, conduct inspections, contract with approved applicants, and submit reports to funding source administrators.
Implementation	Typically, between 1-4 years	<ul style="list-style-type: none"> Depending on the number of pieces of equipment and complexity of the project, project sponsors typically take between 1-4 years to complete the work that is required to get to the operational phase of their project. During this phase staff may conduct additional inspections to ensure both old and new equipment complies with requirements, communicate with grantees regarding project status and requests for project modifications, review progress and monitoring reports, prepare amendments if there are changes in project scope, and process reimbursement requests for eligible costs. At the completion of this phase, projects are “placed into service” and begin operations that will continue throughout the contracted life (and beyond). Staff participate in internal and external audits that may be conducted at any point throughout a project’s life and for at least five years after.
Operations	Typically, 3-10 years	<ul style="list-style-type: none"> Funded equipment must operate for its contracted life to achieve the emissions reductions and usage that was included in the funding agreement. Project sponsors submit annual usage and progress reports that are reviewed by staff who may need to prepare amendments whenever requested changes can be allowed (e.g., extensions or changes in ownership) and/or conduct enforcement action on projects that fail to meet contractual requirements. Many projects are audited during this phase.
Records Retention	7 or 35 years	After a project has completed its operational requirements and the contract term has ended, maintain the project file for at least seven additional years, and participate in audits as required. The Prop 1B Goods Movement program requires project files to be retained for 35 years.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John J. Bauters and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: May 3, 2023

Re: Report of the Community Equity, Health and Justice Committee Meeting of April 19,
2023

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

None.

DISCUSSION

The Community Equity, Health & Justice Committee met on Wednesday, April 19, 2023, and approved the minutes of March 29, 2023.

The Committee then received the presentation *Overview of the March 16th Community Advisory Council Meeting*, capturing a summary of the March 16, 2023 Community Advisory Council meeting.

The next meeting of the Community Equity, Health & Justice Committee will be Wednesday, May 17, 2023, at 1:00 p.m., at 375 Beale Street, San Francisco, CA, 94105. The meeting will also be webcast for members of the public. This concludes the Chair Report of the Community Equity, Health & Justice Committee.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

ATTACHMENTS:

1. Community Equity, Health and Justice Committee Meeting Memorandums of April 19, 2023

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Davina Hurt and Members
of the Community Equity, Health and Justice Committee

From: Philip M. Fine
Executive Officer/APCO

Date: April 19, 2023

Re: Community Advisory Council, March 16, 2023 Meeting Update

RECOMMENDED ACTION

None; presentation only.

BACKGROUND

On November 4, 2021, the Community Equity, Health, and Justice Committee (CEHJ) selected and recommended establishing the Community Advisory Council (CAC) to the Air District Board of Directors. On November 17, 2021 the Air District Board of Directors approved the formation of the CAC. The CAC has 17 members representing different environmental justice communities throughout the Bay Area.

This is an informational item for the CAC Co-Chairs to present a summary of the March 16, 2023 CAC meeting.

DISCUSSION

The CAC Co-Chairs, Latasha Washington, Kevin Jefferson, and Ms. Margaret Gordon, will present a summary of the key agenda items covered during the last CAC meeting held in-person at the Air District headquarters in San Francisco on March 16, 2023.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Amy Smith
Reviewed by: Suma Peesapati

ATTACHMENTS:

None

COMMUNITY EQUITY, HEALTH
AND JUSTICE COMMITTEE
MEETING OF 04/19/2023

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson John J. Bauters and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: May 3, 2023

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

RECOMMENDED ACTION

Receive testimony.

BACKGROUND

Staff develops recommended amendments to the Air District's fee regulation as part of the budget preparation process. On December 7, 2022, the Board of Directors adopted an updated Cost Recovery and Containment Policy for fee-based activity that established a goal of increasing fee revenue sufficient to achieve 100 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.

DISCUSSION

Draft amendments to specific fee schedules were made using our authority to better recover costs as allowed by the California Health and Safety Code.

Consistent with the Cost Recovery and Containment Policy, draft amendments to specific fee schedules were made in consideration of the 2021 Cost Recovery and Containment Study, the 2022 Cost Recovery Report and Board direction. This work, conducted at the fee schedule-level, recommends:

- Schedule M and schedules with a cost recovery rate of at least 100 percent but less than 110 percent be increased by the Consumer Price Index for Bay Area Urban Wage Earners and Clerical Workers (CPI-W) for the most recent year, which is 6.3 percent.
- Schedules with a cost recovery rate less than 100 percent be increased by 15%.

Schedule	Description	Proposed Increase
Schedule A	Hearing Board Fees	15% increase
Schedule B	Combustion of Fuels	15% increase
Schedule E	Solvent Evaporating Sources	15% increase
Schedule F	Miscellaneous Sources	15% increase
Schedule G1	Miscellaneous Sources	15% increase
Schedule G2	Miscellaneous Sources	15% increase
Schedule G3	Miscellaneous Sources	15% increase
Schedule G4	Miscellaneous Sources	15% increase
Schedule G5	Miscellaneous Sources	15% increase
Schedule I	Dry Cleaners (not registered)	6.3% increase
Schedule H	Semiconductor and Related Operations	15% increase
Schedule K	Solid Waste Disposal Sites	15% increase
Schedule M	Major Stationary Source Fees	6.3% increase
Schedule N	Toxic Inventory Fees	6.3% increase
Schedule P	Major Facility Review Fees	6.3% increase
Schedule S	Naturally Occurring Asbestos (NOA) Operations	15% increase
Schedule T	Greenhouse Gas Fees	15% increase
Schedule V	Open Burning	15% increase
Schedule W	Petroleum Refining Emissions Tracking Fees	15% increase

Fees that are administrative in nature would be increased by the CPI-W (6.3%).

In addition, the following key amendments are proposed:

- Clarify how the first toxic air contaminant source is defined for calculating the Risk Assessment Fee when more than one fee schedule is impacted.
- Add new fees for additional emission reduction credit transaction types in Section 3-311.
- Add a new fee for renewing an Authority to Construct.
- Add a new fee for evaluating petitions, plans, and reports with no current specified fee.
- Add metal shredding operations to Schedule G-2 or G-3 from Schedule F, depending on capacity.
- Delete Schedule U: Indirect Source Review Fee.
- Provide general changes to clarify, clean up, and correct language.

Staff will provide additional details regarding the draft fee amendments, overall cost recovery and the proposed increases for the upcoming fiscal year. A summary of public comments received to date, including those received from the February 16, 2023 public workshop, will be provided.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Comparing estimated revenue from Fiscal Year Ending 2023, the proposed fee amendments would increase fee schedule revenue in Fiscal Year Ending 2024 by an estimated \$5.3 million from fee schedule revenue that would otherwise result without the amendments.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Fred Tanaka
Reviewed by: Pamela J. Leong and Veronica Eady

ATTACHMENTS:

1. Cost Recovery and Containment Study Report April 2022 Final - Matrix Consulting
2. Cost Recovery Report 2023 Final - BAAQMD
3. DRAFT FYE 2024 Proposed RG0300 - Redline Version
4. DRAFT FYE 2024 Proposed RG0300

Cost Recovery and Containment Study

BAY AREA AIR QUALITY MANAGEMENT DISTRICT,
CALIFORNIA

FINAL REPORT

April 2022



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1 Introduction and Executive Summary

The Bay Area Air Quality Management District (Air District) retained the Matrix Consulting Group to conduct an update to its Cost Recovery and Containment study. The following **draft** report provides the results of this analysis.

1 Background:

The Air District provides a variety of fee and non-fee related services to the entire Bay Area including Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, and parts of Solano and Sonoma Counties. The fee-related services include issuing and maintaining permits, verifying and enforcing applicable requirements, maintain the point-source emissions inventory, and developing and updating regulations that apply to sources and facilities ensuring applicability and compliance to all federal, state and local regulations. Non-fee related services (45% of total Air District expenses) include but are not limited to community and ambient monitoring, mobile source emissions, community education, and other grant-funded and grant-related activities.

Per best management practices, the Air District conducts an external audit of its cost recovery figures approximately every five years. The Air District began this practice in 2005, conducting follow-up studies in 2011 and 2018; and through this study in 2021, has continued this practice. The focus of this analysis is to review the Air District's current indirect costs as well as fee-related cost recovery by fee schedule. Additionally, the project team also looked at any cost containment practices and the New Production System in use by the Air District. A key goal of this analysis is to determine methods to obtain 100% cost recovery as well as providing greater transparency regarding the Air District's methodology for calculating cost recovery associated with fee-based activities and schedules.

2 Project Approach:

The project team took a comprehensive approach to conducting the cost recovery and containment study. The following points outline our key project approach and methodology to conducting the cost recovery and containment study.

- **Staff Interviews:** The project team conducted interviews with key Air District staff to obtain an understanding of the services provided, the layers of complexity associated with fee regulations, cost containment strategies, and new production system.

- **Data Collection:** Fiscal Year Ending 2021 (FYE21) expenditures, revenue, and time tracking information for the indirect cost allocation plan and fee development was collected.
- **Stakeholder Input:** The project team conducted a focus group meeting and met with representatives from the regulated industry and community stakeholders to obtain an understanding of the key issues and concerns regarding cost recovery and cost containment.
- **Indirect Program Review:** Based upon time tracking information as well as discussions with Air District staff, programs were reviewed to ensure that all indirect-related programs were being allocated through the Air District's indirect cost allocation process.
- **Cost Recovery Industry Standards Review:** Conducted review of existing methodology for calculating indirect and direct costs to ensure that they met industry standards.
- **Fee Schedule Cost Recovery Calculation:** Indirect costs along with direct costs for each fee schedule were calculated and compared against the revenue calculated to establish the Air District's current cost recovery levels.
- **Analysis and Recommendations:** Based upon the analysis conducted, a detailed listing of recommendations providing opportunities for improvement for cost recovery and containment were developed.

The results of this study are provided in the attached report. The report reviews existing practices as well as provides recommendations on improvements to allow the Air District to more transparently represent its fee schedule cost recovery calculations.

3 Cost Recovery Methodology:

It is important to note that the results of the cost recovery and containment study are based upon a snapshot in time. The focus of this analysis was FYE21, along with utilizing the three-year historical average of the Air District's cost calculations. The Air District's cost recovery model is primarily based upon the Air District's time tracking information. Staff are required to code time spent to specific billcodes which correlate to specific activities being performed, as well as program codes which relate to the overall functional area associated with an activity. Staff time assigned to billcodes within a program is then translated into the different fee schedules.

Once the time tracking information is complete, every quarter this information is vetted by managers and the executive team to ensure that there is no inaccurate or incorrect

coding of time data. Once verified, time tracking data is converted into salary information based upon the hourly rate associated with each employee. Thereby attributing salary cost to each of the fee schedules, as well as other types of non-fee related activities. The salary costs are then utilized to proportionally determine the direct and indirect costs associated with each fee schedule. The following points discuss the different types of direct costs:

- **Personnel:** This represents the costs associated with salaries, fringe benefits, and overtime.
- **Services and Supplies:** This represents the costs associated with services and supplies associated with performing activities.
- **Capital:** This represents any capital costs associated with an activity.
- **Grant Costs:** Any grant-related costs were removed and excluded as those should not be included in the fee-related activities.

These cost components reflect the direct costs that are associated fee and non-fee related activities. In addition to direct costs, the Air District also accounts for three types of indirect costs:

- **Districtwide Indirect:** These represent costs associated with Finance, Human Resources, Air District Board, and other types of general district support activities that support all fee and non-fee related activities.
- **Program Support:** This represents costs associated with internal programmatic support. This can be in relation to staff meetings, supervisory support, and general work done in relation to furthering the goals and objectives of a particular program.
- **Permit Support:** This represents the costs associated with general permit-related activities. This can relate to activities such as: processing permits, scheduling inspections, or working on the permitting system (new production system).

These three layers of indirect costs are added on top of the direct costs to calculate the Air District's total fee-related expenditures. These total costs are therefore inclusive of all direct and indirect costs incurred by the Air District as it relates to serving as the local regulatory agency for federal, state and local regulations.

4 Cost Recovery Results:

While the Air District calculates fee cost recovery annually, its overall fee schedule updates occur based upon a three-year average. The Air District utilizes a three-year average due to ebbs and flows in regulations and the activities performed by Air District staff and facility output / activity. Using the past three years' of information allows the Air District to smooth out any anomalies that may have occurred due to changes in regulations or other external impacts. The cost recovery calculated in this report incorporates results from FYE19, FYE20, and FYE21. The following table shows the three-year average of revenues, expenditures, surplus / (deficit), and cost recovery percentage by fee schedule.

Fee Sch.	Description	Revenue	Expenditures	Surplus / (Deficit)	Cost Recovery %
A	Hearing Board	\$33,013	\$115,696	(\$82,683)	29%
B	Combustion of Fuel	\$9,722,362	\$10,245,707	(\$523,345)	95%
C	Storage Organic Liquid	\$2,726,315	\$1,190,334	\$1,535,981	229%
D	Gasoline Dispensing	\$6,954,982	\$6,106,341	\$848,641	114%
E	Solvent Evaporation	\$3,647,157	\$4,120,828	(\$473,672)	89%
F	Miscellaneous	\$2,713,477	\$4,160,552	(\$1,447,075)	65%
G1	Miscellaneous	\$3,249,853	\$6,164,857	(\$2,915,004)	53%
G2	Miscellaneous	\$1,035,041	\$1,963,333	(\$928,292)	53%
G3	Miscellaneous	\$779,590	\$1,191,572	(\$411,982)	65%
G4	Miscellaneous	\$2,292,638	\$3,312,824	(\$1,020,186)	69%
G5	Miscellaneous	\$777,610	\$599,638	\$177,972	130%
H	Semiconductor	\$209,570	\$297,905	(\$88,335)	70%
I	Drycleaners	\$3,920	\$22,891	(\$18,971)	17%
K	Waste Disposal	\$312,981	\$3,487,144	(\$3,174,163)	9%
L	Asbestos	\$4,443,249	\$2,551,697	\$1,891,551	174%
N	Toxic Inventory (AB2588)	\$996,846	\$1,406,054	(\$409,208)	71%
P	Major Facility Review (Title V)	\$5,974,575	\$5,743,094	\$231,481	104%
R	Registration	\$344,534	\$153,606	\$190,928	224%
S	Naturally Occurring Asbestos	\$100,977	\$635,206	(\$534,229)	16%
T	Greenhouse Gas	\$2,997,067	\$3,726,742	(\$729,675)	80%
V	Open Burning	\$208,916	\$742,811	(\$533,896)	28%
W	Refinery Emissions Tracking	\$148,333	\$1,221,410	(\$1,073,077)	12%
TOTAL		\$49,673,006	\$59,160,243	(\$9,487,237)	84%

Overall, the Air District is under-recovering by approximately \$9.5 million as it relates to its fee-related activities. The largest source of deficit for the Air District is Schedule K (waste disposal) at \$3.2 million followed by Schedule G1 (miscellaneous) at \$2.9 million. The largest source of surplus for the Air District is Schedule L (Asbestos) at \$1.9 million. The \$9.5 million deficit represents a cost recovery level of 84%. The cost recovery chapter of this report provides more detailed information regarding recommendations for cost recovery.

5 Cost Recovery Scenarios:

One of the goal's of this analysis was to review options and scenarios to help the Air District achieve full cost (100%) cost recovery for its fee-regulated activities. The project team worked with Air District staff to develop several cost recovery scenarios for the Board to consider for adoption. The following table summarizes the key components of each scenario:

#	Scenario Description
1	<ul style="list-style-type: none"> • Less than 95% = 15% Increase • 95-110% = 5% (CPI-W) Increase • 110%+ = 0% Increase
2	<ul style="list-style-type: none"> • Less than 100% = 15% Increase • 100%+ = 5% (CPI-W) Increase
3	<ul style="list-style-type: none"> • Less than 85% = 15% Increase • 85%+ = 5% (CPI-W) Increase
4	<ul style="list-style-type: none"> • 15% Increase to All Fee Schedules

The following table summarizes by scenario, the projected revenue increase (year 1), the fee-related cost recovery (year 1), and the number of years necessary to achieve full cost recovery:

#	Projected Revenue Increase (Yr1)	Fee-Related Cost Recovery (Yr1)	# of Years to Full Cost Recovery
1	\$4,566,490	87%	10+
2	\$5,328,825	89%	5
3	\$3,991,873	86%	10+
4	\$7,450,951	92%	2

Scenarios 2 and 4 are the only scenarios that allow the Air District to achieve full cost recovery in less than 10 years. Scenario 4 allows it to in 2 years, but it requires increasing fee schedules greater than 100% by 15%, as long as the overall revenue doesn't exceed expenditures. However, Scenario 2 takes a more nuanced approach, and only those fee schedules that are less than 100% cost recovery are increased by 15%, whereas fee schedules greater than 100%, only increase by the cost of living or inflation increases. It is recommended that the Air District board consider adopting Scenario 2 to help bridge the gap and increase revenue by approximately \$5.3 million.

It is important to note that these cost recovery scenarios are based on three key assumptions: 1. No staffing or resource changes, 2. No workload or throughput changes, and 3. No addressing of current workload backlog. If any of those items change

significantly, there would need to be a reassessment of how long it would take the Air District to achieve 100% cost recovery.

6 Summary of Recommendations:

Overall, the Air District is following industry standards in ensuring that the costs associated with its fee schedules incorporate all appropriate direct and indirect costs. After conducting a thorough review of BAAQMD's cost recovery calculations and practices, the project team has developed a series of detailed recommendations. The recommendations have been numbered in order of how they appear in the report rather than based upon importance. The following table shows by recommendation number, the recommendation, the priority, and the timeframe for implementation.

#	Description	Priority	Timeframe
1	<p>The Air District should update its allocation methodology for five (5) of its indirect cost programs. These changes in methodology are as follows:</p> <ul style="list-style-type: none"> - <i>Benefits Administration</i>: From # of FTE¹ to Total Benefit Costs² incurred by program due to that being a better reflection of general benefit disbursement. - <i>Board of Directors</i>: From # of FTE to Equal to All³ to ensure that all programs receive support equally from the Board. - <i>Media Relations</i>: From # of FTE to Equal to All to ensure that all programs receive support equally from the Board. - <i>Finance</i>: From # of FTE to Expenditures per Programs⁴ to capture the support associated with managing larger programs and programs that may have budget but no staff. - <i>Information Management Records & Content</i>: From # of FTE to Equal to All (Excl. Legal and HR)⁵ to capture the equal opportunity for all District Programs to utilize the Division in managing the District's records. 	Low	Mid-Term (2-4 years)

These changes will fine-tune the Air District's allocation process and allow it to better capture the indirect support.

¹ FTE = Full-time equivalents and represents the total number of employees.

² This represents all benefit-related expenses such as workers' compensation, medical, dental, vision, etc.

³ Equal to All represents the concept that all District programs and activities are weighted equally regardless of their expenses or staffing resources.

⁴ Expenditures per program represents the total expenses associated with each program.

⁵ This represents the same equal to all as previous, but excludes the programmatic activities associated with HR and Legal, as those documents are managed by that division.

#	Description	Priority	Timeframe
2	A consistent methodology should be developed for allocating time in the field spent on multiple sources. This methodology should be based upon the type of facility being inspected so as to ensure that those with multiple sources are being allocated time consistently.	High	Immediate (3-6 months)
3	The Program Support billcode should be tracked separately from the 01 District Support billcode and a clearer definition for this billcode should be created.	High	Immediate (3-6 months)
4	For transparency purposes, time beyond the 80-hour pay period, spent by managers and exempt employees should be tracked by billcode activity. Only time should be tracked as there are no additional personnel costs incurred by the Air District. This will allow the Air District to more accurately represent its resources needed to provide regulated activities.	Low	Long-Term (3-5 years)
5	To mitigate back-end cost adjustments the Air District should adjust the definitions for Schedule B, G1, G2, and G3 to ensure that staff are able to appropriately code time where it belongs rather than reallocating a portion of the costs to those schedules.	Low	Mid-Term (2-4 years)
6	The Air District should develop a standardized document outlining its methodology for establishing cost recovery by Fee Schedule.	High	Immediate (3-6 months)
7	The Air District should show all three individual years' of cost recovery calculations prior to showing the three-year average to more transparently show the calculations and the trends by fee schedule for cost recovery.	High	Immediate (3-6 months)
8	The Air District should develop a separate document that shows by Fee Schedule, the specific fee line items, the current fee amount (where appropriate), the proposed fee amount, the dollar change, and the percentage change.	High	Immediate (3-6 months)
9	To more transparently demonstrate the Air District's ability to meet Proposition 26 requirements, a clear response should be developed outlining the Air District's fees are "regulatory" and the burden of proof that must be met for fees to be considered defensible.	High	Immediate (3-6 months)
10	The Air District should consider implementing a fee increase of 15% for all fee schedules less than 100%, and a CPI increase to all fee schedules greater than 100% to attempt to achieve cost recovery in 5 years.	High	Immediate (3-6 months)
11	The Air District Board can set a policy for a targeted cost recovery level of 100%, with the understanding that due to current practices of staffing resources and regulations, it will be extremely difficult to achieve 100% cost recovery.	High	Immediate (3-6 months)

#	Description	Priority	Timeframe
12	Once the Air District knows the true staffing resources needs (based upon the Management Audit) and those positions have been filled, the Air District should conduct an in-depth review of its costs and consistency of those to fee schedules and within fee schedules.	Low	Mid-Term (2-4 years)
13	For new or amended regulations, any new staffing resources should be adopted as 1) part of the fee resolution that includes the funding methodology, and be tied to the budget process, so that those staff can be hired to be funded specifically through that fee and 2) Regulation 3 should be amended and adopted concurrently with the initial rule development process.	High	Immediate (3-6 months)
14	The results of the Management Audit should be reviewed, and any staffing resource and process efficiencies should be incorporated into the Air District's overall cost recovery calculation and cost containment strategies.	High	Short-Term (1-2 years)
15	The Air District should continue on its current trajectory of completing full migration of facilities and data to NPS currently targeted by end of year 2024.	High	Mid-Term (2-4 years)
16	Prior to full migration of NPS, in 2025, the Air District should look at developing an in-house customer service resource team for NPS to help ensure a more effective utilization of the system by internal and external customers.	Low	Long-Term (3-5 years)

Overall, the Air District's current methodology for calculating indirect costs and cost recovery is in alignment with industry standards and able to meet the legal requirements of Proposition 26 and the California Health and Safety Code. The primary sources of improvement for the Air District relate to more effectively and transparently communicating cost recovery calculations and determining appropriate staffing resources. Once staffing resources can be appropriately identified, filled, and allocated to work activities, the Air District will be better positioned to clearly outline and identify the full cost associated with regulating sources (mobile and stationary), and come closer to achieving full cost or 100% cost recovery.

2 Cost Allocation Plan

One of the primary objectives of this analysis was to ensure that the Air District's current Cost Allocation methodology was in compliance with industry practices. The primary source of the Air District's indirect costs as it relates to fees is in relation to the indirect cost methodology. This chapter discusses the Air District's current methodology and any proposed modifications. These recommendations have already been incorporated into the Air District's current cost allocation analysis and as such there is no comparison between current and proposed.

1 Cost Allocation Description

The primary objective of a Cost Allocation Plan is to spread costs from central support departments, generally called "Central Service Departments" to those departments, divisions, cost centers, and / or programs that receive services in support of conducting their operations. In doing so, an organization can both better understand its full cost of providing specific services to the community, and also generate organizational awareness regarding indirect (overhead) costs associated with operations.

The Cost Allocation Plan is compiled in accordance with Generally Accepted Accounting Principles and is also based on many of the methods of indirect cost allocation defined by the federal Office of Management and Budget's (OMB) Super Circular (formerly A-87). These principles can be summarized in the following points:

- **Necessary and reasonable:** costs included for allocation should be necessary to the purpose of a department and the services it provides. Expenditures should be in alignment with reasonable costs associated with services, not arbitrarily or intentionally inflated or deflated.
- **Determined by allocation "bases" that relate to the benefit received:** allocation metrics used to allocate costs should have a nexus to the service being provided, and generally reflect associated service levels.

In addition, the circular defines a method for allocating indirect costs called the double-step down allocation method, which utilizes two "steps" or "passes" to fully allocate costs. The double-step down procedure is reflected in this plan and ensures that the benefit of services between Central Service support departments are recognized first, before final allocations to receivers of services are made. For example:

- **First Step:** Central Service Department expenditures are allocated to other central service departments such as Human Resources, Information Technology, etc., as well as to Receiving Departments.
- **Second Step:** Distributes Central Service Department expenses and first step allocations to the Receiving Departments only.

The current and proposed methodology both employ the Double Step-down procedure. The Air District's current methodology is known as the "lattice allocation" methodology. This methodology allows the Air District to capture all indirect costs through a simplified process. The important item to note about this methodology is that it does limit the Air District to only utilizing one metric for allocating costs. However, due to the nature of the Air District's distinct programs, a singular metric is sufficient to ensure that the metric is necessary and relatable to the services being provided.

2 Indirect Cost Programs

The purpose of BAAQMD is to regulate sources (mobile and stationary) within the community to ensure that there is a healthy breathing environment for every resident while also protecting and improving the overall public health climate. This purpose is primarily achieved through many of the fee-regulated and grant-related activities. However, there are several programs at the Air District that primarily exist to provide internal support to ensure that these fee-regulated and grant-related activities can be provided. These programs are considered indirect support programs and their costs are allocated through the Cost Allocation process to both fee and non-fee related schedules.

The Air District utilizes eight (8) unique metrics to allocate indirect costs to fee and non-fee related programs. The following table lists the metric and a description of what it represents:

Allocation Metric	Description
# of Labor Hours per Program	This represents the total labor hours billed by each program in the Air District's timekeeping system. It correlates to the number of staffing resources allocated to each programmatic activity. The more labor hours associated with a program, means more resources are allocated to that program.
Total Benefit Costs per Program	This represents the total benefit-related costs (i.e. medical, dental, vision, etc.) that are associated with each Air District program. The higher the benefit costs, the more time that is spent with that particular program.

Allocation Metric	Description
Equal to All	This metric considers all Air District programs equal. This means regardless of the expenditures or staffing hours associated, all programs are considered equal. This ensures that smaller programs are considered the same as larger programs, with the concept being that all programs are Air District initiatives and as such should be treated equally.
# of Labor Hours per Compliance & Engineering	This represents labor hours associated with Compliance and Enforcement and Engineering division staff as those staff are most directly related to permitted activities.
Estimated Level of Effort per Program	This represents the estimated effort assigned to each Air District program. This is based upon staff experience and the typical projects associated with the different programs.
Expenditures per Program	This represents the total expenses spent by each Air District program. The larger the expenses, the greater the support to that program.
# of Purchase Orders (PO's) per Program	This represents the number of purchase orders issues and processed per program and serves as a proxy for overall purchasing support for the Air District. The more purchase orders are processed, the more support that program receives.
# of Vehicles per Program	This represents the number of vehicles associated with each Air District Program. The greater the number of vehicles, the more overall vehicle maintenance support is received.

Based upon these metrics, the following table shows the program number, program title, a brief description of the indirect program, the recommended allocation methodology, and whether there was any change in the allocation metric.

Prog #	Program Title	Description	Allocation Basis	Change in Methodology
104	Executive Office	This program includes the Executive Officer/APCO, oversees staff, and directs the business of the Air District.	# of Labor Hours	No
106	Payroll	This program is responsible for the Air District's employee payroll and benefits related to payroll.	# of Labor Hours	No
107	Benefits Administration	The Benefit Administration program handles administrative duties related to ensuring employee benefits are paid out.	Total Benefit Costs per Program	Yes

Prog #	Program Title	Description	Allocation Basis	Change in Methodology
109	Organizational Development	This program manages wellness activities and events for employees and provides extensive career development training to retain a top performing and motivated workforce.	# of Labor Hours	No
111	Employee Relations	The Employment Relations program manages employee Equal Employment Opportunity programs and provides staff consultations and support.	# of Labor Hours	No
113	Diversity Equity and Inclusion	This program focuses on developing policies and procedures to allow all different viewpoints to be represented at the Air District in furthering its missions and objectives.	# of Labor Hours	N / A – New Program
114	Recruitment and Testing	This program is responsible for finding and interviewing candidates for vacant positions.	# of Recruitments	No
121	Board of Directors	This program handles administrative duties for Board of Director activities.	Equal to All	Yes
123	Advisory Council	Consisting of 7 members, the Advisory Council is asked to study and make recommendations for changes for specific topics from the Board of Directors or the Air Pollution Control Officer.	# of Labor Hours	No
201	Legal Counsel	This program provides the Air District with legal services such as advising, counseling, preparing and reviewing contracts, and providing legal opinions and advice on rule development and governmental and general law issues.	# of Labor Hours	No
203	Penalties Enforcement & Settlement	This program reaches settlements and pursues penalty enforcement actions to ensure enforcement of the Air District's rule set in place.	# of Labor Hours Compliance & Engineering	No
205	Litigation	The Litigation program represents the Air District when individuals, corporations, or organizations sue the Air District in State or Federal court.	# of Labor Hours	No

Prog #	Program Title	Description	Allocation Basis	Change in Methodology
301	Media Relations	The Media Relations program focuses on outreach to the public about air quality issues, the Air District's programs and purpose, and functions of the agency.	Equal to All	Yes
302	Community Health Protection office	The purpose of this program is to provide community engagement support to various Air District programs and support staff in serving as the liaison between the Air District and the overall community.	Estimated Level of Effort per Program	N / A – New
309	Website Development & Maintenance	This program is responsible for development, support, and maintenance of the Air District's online websites.	# of Labor Hours	No
701	Finance	This program manages the Air District's budget by reviewing all receipts and expenditures, disbursements of Air District funds, and maintenance of Federal and State grant funds.	Expenditures per Program	Yes
702	Facilities	This program represents all day-to-day operational costs for all buildings in the Air District.	# of Labor Hours	No
703	Communications	This program is responsible for the distribution of mail, reproduction, and subscription requests for the Air District.	# of Labor Hours	No
707	Headquarters East (Richmond)	This program is to pay for the Air District's Richmond facility.	# of Labor Hours	N / A - New
708	Purchasing	This program is responsible for the purchase of services, equipment, and supplies as well as property management administration of insurance policies and setting up the removal of extra equipment.	# of Purchase Orders (PO's) per Program	No
709	Headquarters West (Beale St.)	This program is to pay for the Air District's main building lease payments.	# of Labor Hours	No

Prog #	Program Title	Description	Allocation Basis	Change in Methodology
710	Fleet Services	The Vehicle Maintenance program maintains all Air District vehicles by getting the vehicles serviced, handling vehicle financing, and tracking and diagnostics of fuel records.	# of Vehicles per Program	No
712	Information Management Records and Content	This program maintains all official records for the Air District.	Equal to All (Excl. HR & Legal)	Yes
726	IT Engineering & Operations	This program maintains all computer server infrastructure for Air District staff by handling all software, computer networks, office systems, computers and workstations, and database servers.	# of Labor Hours	No

Since the previous analysis was conducted the Air District has added three new support programs – Diversity, Equity, and Inclusion; Headquarters East; and the Community Health Protection office. There are twenty-four (24) indirect programs, and of those programs, there was a methodology change recommended for five (5) programs. The changes proposed in the methodology were recommended to ensure that the program’s support was more accurately reflecting the potential beneficiaries of service. The following table shows for the nine programs, the current methodology, the recommended methodology, and the reasoning for the shift:

Prog #	Program Title	Current Allocation Basis	Recommended Allocation Basis	Reasoning
107	Benefits Administration	# of FTE	Total Benefit Costs per Program	Increased benefits costs associated with a program directly correlate to the level of effort spent by staff administering those benefits.
121	Board of Directors	# of FTE	Equal to All	The Board provides overall support to all District programs and activities, and allocating it equally ensures that all programs which have the potential to benefit from Board oversight receive the support.

Prog #	Program Title	Current Allocation Basis	Recommended Allocation Basis	Reasoning
301	Media Relations	# of FTE	Equal to All	All programs have the potential to equally benefit from media support. There is no proportionality for larger programs requiring more media support.
701	Finance	# of FTE	Expenditures per Program	Accounting, invoicing, and other financial support is more directly related to total expenses for a program.
712	Information Management Records and Content	# of FTE	Equal to All (Excl. HR & Legal)	Based upon discussion with staff, they have the potential to handle records for all Air District staff except for legal and personnel records.

As can be seen, the primary shift in methodology has resulted in a diversification of metrics to ensure that all costs are not being shifted towards the larger programs but being borne proportionally based upon the beneficiary of service. The current methodology in use by the Air District is valid. The recommended methodologies are primarily meant to provide suggestions for potential areas of improvement.

It is important to note that Cost Allocation is not a stagnant process. As services changes, there are reasons for updating and changing the methodology. Therefore, the Air District should continue its best practice of reviewing the indirect methodology every year, with a periodic review by an external auditor to ensure there is no need for changes.

Recommendation #1: The Air District should update its allocation methodology for five (5) of its indirect cost programs. These changes in methodology are as follows:

- **Benefits Administration: From # of FTE to Total Benefit Costs incurred by program due to that being a better reflection of general benefit disbursement.**
- **Board of Directors: From # of FTE to Equal to All to ensure that all programs receive support equally from the Board.**
- **Media Relations: From # of FTE to Equal to All to ensure that all programs receive support equally from the Board.**
- **Finance: From # of FTE to Expenditures per Programs to capture the support associated with managing larger programs and programs that may have budget but no staff.**
- **Information Management Records & Content: From # of FTE to Equal to All (Excl. Legal and HR) to capture the equal opportunity for all District Programs to utilize the Division in managing the District's records.**

These changes will fine-tune the Air District's allocation process and allow it to better capture the indirect support.

Beyond looking at typical indirect program services, the project team also looked at if other programs should be included as indirect support. The following points discuss three other programs that were reviewed to be considered as indirect support:

- 1. Program 313 – Grant Program Development:** This program's description indicated providing support to Air District programs in developing and obtaining different grants that could benefit multiple programs. However, upon discussion it was determined that this program primarily focuses on specific grants and that time is already directly coded to the programs to which those grants are funding. Therefore, it was determined that this would not be eligible for indirect cost allocation.
- 2. Program 603 – Air Quality Modeling Support:** This program's description focused on providing the support needed to maintain the Air District's Air Model. The program models emissions and provides support to the different Air District programs that utilize its Air Quality Model. However, similar to Grant Development, staff in this program already code their time directly to the programs that they are supporting. Therefore, this program was considered ineligible for cost allocation.
- 3. Program 611 – Rule Development:** This program's description was developing the different rules for the Air District including providing any support as needed for Regulation 3 (the fees). However, similar to the other two programs discussed, the staff in this program directly code their time to the programs that they are supporting and there is no time coded to indirect to be redistributed. Therefore, this program was considered ineligible for cost allocation.

Overall, the Air District's indirect cost allocation process continues to improve and with minor updates and modifications to the allocation bases, it is expected that costs will more accurately flow to both grant and non-grant related activities.

3 Indirect Cost Allocation Results

The total indirect costs are allocated to the programs by taking the total direct costs associated with each indirect program and allocating it to all programs (direct and indirect) that receive its support. The lattice methodology utilizes that information and then reallocates the costs that are allocated to other indirect programs to ensure that no costs remain in the indirect program. The costs associated with indirect programs that are included for allocation purposes only include non-grant related expenditures, and costs that are coded to general Air District support. If an indirect program has any costs that are grant-related and / or directly billed already to a program or activity, those costs

are excluded from the allocation. The following table shows by Central Service Program the total expenses allocated.

Prog. #	Program Title	Total Audited Expenses	% of Indirect Costs	Total Costs Allocated
104	Executive Office	\$7,089,863	93.77%	\$6,648,189
106	Payroll	\$707,950	100.00%	\$707,950
107	Benefits Admin	\$3,935,120	99.97%	\$3,934,758
109	Organizational Development	\$519,217	98.89%	\$513,451
111	Employment Relations	\$815,666	100.00%	\$815,666
113	Diversity Equity & Inclusion	\$611,472	99.93%	\$611,061
114	Recruitment & Testing	\$653,932	100.00%	\$653,932
121	Board of Directors	\$429,977	99.87%	\$429,406
123	Advisory Council	\$27,913	100.00%	\$27,913
201	Legal Council	\$2,514,586	91.46%	\$2,299,950
203	Penalties Enforcement & Settlement	\$926,009	31.37%	\$290,530
205	Litigation	\$528,613	83.72%	\$487,758
301	Media Relations	\$1,630,658	99.90%	\$1,629,091
302	Community Health Protection Office	\$1,532,813	95.60%	\$1,465,401
309	Website Development & Maintenance	\$1,617,226	99.85%	\$1,614,799
701	Finance	\$2,395,401	88.42%	\$2,118,064
702	Facilities	\$1,400,264	100.00%	\$1,400,264
703	Communications	\$713,026	100.00%	\$713,026
707	Headquarters East (Richmond)	\$311,532	100.00%	\$311,532
708	Purchasing	\$763,982	100.00%	\$763,982
709	Headquarters West (Beale Street)	\$2,916,578	100.00%	\$2,916,578
710	Fleet Services	\$1,301,197	98.39%	\$1,280,282
712	Information Management Records & Content	\$520,793	46.79%	\$243,676
726	IT Engineering & Operations	\$3,088,103	99.47%	\$3,071,608
TOTAL		\$37,006,692	94.44%	\$34,948,866

As the table indicates not all central services allocate 100% of their costs through the indirect cost plan. Only the time spent on indirect activities within those programs is allocated to both fee and non-fee related activities. Overall, of the potential \$37.0 million in indirect costs, approximately \$34.9 million is allocated to the different programs. The \$35 million represents almost a \$10 million increase in total indirect costs allocated from the previous analysis 5 years ago. The largest increases in costs were associated with the Executive Office and Personnel Services (i.e. Payroll, Benefits Administration, Organizational Development, Employment Relations, and Diversity and Inclusion). The following table shows by program, the total indirect costs allocated.

Prog. #	Program Title	Total Indirect Costs Allocated
105	Bay Area Regional Collaborative	\$67,922
122	Hearing Board	\$72,868

Prog. #	Program Title	Total Indirect Costs Allocated
125	My Air Online	\$638,710
126	Greenhouse Gas Technologies - Stationary	\$390,070
202	Hearing Board Proceedings	\$64,026
303	Intermittent Control	\$209,411
305	Spare the Air (CMAQ)	\$100,239
306	Intermittent Control (TFCA)	\$495,982
307	Carl Moyer Program Administration (CMP)	\$1,308,957
308	Transportation Fund for Clean Air Admin (TFCA)	\$424,687
310	Mobile Source Incentive Fund (MSIF)	\$154,374
312	Vehicle Buy Back (MSIF)	\$177,016
313	Grant Program Development	\$135,261
316	Miscellaneous Incentive Program (Other Grant)	\$107,072
317	Light Duty Electric Vehicle Program (Other Grant)	\$1,066,566
318	Enhanced Mobile Source Inspections (TFCA)	\$58,399
319	Commuter Benefits Program (TFCA)	\$93,095
323	CA GMB – Grants Administration (CGMB)	\$172,701
324	Vehicle Mitigation (VW Trust)	\$461,616
325	Comm. Engagement – Special Project (Other Grant)	\$222,179
401	Enforcement	\$3,576,289
402	Compliance Assistance & Operations	\$1,491,902
403	Compliance Assurance	\$4,269,042
501	Permit Evaluation	\$4,089,910
503	Air Toxics	\$772,960
504	Permit Operations	\$630,145
506	Title V	\$276,076
507	Engineering Special Projects	\$581,121
601	Source Inventories	\$714,878
602	Air Quality Plans	\$863,681
603	Air Quality Modeling Support	\$459,126
604	Air Quality Modeling & Research	\$398,759
605	Implement Plans, Policies, and Measures	\$712,579
608	Climate Protection	\$789,306
609	Community Air Risk Evaluation	\$397,266
611	Rule Development	\$1,095,840
725	Legal Systems Support	\$564,461
802	Ambient Air Monitoring	\$2,773,920
803	Laboratory	\$866,500
804	Source Test	\$1,529,630
805	Meteorology	\$524,450
807	Air Monitoring Instrument Performance Evaluation	\$510,426
809	BioWatch Monitoring	\$104,180
810	Technical Infrastructure and Data Management	\$157,810
811	Ambient Air Quality Analysis	\$377,459
TOTAL		\$34,948,866

The total indirect costs allocated through the indirect plan are approximately \$34.9 million. With total expenditures for the Air District at about \$98.7 million, the indirect costs allocated through the plan represent approximately 35% of the Air District's overall expenses.

Programs 401 through 507 (Compliance and Engineering) receive the largest allocation amount. Approximately \$15.7 million of the \$34.9 million or 45% of the total indirect cost is allocated to those two programs. This is due to those two divisions being the largest at the Air District in terms of staff time coded and billed to those programs. Even though costs have grown by \$10 million in the last 10 years, based upon the recommended changes, the proportion of costs allocated to Compliance and Engineering decreased from 49% to 45% of the total allocated costs.

3 Billcodes

All staff within the Air District code and track their time based on major activities that are associated with a billcode. The billcode is then translated into several major activities or groupings such as Fee Schedules, Grant related work, or non-revenue work. The Air District has 104 distinct billcodes that are divided into four groupings:

1. **California Air Resources Board:** This represents activities in relation to fulfilling the Air Resources Board related mandated inspections and activities.
2. **Grants:** This represents activities in relation to administering, monitoring and utilization of grant-funded programs.
3. **Property Tax:** This represents activities that are in relation to general air quality analysis, mandated activities that are not uniquely coded, and supporting the community.
4. **Rules and Regulations:** This represents activities that are governed by the Air District's rules and more specifically related to its permitted sources and equipment.

These four distinct groupings generally are utilized to convert the 104 billcodes into the fee or non-fee related activities. The following table shows the current fee and non-fee related activities that are tracked by the Air District:

ARB	FS_G2-Misc.	FS_R-Registration	Grants-DHS
FS_AB617	FS_G3-Misc.	FS_S-NatOccAsbBillable	Grants-EPA
FS_AB617-20-80	FS_G4-Misc.	FS_T-GHG	Grants-MSIF
FS_A-Hearing Board	FS_G5-Misc.	FS_V-Open Burning	Grants-Other
FS_B-Combustion of Fuel	FS_H-Semiconductor	FS_W-PetroleumRefiningEmissionsReport	Grants-TFCA
FS_C-Storage Organic Liquid	FS_I-Drycleaners	FS_X-Majors_Community AM	Grants-VW
FS_D	FS_K-Waste Disposal	Grants-AB617	No Revenue Source
FS_E-Solvent Evaporation	FS_L-Asbestos	Grants-CA Goods Movement	Support District
FS_F-Misc.	FS_N-AB 2588	Grants-Carl Moyer	Support Permits
FS_G1-Misc.	FS_P-Title V	Grants-CMAQ	Support Program

All the Fee Schedule / Activity Types that begin with an "FS_" are in relation to a specific fee regulation or fee schedule. All others are typically considered non-fee related activities. The activities that are labeled Support District, Support Permits, and Support Program are indirect activities. The Support District activity is typically associated with

the indirect programs discussed in the Cost Allocation chapter. The Support Permits and Support Program codes are more specific indirect support. Support Permits is general support related to permit processing whereas Support Program is support that is internal to a program and could be in relation to supervisory activities, meetings, etc.

As part of the prior cost recovery and containment study, the project team evaluated the Air District's billcodes and developed a series of recommendations. The following table shows the recommendation from the previous analysis, whether it's been implemented, and any additional notes:

Recommendation	Implemented	Additional Notes
<p>A clear definition of activities that are considered "General" should be developed and distributed to all staff members within the Air District.</p>	Yes	<p>The definition of the "General" or Support District / Program was added to the Employee Handbook for Timekeeping, but it should be expanded to clearly delineate the activities that are supporting the Air District overall compared to activities that are supporting the program internally. There is opportunity to add further clarity here. For example, internal staff meetings or supervisory reviews should be considered Program support, whereas time spent recruiting by recruitment staff should be District support.</p>
<p>This should also be included in the employee handbook to make it easier for dissemination during the onboarding process. This definition should be developed by Air District staff within Finance and Administration and be approved by the Executive Management Office.</p>		
<p>There should be an annual auditing and monitoring mechanism in place for supervisors to review the timesheets of staff members. This will ensure that staff are accurately recording time in the "General" category.</p>	Yes	<p>The Air District conducts quarterly audits of timekeeping information for all billcodes to ensure that time is being accurately coded.</p>
<p>The "General" billcode category should be separated into two distinct categories – District General and Other General. The District General should refer to activities such as Executive Office, Finance, Payroll, etc. or activities that provide support to all programs internally within the Air District. The Other General should refer to unpermitted sources, mobile inspections, or activities that have no revenue source other than property tax.</p>	Yes	<p>There are two different billcodes 00 – Miscellaneous – No Revenue Source which serves as the "Other General" while Billcode 01 still captures "General" district support such as Executive Office, Finance, Payroll, etc.</p>
<p>Air District staff should be encouraged to code more time and thereby cost directly to the Fee Schedules rather than utilizing Permit General or even General to code the balance of time. Some of these activities include Litigation, Penalties, Enforcement, and Settlement, and Information Systems Software Development.</p>	Yes	<p>There has been much more of an effort to have staff code time directly and the auditing effort from the previous recommendation is where these changes have been made.</p>

Recommendation	Implemented	Additional Notes
A threshold should be set up for Permit General calculation. The majority of staff positions and members should not be coding more than 25% of their time / cost to the Permit General Category. If at the end of the year, a staff member's time exceeds 30% in the Permit General category, the supervisor should review that time coding and ensure that it is appropriate for that position to code more time to Permit General rather than to specific fee schedules or grant activities.	Yes	Every quarter if more than 25% of a staff position's time has been coded to Permit General, the managers are sent a report to review to ensure that this time was appropriately coded.

As the table demonstrates the Air District has implemented the majority of these recommendations and made a significant effort towards improving its timekeeping efforts. Billcodes are monitored much more regularly (every quarter) and reviewed as such. There is more extensive training provided when onboarding. While there is an employee handbook, many programs have created internal reference guides for staff to assist with coding their time to activities.

There are still some significant hurdles associated with time tracking and billcodes. One of the major hurdles has to do with inspections that cover multiple sources and activities. Inspectors in the field have to figure out the appropriate portion of time that must be allocated to each billcode. Depending upon the inspector the time coding may not be 100% accurate or always consistent across the inspectors. Therefore, it is recommended that a more consistent system be developed to more fairly determine the proportionality of time that should be coded. This will ensure that there is consistency, but that there is also flexibility if a specific source takes more time.

Recommendation #2: A consistent methodology should be developed for allocating time in the field spent on multiple sources. This methodology should be based upon the type of facility being inspected so as to ensure that those with multiple sources are being allocated time consistently.

While the District has always coded time to a General Code activity, in the prior cost recovery and containment study it was recommended that this be broken out between district support and the internal program support. This billcode is meant to capture internal programmatic support. The programmatic support is then further re-allocated within each of the programs based upon how the staff within that program code their time. For example, if in program 401 there is program support for enforcement, then that time and cost is re-allocated to all the fee schedules and activities that enforcement coded time towards. This is the appropriate methodology for allocating this billcode.

However, it is recommended that similar to the 01 District Support billcode, a clearer definition of this billcode be established so that it is more consistently utilized. It is important to note that currently there is not a separate billcode for this and the same billcode as District Support is utilized and it is redeveloped on the backend as the Program Support code. A separate code should be established for Program Support like Permit Support, so it is more clearly tracked and reviewed.

Recommendation #3: The Program Support billcode should be tracked separately from the 01 District Support billcode and a clearer definition for this billcode should be created.

The final issue identified in relation to billcodes in the current cost recovery and containment study was in relation to overtime (or time spent beyond the 80-hour pay period every two weeks). While currently all non-exempt employees can track overtime spent on billcodes, all managers and exempt employees are unable to code any overtime to billcodes. This creates an issue as it does not allow managers to code time spent directly on fee or grant-related activities that is done outside of work hours. As billcodes are the primary mechanism through which costs are assigned to activities, it is imperative that a system be developed to capture this time. Currently, this is not a significant amount of time and as such does not have an impact on the overall cost recovery. However, as priorities may shift and change and for greater transparency and accuracy, the Air District should look into a mechanism for capturing this time.

The current billcode system converts the time into salary or overtime. For purposes of these staff, the billcode system should just capture time and make no conversion to salary or overtime costs, as there are no additional costs incurred. The tracking of time above and beyond 80 hours every two weeks would allow the Air District to better represent the time needed to perform all activities and capture the true resource needs.

Recommendation #4: For transparency purposes, time beyond the 80-hour pay period, spent by managers and exempt employees should be tracked by billcode activity. Only time should be tracked as there are no additional personnel costs incurred by the Air District. This will allow the Air District to more accurately represent its resources needed to provide regulated activities.

4 Cost of Services Analysis (Fee Study)

The primary focus of the Cost Recovery and Containment Study was to conduct a cost of service or fee analysis. The following chapter discusses the review of the Air District's current fee calculation process including the legal framework, the cost components, and the overall cost recovery results for FYE21.

1 Legal Framework

A “user fee” is a charge for service provided by a governmental agency to a public citizen or group. In California, several constitutional laws, such as Propositions 13, 4, and 218; State Government Codes 66014 and 66016; and more recently Prop 26 and the Attorney General's Opinion 92-506 set the parameters under which fees typically administered by local government are established and administered. Specifically, California State Law, Government Code 66014(a), stipulates that user fees charged by local agencies “...may not exceed the estimated reasonable cost of providing the service for which the fee is charged”. However, Proposition 26 outlines seven exceptions for items that are not considered a tax, the following points highlight those seven items:

- 1. Fees and Charges for Specific Benefit Conferred or Privilege Granted:** This is in relation to a payor receiving a service that is only provided to that payor specifically, and the costs for this must not exceed the reasonable costs of providing that service.
- 2. Fees and Charges for Specific Government Service or Product Provided:** This is similar to the first exception and is directly in relation to a service or tangible product received, and it must not exceed the reasonable cost of that service or product. This is the exception that is used for “user fees”.
- 3. Regulatory Fees and Charges:** This is in relation to issuing licenses and permits, performing investigations, inspections, audits, and administrative enforcement of regulated activities. These charges must be based on reasonable regulatory costs. *This is the exception under which the Air District's fees fall.*
- 4. Use of Government Property:** This is in relation to using park or government facilities, so purchase, rental or lease of any government owned property.
- 5. Fines and Penalties:** This is in relation to any charges that are imposed as a result of violation of local or state regulations.

6. **Fees and Charges Imposed as Condition of Development:** This is in relation to impact fees and requires a nexus of how the development has a specific correlation to the impact.
7. **Property Related Fees and Charges and Assessments:** This is in relation to utility / service fees that are imposed in relation to the property such as water, sewer, trash, etc.

As stated, the Air District's current fees fall under the Regulatory Fees and Charges exemption. This exemption is specific to environment, public health, and quality of life. According to the League of California Cities: Proposition 26 and 218 Implementation Guide, reasonable regulatory costs include the following:

- Costs do not need to be calibrated to the benefit each individual fee payor receives.
- Costs are not measured on an individual basis but rather collectively, considering all fee payors. Fees should be allocated to the payors based upon reasonable and substantial proportion of costs allocated to the affected payors.
- Regulatory fees can only be imposed if the agency has the authority to regulate.
- It is sufficient to demonstrate that costs are reasonable by estimating costs and comparing that to estimated revenue to show equal or greater cost recovery.
- Costs associated with rulemaking can be included as part of the regulatory effort.

As these points demonstrate, BAAQMD needs to ensure that costs are represented at the levels and include the components described above under the legal regulations to ensure its fees are appropriately calculated.

In addition to Proposition 26, the Air District's fees are also governed by California Health and Safety Code Section 42311. This section gives the Air District's board the authority to adopt and set fees to recover the reasonable costs associated with evaluation, issuance, renewal, and enforcement of permits, as well as costs associated with the Hearing Board.

During discussions with Stakeholders, a common concern expressed was that the current methodology does not meet the legal framework or defensibility for charging fees. However, the Air District has the authority on behalf of the State to regulate these agencies, and as such it is able to impose fees. Its current methodology of reviewing the overall estimated costs and revenue by fee schedule meets the criterion regarding the collective review and reasonableness of costs.

2 Fee Study Cost Components

The Air District's fee study calculation process from an overall standpoint is straightforward. It involves two main components: timekeeping data and programmatic expenses. These two components are utilized together to calculate the overall estimated costs associated with each fee schedule. The following subsections discuss each of these components and how they tie together.

1 Timekeeping

The allocation of time to billcodes is the primary driver of how costs are allocated to the different fee schedules. The time assigned to each billcode is converted into a related fee schedule or non-fee schedule activity. This conversion is based upon a pre-established metric which identifies which billcodes are directly related to which fee schedules and / or grant-related or non-revenue activities.

Once time is identified per billcode, the Air District utilizes the salary hourly rate of that position to calculate the total salary costs associated with that timekeeping activity. Any applicable overtime costs are also calculated. This is the first layer of the cost calculation. These fee schedule and non-fee related activities are grouped by Program area. The cost recovery calculation utilizes this information as the basis upon which how direct and indirect costs are proportioned to the different fee schedules and other activities, including grants and those for which there is no revenue.

2 Program Expenditures (Direct)

The second layer or component of the cost recovery calculation is the expenditures associated with each program. This includes both direct and indirect expenditures. The direct expenditures that are associated with each program include the following three cost categories:

1. **Personnel:** This includes salaries, overtime, and fringe benefit costs such as medical, dental, and retirement related expenses. These are in relation to the Air District personnel that are performing the regulated activities for sources and facilities.
2. **Services and Supplies:** This includes all the expenses related to professional services, contracts, supplies, vehicles, and other items that are needed for staff to perform the regulated activities.
3. **Capital Outlay:** This includes expenses associated with equipment, furniture, and other large capitalized assets that are needed for Air District staff to perform these activities.

These three types of direct expenses are allocated to a Fee Schedule or Non-Revenue or Grant related activity based upon the proportion of salary timekeeping costs⁶. It is important to note that any grant-related expenses or expenditures that are earmarked for specific purposes are excluded from the calculation. For example, the following table shows Program XXX having three timekeeping activities and their related salary costs:

Activity / Schedule	Total Salary Costs	Proportion of Costs
Fee-Related	\$12,000	60%
Non-Revenue	\$2,000	10%
Grant Related	\$6,000	30%
Total	\$20,000	100%

Based upon the example above, the total direct program expenditures for Program XXX would be allocated 60% to Fee-Related schedules, 10% to Non-Revenue, and 30% to Grant-Related. This methodology ensures that the program expenses follow how staff within that program are spending their time. If staff are proportionately spending more time on fee-related activities, then a similar proportion of programmatic expenditures would be allocated to those fee-related activities.

3 Program Expenditures (Indirect)

In addition to direct expenditures there are three layers of indirect expenditures associated with each fee schedule:

- 1. Districtwide Overhead:** This cost is calculated from the lattice methodology and is allocated to each program within the Air District. This methodology was discussed in detail in the Cost Allocation chapter and reflects the costs associated with district-wide activities such as Finance, Human Resources, Payroll, Vehicle Maintenance, Facility work orders, etc.
- 2. Programmatic Support:** This cost was discussed in the billcodes chapter and relates to internal support within a program such as supervisory reviews, timekeeping, and general administrative activities. These costs are reallocated within each program based upon all other timekeeping codes within that program.
- 3. Permit Support:** This last cost component is from the timekeeping information (similar to Program Support) but is the indirect cost associated with general permit or inspection support. This time can't be identified to a specific source but could be in relation to the permitting system. These costs are reallocated further among the fee schedules based upon the proportion of direct and indirect (District + Program Support) costs.

⁶ The timekeeping system converts the hours by position to a salary cost based upon the hourly rate associated with that person in the District's system.

These three layers ensure that the Air District is fully accounting for all of the activities that are related to regulating the sources and facilities as allowable under Proposition 26 and its exemption for regulatory fees. The Air District is able to include direct costs for staff that are inspecting and reviewing sources and facilities, but any indirect support that is provided to those staff as well as to the overall permitting and stakeholder process.

4 Summary of Fee Study Cost Components

Timekeeping data is critical for estimating the direct and indirect costs assigned to each fee schedule. The proportion of the time spent per activity is the primary driver through which the total direct and indirect costs are estimated and allocated for each fee and non-fee related activity (including Grants).

Cost and Revenue Adjustments

The Air District does do some revenue and cost adjustments in its calculations to ensure that it is fairly accounting for all costs and revenues. The primary cost adjustment is in relation to ensuring that all grant-specific expenditures are removed from the indirect cost allocation, as well as removing them for services and supplies and capital overhead.

There is one other cost adjustment that is performed by the Air District, this is in relation to schedule B. Costs from Schedule B are reallocated to Schedules G1, G2, and G3. These costs are reallocated to each of those schedules based upon the number of sources in those schedules. This reallocation of costs is performed as typically many sources in G1, G2, and G3 also overlap with Schedule B, and as such staff code time to Schedule B rather than the individual sources in G1, G2, and G3. This artificially inflates the cost for Schedule B and deflates costs for G1, G2, and G3. In the prior study, this issue along with another issue related to Schedule T and its reallocating of costs was identified. While the Schedule T issue has been addressed, the Air District still needs to work on updating the billcode and timekeeping associated with G1, G2, and G3, to mitigate the need for the backend reallocation of costs.

The primary revenue adjustment made by the Air District is in relation to Schedule N. The revenue associated with Hot Spots Assessment is removed from the Air District's revenue calculation as that is pass through revenue to the State and the Air District collects it on behalf of the state. This practice should continue so as to ensure that the Air District does not over-estimate its cost recovery by including revenue that it must send to the State.

Recommendation #5: To mitigate back-end cost adjustments the Air District should adjust the definitions for Schedule B, G1, G2, and G3 to ensure that staff are able to

appropriately code time where it belongs rather than reallocating a portion of the costs to those schedules.

3 Fee Study Results

The Air District calculates its cost recovery for fee setting purposes based upon a three-year average. However, in order to conduct the rolling three-year average, the Air District calculates updated fee study results every year. This section of the chapter focuses on the fee study results based on FYE21 Actual Expenditures and Revenue. The Air District calculates its cost recovery broken out by Fee Schedule Type. The Air District has traditionally included Schedule X as part of its Cost Recovery calculation. However, the purpose of Schedule X is to primarily fund annualized infrastructure costs with some staff time for planning and management of the funds. Therefore, it has been recommended that it be removed from the Air District's fee recovery calculation process.

The following table shows by fee schedule, each major direct expenditure component, and the total direct expenses:

Fee Sch.	Description	Personnel	Services and Supplies	Capital Outlay	Total Direct
A	Hearing Board	\$55,973	\$429	\$0	\$56,402
B	Combustion of Fuel	\$4,215,400	\$526,486	\$593,898	\$5,335,784
C	Storage Organic Liquid	\$602,115	\$92,408	\$63,373	\$757,895
D	Gasoline Dispensing	\$2,263,924	\$263,193	\$345,471	\$2,872,588
E	Solvent Evaporation	\$1,197,385	\$108,654	\$182,168	\$1,488,207
F	Miscellaneous	\$1,905,806	\$212,632	\$254,447	\$2,372,885
G1	Miscellaneous	\$2,134,199	\$217,345	\$312,856	\$2,664,401
G2	Miscellaneous	\$795,635	\$89,060	\$115,814	\$1,000,510
G3	Miscellaneous	\$545,515	\$59,033	\$76,597	\$681,146
G4	Miscellaneous	\$1,081,835	\$120,952	\$159,028	\$1,361,814
G5	Miscellaneous	\$305,423	\$38,111	\$38,549	\$382,084
H	Semiconductor	\$122,322	\$9,508	\$18,926	\$150,756
I	Drycleaners	\$6,267	\$535	\$1,018	\$7,820
K	Waste Disposal	\$1,090,543	\$92,482	\$170,147	\$1,353,172
L	Asbestos	\$1,404,506	\$74,991	\$12,832	\$1,492,329
N	Toxic Inventory (AB2588)	\$635,203	\$66,592	\$98,075	\$799,870
P	Major Facility Review (Title V)	\$1,884,696	\$229,823	\$303,348	\$2,417,866
R	Registration	\$68,400	\$6,516	\$411	\$75,327
S	Naturally Occurring Asbestos	\$210,061	\$16,313	\$31,649	\$258,023
T	Greenhouse Gas	\$1,012,820	\$200,674	\$154,083	\$1,367,578
V	Open Burning	\$354,250	\$21,907	\$805	\$376,962
W	Refinery Emissions Tracking	\$636,491	\$50,814	\$97,195	\$784,500
TOTAL		\$22,528,768	\$2,498,460	\$3,030,690	\$28,057,918

There is approximately \$28.1 million in direct expenditures associated with the fee-related activities. Approximately \$22.5 million of the \$28.1 million or 80% of the cost is personnel-related. This indicates that the primary cost driver for the direct expenses is the staff that are working on the fee-regulated activities. The largest direct costs are

associated with Fee Schedules B, D, G1, and P. The following table shows by fee schedule the District-wide Indirect Expenses, Program Support, Permit Support, and the total indirect expenses.

Fee Sch.	Description	District Wide Indirect Cost	Program Support Cost	Permit Support Cost ⁷	Total Indirect Cost
A	Hearing Board	\$116,904	\$0	\$0	\$116,904
B	Combustion of Fuel	\$3,799,710	\$267,252	\$2,123,780	\$6,190,742
C	Storage Organic Liquid	\$514,765	\$84,894	\$225,883	\$825,541
D	Gasoline Dispensing	\$2,176,400	\$144,330	\$1,228,807	\$3,549,538
E	Solvent Evaporation	\$1,112,098	\$29,459	\$645,624	\$1,787,181
F	Miscellaneous	\$1,628,852	\$83,124	\$918,005	\$2,629,981
G1	Miscellaneous	\$2,013,210	\$155,205	\$1,124,469	\$3,292,884
G2	Miscellaneous	\$773,569	\$72,768	\$409,535	\$1,255,871
G3	Miscellaneous	\$547,902	\$33,452	\$270,506	\$851,860
G4	Miscellaneous	\$1,052,218	\$165,793	\$569,386	\$1,787,396
G5	Miscellaneous	\$293,798	\$25,506	\$137,453	\$456,758
H	Semiconductor	\$111,155	\$1,571	\$68,872	\$181,598
I	Drycleaners	\$6,577	\$181	\$3,528	\$10,286
K	Waste Disposal	\$1,073,855	\$26,519	\$603,832	\$1,704,206
L	Asbestos	\$946,006	\$54,022	\$0	\$1,000,028
N	Toxic Inventory (AB2588)	\$559,169	\$36,684	\$357,644	\$953,497
P	Major Facility Review (Title V)	\$1,969,311	\$151,922	\$1,061,158	\$3,182,391
R	Registration	\$44,063	\$4,167	\$0	\$48,230
S	Naturally Occurring Asbestos	\$206,894	\$15,851	\$114,069	\$336,815
T	Greenhouse Gas	\$1,010,259	\$139,733	\$570,258	\$1,720,249
V	Open Burning	\$244,996	\$58,155	\$0	\$303,151
W	Refinery Emissions Tracking	\$550,062	\$6,273	\$358,369	\$914,705
TOTAL		\$20,751,774	\$1,556,860	\$10,791,180	\$33,099,814

The indirect costs associated with the fee-related activities are approximately \$33.1 million. The indirect costs as a proportion of direct costs represent roughly 118%. The largest component of indirect costs is District-wide indirect support of \$20.8 million. The \$20.8 million allocated to fees out of \$34.9 million in total indirect costs indicates that roughly 60% of the District-wide overhead is reallocated and filtered over fee-schedules. The program support and permit support represent roughly \$12 million. Similar to the Direct costs, proportionately, the largest indirect costs are associated with Schedules B, D, G1, and P. The following table shows direct and indirect expenditures by Fee schedule.

Fee Sch.	Description	Total Direct Costs	Total Indirect Costs	Total Cost
A	Hearing Board	\$56,402	\$116,904	\$173,306
B	Combustion of Fuel	\$5,335,784	\$6,190,742	\$11,526,526

⁷ Permit Support cost represents direct time coded to Permit Support (Bill Code 08) as well as a layer of indirect support allocated from Program Support.

Fee Sch.	Description	Total Direct Costs	Total Indirect Costs	Total Cost
C	Storage Organic Liquid	\$757,895	\$825,541	\$1,583,436
D	Gasoline Dispensing	\$2,872,588	\$3,549,538	\$6,422,126
E	Solvent Evaporation	\$1,488,207	\$1,787,181	\$3,275,388
F	Miscellaneous	\$2,372,885	\$2,629,981	\$5,002,866
G1	Miscellaneous	\$2,664,401	\$3,292,884	\$5,957,285
G2	Miscellaneous	\$1,000,510	\$1,255,871	\$2,256,381
G3	Miscellaneous	\$681,146	\$851,860	\$1,533,006
G4	Miscellaneous	\$1,361,814	\$1,787,396	\$3,149,210
G5	Miscellaneous	\$382,084	\$456,758	\$838,842
H	Semiconductor	\$150,756	\$181,598	\$332,354
I	Drycleaners	\$7,820	\$10,286	\$18,106
K	Waste Disposal	\$1,353,172	\$1,704,206	\$3,057,378
L	Asbestos	\$1,492,329	\$1,000,028	\$2,492,357
N	Toxic Inventory (AB2588)	\$799,870	\$953,497	\$1,753,367
P	Major Facility Review (Title V)	\$2,417,866	\$3,182,391	\$5,600,257
R	Registration	\$75,327	\$48,230	\$123,557
S	Naturally Occurring Asbestos	\$258,023	\$336,815	\$594,838
T	Greenhouse Gas	\$1,367,578	\$1,720,249	\$3,087,827
V	Open Burning	\$376,962	\$303,151	\$680,113
W	Refinery Emissions Tracking	\$784,500	\$914,705	\$1,699,205
TOTAL		\$28,057,918	\$33,099,814	\$61,157,732

Overall, the total expenses estimated for fee-related activities for the Air District is approximately \$61.2 million. Of the \$61.2 million, \$28.1 million (46%) is direct and \$33.1 million (54%) is indirect. This indicates that a larger proportion of costs are indirect for the Air District than direct. Based upon the project team's experience with other Air Districts, as well as other regulatory agencies this is expected. For many regulatory agencies, the time spent directly on permitting activities can be limited, but there is a significant amount of effort spent in support of those activities including generating reports, monitoring information, and other intangible components that can't always be allocated directly to a source or a facility.

In order to complete the fee study analysis, the total estimated costs for the Air District by fee schedule for FYE21 was compared to the estimated revenue by Fee schedule for FYE21. The following table shows by fee schedule, the total revenue, total cost, resulting surplus / (deficit), and the cost recovery %.

Fee Sch.	Description	FYE21 Revenue	FYE21 Expenditures	Surplus / (Deficit)	Cost Recovery %
A	Hearing Board	\$14,318	\$173,306	(\$158,988)	8%
B	Combustion of Fuel	\$10,251,855	\$11,526,526	(\$1,274,671)	89%
C	Storage Organic Liquid	\$2,881,746	\$1,583,436	\$1,298,310	182%
D	Gasoline Dispensing	\$7,282,623	\$6,422,126	\$860,496	113%
E	Solvent Evaporation	\$3,141,973	\$3,275,388	(\$133,415)	96%
F	Miscellaneous	\$2,737,231	\$5,002,866	(\$2,265,635)	55%
G1	Miscellaneous	\$3,532,130	\$5,957,285	(\$2,425,155)	59%
G2	Miscellaneous	\$1,179,345	\$2,256,381	(\$1,077,036)	52%
G3	Miscellaneous	\$858,606	\$1,533,006	(\$674,399)	56%

Fee Sch.	Description	FYE21 Revenue	FYE21 Expenditures	Surplus / (Deficit)	Cost Recovery %
G4	Miscellaneous	\$2,268,137	\$3,149,210	(\$881,074)	72%
G5	Miscellaneous	\$881,766	\$838,842	\$42,924	105%
H	Semiconductor	\$196,264	\$332,354	(\$136,090)	59%
I	Drycleaners	\$2,346	\$18,106	(\$15,760)	13%
K	Waste Disposal	\$329,030	\$3,057,378	(\$2,728,348)	11%
L	Asbestos	\$3,989,403	\$2,492,357	\$1,497,045	160%
N	Toxic Inventory (AB2588)	\$1,972,317	\$1,753,367	\$218,950	112%
P	Major Facility Review (Title V)	\$6,188,182	\$5,600,257	\$587,925	110%
R	Registration	\$316,521	\$123,557	\$192,964	256%
S	Naturally Occurring Asbestos	\$105,251	\$594,838	(\$489,587)	18%
T	Greenhouse Gas	\$2,890,490	\$3,087,827	(\$197,337)	94%
V	Open Burning	\$212,252	\$680,113	(\$467,861)	31%
W	Refinery Emissions Tracking	\$152,547	\$1,699,205	(\$1,546,658)	9%
TOTAL		\$51,384,333	\$61,157,732	(\$9,773,399)	84%

The overall cost recovery estimated for FYE21 is 84% or a deficit of \$9.8 million. The largest sources of the deficit are Schedules K, G1, and F. These three schedules comprise \$7.4 million of the overall \$9.8 million deficit. The largest surpluses are associated with Schedules C and L, which result in approximately a \$2.8 million surplus, helping to increase the overall cost recovery for the Air District.

As discussed in the legal framework of this chapter, the Air District must show that its cost of doing regulatory business does not exceed its revenue and at an \$9.8 million deficit it is clear that the Air District's expenses far exceed the revenue that it collected for its regulated activities.

5 Cost Recovery Considerations

The primary scope of this analysis was to evaluate the Air District's current cost recovery and its ability to achieve 100% cost recovery. The term cost recovery refers to the Air District's ability to recoup the expenses incurred in relation to providing its regulated activities. The recovery of the expenses is measured against the actual revenue collected in relation to the fees that are charged. This chapter discusses the Air District's practice of determining cost recovery based upon a rolling three-year average, the current cost recovery based upon that average, and recommendations for improving cost recovery.

1 Historical Cost Recovery Trends

The Air District has traditionally calculated its cost recovery based upon a three-year trend of expenses and revenues. The reasoning behind this rolling three-year average is that as regulations change and / or priorities change, the Air District dedicates different resources to different permitted sources and facilities. This results in volatility in cost recovery. Therefore, rather than adjusting fees based upon this constant dramatic shift in costs, the Air District chooses to smooth it by using a three-year average. The following table shows the total expenses by fee schedule for the past three fiscal years, as well as the average:

Fee Sch.	Description	FYE19 Costs	FYE20 Costs	FYE21 Costs	3 yr average
A	Hearing Board	\$107,708	\$66,074	\$173,306	\$115,696
B	Combustion of Fuel	\$8,939,955	\$10,270,639	\$11,526,526	\$10,245,707
C	Storage Organic Liquid	\$804,994	\$1,182,572	\$1,583,436	\$1,190,334
D	Gasoline Dispensing	\$6,163,220	\$5,733,678	\$6,422,126	\$6,106,341
E	Solvent Evaporation	\$4,941,239	\$4,145,859	\$3,275,388	\$4,120,828
F	Miscellaneous	\$3,188,579	\$4,290,209	\$5,002,867	\$4,160,552
G1	Miscellaneous	\$6,549,500	\$5,987,787	\$5,957,285	\$6,164,857
G2	Miscellaneous	\$1,881,266	\$1,752,352	\$2,256,381	\$1,963,333
G3	Miscellaneous	\$857,029	\$1,184,682	\$1,533,006	\$1,191,572
G4	Miscellaneous	\$3,274,084	\$3,515,178	\$3,149,210	\$3,312,824
G5	Miscellaneous	\$394,172	\$565,899	\$838,842	\$599,638
H	Semiconductor	\$291,065	\$270,295	\$332,354	\$297,905
I	Drycleaners	\$6,962	\$43,605	\$18,106	\$22,891
K	Waste Disposal	\$3,204,965	\$4,199,091	\$3,057,378	\$3,487,144
L	Asbestos	\$2,442,267	\$2,720,468	\$2,492,358	\$2,551,697
N	Toxic Inventory (AB2588)	\$844,698	\$1,620,097	\$1,753,367	\$1,406,054
P	Major Facility Review (Title V)	\$6,036,202	\$5,592,823	\$5,600,258	\$5,743,094
R	Registration	\$250,189	\$87,071	\$123,557	\$153,606
S	Naturally Occurring Asbestos	\$709,447	\$601,333	\$594,838	\$635,206
T	Greenhouse Gas	\$3,463,443	\$4,628,957	\$3,087,827	\$3,726,742
V	Open Burning	\$682,636	\$865,685	\$680,113	\$742,811
W	Refinery Emissions Tracking	\$599,195	\$1,365,830	\$1,699,205	\$1,221,410
TOTAL		\$55,632,816	\$60,690,182	\$61,157,732	\$59,160,243

The total fee-related expenses have fluctuated from \$55.6 to \$61.2 million over the last three fiscal years. The three-year average is approximately \$59.2 million. The largest variance in expenses is in relation to Schedules B, E, F, G1, N, and W. The variances range from an increase of \$2.5 million for Schedule B between FYE21 and FYE19 to a decrease of \$1.7 million from FYE21 compared to FYE19 for Schedule E. These extreme variances reflect the reasoning why the Air District utilizes the three-year rolling average. The following table shows the total revenue by fee schedule for the past three fiscal years, as well as the average:

#	Description	FYE19 Revenue	FYE20 Revenue	FYE21 Revenue	3 FYE Avg
A	Hearing Board	\$47,628	\$37,093	\$14,318	\$33,013
B	Combustion of Fuel	\$9,244,239	\$9,670,991	\$10,251,855	\$9,722,362
C	Storage Organic Liquid	\$2,693,273	\$2,603,926	\$2,881,746	\$2,726,315
D	Gasoline Dispensing	\$6,504,826	\$7,077,497	\$7,282,623	\$6,954,982
E	Solvent Evaporation	\$3,460,795	\$4,338,702	\$3,141,973	\$3,647,157
F	Miscellaneous	\$2,612,016	\$2,791,183	\$2,737,231	\$2,713,477
G1	Miscellaneous	\$2,839,747	\$3,377,683	\$3,532,130	\$3,249,853
G2	Miscellaneous	\$824,058	\$1,101,720	\$1,179,345	\$1,035,041
G3	Miscellaneous	\$692,782	\$787,383	\$858,606	\$779,590
G4	Miscellaneous	\$2,305,587	\$2,304,192	\$2,268,137	\$2,292,638
G5	Miscellaneous	\$686,648	\$764,415	\$881,766	\$777,610
H	Semiconductor	\$190,887	\$241,559	\$196,264	\$209,570
I	Drycleaners	\$6,693	\$2,721	\$2,346	\$3,920
K	Waste Disposal	\$305,109	\$304,806	\$329,030	\$312,981
L	Asbestos	\$5,057,006	\$4,283,337	\$3,989,403	\$4,443,249
N	Toxic Inventory (AB2588)	\$263,358	\$754,864	\$1,972,317	\$996,846
P	Major Facility Review (Title V)	\$5,638,883	\$6,096,660	\$6,188,182	\$5,974,575
R	Registration	\$351,262	\$365,818	\$316,521	\$344,534
S	Naturally Occurring Asbestos	\$100,513	\$97,167	\$105,251	\$100,977
T	Greenhouse Gas	\$2,963,989	\$3,136,724	\$2,890,490	\$2,997,067
V	Open Burning	\$211,132	\$203,364	\$212,252	\$208,916
W	Refinery Emissions Tracking	\$139,905	\$152,547	\$152,547	\$148,333
TOTAL		\$47,140,334	\$50,494,352	\$51,384,333	\$49,673,006

The three-year average revenue is approximately \$49.7 million. There have been some significant variances in revenue as it relates to Schedules E, G1, and N. These are some of the same schedules that have also had fluctuations in expenses. The volatility in revenue between schedules in conjunction with expense shifting also provides another reason for why the Air District utilizes a rolling three-year average when determining its overall cost recovery.

2 Cost Recovery Calculation

The Air District's methodology for determining its level of cost recovery is to compare the three-year average of revenues to the three-year average of expenses. The following table

shows by fee schedule, the three-year average of revenues, the three-year average of expenses, the associated surplus / (deficit), and the cost recovery percentage.

Fee Sch.	Description	3-yr avg Revenue	3-yr avg Expenditures	Surplus / (Deficit)	Cost Recovery %
A	Hearing Board	\$33,013	\$115,696	(\$82,683)	29%
B	Combustion of Fuel	\$9,722,362	\$10,245,707	(\$523,345)	95%
C	Storage Organic Liquid	\$2,726,315	\$1,190,334	\$1,535,981	229%
D	Gasoline Dispensing	\$6,954,982	\$6,106,341	\$848,641	114%
E	Solvent Evaporation	\$3,647,157	\$4,120,828	(\$473,672)	89%
F	Miscellaneous	\$2,713,477	\$4,160,552	(\$1,447,075)	65%
G1	Miscellaneous	\$3,249,853	\$6,164,857	(\$2,915,004)	53%
G2	Miscellaneous	\$1,035,041	\$1,963,333	(\$928,292)	53%
G3	Miscellaneous	\$779,590	\$1,191,572	(\$411,982)	65%
G4	Miscellaneous	\$2,292,638	\$3,312,824	(\$1,020,186)	69%
G5	Miscellaneous	\$777,610	\$599,638	\$177,972	130%
H	Semiconductor	\$209,570	\$297,905	(\$88,335)	70%
I	Drycleaners	\$3,920	\$22,891	(\$18,971)	17%
K	Waste Disposal	\$312,981	\$3,487,144	(\$3,174,163)	9%
L	Asbestos	\$4,443,249	\$2,551,697	\$1,891,551	174%
N	Toxic Inventory (AB2588)	\$996,846	\$1,406,054	(\$409,208)	71%
P	Major Facility Review (Title V)	\$5,974,575	\$5,743,094	\$231,481	104%
R	Registration	\$344,534	\$153,606	\$190,928	224%
S	Naturally Occurring Asbestos	\$100,977	\$635,206	(\$534,229)	16%
T	Greenhouse Gas	\$2,997,067	\$3,726,742	(\$729,675)	80%
V	Open Burning	\$208,916	\$742,811	(\$533,896)	28%
W	Refinery Emissions Tracking	\$148,333	\$1,221,410	(\$1,073,077)	12%
TOTAL		\$49,673,006	\$59,160,243	(\$9,487,237)	84%

Overall, based upon the three-year average, the Air District is under-recovering its costs by approximately \$9.5 million and recovering 84% of its costs. The largest sources of deficits are Schedule K (\$3.2 million) followed by Schedule G1 (\$2.9 million). The largest sources of surplus are Schedule L at \$1.9 million followed by Schedule C at \$1.5 million. Some of these surpluses are due to staffing resources being shifted from those schedules to other schedules and will be discussed in the next section of the chapter in more detail. Regardless of individual fee schedules, the Air District's regulatory nature allows it to recover all \$58.6 million of its permit-related costs.

3 Cost Recovery Calculation Recommendations

In the prior Cost Recovery and Containment studies the focus has been determining the cost of the fee-regulated activities and assigning those to fee schedules. During this study, while the purpose was to ensure that the current methodology was appropriate there were three key issues driving this analysis:

- 1. Transparency:** Internal and external stakeholders within the Air District wanted to obtain a better understanding of how cost recovery is calculated.

2. **Defensibility:** External stakeholders were concerned that certain fee schedules are over-recovering and thereby the Air District is in violation of state laws regarding fees.
3. **100% Cost Recovery:** Policymakers and internal stakeholders wanted to set a target of the Air District covering all its fee-related costs.

The following subsections discuss the recommendations associated with these three key issues.

1 Transparency

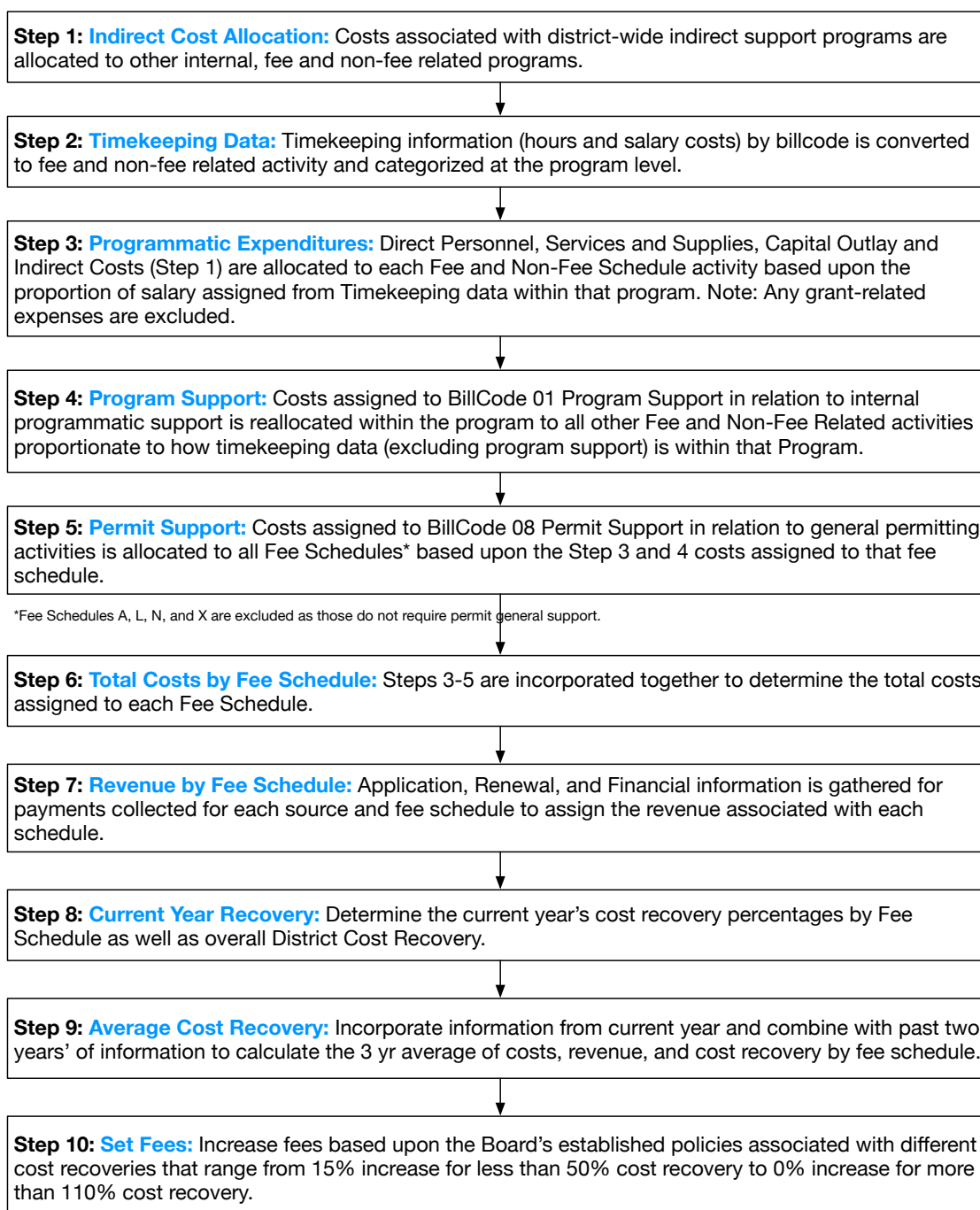
The Air District conducts an annual fee hearing, where it discusses cost recovery levels and goals. This is considered a best practice, as fees are increased annually based upon the pre-established Board policy of maintaining cost recovery in the range of 85%. As part of this annual fee hearing, the Air District staff put together two separate documents: Cost Recovery Study and Fee Regulation Staff Report.

The Cost Recovery study provides an overview of the Air District, the policy to recover the costs associated with fees, the legal rules governing fees, a brief overview of overall methodology, and the cost recovery figures by fee schedule.

The comprehensive staff report provides background on fees, including the legal authority through which fees can be assessed, how fees are proposing to be increased based upon pre-established cost recovery ranges, the impact of these fee increases, and any public hearing comments that were gathered during the fee workshop process.

While the documents provide significant information on why fees can be assessed, the results of the fee analysis, how fees are increased, and the impact of those fee increases, it does not provide a clear, concise, and transparent explanation regarding how the cost recovery figures are calculated.

A streamlined and standardized document should be developed by the Air District that can be included with the Cost Recovery Study as well as the Fee Regulation Amendment Staff Report, which clearly lays out the steps utilized by the Air District to calculate the costs associated with each fee schedule. The following flowchart provides an overview of the current methodology in use by the Air District:



A more detailed explanation regarding the Cost Recovery methodology can be found in this report. Step 1 is explained in the Cost Allocation Chapter, while Steps 2 through 8 are explained in the Fee Study Chapter, and Steps 9 and 10 are being discussed in this chapter.

Overall, the Air District's current methodology for setting fees is standardized and incorporates both direct and indirect costs, which are primarily assigned to Fee Schedules based upon the actual staff time being spent on the regulated and permitted

activities. However, it is important for the Air District to convey this information to Internal and External Stakeholders. The Air District should provide an overview of its methodology in all fee-related documents (cost recovery and fee regulation). Along with an overview, while Air District staff includes one (1) year information (Step 8) in every year's Cost Recovery Study, before showing the three (3) year average, the Air District should also re-incorporate the prior two (2) years' information to more clearly lay out how the averages are calculated and show the trend of cost recovery for the three years.

Recommendation #6: The Air District should develop a standardized document outlining its methodology for establishing cost recovery by Fee Schedule.

Recommendation #7: The Air District should show all three individual years of cost recovery calculations prior to showing the three-year average to more transparently show the calculations and the trends by fee schedule for cost recovery.

This type of transparency will ensure that Stakeholders (internal and external) have the opportunity or ability to obtain a basic understanding of the steps undertaken by the Air District to determine the cost recovery percentage by Fee Schedule. Once the cost recovery percentage is established by fee schedule, the Air District utilizes the Board Adopted policy for increasing its fees within that fee schedule. The following table shows based upon the cost recovery of the fee schedule the proposed fee rate changes:

Three Year Cost Recovery Range	Proposed Fee Rate Increase
Above 110%	0%
95-110%	CPI
85-94%	7%
75-84%	8%
50-74%	9%
Less than 50%	15%

This table is included in every fee regulation, and the Air District states that these percentages are used to increase the fees within the Fee schedule that fall within each range. The Air District also states explicitly which fees will be changed and by what percentage for each fee schedule, along with any fee increases that are not consistent with the policy noted.

For purposes of transparency of information, the Air District should consider extracting the information from Fee Regulation 3 and creating a separate document, which identifies by schedule, the major fee line item name, the current fee amount, the proposed fee amount, the dollar change, and the percentage change. This type of display of information will allow internal and external stakeholders to obtain a much clearer and simpler understanding of how certain line items are or are not being updated or changed due to

the cost recovery percentages calculated. This information should be submitted along with the Fee Regulation Staff Report and Cost Recovery Study to the Board.

Recommendation #8: The Air District should develop a separate document that shows by Fee Schedule, the specific fee line items, the current fee amount (where appropriate), the proposed fee amount, the dollar change, and the percentage change.

Implementing these proposed recommendations will allow the Air District to clearly convey to stakeholders that there is a detailed and methodical process when establishing cost recovery calculations and setting fees. It will also indicate that ultimately fees are based upon the direct staff time spent working on the sources associated with the facilities owned and operated by the stakeholders.

2 Defensibility

It was briefly discussed in the fee calculation chapter that there were concerns during the Stakeholder outreach, as well as based upon the Air District's experience, that the Air District's current methodology of calculating fees is not defensible under State Law Proposition 26.

However, as outlined by the Air District's Attorneys' responses to past statements as well as discussed in the legal framework section, the Air District's current fees fall under the "regulatory" fee exception to Prop 26. By being regulatory fees, the Air District's primary burden is to indicate that overall the Air District is not over-charging for its services, and it does not have the burden of proof to tie the cost to each individual unit (or fee line item) level of service.

The Air District only has to demonstrate that its overall costs for providing regulated activities do not exceed its revenue collected for those permitted activities; however, to provide greater accountability and transparency the Air District does break this cost and revenue information out by Fee Schedule to provide information regarding the subsidies and surpluses associated with the different sources.

The reason why regulatory agencies do not have to prove cost recovery at the individual level, is that their primary purpose is to ensure that federal and state regulations are being adhered to and complied with. Therefore, depending upon the level of effort needed to ensure compliance there might be more or less activity depending upon the source or facility, or as regulations are updated and changed. As such, the Air District would be unable to estimate an annual fixed amount associated with each source, as the time could vary depending upon current public health priorities.

The Air District's current methodology is defensible. However, the Air District should more clearly state that information in layman's terms to stakeholders (internal and external).

This language should state that the regulatory authority limits the Air District's cost recovery evaluation to its overall costs and overall revenues. This information should be more explicitly stated in the Cost Recovery Study and the Fee Regulation Staff Report, to ensure that as there are changes in stakeholders, the information is consistently disseminated. Additionally, including the language every year requires the Air District to reaffirm that based upon any new federal or state fee regulations there have been no changes to the Air District's cost recovery calculation.

Recommendation #9: To more transparently demonstrate the Air District's ability to meet Proposition 26 requirements, a clear response should be developed outlining the Air District's fees are "regulatory" and the burden of proof that must be met for fees to be considered defensible.

4 Cost Recovery Scenarios

It is considered a best practice when evaluating fees that fees are typically set at 100% cost recovery. This ensures that each fee payor is paying their proportionate share for the benefit that they are receiving. While there are policy decisions regarding why certain fees can be subsidized due to their global benefit fees should be set at 100% cost recovery. It is the Board of Directors' desire at BAAQMD to establish an updated cost recovery policy that would increase its current target of 85% cost recovery to 100% cost recovery.

The project team worked with District staff to identify cost recovery options that can help the District achieve full cost recovery based upon current average cost increases and current workload assumptions. Cost recovery is based upon a snapshot in time, and as such it is based upon certain assumptions staying stagnant. It is important to note that all four cost recovery scenarios discussed in this report have the following assumptions:

1. **Stagnant Staffing Levels and Priorities:** All scenarios assume that staffing levels remain the same and that there is no shift in internal Air District Priorities.
2. **No Change in Workload / Revenue:** All scenarios assume that there is no change (increase or decrease) in the throughput of facilities and / or in number of applications processed and reviewed by staff.
3. **Consistent Backlog of Existing Work:** All scenarios do not address the existing work backlog nor its reduction, as the staffing levels are the same and the priorities are the same, as such there is no ability to dedicate resources to addressing backlog issues.

It is critical to understand these assumptions and review the following cost recovery options developed in the context of these assumptions. The following subsections

discuss each of the cost recovery options and the number of years it will take for the District to achieve cost recovery.

1 Scenario 1: 15% Increase for all Fees Less than 110%

Under this scenario there would be three proposed fee increase categories, as represented in the following table:

Three Year Cost Recovery Range	Proposed Fee Rate Increase
Above 110%	0%
Less than 110%	15%

The scenario takes into account increasing fees based upon the fee rate increases noted, as well as the assumption that there are no change in Air District operations or staffing resources other than an annual cost increase. The annual cost increase for the Air District has been projected at approximately 5% annually, based upon the previous three years' worth of fee-related costs. The following table shows by year / category, the revenue, the cost, the overall cost recovery, and the projected revenue increase:

Years / Category	Overall Revenue	Overall Cost	Overall Cost Recovery %	Projected Revenue Increase
Current	\$49,673,006	\$59,160,243	84%	N / A
Year 1	\$54,836,954	\$62,118,256	88%	\$5,163,948
Year 2	\$60,788,127	\$65,224,168	93%	\$5,951,173
Year 3	\$65,534,182	\$68,485,377	96%	\$4,746,055
Year 4	\$70,903,582	\$71,909,646	99%	\$5,369,400
Year 5	\$75,390,510	\$75,505,128	100%	\$4,486,928

Under this scenario it will take the District 5 years to achieve 100% cost recovery, as the fee schedules less than 110% being increased by 15% will help increase revenue sufficiently to offset the other fee schedules at a deficit.

2 Scenario 2: 15% Increase for all Fees Less than 100%

Under this scenario there would be two proposed fee increase categories, as represented in the following table:

Three Year Cost Recovery Range	Proposed Fee Rate Increase
Above 100%	CPI-W / Annual Cost Increases
Less than 100%	15%

The scenario takes into account increasing fees based upon the fee rate increases noted, as well as the assumption that there are no change in Air District operations or staffing resources other than an annual cost increase. The annual cost increase for the Air District has been projected at approximately 5% annually, based upon the previous three years'

worth of fee-related costs. The following table shows by year / category, the revenue, the cost, the overall cost recovery, and the projected revenue increase:

Years / Category	Overall Revenue	Overall Cost	Overall Cost Recovery %	Projected Revenue Increase
Current	\$49,673,006	\$59,160,243	84%	N / A
Year 1	\$55,001,831	\$62,118,256	89%	\$5,328,825
Year 2	\$59,905,801	\$65,224,168	92%	\$4,903,970
Year 3	\$64,895,716	\$68,485,377	95%	\$4,989,914
Year 4	\$69,978,503	\$71,909,646	97%	\$5,082,787
Year 5	\$75,380,126	\$75,505,128	100%	\$5,401,624

Based upon this scenario, it will take the Air District approximately five (5) years to reach full cost recovery. It will require increasing all fee schedules by some percentage of cost, even the individual fee schedules that have more than a 100% cost recovery. However, it will still ensure that overall the Air District's revenue does not exceed its costs.

3 Scenario 3: 15% Increase for all Fee Schedules Less than 85% Cost Recovery

Under this scenario there would be two proposed fee increase categories, as represented in the following table:

Three Year Cost Recovery Range	Proposed Fee Rate Increase
Above 85%	CPI-W / Annual Cost Increases
Less than 85%	15%

The scenario takes into account increasing fees based upon the fee rate increases noted, as well as the assumption that there are no change in Air District operations or staffing resources other than an annual cost increase. The annual cost increase for the Air District has been projected at approximately 5% annually, based upon the previous three years' worth of fee-related costs. The following table shows by year / category, the revenue, the cost, the overall cost recovery, and the projected revenue increase:

Years / Category	Overall Revenue	Overall Cost	Overall Cost Recovery %	Projected Revenue Increase
Current	\$49,673,006	\$59,160,243	84%	N / A
Year 1	\$53,664,879	\$62,118,256	86%	\$3,991,873
Year 2	\$57,737,916	\$65,224,168	89%	\$4,073,037
Year 3	\$62,091,241	\$68,485,377	91%	\$4,353,325
Year 4	\$65,970,390	\$71,909,646	92%	\$3,879,149
Year 5	\$70,159,684	\$75,505,128	93%	\$4,189,294
Year 6	\$74,692,060	\$79,280,384	94%	\$4,532,375
Year 7	\$78,613,591	\$83,244,403	94%	\$3,921,531
Year 8	\$82,759,237	\$87,406,624	95%	\$4,145,646
Year 9	\$87,144,411	\$91,776,955	95%	\$4,385,174
Year 10	\$91,785,925	\$96,365,803	95%	\$4,641,514

Based upon this scenario, it will take the Air District more than ten (10) years to get close to full cost recovery. As it can be seen, at some point, the cost recovery percentage starts to stagnate as there are very few fee schedules that can be increased. Under this scenario, the Air District is only increasing fees for those fee schedules that are less than 85% cost recovery ensuring that fees are not raised for those fee schedules that are already at high levels of cost recovery. This does indicate that for the fee schedules that have extremely low cost recovery (i.e. Schedule K) it will take more than 10 years of consistent 15% increases to even be close to full cost recovery.

4 Scenario 4: 15% Increase for all Fee Schedules

Under this scenario there would be two proposed fee increase categories, as represented in the following table:

Three Year Cost Recovery Range	Proposed Fee Rate Increase
All Fee Schedules	15%

The scenario takes into account increasing fees based upon the fee rate increases noted, as well as the assumption that there are no change in Air District operations or staffing resources other than an annual cost increase. The annual cost increase for the Air District has been projected at approximately 5% annually, based upon the previous three years' worth of fee-related costs. The following table shows by year / category, the revenue, the cost, the overall cost recovery, and the projected revenue increase:

Years / Category	Overall Revenue	Overall Cost	Overall Cost Recovery %	Projected Revenue Increase
Current	\$49,673,006	\$59,160,243	84%	N / A
Year 1	\$57,123,957	\$62,118,256	92%	\$7,450,951
Year 2	\$65,692,551	\$65,224,168	101% ⁸	\$8,100,211

Based upon this scenario, it will take the Air District only two (2) years to achieve full cost recovery. This scenario focuses on increasing all Fee schedules by the maximum 15% regardless of the individual cost recovery levels of each fee schedule. Therefore, the Air District is able to collect additional funds from some fee schedules to help offset the significant deficits in other fee schedules. It still meets the Air District's legal criteria that overall revenues do not exceed overall expenses associated with fee regulated activities. While this option allows for the Air District to achieve cost recovery quick, it may result in significant fee increases for all rate payors and may require further consideration by the Board for its impact on the stakeholders.

⁸ For estimation purposes left it at the 15% with the caveat that when looking at the cost recovery calculation again, it would be changed to make it exact 100%.

5 Cost Recovery Scenario Summary

Based upon the four different cost recovery scenarios presented, the only way for the Air District to achieve 100% cost recovery in less than 10 years is for it to apply some sort of cost increase to all fee schedules, even those that are greater than 100% cost recovery. However, under that consideration, the fairest option seems to be Scenario 2, under which all fee schedules less than 100% cost recovery receive the maximum increase of 15%, and all greater than 100%, receive the cost of living (CPI / 5%) inflation cost increase. This results in the District attempting to achieve full cost recovery by Year 5. This cost recovery goal is contingent upon no changes in workload activity, as well as no changes in cost or operational structure for the Air District.

Recommendation #10: The Air District should consider implementing a fee increase of 15% for all fee schedules less than 100%, and a CPI increase to all fee schedules greater than 100% to attempt to achieve cost recovery in 5 years.

5 Full Cost Recovery Considerations

While the previous section discusses options the Board has to help the Air District achieve 100% cost recovery; it is dependent upon two key assumptions: 1. Workload activity staying consistent across fee schedules and 2. No staffing resource or operational changes. However, due to the regulatory nature of the Air District's fees, it does not have direct and indirect expenses that are constant year over year associated with permitted activities. The Air District's overall expenses associated with fees fluctuate from year to year, hence the reliance on a three-year average for setting fees. These expenses fluctuate for the following two reasons:

- 1. Staffing Resources:** The Air District can have a high attrition rate, as well as needs for additional staffing resources to meet new or changing regulatory requirements. As existing staffing resources are reshuffled between sources, costs can shift from one schedule to another, or decrease overall, if grants take precedence, or increase, if there are new staff added.
- 2. Regulations:** The Air District is the regulatory agency on behalf of the state. Any new federal or state legislation that passes in relation to air pollution control, must be administered and enforced by the Air District. Additionally, if there are policy directions that come from the Federal Government, State, or Board of Directors, the Air District must reprioritize its existing efforts, which directly affects the staffing resources item.

Because these expenses can be so volatile, attempting to achieve 100% cost recovery would be extremely difficult for the Air District. In other agencies that are "user-fee" or service-based, there is the opportunity for achieving 100% cost recovery, as those costs

are fixed based upon estimated number of reviews or inspections. In the case of the Air District, there might be an estimated number of reviews and / or inspections, but there might be significant policy work that might be done for those sources or compliance-related inspections that are not consistent from year to year and as such there is no fixed cost. Alternatively, there might be less resources available, so work may be done on overtime by managers, who are exempt employees and as such, the additional effort is not captured in timekeeping.

To demonstrate the volatility in the Air District's fee related costs, the following table shows a sample of the three-year history of costs by fee schedule.

Fee Sch.	Description	FYE19 Costs	FYE20 Costs	FYE21 Costs
B	Combustion of Fuel	\$8,939,955	\$10,270,639	\$11,013,373
E	Solvent Evaporation	\$4,941,239	\$4,145,859	\$3,238,308
G1	Miscellaneous	\$6,549,500	\$5,987,787	\$5,821,308
G3	Miscellaneous	\$857,029	\$1,184,682	\$1,477,435
G5	Miscellaneous	\$394,172	\$565,899	\$774,180
K	Waste Disposal	\$3,204,965	\$4,199,091	\$3,068,599
W	Refinery Emissions Tracking	\$599,195	\$1,365,830	\$1,703,698

As the table indicates for Schedule E, the costs have been consistently declining, while for Schedule W they have been consistently increasing, whereas for Schedule K, the costs have increased and then decreased again. This variability in costs makes it difficult for the Air District to change the fees in those fee schedules, as fees should probably increase much more significantly in Schedule W, than they are, while it seems that fees should probably be decreasing in Schedule E, as the costs are consistently declining. However, if the Board adopts a policy of 100% cost recovery, the Board might make these adjustments but if expenses shift again, depending upon where and how, the overall cost recovery would then decrease below 100% or increase above 100%.

While revenue can be estimated and fixed based upon fees, the resources that drive the costs are too variable. The use of revenues by the Air District collected for permitted sources can only be used to offset the direct and indirect cost associated with the staff that are working on those permitted activities. If fees were increased to help account for additional resources needed for permitted activities, but rather than those resources being dedicated to fee-related activities, they were diverted to other projects or programs, then it may artificially show an over-recovery the following year. This point critically demonstrates that it is imperative for the Air District to ensure that its staffing resources are utilized appropriately.

While these items make it difficult for the Air District to ever achieve 100% cost recovery, the Air District can set the 100% recovery as a target. The Board and Air District staff will have to understand that, due to the variability in how staffing resources are currently

deployed at the Air District, the 100% cost recovery may be a goal to strive towards, but not a fixed target that can be achieved.

Recommendation #11: The Air District Board can set a policy for a targeted cost recovery level of 100%, with the understanding that this is a moving target based upon staffing resources and regulation changes.

The Air District is currently in the midst of a Management Audit. The results of this Management Audit should identify for the Air District its appropriate staffing resources. Once the Air District understands its staffing needs, and is able to fill those positions, it will be better able to demonstrate through the timekeeping data the overall resources needed for permitted activities. At that point, it is recommended that the Air District consider doing a deeper look at its cost recovery to see if costs stay consistent enough to not only achieve overall cost recovery of 100%, but even cost recovery at the individual fee schedule level.

Recommendation #12: Once the Air District knows it's true staffing resources needs (based upon the Management Audit) and those positions have been filled, the Air District should conduct an in-depth review of its costs and consistency of those to fee schedules and within fee schedules.

Another important item to note is that when the Air District establishes a new fee to cover a newly regulated activity, there is typically a new non-fee rule or regulation that is established. This new rule or regulation is taken to the Board, and during that rule resolution, the new fee and associated staffing resources are presented to the Board. This is a best practice and clearly identifies the activities that are regulated and covered under the proposed new fee.

When the Board is committing to adopting that new fee, it is also committing to adopting / hiring those resources to implement that fee. While the new fee and new rule are adopted, there is no mention in the resolution that the staff must also be hired. As the fee is based upon those staffing resource, the Board not hiring those staff and utilizing them for that fee, results in a fee being charged by the Air District, that has insufficient staffing resources allocated to that fee. This is a situation in which a fee schedule may show an over-recovery, even though the fee was established based upon the estimated direct and indirect cost needed to cover that permitted activity. In this situation, the Board should adopt the staffing increase as part of the resolution and tie it to the overall budget process to ensure that staffing needs are met for any new fee-related services; as the fee is intended to directly cover those staffing resources. This will help the Air District move towards its goal of achieving 100% cost recovery, as it will ensure that any new fees and associated staffing resources are appropriately tied together and implemented at the same time and consistently.

Recommendation #13: For new or amended regulations, any new staffing resources should be adopted as 1) part of the fee resolution that includes the funding methodology, and be tied to the budget process, so that those staff can be hired to be funded specifically through that fee and 2) Regulation 3 should be amended and adopted concurrently with the initial rule development process.

6 Cost Containment and New Production System

The last component of this study was a review of the Air District's cost containment strategies and its progress on the New Production System (NPS). The following subsections discuss these areas.

1 Cost Containment

Cost Containment refers to strategies and / or policies that the Air District has implemented over the last five years (since the previous analysis) to ensure that regulated activities are conducted in the most cost efficient and effective manner. The following points highlight some current strategies in place at the Air District:

- 1. Effective use of Staff Resources:** As the previous section discussed, the Air District currently has a lack of sufficient staffing resources. As such, staff are working overtime and managers are working overtime to more cost effectively provide the increased level of support that is needed to regulate the Air District's sources. While not a sustainable practice, this does keep the cost low for the Air District's facilities.
- 2. Improved Timekeeping Data:** A more robust handbook has been developed since the previous study to allow for more efficient time tracking as well as auditing the time tracking information to ensure that there is no over-accounting for costs to fee or non-fee related activities.
- 3. Online Permitting:** The improvements to the New Production System allow certain facilities to have greater accessibility to not only pay for permits online, but apply, renew, and check the status of their permits.
- 4. Monitoring of Expenses:** The Air District has been mindful to ensure that all expenses are needed and where appropriate there have been delays made in expenses, such as expanding offices or buying new equipment to ensure that everything is cost effective.

The most significant strategy that the Air District has been employing is the more effective utilization of its staff. Especially due to the recent pandemic there has been a shift towards accomplishing more items virtually and with less staff due to turnover, but staff have been able to meet the mandated requirements by employing more effective ways of using the system or by using overtime or working managers. Depending upon the nature of the regulations and how they shift, there is the possibility for some of these

work practice changes to be permanent, while in other cases there will be the need to fill in the vacancies to ensure that there is no burn-out of staff.

The Air District is in the midst of a Management Audit. The results of that Management Audit should be reviewed by Air District Management to see what additional resources are absolutely needed, as well as any process efficiencies that may ultimately impact the overall resources being allocated to fee and non-fee related activities. Once the audit is complete those results should be factored into an updated cost recovery analysis.

Recommendation #14: The results of the Management Audit should be reviewed, and any staffing resource and process efficiencies should be incorporated into the Air District's overall cost recovery calculation and cost containment strategies.

2 New Production System

The Air District has rolled out its New Production System (NPS) as it relates to permitting activities. When the previous study was conducted, the Air District had been in the initial stages of its rollout with some facilities being able to access their information online. The original vision for this system was to be a user-friendly permitting system for Air Quality Permits. Over the past 10 years the system has slowly been incorporating additional features to allow the Air District to achieve that seamless integration between data collection, inspections, issuance of permit, payment of fees, and tracking of facilities.

In the current environment, roughly 56% of the Air District's facilities are fully integrated within NPS. As an example, all Asbestos permits are fully integrated in NPS. From filing the notification to logging the inspections and the customer paying their final fee, the entire process is handled through NPS. The system will send email reminders to customers when their renewals are due (if they are in the system). The ultimate goal is upon completion, facilities and customers can utilize this system to see all their permits, sources, inspections, and make payments appropriately. The system also allows all payments (barring some outliers) to be processed online.

The most common utilization of the system is for payments by customers, but many customers are able to pull reports on their data, and / or update their data, while other customers might use it to log in and see what inspections have been conducted, and what permits are valid at their facilities.

The current effort for the New Production system is focusing on porting the remaining facilities and eliminating the dependency on the legacy systems for engineering and compliance. Currently, there is extra work being done by staff in Engineering and Compliance for some facilities as information must be coded in the legacy systems as

well as in the New Production System. This redundancy of data can result in more time being spent, so the goal is to eliminate this need and the need for the legacy systems.

The timeline estimated by Air District staff is that by the end of 2024 it will have fully migrated all of its facilities to NPS, and everything will be running through NPS. Once the complete migration of systems happens to NPS, there is still the need for building out additional modules, as well as developing a robust customer service support team to help internal and external customers effectively utilize NPS. This team will need to be developed starting in 2023, so that there is staff onboard and available as soon as the complete migration is live.

Recommendation #15: The Air District should continue on its current trajectory of completing full migration of facilities and data to NPS currently targeted by end of year 2024.

Recommendation #16: Prior to full migration of NPS, in 2025, the Air District should look at developing an in-house customer service resource team for NPS to help ensure a more effective utilization of the system by internal and external customers.



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

2023 COST RECOVERY REPORT

Prepared by the staff of the
Bay Area Air Quality Management District
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April 2023

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Executive Summary

The 2023 Cost Recovery Study includes the latest fee-related cost and revenue data gathered for three fiscal years (i.e., July 1, 2020 - June 30, 2022). The results of this 2023 Cost Recovery Study will be used as a tool in the preparation of the FYE 2024 budget, and for evaluating potential amendments to the Air District's Regulation 3: Fees.

The completed cost recovery analysis indicates that in FYE 2022 there continued to be a revenue shortfall, as overall direct and indirect costs of regulatory programs exceeded fee revenue (see Figure 2).

For the 3-year period 2020 to 2022, the Air District is recovering approximately 84% of its fee-related activity costs (see Figure 5). The overall magnitude of this cost recovery gap was determined to be approximately \$9.7 million. This cost recovery gap was filled using General Fund revenue received by the Air District from the counties' property tax revenue. The Air District uses the three-year averages 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.

The 2023 Cost Recovery Study also addressed fee-equity issues by analyzing whether there is a revenue shortfall at the individual Fee Schedule level. For the 3-year period, it was noted that of the twenty-two Fee Schedules for which cost recovery could be analyzed, six 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 for time billing purposes (known as "Billing Codes") for all activities, i.e., 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 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 at least 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, Matrix Consulting Group (Matrix) 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. The Air District is currently working with Matrix to complete an update of the February 2018 cost recovery and containment study.

In July 2021, the Air District retained the services of the Matrix Consulting Group. The work was prompted by the Board to study the Air District's current indirect costs as well as fee-related cost recovery by fee schedule and continue to look at any cost containment practices. A key goal of this analysis was to determine methods to obtain 100% cost recovery associated with fee-based activities and schedules. The final report was presented to the Budget and Finance Committee on April 27, 2022. The proposed policy was developed using the 2022 Matrix study findings and comments from the Board meetings. On December 7, 2022, the Board of Directors adopted an amended Cost Recovery and Containment Policy (Consent Item 22) that provides the framework for the Air District to contain costs and to adjust fees in support of its regulatory programs. See Attachment 1. The policy has three (3) main elements: 1) Cost Containment, 2) Analysis of Cost Recovery and 3) Cost Recovery Goals. Part 3 provides the strategic framework for the Regulation 3 rule development process that is conducted in parallel with the next fiscal year annual budget.

This 2023 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 2022 (i.e., July 1, 2020 - June 30, 2022). The results of the 2023 Cost Recovery Study will be used as a tool in the preparation of the budget for FYE 2024, 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, existing fees for authority-to-construct permits or permits to operate cannot be increased by more than 15% 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 2022 was assigned to the appropriate Permit Fee Schedules. This is a continued improvement over prior years' process, as more facilities are managed 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.). All operating/capital expense charges in those grant Programs 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 permit-related 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 to Fee Schedules 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 2022. Figure 2 shows the details of costs and revenue on a fee schedule basis for FYE 2022. Figure 3 shows the details of costs and revenue on a fee schedule basis for FYE 2021. Figure 4 shows the details of costs and revenue on a fee schedule basis for FYE 2020. Figure 5 shows the details of average fee schedule costs and revenue for the three-year period FYE 2020 through FYE 2022.

Discussion of Results

Figure 1 indicates that in FYE 2022 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 \$8.9 million for FYE 2022. This cost recovery gap was filled by General Fund revenue received by the Air District from the counties.

Figure 2 shows that in FYE 2022 there were revenue shortfalls for most of the twenty-two fee schedules for which cost recovery can be analyzed. For FYE 2022, the Air District is recovering 85.93% of its fee-related activity costs. Collected revenue exceeds Program costs for six (6) fee schedules:

- Schedule C (Stationary Containers for the Storage of Organic Liquids),
- Schedule D (Gasoline Transfer at Gasoline Dispensing Facilities, Bulk Plants and Terminals),
- Schedule L (Asbestos Operations),
- Schedule N (Toxic Inventory Fees),
- Schedule R (Equipment Registration Fees),
- Schedule T (Greenhouse Gas Fees).

Collected revenue was less than program costs for the following 16 fee schedules:

- Schedule A (Hearing Board),
- Schedule B (Combustion of Fuels),
- Schedule E (Solvent Evaporating Sources),
- Schedule F (Miscellaneous Sources (e.g., storage silos, abrasive blasting)),
- Schedule G-1 (Miscellaneous Sources (e.g., glass manufacturing, soil remediation)),
- Schedule G-2 (Miscellaneous Sources (e.g., asphaltic concrete, furnaces)),
- Schedule G-3 (Miscellaneous Sources (e.g., metal melting, cracking units)),
- Schedule G-4 (Miscellaneous Sources (e.g., cement kilns, sulfur removal and coking units, acid manufacturing)),
- Schedule G-5 (Miscellaneous Sources (e.g., refinery flares)),
- Schedule H (Semiconductor and Related Operations),
- Schedule I (Dry Cleaners),
- Schedule K (Solid Waste Disposal Sites),
- Schedule P (Major Facility Review Fees),
- Schedule S (Naturally Occurring Asbestos Operations),
- Schedule V (Open Burning), and
- Schedule W (Refinery Emissions Tracking).

Figure 5 shows that over a three-year period (FYE 2020 through FYE 2022) there were revenue shortfalls for most of the twenty-two fee schedules for which cost recovery can be analyzed. For this three-year period, the Air District is recovering approximately 84.31% of its fee-related activity costs. Collected revenue exceeds costs for six (6) fee schedules:

- Schedule C (Stationary Containers for the Storage of Organic Liquids),
- Schedule D (Gasoline Transfer at Gasoline Dispensing Facilities, Bulk Plants and Terminals),
- Schedule L (Asbestos Operations),
- Schedule N (Toxic Inventory Fees),
- Schedule P (Major Facility Review, Title V), and
- Schedule R (Equipment Registration Fees).

Collected revenue was lower than costs for the following 16 fee schedules:

- Schedule A (Hearing Board),
- Schedule B (Combustion of Fuel),
- Schedule E (Solvent Evaporating Sources),
- Schedule F (Miscellaneous Sources (e.g., storage silos, abrasive blasting)),
- Schedule G-1 (Miscellaneous Sources (e.g., glass manufacturing, soil remediation)),
- Schedule G-2 (Miscellaneous Sources (e.g., asphaltic concrete, furnaces)),
- Schedule G-3 (Miscellaneous Sources (e.g., metal melting, cracking units)),
- Schedule G-4 (Miscellaneous Sources (e.g., cement kilns, sulfur removal and coking units, acid manufacturing)),
- Schedule G-5 (Miscellaneous Sources (e.g., refinery flares)),
- Schedule H (Semiconductor and Related Operations),
- Schedule I (Dry Cleaners),
- Schedule K (Solid Waste Disposal Sites),
- 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 5 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 2020 to 2022, 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 \$9.7 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 and expanding it to all source categories, maintaining unfilled positions when feasible, and reducing service and supply budgets. In addition, a management audit is currently underway that is analyzing the Air District's programs and the use of staff resources for its programs. In order to reduce the cost recovery gap, further fee increases will need to be evaluated in accordance with the Cost Recovery and Containment Policy adopted by the Air District's Board of Directors.



BAY AREA
AIR QUALITY
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DISTRICT

2023 Cost Recovery Study

FIGURES

Figure 1: Total Permit Fee Revenue, Costs and Gap for FYE 2022

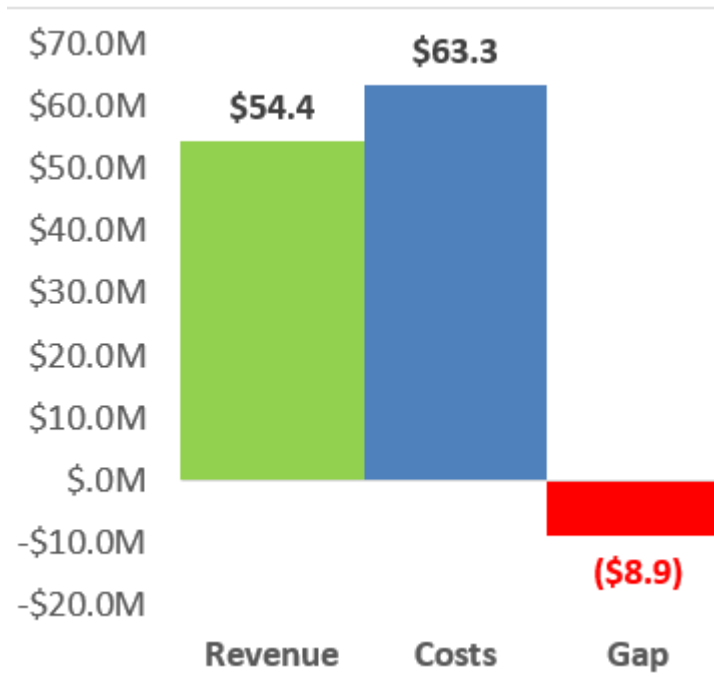


Figure 2: Fee Revenue and Program Costs by Fee Schedule, FYE 2022

Fee Schedule	Direct Cost	Indirect Cost	Total Cost	Application & Renewal	Reg 3-312	Reg 3-327.1	Reg 3-327.2	Reg 3-327.3	Reg 3-OBC	Reg 3-311	Total Revenue	Surplus/Deficit	Cost Recovery %	
				Revenue	Schedule M	Renewal	AB617 Fee	CTR	Fees	Banking				
	Indirect Sale			Schedule M Reg 3-312 Reg 3-327.1 Reg 3-327.2 Reg 3-327.3 Reg 3-OBC Reg 3-311 - Banking										
FS_A-Hearing Board	33,970	41,433	75,403	353	-	-	-	-	-	-	353	(75,050)	0.47%	
FS_B-Combustion of Fuel	7,893,556	4,068,298	11,961,854	8,793,185	582,023	236,655	776,362	326,505	400,120	2,018	5,676	11,122,543	(839,312)	92.98%
FS_C-Storage Organic Liquid	1,106,057	551,981	1,658,038	2,442,096	126,595	201,110	33,663	155,117	119,216	-	-	3,077,798	1,419,760	185.63%
FS_D	4,632,049	2,399,869	7,031,918	6,863,456	33,749	47,173	245,143	40,327	257,453	-	-	7,487,300	455,382	106.48%
FS_E-Solvent Evaporation	2,470,406	1,332,906	3,803,313	3,039,950	83,894	32,040	190,403	46,102	108,305	135	-	3,500,829	(302,484)	92.05%
FS_F-Misc.	3,257,741	1,669,041	4,926,782	2,184,531	128,754	91,897	138,706	156,310	193,640	-	-	2,893,837	(2,032,945)	58.74%
FS_G1-Misc.	4,040,279	2,153,764	6,194,042	3,576,003	147,327	92,921	44,144	76,549	95,376	-	-	4,032,320	(2,161,722)	65.10%
FS_G2-Misc.	1,861,747	943,739	2,805,486	1,108,676	69,951	60,033	8,263	34,191	30,545	-	-	1,311,659	(1,493,827)	46.75%
FS_G3-Misc.	1,173,780	651,586	1,825,366	968,983	21,655	54,545	514	31,778	16,693	-	-	1,094,168	(731,198)	59.94%
FS_G4-Misc.	2,268,311	1,210,110	3,478,421	1,598,477	386,459	52,369	480	34,148	17,736	-	-	2,089,669	(1,388,752)	60.08%
FS_G5-Misc.	716,979	407,625	1,124,604	681,658	31,708	52,475	274	28,359	13,945	-	-	808,418	(316,186)	71.88%
FS_H-Semiconductor	432,852	224,335	657,186	241,788	-	-	19,691	-	9,777	-	-	271,256	(385,930)	41.28%
FS_I-Drycleaners	6,754	3,661	10,416	562	-	-	102	-	39	-	-	703	(9,713)	6.75%
FS_K-Waste Disposal	1,863,862	1,028,934	2,892,796	189,186	120,267	-	3,593	10,310	11,070	-	-	334,426	(2,558,370)	11.56%
FS_L-Asbestos	1,470,586	870,737	2,341,323	4,179,151	-	-	-	-	-	-	-	4,179,151	1,837,828	178.50%
FS_N-AB 2588	428,326	213,177	641,503	1,604,232	-	-	-	-	-	-	-	1,604,232	962,729	250.07%
FS_P-Title V	4,383,740	2,444,817	6,828,557	6,664,160	-	-	-	-	-	-	-	6,664,160	(164,397)	97.59%
FS_R-Registration	159,439	98,222	257,661	331,367	521	-	27,965	14,441	23,529	-	-	397,823	140,163	154.40%
FS_S-NatOccAsbBillable	432,514	244,994	677,508	139,486	-	-	-	-	-	-	-	139,486	(538,023)	20.59%
FS_T-GHG	1,786,972	815,414	2,602,387	2,966,045	-	-	-	-	-	-	-	2,966,045	363,658	113.97%
FS_V-Open Burning	486,632	311,070	797,702	248,007	-	-	-	-	-	-	-	248,007	(549,695)	31.09%
FS_W-PetroleumRefiningEmissionsReport	452,923	264,366	717,289	175,432	-	-	-	-	-	-	-	175,432	(541,857)	24.46%
2022 SUM	\$41,359,475	\$21,950,080	\$63,309,555	\$47,996,785	\$1,732,903	\$921,216	\$1,489,302	\$954,137	\$1,297,444	\$2,153	\$5,676	\$54,399,616	(\$8,909,938)	85.93%

Figure 3: Fee Revenue and Program Costs by Fee Schedule, FYE 2021

Fee Schedule	Direct Cost	Indirect Cost	Total Cost	Application & Renewal Revenue	Schedule M	Reg 3-312 Bubble	Reg 3-327.1 Renewal Processing	Reg 3-327.2 - AB617 Fee	Reg 3-327.3 - CTR Fee	Reg 3-OBC Fees	Reg 3-311 - Banking	Total Revenue	Surplus/Deficit	Cost Recovery %
FS_A-Hearing Board	56,402	26,852	83,254	14,318	-	-	-	-	-	-	-	14,318	(68,936)	17.20%
FS_B-Combustion of Fuel	7,726,960	3,916,462	11,643,422	8,645,644	675,657	185,643	478,794	258,497	-	-	7,620	10,251,855	(1,391,567)	88.05%
FS_C-Storage Organic Liquid	1,068,686	517,654	1,586,341	2,425,794	141,097	164,370	33,347	117,138	-	-	-	2,881,746	1,295,405	181.66%
FS_D	4,245,809	2,261,320	6,507,130	6,888,556	47,035	59,251	240,285	47,495	-	-	-	7,282,623	775,493	111.92%
FS_E-Solvent Evaporation	2,163,333	1,149,365	3,312,699	2,810,725	68,961	38,453	194,272	29,561	-	-	-	3,141,973	(170,726)	94.85%
FS_F-Misc.	3,374,077	1,669,249	5,043,326	2,198,594	151,028	87,616	139,464	160,529	-	-	-	2,737,231	(2,306,094)	54.27%
FS_G1-Misc.	3,944,152	2,069,514	6,013,666	3,169,503	148,630	91,132	42,963	79,901	-	-	-	3,532,130	(2,481,536)	58.74%
FS_G2-Misc.	1,482,840	796,078	2,278,917	1,028,305	35,490	67,996	7,754	39,801	-	-	-	1,179,345	(1,099,572)	51.75%
FS_G3-Misc.	985,122	564,659	1,549,781	731,826	24,454	63,793	596	37,938	-	-	-	858,606	(691,175)	55.40%
FS_G4-Misc.	2,097,031	1,072,688	3,169,719	1,546,403	617,392	62,646	558	41,136	-	-	-	2,268,137	(901,583)	71.56%
FS_G5-Misc.	545,053	300,611	845,664	748,634	34,567	62,482	349	35,734	-	-	-	881,766	36,102	104.27%
FS_H-Semiconductor	221,204	114,783	335,987	191,526	-	-	4,738	-	-	-	-	196,264	(139,723)	58.41%
FS_I-Drycleaners	11,530	6,832	18,362	2,146	-	-	200	-	-	-	-	2,346	(16,016)	12.78%
FS_K-Waste Disposal	1,983,563	1,112,198	3,095,762	207,361	107,226	-	3,896	10,547	-	-	-	329,030	(2,766,732)	10.63%
FS_L-Asbestos	1,546,351	984,848	2,531,200	3,989,403	-	-	-	-	-	-	-	3,989,403	1,458,203	157.61%
FS_N-AB 2588	1,194,223	566,983	1,761,206	1,972,317	-	-	-	-	-	-	-	1,972,317	211,111	111.99%
FS_P-Title V	3,631,018	2,024,791	5,655,809	6,188,182	-	-	-	-	-	-	-	6,188,182	532,374	109.41%
FS_R-Registration	79,494	45,021	124,515	285,718	2,136	-	20,203	8,464	-	-	-	316,521	192,006	254.20%
FS_S-NatOccAsbBillable	387,951	212,513	600,464	105,251	-	-	-	-	-	-	-	105,251	(495,213)	17.53%
FS_T-GHG	2,077,606	940,313	3,017,920	2,890,490	-	-	-	-	-	-	-	2,890,490	(127,430)	95.78%
FS_V-Open Burning	435,117	249,263	684,380	212,252	-	-	-	-	-	-	-	212,252	(472,128)	31.01%
FS_W-PetroleumRefiningEmissionsReport	1,149,167	569,104	1,718,271	152,547	-	-	-	-	-	-	-	152,547	(1,565,724)	8.88%
2021 SUM	\$40,406,691	\$21,171,102	\$61,577,793	\$46,405,496	\$2,053,673	\$883,383	\$1,167,419	\$866,741			\$7,620	\$51,384,333	(\$10,193,460)	83.45%

Figure 4: Fee Revenue and Program Costs by Fee Schedule, FYE 2020

Fee Schedule	Direct Cost	Indirect Cost	Total Cost	Application & Renewal Revenue	Schedule M	Reg 3-312 Bubble	Reg 3-327.1 Renewal Processing	Reg 3-327.2 - AB617 Fee	Reg 3-327.3 - CTR Fee	Reg 3-OBC Fees	Reg 3-311 - Banking	Total Revenue	Surplus/Deficit	Cost Recovery %
FS_A-Hearing Board	34,904	31,170	66,074	37,093	-	-	-	-	-	-	-	37,093	(28,981)	56.14%
FS_B-Combustion of Fuel	6,502,684	3,767,955	10,270,639	8,308,863	694,801	193,890	462,260	-	-	-	11,176	9,670,991	(599,648)	94.16%
FS_C-Storage Organic Liquid	754,010	428,562	1,182,572	2,258,275	139,716	172,986	32,950	-	-	-	-	2,603,926	1,421,354	220.19%
FS_D	3,629,779	2,103,899	5,733,678	6,737,714	43,647	58,089	238,047	-	-	-	-	7,077,497	1,343,820	123.44%
FS_E-Solvent Evaporation	2,554,931	1,590,928	4,145,859	4,028,203	68,820	38,257	203,423	-	-	-	-	4,338,702	192,843	104.65%
FS_F-Misc.	2,720,691	1,569,518	4,290,209	2,395,565	162,906	90,929	141,782	-	-	-	-	2,791,183	(1,499,026)	65.06%
FS_G1-Misc.	3,797,994	2,189,792	5,987,787	3,092,209	147,602	94,370	43,502	-	-	-	-	3,377,683	(2,610,104)	56.41%
FS_G2-Misc.	1,107,628	644,724	1,752,352	992,082	33,564	68,224	7,851	-	-	-	-	1,101,720	(650,631)	62.87%
FS_G3-Misc.	739,290	445,393	1,184,682	701,913	21,684	63,219	567	-	-	-	-	787,383	(397,300)	66.46%
FS_G4-Misc.	2,219,283	1,295,895	3,515,178	1,448,914	792,773	61,887	619	-	-	-	-	2,304,192	(1,210,986)	65.55%
FS_G5-Misc.	339,096	226,803	565,899	670,430	31,853	61,798	335	-	-	-	-	764,415	198,516	135.08%
FS_H-Semiconductor	170,674	99,621	270,295	236,693	-	-	4,867	-	-	-	-	241,559	(28,736)	89.37%
FS_I-Drycleaners	26,507	17,098	43,605	2,363	-	-	358	-	-	-	-	2,721	(40,884)	6.24%
FS_K-Waste Disposal	2,592,513	1,606,577	4,199,091	186,010	114,805	-	3,991	-	-	-	-	304,806	(3,894,285)	7.26%
FS_L-Asbestos	1,515,640	1,204,827	2,720,468	4,283,337	-	-	-	-	-	-	-	4,283,337	1,562,869	157.45%
FS_N-AB 2588	1,084,457	535,641	1,620,097	754,864	-	-	-	-	-	-	-	754,864	(865,233)	46.59%
FS_P-Title V	3,469,393	2,123,430	5,592,823	6,096,660	-	-	-	-	-	-	-	6,096,660	503,837	109.01%
FS_R-Registration	49,201	37,869	87,071	350,329	2,365	-	13,124	-	-	-	-	365,818	278,747	420.14%
FS_S-NatOccAsbBillable	347,150	254,183	601,333	97,167	-	-	-	-	-	-	-	97,167	(504,166)	16.16%
FS_T-GHG	3,112,676	1,516,281	4,628,957	3,136,724	-	-	-	-	-	-	-	3,136,724	(1,492,233)	67.76%
FS_V-Open Burning	471,967	393,719	865,685	203,364	-	-	-	-	-	-	-	203,364	(662,322)	23.49%
FS_W-PetroleumRefiningEmissionsReport	871,680	494,150	1,365,830	152,547	-	-	-	-	-	-	-	152,547	(1,213,283)	11.17%
2020 SUM	\$38,112,147	\$22,578,035	\$60,690,182	\$46,171,317	\$2,254,536	\$903,647	\$1,153,676	\$0			\$11,176	\$50,494,352	(\$10,195,830)	83.20%

Figure 5: Fee Revenue and Program Costs by Fee Schedule, FYE 2020-2022, 3-Year Average

Fee Schedule	Direct Cost	Indirect Cost	Total Cost	Application & Renewal Revenue	Schedule M	Reg 3-312 Bubble	Reg 3-327.1 Renewal Processing	Reg 3-327.2 - AB617 Fee	Reg 3-327.3 - CTR Fee	Reg 3-OBC Fees	Reg 3-311 - Banking	Total Revenue	Surplus/Deficit	Cost Recovery %
FS_A-Hearing Board	41,758	33,152	74,910	17,255	-	-	-	-	-	-	-	17,255	(57,656)	23.03%
FS_B-Combustion of Fuel	7,374,400	3,917,572	11,291,972	8,582,564	650,827	205,396	572,472	292,501	400,120	2,018	8,157	10,348,463	(943,509)	91.64%
FS_C-Storage Organic Liquid	976,251	499,399	1,475,650	2,375,388	135,803	179,488	33,320	136,127	119,216	-	-	2,854,490	1,378,840	193.44%
FS_D	4,169,212	2,255,029	6,424,242	6,829,909	41,477	54,838	241,158	43,911	257,453	-	-	7,282,473	858,232	113.36%
FS_E-Solvent Evaporation	2,396,224	1,357,733	3,753,957	3,292,959	73,892	36,250	196,033	37,832	108,305	135	-	3,660,501	(93,455)	97.51%
FS_F-Misc.	3,117,503	1,635,936	4,753,439	2,259,563	147,563	90,147	139,984	158,420	193,640	-	-	2,807,417	(1,946,022)	59.06%
FS_G1-Misc.	3,927,475	2,137,690	6,065,165	3,279,238	147,853	92,808	43,536	78,225	95,376	-	-	3,647,378	(2,417,787)	60.14%
FS_G2-Misc.	1,484,071	794,847	2,278,918	1,043,021	46,335	65,417	7,956	36,996	30,545	-	-	1,197,575	(1,081,344)	52.55%
FS_G3-Misc.	966,064	553,879	1,519,943	800,907	22,598	60,519	559	34,858	16,693	-	-	913,386	(606,557)	60.09%
FS_G4-Misc.	2,194,875	1,192,898	3,387,773	1,531,265	598,874	58,968	552	37,642	17,736	-	-	2,220,666	(1,167,107)	65.55%
FS_G5-Misc.	533,709	311,680	845,389	700,241	32,709	58,918	319	32,047	13,945	-	-	818,200	(27,189)	96.78%
FS_H-Semiconductor	274,910	146,246	421,156	223,336	-	-	9,765	-	9,777	-	-	236,360	(184,796)	56.12%
FS_I-Drycleaners	14,930	9,197	24,127	1,690	-	-	220	-	39	-	-	1,923	(22,204)	7.97%
FS_K-Waste Disposal	2,146,646	1,249,237	3,395,883	194,186	114,099	-	3,827	10,428	11,070	-	-	322,754	(3,073,129)	9.50%
FS_L-Asbestos	1,510,859	1,020,138	2,530,997	4,150,630	-	-	-	-	-	-	-	4,150,630	1,619,633	163.99%
FS_N-AB 2588	902,335	438,600	1,340,935	1,443,804	-	-	-	-	-	-	-	1,443,804	102,869	107.67%
FS_P-Title V	3,828,050	2,197,679	6,025,730	6,316,334	-	-	-	-	-	-	-	6,316,334	290,605	104.82%
FS_R-Registration	96,045	60,371	156,415	322,472	1,674	-	20,431	11,452	23,529	-	-	360,054	203,639	230.19%
FS_S-NatOccAsbBillable	389,205	237,230	626,435	113,968	-	-	-	-	-	-	-	113,968	(512,467)	18.19%
FS_T-GHG	2,325,752	1,090,669	3,416,421	2,997,753	-	-	-	-	-	-	-	2,997,753	(418,668)	87.75%
FS_V-Open Burning	464,572	318,017	710,889	221,208	-	-	-	-	-	-	-	221,208	(489,682)	31.12%
FS_W-PetroleumRefiningEmissionsReport	824,590	442,540	1,267,130	160,175	-	-	-	-	-	-	-	160,175	(1,106,954)	12.64%
Sum	\$39,959,438	\$21,899,739	\$61,787,476	\$46,857,866	\$2,013,704	\$902,749	\$1,270,132	\$910,439	\$1,297,444	\$2,153	\$8,157	\$52,092,767	(\$9,694,709)	84.31%



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

ATTACHMENT

2022 COST RECOVERY AND CONTAINMENT POLICY FOR BAY AREA AIR QUALITY MANAGEMENT DISTRICT REGULATORY PROGRAMS

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

PURPOSE

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

WHEREAS, the Air District's regulatory programs include but are not limited to permitting and notification programs, compliance and enforcement of permitted and registered facilities, compliance assistance at permitted and registered facilities, source testing and monitoring at permitted facilities, rule development for regulated industries, the development of the emissions inventory for permitted and registered facilities and other permit work at permitted facilities.

WHEREAS, the Air 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 Air 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 Air 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 Air District analyzes whether assessed fees result in the collection of sufficient revenue to recover the costs of related program activities; and Air District staff conduct these analyses on an annual basis, with an independent contractor review of these analyses and methodologies -conducted approximately every five years, with the most recent independent study conducted in 2022. Each fee study and cost recovery update completed revealed that District fee revenue falls short of recovering the costs of related program activities.

Adpoted December 7, 2022

WHEREAS, the Air District's most recent independent fee report (2022 Cost Recovery Report, Bay Area Air Quality Management District, May 2022) concluded that in Fiscal Year Ending (FYE) 2021, the Air District recovered approximately 83.7 percent of its fee-related activity costs (up from 65 percent in FYE 2011), resulting in an under-recovery of costs (i.e., a cost recovery gap), and a subsidy to fee payers, of approximately \$10.2 million, and that this cost recovery gap resulted despite the implementation of a number of strategies to contain costs.

WHEREAS, the Air District's Board of Directors has recognized since 1999 that the Air 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, the Air District's Board of Directors adopted a policy in 2012 with a goal to increase overall recovery of regulatory program activity costs to 85 percent.

WHEREAS, in addition to fee revenue, the Air 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 Air 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 Air District operational costs necessitating, in certain years, the use of reserve funds. WHEREAS, tax revenue that the Air 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 Air 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 Air 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 Air District should continue to implement feasible cost containment measures, including the use of appropriate best management practices, without compromising the Air District's effective implementation and enforcement of applicable regulatory requirements. The Air District's annual budget documents should include a summary of cost containment measures that are being implemented.

(2) Analysis of Cost Recovery – The Air 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. An independent review of the Air District cost recovery analyses should be periodically completed by a qualified Air District contractor and should be updated on an annual basis by Air District staff using a consistent methodology.

(3) Cost Recovery Goals – It is the general policy of the Air District, except as otherwise noted below, that the costs of regulatory program activities be fully recovered by assessing fees to regulated entities. To move towards this goal, the Air District should amend its fee regulation over the next several years, in conjunction with the adoption of the Air District budget, in a manner sufficient to increase overall recovery of regulatory program activity costs to 100 percent. Proposed 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. Proposed fee amendments should include fee-recoverable work that is currently not being charged a fee. As allowed by law, any proposed regulatory measures should also propose new fees or fee amendments that are designed to recover increased regulatory program implementation costs concurrent with rule adoption, 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 cover existing fee discounts that the Air District provides (e.g., for small businesses, green businesses, and third-party permit appeals).

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 Air District's Board of Directors.

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June 15, 2022TBD

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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 6/7/00)

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 2/20/85)

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

(Amended 6/4/86)

3-204 Initial Fee: The fee required ~~for each new or modified source based on the type and size of the source or an hourly rate of actual costs incurred by the District. 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 6/4/86)

- 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, 1964~~/86)
- 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 7/3/91)
- 3-211 Source:** See Section 1-227 of Regulation 1.
- 3-212 Deleted August 2, 1995**
- 3-213 Major Stationary Source:** For the purpose of Schedule M, a major stationary source shall be any District permitted plant, building, structure, stationary facility or group of facilities under the same ownership, leasehold, or operator which, in the base calendar year, emitted to the atmosphere organic compounds, oxides of nitrogen (expressed as nitrogen dioxide), oxides of sulfur (expressed as sulfur dioxide), or PM₁₀ in an amount calculated by the APCO equal to or exceeding 50 tons per year.
(Adopted 11/2/83; Amended 2/21/90, 6/6/90, 8/2/95, 6/7/00)
- 3-214 Deleted October 20, 1999, effective March 1, 2000**
- 3-215 Deleted October 20, 1999, effective March 1, 2000**
- 3-216 Deleted October 20, 1999, effective March 1, 2000**
- 3-217 Deleted October 20, 1999, effective March 1, 2000**
- 3-218 Deleted October 20, 1999, effective March 1, 2000**
- 3-219 Deleted October 20, 1999, effective March 1, 2000**
- 3-220 Deleted October 20, 1999, effective March 1, 2000**
- 3-221 Deleted October 20, 1999, effective March 1, 2000**
- 3-222 Deleted October 20, 1999, effective March 1, 2000**
- 3-223 Start-up Date:** Date when new or modified equipment under an authority to construct begins operating. The holder of an authority to construct is required to notify the APCO of this date at least 3 days in advance. For new sources, or modified sources whose authorities to construct have expired, operating fees are charged from the startup date.
(Adopted 6/4/86; Amended 6/6/90)
- 3-224 Permit to Operate:** Written authorization from the APCO pursuant to Section 2-1-302.
(Adopted 6/4/86; Amended 6/7/00)
- 3-225 Deleted June 3, 2015**
- 3-226 Air Toxics "Hot Spots" Information and Assessment Act of 1987:** The Air Toxics "Hot Spots" Information and Assessment Act of 1987 directs the California Air Resources Board and the Air Quality Management Districts to collect information from industry on emissions of potentially toxic air contaminants and to inform the public about such emissions and their impact on public health. It also directs the Air Quality Management District to collect fees sufficient to cover the necessary state and District costs of implementing the program.
(Adopted 10/21/92; Amended 6/15/05)
- 3-227 Toxic Air Contaminant, or TAC:** An air pollutant that may cause or contribute to an increase in mortality or in serious illness or that may pose a present or potential hazard to human health. For the purposes of this rule, TACs consist of the substances listed in Table 2-5-1 of Regulation 2, Rule 5.
(Adopted 10/21/92; Amended 6/15/05)

- 3-228 Deleted December 2, 1998
- 3-229 Deleted December 2, 1998
- 3-230 Deleted December 2, 1998
- 3-231 Deleted December 2, 1998
- 3-232 Deleted December 2, 1998
- 3-233 Deleted December 2, 1998
- 3-234 Deleted December 2, 1998
- 3-235 Deleted December 2, 1998
- 3-236 Deleted December 2, 1998
- 3-237 **PM₁₀**: See Section 2-1-229 of Regulation 2, Rule 1. *(Adopted 6/7/00)*
- 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 6/15/05; Amended 6/21/17)*
- 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 6/15/05)*
- 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 5/21/08)*
- 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 6/19/10)*
- 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 6/19/13)*
- 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 6/19/13)*
- 3-244 **Permit to Operate Renewal Date**: The first day of a Permit to Operate's Permit Renewal Period. *(Adopted 6/19/13)*
- 3-245 **Permit Renewal Period**: The length of time the source is authorized to operate pursuant to a Permit to Operate. *(Adopted 6/19/13)*
- 3-246 **Overburdened Community**: As defined in Regulation 2, Rule 1 *(Adopted 6/15/22)*
- 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 6/7/00)*

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 ~~\$593630~~, 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 ~~\$593630~~, 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 feessubmitted. 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 ~~\$593630~~ 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 ~~\$42,35913,138~~. 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.

302.7 Fee for applications in an Overburdened Community: An applicant with a project that requires a Health Risk Assessment in an Overburdened Community shall pay a fee of \$1,000 in addition to any other permit application fees.

302.8 Risk Assessment Fee: When the Risk Assessment Fee (RAF) is required for more than one source, the first toxic air contaminant (TAC) source is the source with the highest calculated RAF.

(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, 6/16/21, 6/15/22, TBD)

3-303

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

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

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

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

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

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

3-305 Cancellation or Withdrawal: There will be no refund of the initial fee and filing fee if an application is cancelled or withdrawn. There will be no refund of the risk assessment fee if the risk assessment has been conducted prior to the application being cancelled or withdrawn. If an application for identical equipment for the same project 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, 6/16/21)

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 Permit 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. For expired permits or registrations, the new owner/operator is responsible for all outstanding fees.

(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

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), to change assigned conditions, or~~ to transfer ownership of an ERCs, or to make any administrative changes shall pay the following fees:

311.1 Banking ERCs: An applicant to bank emissions for future use shall pay a filing fee of ~~\$593630~~ 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 to Interchangeable Emission Reduction Credits (IERCs): An applicant to convert an existing ERC into an IERC shall pay a filing fee of ~~\$593630~~ 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 ~~\$593630~~.

311.4 Evaluation of Existing ERCs for PM_{2.5}: An applicant to evaluate an existing PM₁₀ ERC shall pay a filing fee of \$630 per source and an evaluation fee equivalent to the total actual and reasonable time incurred by District staff at the hourly rate of \$193 per hour not to exceed 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.

311.5 ERC Condition Change: An applicant to request a change in condition shall pay a filing fee of \$630 and an evaluation fee equivalent to the total actual and reasonable time incurred by District staff at the hourly rate of \$193 per hour not to exceed 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.

(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, 6/16/21, 6/15/22)

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 ~~\$4,504,596~~ for each source included in the alternative compliance plan, not to exceed ~~\$45,044,957~~.

(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, 6/16/21, 6/15/22)

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:** 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 ~~\$11,738~~12,477 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, 6/16/21, 6/15/22)
- 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, greenhouse gas fees based on Schedule T, 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.

327.1 Renewal Processing Fee: In addition, the facility shall also pay a processing fee at the time of renewal that covers each Permit Renewal Period as follows:

- 1.1 ~~\$147,124~~ for facilities with one permitted source, including gasoline dispensing facilities,
- 1.2 ~~\$234,246~~ for facilities with 2 to 5 permitted sources,
- 1.3 ~~\$461,490~~ for facilities with 6 to 10 permitted sources,
- 1.4 ~~\$692,736~~ for facilities with 11 to 15 permitted sources,
- 1.5 ~~\$919,977~~ for facilities with 16 to 20 permitted sources,
- 1.6 ~~\$1,1491,221~~ for facilities with more than 20 permitted sources.

327.2 Assembly Bill 617 Community Health Impact Fee: An owner/operator of a permitted facility subject to Schedule P (Major Facility Review Fees) 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 ~~\$115,000~~122,245 per year per facility owner.

327.3 Criteria Pollutant and Toxic Emissions Reporting (CTR): The owner/operator of a permitted facility shall pay a CTR fee of 4.4 percent of the facility's total renewal fee, up to a maximum fee of ~~\$57,500~~61,123 per year.

327.4 Overburdened Community renewal fee: The owner/operator of a permitted facility in an Overburdened Community shall pay a fee of 15 percent of the facility's total renewal fee, up to a maximum fee of ~~\$250,000~~265,750 per year.

(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, 6/3/20, 6/16/21, 11/3/21, 6/15/22)

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 6/7/00)

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 6/15/05; 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 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 Expired Authority to Construct: If an applicant does not notify the District with their intent to renew the Authority to Construct prior to its expiration, the applicant shall pay \$100 per application in addition to any other fees under this section if eligible to renew.

(Adopted June 15, 2005)

- 3-331 Registration Fees:** Any person who is required to register equipment under District rules shall submit a registration fee, and any annual fee thereafter, as set out in Schedule R. ~~The APCO may reduce registration fees by an amount deemed appropriate if the owner or operator of the equipment attends an Industry Compliance School sponsored by the District.~~
(Adopted ~~June 6, 206/6/07~~; 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, 206/6/07~~; 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, 205/21/08~~)
- 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, 205/21/08~~)
- 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, 205/20/09~~)
- 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 6/3/20)
- 3-337 Exemption Fee:** An applicant who wishes to receive a certificate of exemption shall pay a filing fee of ~~\$593630~~ per exempt source.
(Adopted ~~June 19, 206/19/13~~; Amended 6/4/14; 6/3/15, 6/21/17, 6/16/21, 6/15/22)
- 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, 206/19/13~~)
- 3-339 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, Amended 11/03/21)
- 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 ~~\$1,8191,934~~ for facilities with one source subject to risk reduction pursuant to Regulation 11, Rule 18, including gasoline dispensing facilities;
 - 341.2 ~~\$3,6393,868~~ for facilities with 2 to 5 sources subject to risk reduction pursuant to Regulation 11, Rule 18;
 - 341.3 ~~\$7,2777,735~~ for facilities with 6 to 10 sources subject to risk reduction pursuant to

- Regulation 11, Rule 18;
- 341.4 ~~\$14,553~~15,470 for facilities with 11 to 15 sources subject to risk reduction pursuant to Regulation 11, Rule 18;
- 341.5 ~~\$29,107~~30,941 for facilities with 16 to 20 sources subject to risk reduction pursuant to Regulation 11, Rule 18;
- 341.6 ~~\$38,809~~41,254 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, 6/3/20, 6/16/21, 6/15/22)

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 ~~\$481,946~~193,377.

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 ~~\$248-264~~ 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 ~~\$2,985~~3,173 for facilities with one to 10 sources subject to risk reduction pursuant to Regulation 11, Rule 18, including gasoline dispensing facilities;
- 342.2 ~~\$8,004~~8,508 for facilities with 11 to 50 sources subject to risk reduction pursuant to Regulation 11, Rule 18;
- 342.3 ~~\$46,979~~18,049 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, 6/16/21, 6/15/22)

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 ~~\$248-264~~ 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; Amended 6/16/21, 6/15/22)

3-344 Rounding: Each fee will be rounded to the nearest dollar.

(Adopted 6/15/22)

3-345 Evaluation of Plans, Regulation 6: For any plan required in any rule in Regulation 6, the requestor shall pay the following fees:

345.1 A filing fee of \$630; and

345.2 An initial fee equivalent to the total actual and reasonable time incurred by District staff at the hourly rate or prorated of \$193 per hour not to exceed the minimum initial fee(s) in the schedule for the applicable source(s).

(TBD)

3-346 Request for a Petition, Regulation 8: For any petition required in any rule in Regulation 8, the requestor shall pay the following fees:

346.1 A filing fee of \$630; and

346.2 An initial fee equivalent to the total actual and reasonable time incurred by District staff at the hourly rate or prorated of \$193 per hour not to exceed the minimum initial fee in Schedule E.

(TBD)

3-347 Evaluation of Reports, Organic Waste Recovery Sites: For the evaluation of any report not currently specified in Schedule K as required by federal, state or Air District rule, the owner/operator shall pay the following fees:

347.1 A filing fee of \$630; and

347.2 An initial fee equivalent to the total actual and reasonable time incurred by District staff at the hourly rate or prorated of \$193 per hour.

(TBD)

3-400 ADMINISTRATIVE REQUIREMENTS

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

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

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

3-404 Deleted June 7, 2000

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

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

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

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

2.2 Fees received more than 30 days after the due date must include a late fee equal to 25 percent of all fees specified on the invoice.

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

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.

(Adopted 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~~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 10/21/92)

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 10/8/97)

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 6/16/10)

3-418 Temporary Incentive for Online ~~Production System~~ or Electronic Transactions: The APCO has the authority to declare an incentive period for transactions made using the online ~~production~~-system or other electronic processes, during which the District may waive all or any part of the fees for these transactions.

(Adopted 6/6/18)

3-419 Industry Compliance School: The APCO may reduce fees by an amount deemed appropriate if the owner/operator of the source attends an Industry Compliance School sponsored by the District.

(TBD)

**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.....	<u>\$8,0499</u> <u>.256</u> <u>\$4,0304</u> <u>.6354,6</u> <u>35</u>	<u>\$1,204</u> <u>1,385</u> <u>\$4064</u> <u>67</u>	
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.....	<u>\$4,8325</u> <u>.557</u> <u>\$2,4132</u> <u>.775</u>	<u>\$1,204</u> <u>1,385</u> <u>\$4064</u> <u>67</u>	
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	<u>\$3,2063</u> <u>.687</u> <u>\$2,4132</u> <u>.775</u>	<u>\$4064</u> <u>67</u> <u>\$4064</u> <u>67</u>	
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	<u>\$3,2063</u> <u>.687</u> <u>\$2,4132</u> <u>.775</u>	<u>\$4064</u> <u>67</u> <u>\$4064</u> <u>67</u>	
5.	For each application to revoke a variance.....	<u>\$4,8325</u> <u>.557</u>	<u>\$4064</u> <u>67</u>	
6.	For each application for approval of a Schedule of Increments of Progress in accordance with §41703	<u>\$3,2063</u> <u>.687</u>	<u>\$4064</u> <u>67</u>	
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.....	<u>\$8,0499</u> <u>.256</u> <u>\$4,0304</u> <u>.6354,6</u> <u>35</u>	<u>\$1,204</u> <u>1,385</u> <u>\$4064</u> <u>67</u>	
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	<u>\$4,8325</u> <u>.557</u> <u>\$2,4132</u> <u>.775</u>	<u>\$1,204</u> <u>1,385</u> <u>\$4064</u> <u>67</u>	

		Large Companies	Small Business	Third Party
9.	For each Appeal (Permit, Banking, Title V)	\$8,0499,2 56 per hearing day	\$4,0304, 6354,635 per hearing day	\$4,0304,6 354,635 for entire appeal period
10.	For each application for intervention in accordance with Hearing Board Rules §§2.3, 3.6 & 4.6	\$4,0304 ,6354,6 35	\$8109 32	
11.	For each application to Modify or Terminate an abatement order.....	\$8,0499,2 56 per hearing day	\$4,0304, 6354,635 per hearing day	
12.	For each application for an interim variance in accordance with §42351	\$4,0304 ,6354,6 35	\$8109 32	
13.	For each application for an emergency variance in accordance with §42359.5	\$2,0092 ,310	\$4064 67	
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	\$4,0304 ,6354,6 35	\$1,204 1,385	\$1,2041 ,385
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, 6/16/21, 6/15/22)

**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 ~~\$6-707.71~~ 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 ~~\$33-3538.35~~ 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:

$$\text{Fee} = (\text{Opacity}^* \text{ equivalent} - 20) \times \text{number of days allowed in variance} \times \text{\$6-857.88}$$

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:

$$\text{Fee} = (\text{Opacity}^* \text{ equivalent} - 40) \times \text{number of days allowed by variance} \times \text{\$6-857.88}$$

* 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, 6/16/21)

**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: ~~\$78.94~~90.75 per MM BTU/HOUR
 - a. The minimum fee per source is: ~~\$424484~~
 - b. The maximum fee per source is: ~~\$147,210~~169,292
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: ~~\$593630~~ plus ~~\$78.94~~90.75 per MM BTU/hr
 - b. Minimum RAF for first TAC source: ~~\$1,0141,166~~
 - c. RAF for each additional TAC source: ~~\$78.94~~90.75 per MM BTU/hr*
 - d. Minimum RAF per additional TAC source: ~~\$424484~~*
 - e. Maximum RAF per source is: ~~\$169,292~~147,210

* 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: ~~\$39.45~~45.37 per MM BTU/HOUR
 - a. The minimum fee per source is: ~~\$299344~~
 - b. The maximum fee per source is: ~~\$73,605~~84,646
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. 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.
6. 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, 6/16/21, 6/15/22)

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: ~~\$593630~~ 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.

(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, 6/16/21, 6/15/22)

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: \$356.05 per single product nozzle (spn)
\$356.05 per product for each multi-product nozzle (mpn)
 2. PERMIT TO OPERATE FEE: \$136.38 per single product nozzle (spn)
\$136.38 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:

$$\$492.42 \times \left\{ \left[\frac{(mpn_{\text{proposed}})(\text{products per nozzle}) + spn_{\text{proposed}}}{(mpn_{\text{existing}})(\text{products per nozzle}) + spn_{\text{existing}}} \right] - 1 \right\}$$

mpn = multi-product nozzles
spn = single product nozzles

The above formula includes a toxic surcharge.

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

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

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

4. RISK ASSESSMENT FEE (RAF) if required pursuant to Regulation 3-329 or 3-342 (including increases in permitted throughput for which a health risk assessment is required.) of:
 - a. \$3,827 per application for a new gas dispensing facility
 - b. ~~\$672-773~~ per application for all other
 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: \$4,676.76 per single product loading arm
\$4,676.76 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: \$5,295
 - b. RAF for each additional TAC source: \$4,677 *

* 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: \$1,303 per single product loading arm
\$1,303 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.

(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, 6/16/21, 6/15/22)

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

Fixed typo 2.502

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: \$2,1762,502 per 1,000 gallons
 - b. The minimum fee per source is: \$1,0831,245
 - c. The maximum fee per source is: \$86,45799,426

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: \$593630 plus initial fee
 - b. Minimum RAF for first TAC source: \$1,7842,052
 - c. RAF for each additional TAC source: equal to initial fee *
 - d. Minimum RAF per additional TAC source: \$1,0831,245 *
 - e. Maximum RAF per source is: \$86,45799,426
 - * 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: \$1,0831,245 per 1,000 gallons
 - b. The minimum fee per source is: \$781898
 - c. The maximum fee per source is: \$43,22549,709

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, 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, 6/16/21, 6/15/22)

**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: \$813935
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: \$1,5271,756
 - b. RAF for each additional TAC source: \$843935*
 - * 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: \$594680
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: \$6,6027,592
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: \$7,4928,616
 - b. RAF for each additional TAC source: \$6,6027,592*
 - * 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: \$3,2963,790
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: \$8,74610,023
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: \$9,60511,046
 - b. RAF for each additional TAC source: \$8,74610,023*
 - * 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: \$4,3355,008
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: \$45,99252,891
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: \$46,74353,754
 - b. RAF for each additional TAC source: \$45,99252,891 *

* 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: \$22,99226,441
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: \$115,238132,524
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: \$116,128133,547
 - b. RAF for each additional TAC source: \$115,238132,524*

* 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: \$57,61666,258
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: \$51,73159,491
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: \$52,19360,022
 - b. RAF for each additional TAC source: \$51,73159,491*

* 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: \$25,86529,745
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, 6/16/21, 6/15/22)

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
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

Equipment or Process Description	Materials Processed or Produced
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
Refining – Alkylation Units	Any Hydrocarbons
Refining – Asphalt Oxidizers	Any Hydrocarbons
Refining – Benzene Saturation Units/Plants	Any Hydrocarbons
Refining – Catalytic Reforming Units	Any Hydrocarbons
Refining – Chemical Treating Units including alkane, naphthenic acid, and naphtha merox treating, or similar processes	Any Hydrocarbons
Refining – Converting Units including Dimersol Plants, Hydrocarbon Splitters, or similar processes	Any Hydrocarbons
Refining – Distillation Units, excluding crude oil units with capacity > 1000 barrels/hour (see G-3 for > 1000 barrels/hour crude distillation units)	Any Hydrocarbons
Refining – Hydrogen Manufacturing	Hydrogen or Any Hydrocarbons
Refining – Hydrotreating or Hydrofining	Any Hydrocarbons
Refining – Isomerization	Any Hydrocarbons
Refining – MTBE Process Units/Plants	Any Hydrocarbons
Refining – Sludge Converter	Any Waste Materials
Refining – Solvent Extraction	Any Hydrocarbons
Refining – Sour Water Stripping	Any Process or Wastewater
Refining – Storage (enclosed)	Coke or Coke Products
Refining – Waste Gas Flares(not subject to Regulation 12, Rule 11)	Any Refining Gases
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 refineries (see G-2 for Refining - Oil-Water Separators)	Wastewater from any industrial facilities except refineries
Wastewater Treatment, Industrial – Strippers including air strippers, nitrogen strippers, dissolved air flotation units, or similar equipment and excluding strippers at refineries (see G-2 for Refining – Strippers)	Wastewater from any industrial facilities except refineries
Wastewater Treatment, Industrial - Storage Ponds, excluding storage ponds at refineries (see G-2 for Refining – Storage Ponds)	Wastewater from any industrial facilities except 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, 11/3/21)

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
<u>Metal Shredding (maximum capacity of less than or equal to 150 tons per hour)</u>	<u>Any Metals or Alloys</u>
Refining – Stockpiles (open)	Coke or coke products only
Refining, Wastewater Treatment – Oil-Water Separators	Wastewater from refineries only
Refining, Wastewater Treatment – Strippers including air strippers, nitrogen strippers, dissolved air flotation units, or similar equipment	Wastewater from refineries only
Refining, Wastewater Treatment – Storage Ponds	Wastewater from refineries only
Pickling Lines or Tanks	Any Metals or Alloys
Sulfate Pulping Operations – All Units	Any
Sulfite Pulping Operations – All Units	Any

(Amended 6/7/00, 11/3/21)

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
<u>Metal Shredding (maximum capacity greater than 150 tons per hour)</u>	<u>Any Metals or Alloys</u>
Refining – Cracking Units including hydrocrackers and excluding thermal or fluid catalytic crackers (see G-4 for Thermal Crackers and Catalytic Crackers)	Any Hydrocarbons
Refining – Distillation Units (crude oils) including any unit with a capacity greater than 1000 barrels/hour (see G-1 for other distillation units)	Any 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, 11/3/21)

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
Refining - Coking Units including fluid cokers, delayed cokers, flexicokers, and coke kilns	Coke and Coke Products
Refining - Cracking Units including fluid catalytic crackers and thermal crackers and excluding hydrocrackers (see G-3 for Hydrocracking Units)	Any Hydrocarbons
Refining - Sulfur Removal including any Claus process or any other process requiring caustic reactants	Any Refining Gas
Sulfuric Acid Manufacturing – Any Chamber or Contact Process	Any Solid, Liquid or Gaseous Fuels Containing Sulfur

(Amended 6/7/00, 11/3/21)

SCHEDULE G-5

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

(Adopted 5/2/07; Amended 11/3/21)

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: \$9441,086
- b. The maximum fee per source is: \$75,53586,865

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):

\$638-734 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):

\$1,8962,180 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: \$593630 plus initial fee
- b. Minimum RAF for first TAC source: \$1,6421,888
- c. RAF for each additional TAC source: equal to initial fee *
- d. Minimum RAF per additional TAC source: \$9441,086 *
- e. Maximum RAF per source is: \$75,53586,865

* 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: \$683785
- b. The maximum fee per source is: \$37,76143,425

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):

~~\$324-369~~ 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):

~~\$944-1,086~~ 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.

(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, 6/16/21, 6/15/22)

**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: \$700744
 - b. If the washing or drying capacity exceeds 100 pounds: \$700744 plus
 For that portion of the capacity exceeding 100 pounds: \$20.95 per pound

2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$508-630 plus initial fee
 - b. Minimum RAF for first TAC source: \$1,2451,323
 - c. RAF for each additional TAC source: equal to initial fee*
 - d. Minimum RAF per additional TAC source: \$700744*

* 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: \$544543
 - b. If the washing or drying capacity exceeds 100 pounds: \$544543 plus
 For that portion of the capacity exceeding 100 pounds: \$40-5211.00 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.

(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, 6/15/22)

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

1. INITIAL FEE:
 - a. Landfill (Decomposition Process) \$7,6848,833
 - b. Active Landfill (Waste and Cover Material Dumping Process) \$3,8394,415
 - c. Active Landfill (Excavating, Bulldozing, and Compacting Processes) \$3,8394,415

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: \$593630 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) \$3,8394,415
 - b. Active Landfill (Waste and Cover Material Dumping Process) \$1,9492,207
 - c. Active Landfill (Excavating, Bulldozing, and Compacting Processes) \$1,9492,207

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) \$4,2324,867
 - b. Evaluation of Inactive Site Questionnaire as required by Health & Safety Code Section 41805.5(b) \$2,1222,440
 - 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) \$2,1222,440
 - d. Evaluation of Initial or Amended Design Capacity Reports as required by Regulation 8, Rule 34, Section 405 \$1,5641,795
 - e. Evaluation of Initial or Periodic NMOC Emission Rate Reports as required by Regulation 8, Rule 34, Sections 406 or 407 \$4,4635,132
 - f. Evaluation of Closure Report as required by Regulation 8, Rule 34, Section 409 \$1,5641,795
 - g. Evaluation of Annual Report as required by Regulation 8, Rule 34, Section 411 \$3,9054,491

6. 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, 6/16/21, 6/15/22)

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	\$145.34 <u>154.50</u> per ton
	2.	Sulfur Oxides	\$145.34 <u>154.50</u> per ton
	3.	Nitrogen Oxides	\$145.34 <u>154.50</u> per ton
	4.	PM ₁₀	\$145.34 <u>154.50</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, 6/16/21, 6/15/22)

SCHEDULE N
TOXIC INVENTORY FEES
(Adopted October 21, 1992)

For each stationary source emitting substances covered by California Health and Safety Code Section 44300 *et seq.*, the Air Toxics "Hot Spots" Information and Assessment Act of 1987, which have trigger levels listed in Table 2-5-1, a fee based on the weighted emissions of the facility shall be assessed based on the following formulas:

1. A fee of ~~\$77.44~~ for each gasoline product dispensing nozzle in a Gasoline Dispensing Facility;
or
2. A fee calculated by multiplying the facility's weighted toxic inventory (w_i) by the following factor:

Air Toxic Inventory Fee Factor ~~\$4061.13~~ per weighted pound per year

Using the last reported data, the facility's weighted toxic inventory (w_i) is calculated as a sum of the individual TAC emissions multiplied by either the inhalation cancer potency factor for the TAC (see Regulation 2, Rule 5, Table 2-5-1, column 10) times 28.6 if the emission is a carcinogen, or by the reciprocal of the chronic inhalation reference exposure level for the TAC (see Regulation 2, Rule 5, Table 2-5-1, column 8) if the emission is not a carcinogen.

(Amended 12/15/93, 6/15/05, 5/2/07, 6/16/10, 5/4/11, 6/4/14, 6/3/15, 6/15/16, 6/6/18, 6/5/19, 6/3/20, 6/16/21, 6/15/22)

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 ~~\$1,070~~1,137 per source
- b. MFR EMISSIONS FEE..... ~~\$42,084~~4,73 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 FEES ~~\$10,690~~11,363 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 ~~\$1,489~~1,583 per application
- b. SYNTHETIC MINOR INITIAL PERMIT FEE ~~\$1,070~~1,137 per source
- c. SYNTHETIC MINOR REVISION FEE..... ~~\$1,070~~1,137 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 ~~\$1,489~~1,583 per application
- b. MFR INITIAL PERMIT FEE ~~\$1,489~~1,583 per source
- c. MFR ADMINISTRATIVE AMENDMENT FEE ~~\$424~~448 per application
- d. MFR MINOR REVISION FEE ~~\$2,144~~2,247 per source modified
- e. MFR SIGNIFICANT REVISION FEE ~~\$3,944~~4,189 per source modified fluid
- f. MFR REOPENING FEE ~~\$1,293~~1,374 per source modified
- g. MFR RENEWAL FEE ~~\$628~~668 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 ~~\$2,226~~2,366 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 \$~~48,192~~19,338

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 \$~~254~~270 per source, not to exceed \$~~25,008~~26,584

(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, 6/16/21, 6/15/22)

**SCHEDULE Q
EXCAVATION OF CONTAMINATED SOIL AND
REMOVAL OF UNDERGROUND STORAGE TANKS
(ADOPTED JANUARY 5, 1994)**

1. Persons excavating contaminated soil or removing underground storage tanks subject to the provisions of Regulation 8, Rule 40, Section 401, 402, 403 or 405 are subject to the following fee:
 - a. OPERATION FEE: \$168
(Amended 7/19/00, 8/1/01, 6/5/02, 7/2/03, 6/2/04, 6/6/07, 5/21/08, 5/20/09, 6/16/10, 6/15/11, 6/6/12, 6/4/14, 6/3/15, 6/15/16)

**SCHEDULE R
EQUIPMENT REGISTRATION FEES**

1. Persons operating commercial cooking equipment who are required to register equipment as required by District rules are subject to the following fees:
 - a. Conveyorized Charbroiler REGISTRATION FEE: \$744 per facility
 - b. Conveyorized Charbroiler ANNUAL RENEWAL FEE: \$209 per facility
 - c. Under-fired Charbroiler REGISTRATION FEE: \$744 per facility
 - d. Under-fired Charbroiler ANNUAL RENEWAL FEE: \$209 per facility

2. Persons operating non-halogenated dry cleaning equipment who are required to register equipment as required by District rules are subject to the following fees:
 - a. Dry Cleaning Machine REGISTRATION FEE: \$371
 - b. Dry Cleaning Machine ANNUAL RENEWAL FEE: \$259

3. Persons operating diesel engines who are required to register equipment as required by District or State rules are subject to the following fees:
 - a. Diesel Engine REGISTRATION FEE: \$250
 - b. Diesel Engine ANNUAL RENEWAL FEE: \$166
 - c. Diesel Engine ALTERNATIVE COMPLIANCE PLAN FEE (for each plan submitted under District Regulation 11-17-402): \$250

4. Persons operating boilers, steam generators and process heaters who are required to register equipment by District Regulation 9-7-404 are subject to the following fees:
 - a. REGISTRATION FEE \$137 per device
 - b. ANNUAL RENEWAL FEE: \$115 per device

5. Persons owning or operating graphic arts operations who are required to register equipment by District Regulation 8-20-408 are subject to the following fees:
 - a. REGISTRATION FEE: \$446
 - b. ANNUAL RENEWAL FEE: \$278

6. Persons owning or operating mobile refinishing operations who are required to register by District Regulation 8-45-4 are subject to the following fees:
 - a. REGISTRATION FEE \$209
 - b. ANNUAL RENEWAL FEE \$123

(Adopted 7/6/07, Amended 12/5/07, 5/21/08, 7/30/08, 11/19/08, 12/3/08, 5/20/09, 6/16/10, 6/15/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18)

**SCHEDULE S
NATURALLY OCCURRING ASBESTOS OPERATIONS**

1. ASBESTOS DUST MITIGATION PLAN INITIAL REVIEW AND AMENDMENT FEES:

Any person submitting an Asbestos Dust Mitigation Plan (ADMP) for initial review of a Naturally Occurring Asbestos (NOA) project shall pay the following fee (including NOA Discovery Notifications which would trigger an ADMP review): ~~\$840,966~~

Any person submitting a request to amend an existing ADMP shall pay the following fee: ~~\$430,495~~

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: ~~\$6,480,452~~

3. GEOLOGIC EVALUATION FEE:

Any person submitting a Geologic Evaluation for exemption from Section 93105 shall pay the following fee: ~~\$3,200,680~~

4. INSPECTION FEES:

a. The owner of any property for which an ADMP is required shall pay fees to cover the costs incurred by the District 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: ~~\$179-206~~ per hour

b. The owner of any property for which Geologic Evaluation is required shall pay fees to cover the costs incurred by the District. Inspection fees shall be invoiced by the District, based on the actual time spent in conducting such inspections, and the following time and materials rate: ~~\$179-206~~ 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, 6/16/21, 6/15/22)

**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 \$~~0.154~~0.174 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, 6/16/21, 6/15/22)

Deletion of Schedule U is new.

**SCHEDULE U
INDIRECT SOURCE REVIEW FEES**

The applicant for any project deemed an indirect source pursuant to District rules shall be subject to the following fees:

1. APPLICATION FILING FEE

When an applicant files an Air Quality Impact Assessment as required by District rules, the applicant shall pay a non-refundable Application Filing Fee as follows:

- a. Residential project: _____ \$615
- b. Non-residential or mixed use project: _____ \$918

2. APPLICATION EVALUATION FEE

Every applicant who files an Air Quality Impact Assessment as required by District rules shall pay an evaluation fee for the review of an air quality analysis and the determination of Offsite Emission Reduction Fees necessary for off-site emission reductions. The Application Evaluation fee will be calculated using the actual staff hours expended and the prevailing weighted labor rate. The Application Filing fee, which assumes eight hours of staff time for residential projects and twelve hours of staff time for non-residential and mixed use projects, shall be credited towards the actual Application Evaluation Fee.

3. OFFSITE EMISSION REDUCTION FEE

(To be determined)

(Adopted 5/20/09; Amended 6/16/10, 6/4/14, 6/3/15, 6/15/16, 6/21/17)

**SCHEDULE V
OPEN BURNING**

1. Any prior notification required by Regulation 5, Section 406 is subject to the following fee:

- a. OPERATION FEE: ~~\$173,199~~
- 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: ~~\$624,714~~ for 50 acres or less
~~\$844,971~~
for more than 50 acres but less than or equal to 150 acres
~~\$1,0641,224~~ 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: ~~\$692,796~~ for 50 acres or less

Corrected typo of 1,4004.

~~\$938~~1,079

for more than 50 acres but less than or equal to 150 acres

~~\$1,224~~1,404

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: ~~\$895~~1,029

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: ~~\$443~~509 for 25 acres or less

~~\$624~~714

for more than 25 acres but less than or equal to 75 acres

~~\$754~~867

for more than 75 acres but less than or equal to 150 acres

~~\$888~~1,021

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, 206~~/1913; Amended 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/3/20, 6/16/21, 6/15/22)

**SCHEDULE W
REFINING EMISSIONS TRACKING FEES**

1. ANNUAL EMISSIONS INVENTORIES:

Any 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: \$77,84289,518
- b. Each subsequent annual submittal: \$38,92244,760

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: \$4,7585,472
- b. Each subsequent annual submittal: \$2,3792,736

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 \$10,81112,433.

(Adopted 6/15/16; Amended 6/5/19, 6/16/21, 11/3/21, 6/15/22)

**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)

**REGULATION 3
FEES
INDEX**

3-100 GENERAL

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

3-200 DEFINITIONS

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

TBD

- 3-239 Toxic Surcharge
- 3-240 Biogenic Carbon Dioxide
- 3-241 Green Business
- 3-242 Incident
- 3-243 Incident Response
- 3-244 Permit to Operate Renewal Date
- 3-245 Permit Renewal Period
- 3-246 Overburdened Community

3-300 STANDARDS

- 3-301 Hearing Board Fees
- 3-302 Fees for New and Modified Sources
- 3-303 Back Fees
- 3-304 Alteration
- 3-305 Cancellation or Withdrawal
- 3-306 Change in Conditions
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- 3-309 Deleted June 21, 2017
- 3-310 Fee for Constructing Without a Permit
- 3-311 Banking
- 3-312 Emission Caps and Alternative Compliance Plans
- 3-313 Deleted May 19, 1999
- 3-314 Deleted August 2, 1995
- 3-315 Costs of Environmental Documentation
- 3-316 Deleted June 6, 1990
- 3-317 Asbestos Operation Fee
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- 3-319 Major Stationary Source Fees
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- 3-321 Deleted December 2, 1998
- 3-322 Excavation of Contaminated Soil and Removal of Underground Storage Tank Operation Fees
- 3-323 Pre-Certification Fees
- 3-324 Deleted June 7, 2000
- 3-325 Deleted December 2, 1998
- 3-326 Deleted December 2, 1998
- 3-327 Permit to Operate, Renewal Fees
- 3-328 Fee for OEHHA Risk Assessment Reviews
- 3-329 Fees for New Source Review Health Risk Assessment
- 3-330 Fee for Renewing an Authority to Construct
- 3-331 Registration Fees
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- 3-333 Major Facility Review (MFR) and Synthetic Minor Application Fees
- 3-334 Greenhouse Gas Fees
- 3-335 Indirect Source Review Fees
- 3-336 Open Burning Operation Fees
- 3-337 Exemption Fees
- 3-338 Incident Response Fees
- 3-339 Refining Emissions Tracking Fees
- 3-340 Major Stationary Source Community Air Monitoring Fees
- 3-341 Fee for Risk Reduction Plan
- 3-342 Fee for Facility-Wide Health Risk Assessment
- 3-343 Fees for Air Dispersion Modeling
- 3-344 Rounding

- 3-345 Evaluation of Plans, Regulation 6
- 3-346 Request for a Petition, Regulation 8
- 3-347 Evaluation of Reports, Organic Waste Recovery Sites

3-400 ADMINISTRATIVE REQUIREMENTS

- 3-401 Permits
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- 3-403 Change in Operating Parameters
- 3-404 Deleted June 7, 2000
- 3-405 Fees Not Paid
- 3-406 Deleted June 4, 1986
- 3-407 Deleted August 2, 1995
- 3-408 Permit to Operate Valid for 12 Months
- 3-409 Deleted June 7, 2000
- 3-410 Deleted August 2, 1995
- 3-411 Advance Deposit of Funds
- 3-412 Deleted December 2, 1998
- 3-413 Toxic "Hot Spots" Information and Assessment Act Revenues
- 3-414 Deleted December 2, 1998
- 3-415 Failure to Pay - Further Actions
- 3-416 Adjustment of Fees
- 3-417 Temporary Amnesty for Unpermitted and Unregistered Sources
- 3-418 Temporary Incentive for Online or Electronic Transactions
- 3-419 Industry Compliance School

3-500 MONITORING AND RECORDS (None Included)

3-600 MANUAL OF PROCEDURES (None Included)

FEE SCHEDULES

- SCHEDULE A HEARING BOARD FEES
- SCHEDULE B COMBUSTION OF FUEL
- SCHEDULE C STATIONARY CONTAINERS FOR THE STORAGE OF ORGANIC LIQUIDS
- SCHEDULE D GASOLINE TRANSFER AT GASOLINE DISPENSING FACILITIES, BULK PLANTS AND TERMINALS
- SCHEDULE E SOLVENT EVAPORATING SOURCES
- SCHEDULE F MISCELLANEOUS SOURCES
- SCHEDULE H SEMICONDUCTOR AND RELATED OPERATIONS
- SCHEDULE I DRY CLEANERS
- SCHEDULE J DELETED February 19, 1992
- SCHEDULE K SOLID WASTE DISPOSAL SITES
- SCHEDULE L ASBESTOS OPERATIONS
- SCHEDULE M MAJOR STATIONARY SOURCE FEES
- SCHEDULE N TOXIC INVENTORY FEES
- SCHEDULE O DELETED May 19, 1999
- SCHEDULE P MAJOR FACILITY REVIEW FEES
- SCHEDULE Q EXCAVATION OF CONTAMINATED SOIL AND REMOVAL OF UNDERGROUND STORAGE TANKS
- SCHEDULE R EQUIPMENT REGISTRATION FEES
- SCHEDULE S NATURALLY OCCURRING ASBESTOS OPERATIONS
- SCHEDULE T GREENHOUSE GAS FEES
- SCHEDULE U DELETED XXXXX, XX, 2023
- SCHEDULE V OPEN BURNING
- SCHEDULE W REFINING EMISSIONS TRACKING FEES

SCHEDULE X MAJOR STATIONARY SOURCE COMMUNITY AIR MONITORING FEES

REGULATION 3 FEES

(Adopted June 18, 1980)

3-100 GENERAL

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

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

3-102 Deleted July 12, 1989

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

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

3-104 Deleted August 2, 1995

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

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

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

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

3-106 Deleted December 2, 1998

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

(Adopted 6/7/00)

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 2/20/85)

3-203 Filing Fee: A fixed administrative fee

(Amended 6/4/86)

3-204 Initial Fee: The fee required based on the type and size of the source or an hourly rate of actual costs incurred by the District.

(Amended 6/4/86)

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 6/4/86)*
- 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 7/3/91)
- 3-211** **Source:** See Section 1-227 of Regulation 1.
- 3-212** **Deleted August 2, 1995**
- 3-213** **Major Stationary Source:** For the purpose of Schedule M, a major stationary source shall be any District permitted plant, building, structure, stationary facility or group of facilities under the same ownership, leasehold, or operator which, in the base calendar year, emitted to the atmosphere organic compounds, oxides of nitrogen (expressed as nitrogen dioxide), oxides of sulfur (expressed as sulfur dioxide), or PM₁₀ in an amount calculated by the APCO equal to or exceeding 50 tons per year.
(Adopted 11/2/83; Amended 2/21/90, 6/6/90, 8/2/95, 6/7/00)
- 3-214** **Deleted October 20, 1999, effective March 1, 2000**
- 3-215** **Deleted October 20, 1999, effective March 1, 2000**
- 3-216** **Deleted October 20, 1999, effective March 1, 2000**
- 3-217** **Deleted October 20, 1999, effective March 1, 2000**
- 3-218** **Deleted October 20, 1999, effective March 1, 2000**
- 3-219** **Deleted October 20, 1999, effective March 1, 2000**
- 3-220** **Deleted October 20, 1999, effective March 1, 2000**
- 3-221** **Deleted October 20, 1999, effective March 1, 2000**
- 3-222** **Deleted October 20, 1999, effective March 1, 2000**
- 3-223** **Start-up Date:** Date when new or modified equipment under an authority to construct begins operating. The holder of an authority to construct is required to notify the APCO of this date at least 3 days in advance. For new sources, or modified sources whose authorities to construct have expired, operating fees are charged from the startup date.
(Adopted 6/4/86; Amended 6/6/90)
- 3-224** **Permit to Operate:** Written authorization from the APCO pursuant to Section 2-1-302.
(Adopted 6/4/86; Amended 6/7/00)
- 3-225** **Deleted June 3, 2015**
- 3-226** **Air Toxics "Hot Spots" Information and Assessment Act of 1987:** The Air Toxics "Hot Spots" Information and Assessment Act of 1987 directs the California Air Resources Board and the Air Quality Management Districts to collect information from industry on emissions of potentially toxic air contaminants and to inform the public about such emissions and their impact on public health. It also directs the Air Quality Management District to collect fees sufficient to cover the necessary state and District costs of implementing the program.
(Adopted 10/21/92; Amended 6/15/05)
- 3-227** **Toxic Air Contaminant, or TAC:** An air pollutant that may cause or contribute to an increase in mortality or in serious illness or that may pose a present or potential hazard to human health. For the purposes of this rule, TACs consist of the substances listed in Table 2-5-1 of Regulation 2, Rule 5.
(Adopted 10/21/92; Amended 6/15/05)
- 3-228** **Deleted December 2, 1998**
- 3-229** **Deleted December 2, 1998**
- 3-230** **Deleted December 2, 1998**

- 3-231 Deleted December 2, 1998
 3-232 Deleted December 2, 1998
 3-233 Deleted December 2, 1998
 3-234 Deleted December 2, 1998
 3-235 Deleted December 2, 1998
 3-236 Deleted December 2, 1998
 3-237 **PM₁₀**: See Section 2-1-229 of Regulation 2, Rule 1. *(Adopted 6/7/00)*
- 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 6/15/05; Amended 6/21/17)*
- 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 6/15/05)*
- 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 5/21/08)*
- 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 6/19/10)*
- 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 6/19/13)*
- 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 6/19/13)*
- 3-244 **Permit to Operate Renewal Date**: The first day of a Permit to Operate's Permit Renewal Period. *(Adopted 6/19/13)*
- 3-245 **Permit Renewal Period**: The length of time the source is authorized to operate pursuant to a Permit to Operate. *(Adopted 6/19/13)*
- 3-246 **Overburdened Community**: As defined in Regulation 2, Rule 1 *(Adopted 6/15/22)*
- 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 6/7/00)*
- 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 \$630, 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 \$630, 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 submitted.

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 \$630 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 \$13,138. 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.

302.7 **Fee for applications in an Overburdened Community:** An applicant with a project that requires a Health Risk Assessment in an Overburdened Community shall pay a fee of \$1,000 in addition to any other permit application fees.

302.8 **Risk Assessment Fee:** When the Risk Assessment Fee (RAF) is required for more than one source, the first toxic air contaminant (TAC) source is the source with the highest calculated RAF.

(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, 6/16/21, 6/15/22, TBD)

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

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

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

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

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

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

3-305 Cancellation or Withdrawal: There will be no refund of the initial fee and filing fee if an application is cancelled or withdrawn. There will be no refund of the risk assessment fee if the risk assessment has been conducted prior to the application being cancelled or withdrawn. If an application for identical equipment for the same project 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, 6/16/21)

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 Permit 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. For expired permits or registrations, the new owner/operator is responsible for all outstanding fees.

(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

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), to change assigned conditions, to transfer ownership of an ERC, or to make any administrative changes shall pay the following fees:

311.1 Banking ERCs: An applicant to bank emissions for future use shall pay a filing fee of \$630 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 to Interchangeable Emission Reduction Credits (IERCs): An applicant to convert an existing ERC into an IERC shall pay a filing fee of \$630 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 \$630.

311.4 Evaluation of Existing ERCs for PM_{2.5}: An applicant to evaluate an existing PM₁₀ ERC shall pay a filing fee of \$630 per source and an evaluation fee equivalent to the total actual and reasonable time incurred by District staff at the hourly rate of \$193 per hour not to exceed 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.

311.5ERC Condition Change: An applicant to request a change in condition shall pay a filing fee of \$630 and an evaluation fee equivalent to the total actual and reasonable time incurred by District staff at the hourly rate of \$193 per hour not to exceed 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. (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, 6/16/21, 6/15/22)

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 \$1,596 for each source included in the alternative compliance plan, not to exceed \$15,957.

(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, 6/16/21, 6/15/22)

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:** 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 \$12,477 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, 6/16/21, 6/15/22)
- 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, greenhouse gas fees based on Schedule T, 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.
 327.1 Renewal Processing Fee: In addition, the facility shall also pay a processing fee at the time of renewal that covers each Permit Renewal Period as follows:
 1.1 \$124 for facilities with one permitted source, including gasoline dispensing

- facilities,
- 1.2 \$246 for facilities with 2 to 5 permitted sources,
- 1.3 \$490 for facilities with 6 to 10 permitted sources,
- 1.4 \$736 for facilities with 11 to 15 permitted sources,
- 1.5 \$977 for facilities with 16 to 20 permitted sources,
- 1.6 \$1,221 for facilities with more than 20 permitted sources.

327.2 Assembly Bill 617 Community Health Impact Fee: An owner/operator of a permitted facility subject to Schedule P (Major Facility Review Fees) 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 \$122,245 per year per facility owner.

327.3 Criteria Pollutant and Toxic Emissions Reporting (CTR): The owner/operator of a permitted facility shall pay a CTR fee of 4.4 percent of the facility's total renewal fee, up to a maximum fee of \$61,123 per year.

327.4 Overburdened Community renewal fee: The owner/operator of a permitted facility in an Overburdened Community shall pay a fee of 15 percent of the facility's total renewal fee, up to a maximum fee of \$265,750 per year.

(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, 6/3/20, 6/16/21, 11/3/21, 6/15/22)

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 6/7/00)

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 6/15/05; 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 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 Expired Authority to Construct: If an applicant does not notify the District with their intent to renew the Authority to Construct prior to its expiration, the applicant shall pay \$100 per application in addition to any other fees under this section if eligible to renew.

(Adopted June 15, 2005)

3-331 Registration Fees: Any person who is required to register equipment under District rules shall submit a registration fee, and any annual fee thereafter, as set out in Schedule R.

(Adopted 6/6/07; 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 6/6/07; 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 5/21/08)

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 5/21/08)

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 5/20/09)

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 6/3/20)

3-337 Exemption Fee: An applicant who wishes to receive a certificate of exemption shall pay a filing fee of \$630 per exempt source.

(Adopted 6/19/13; Amended 6/4/14; 6/3/15, 6/21/17, 6/16/21, 6/15/22)

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 6/19/13)

3-339 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, Amended 11/03/21)

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 \$1,934 for facilities with one source subject to risk reduction pursuant to Regulation 11, Rule 18, including gasoline dispensing facilities;

341.2 \$3,868 for facilities with 2 to 5 sources subject to risk reduction pursuant to Regulation 11, Rule 18;

341.3 \$7,735 for facilities with 6 to 10 sources subject to risk reduction pursuant to Regulation 11, Rule 18;

341.4 \$15,470 for facilities with 11 to 15 sources subject to risk reduction pursuant to Regulation 11, Rule 18;

341.5 \$30,941 for facilities with 16 to 20 sources subject to risk reduction pursuant to Regulation 11, Rule 18;

341.6 \$41,254 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, 6/3/20, 6/16/21, 6/15/22)

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 \$193,377.

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 \$264 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 \$3,173 for facilities with one to 10 sources subject to risk reduction pursuant to Regulation 11, Rule 18, including gasoline dispensing facilities;

342.2 \$8,508 for facilities with 11 to 50 sources subject to risk reduction pursuant to Regulation 11, Rule 18;

342.3 \$18,049 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, 6/16/21, 6/15/22)

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 \$264 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; Amended 6/16/21, 6/15/22)

3-344 Rounding: Each fee will be rounded to the nearest dollar.

(Adopted 6/15/22)

3-345 Evaluation of Plans, Regulation 6: For any plan required in any rule in Regulation 6, the requestor shall pay the following fees:

345.1 A filing fee of \$630; and

345.2 An initial fee equivalent to the total actual and reasonable time incurred by District staff at the hourly rate or prorated of \$193 per hour not to exceed the minimum initial fee(s) in the schedule for the applicable source(s).

(TBD)

3-346 Request for a Petition, Regulation 8: For any petition required in any rule in Regulation 8, the requestor shall pay the following fees:

346.1 A filing fee of \$630; and

346.2 An initial fee equivalent to the total actual and reasonable time incurred by District staff at the hourly rate or prorated of \$193 per hour not to exceed the minimum initial fee in Schedule E.

(TBD)

3-347 Evaluation of Reports, Organic Waste Recovery Sites: For the evaluation of any report not currently specified in Schedule K as required by federal, state or Air District rule, the owner/operator shall pay the following fees:

347.1 A filing fee of \$630; and

347.2 An initial fee equivalent to the total actual and reasonable time incurred by District staff at the hourly rate or prorated of \$193 per hour.

(TBD)

3-400 ADMINISTRATIVE REQUIREMENTS

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

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

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

3-404 Deleted June 7, 2000

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

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

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

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

2.2 Fees received more than 30 days after the due date must include a late fee equal to 25 percent of all fees specified on the invoice.

405.3 Renewal of Permit to Operate: The owner/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/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)

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.
(Adopted 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: 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 10/21/92)

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 10/8/97)

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 6/16/10)

3-418 Temporary Incentive for Online or Electronic Transactions: The APCO has the authority to declare an incentive period for transactions made using the online system or other electronic

processes, during which the District may waive all or any part of the fees for these transactions.
(Adopted 6/6/18)

3-419 Industry Compliance School: The APCO may reduce fees by an amount deemed appropriate if the owner/operator of the source attends an Industry Compliance School sponsored by the District.

(TBD)

**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.....	\$9,256 \$4,6354,635	\$1,385 \$467	
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.....	\$5,557 \$2,775	\$1,385 \$467	
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	\$3,687 \$2,775	\$467 \$467	
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	\$3,687 \$2,775	\$467 \$467	
5.	For each application to revoke a variance.....	\$5,557	\$467	
6.	For each application for approval of a Schedule of Increments of Progress in accordance with §41703	\$3,687	\$467	
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.....	\$9,256 \$4,6354,635	\$1,385 \$467	
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	\$5,557 \$2,775	\$1,385 \$467	
9.	For each Appeal (Permit, Banking, Title V)	\$9,256 per hearing day	\$4,6354, 635 per hearing day	\$4,6354,6 35 for entire appeal period
10.	For each application for intervention in accordance with Hearing Board Rules §§2.3, 3.6 & 4.6	\$4,6354, 635	\$932	
11.	For each application to Modify or Terminate an abatement order.....	\$9,256 per hearing day	\$4,6354, 635 per hearing day	
12.	For each application for an interim variance in accordance with §42351	\$4,6354, 635	\$932	

		Large Companies	Small Business	Third Party
13.	For each application for an emergency variance in accordance with §42359.5	\$2,310	\$467	
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	\$4,6354,635	\$1,385	\$1,385
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, 6/16/21, 6/15/22)

**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 \$7.71 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 \$38.35 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:

$$\text{Fee} = (\text{Opacity}^* \text{ equivalent} - 20) \times \text{number of days allowed in variance} \times \$7.88$$

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:

$$\text{Fee} = (\text{Opacity}^* \text{ equivalent} - 40) \times \text{number of days allowed by variance} \times \$7.88$$

- * 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, 6/16/21)

**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: \$90.75 per MM BTU/HOUR
 - a. The minimum fee per source is: \$484
 - b. The maximum fee per source is: \$169,292
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: \$630 plus \$90.75 per MM BTU/hr
 - b. Minimum RAF for first TAC source: \$1,166
 - c. RAF for each additional TAC source: \$90.75 per MM BTU/hr*
 - d. Minimum RAF per additional TAC source: \$484*
 - e. Maximum RAF per source is: \$169,292
 - * 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: \$45.37 per MM BTU/HOUR
 - a. The minimum fee per source is: \$344
 - b. The maximum fee per source is: \$84,646
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. 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.
6. 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, 6/16/21, 6/15/22)

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: \$630 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.

(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, 6/16/21, 6/15/22)

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: \$356.05 per single product nozzle (spn)
\$356.05 per product for each multi-product nozzle (mpn)
 2. PERMIT TO OPERATE FEE: \$136.38 per single product nozzle (spn)
\$136.38 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:

$$\$492.42 \times \left\{ \frac{[(mpn_{\text{proposed}})(\text{products per nozzle}) + spn_{\text{proposed}}] - [(mpn_{\text{existing}})(\text{products per nozzle}) + spn_{\text{existing}}]}{mpn} \right\}$$

mpn = multi-product nozzles
spn = single product nozzles

The above formula includes a toxic surcharge.

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

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

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

4. RISK ASSESSMENT FEE (RAF) if required pursuant to Regulation 3-329 or 3-342 (including increases in permitted throughput for which a health risk assessment is required.) of:
 - a. \$3,827 per application for a new gas dispensing facility
 - b. \$773 per application for all other
 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: \$4,676.76 per single product loading arm
\$4,676.76 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: \$5,295
 - b. RAF for each additional TAC source: \$4,677 *

* 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: \$1,303 per single product loading arm
\$1,303 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.

(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, 6/16/21, 6/15/22)

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: \$2,502 per 1,000 gallons
 - b. The minimum fee per source is: \$1,245
 - c. The maximum fee per source is: \$99,426

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: \$630 plus initial fee
 - b. Minimum RAF for first TAC source: \$2,052
 - c. RAF for each additional TAC source: equal to initial fee *
 - d. Minimum RAF per additional TAC source: \$1,245 *
 - e. Maximum RAF per source is: \$99,426

* 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: \$1,245 per 1,000 gallons
 - b. The minimum fee per source is: \$898
 - c. The maximum fee per source is: \$49,709

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, 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, 6/16/21, 6/15/22)

**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: \$935
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: \$1,756
 - b. RAF for each additional TAC source: \$935*

* 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: \$680
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: \$7,592
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: \$8,616
 - b. RAF for each additional TAC source: \$7,592*

* 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: \$3,790
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: \$10,023
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: \$11,046
 - b. RAF for each additional TAC source: \$10,023*

* 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: \$5,008
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: \$52,891
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: \$53,754
 - b. RAF for each additional TAC source: \$52,891 *

* 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: \$26,441
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: \$132,524
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: \$133,547
 - b. RAF for each additional TAC source: \$132,524*

* 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: \$66,258
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: \$59,491
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: \$60,022
 - b. RAF for each additional TAC source: \$59,491*

* 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: \$29,745
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, 6/16/21, 6/15/22)

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
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

Equipment or Process Description	Materials Processed or Produced
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
Refining – Alkylation Units	Any Hydrocarbons
Refining – Asphalt Oxidizers	Any Hydrocarbons
Refining – Benzene Saturation Units/Plants	Any Hydrocarbons
Refining – Catalytic Reforming Units	Any Hydrocarbons
Refining – Chemical Treating Units including alkane, naphthenic acid, and naphtha merox treating, or similar processes	Any Hydrocarbons
Refining – Converting Units including Dimersol Plants, Hydrocarbon Splitters, or similar processes	Any Hydrocarbons
Refining – Distillation Units, excluding crude oil units with capacity > 1000 barrels/hour (see G-3 for > 1000 barrels/hour crude distillation units)	Any Hydrocarbons
Refining – Hydrogen Manufacturing	Hydrogen or Any Hydrocarbons
Refining – Hydrotreating or Hydrofining	Any Hydrocarbons
Refining – Isomerization	Any Hydrocarbons
Refining – MTBE Process Units/Plants	Any Hydrocarbons
Refining – Sludge Converter	Any Waste Materials
Refining – Solvent Extraction	Any Hydrocarbons
Refining – Sour Water Stripping	Any Process or Wastewater
Refining – Storage (enclosed)	Coke or Coke Products
Refining – Waste Gas Flares(not subject to Regulation 12, Rule 11)	Any Refining Gases
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 refineries (see G-2 for Refining - Oil-Water Separators)	Wastewater from any industrial facilities except refineries
Wastewater Treatment, Industrial – Strippers including air strippers, nitrogen strippers, dissolved air flotation units, or similar equipment and excluding strippers at refineries (see G-2 for Refining – Strippers)	Wastewater from any industrial facilities except refineries
Wastewater Treatment, Industrial - Storage Ponds, excluding storage ponds at refineries (see G-2 for Refining – Storage Ponds)	Wastewater from any industrial facilities except 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, 11/3/21)

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
Metal Shredding (maximum capacity of less than or equal to 150 tons per hour)	Any Metals or Alloys
Refining – Stockpiles (open)	Coke or coke products only
Refining, Wastewater Treatment – Oil-Water Separators	Wastewater from refineries only
Refining, Wastewater Treatment – Strippers including air strippers, nitrogen strippers, dissolved air flotation units, or similar equipment	Wastewater from refineries only
Refining, Wastewater Treatment – Storage Ponds	Wastewater from refineries only
Pickling Lines or Tanks	Any Metals or Alloys
Sulfate Pulping Operations – All Units	Any
Sulfite Pulping Operations – All Units	Any

(Amended 6/7/00, 11/3/21)

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
Metal Shredding (maximum capacity greater than 150 tons per hour)	Any Metals or Alloys
Refining – Cracking Units including hydrocrackers and excluding thermal or fluid catalytic crackers (see G-4 for Thermal Crackers and Catalytic Crackers)	Any Hydrocarbons
Refining – Distillation Units (crude oils) including any unit with a capacity greater than 1000 barrels/hour (see G-1 for other distillation units)	Any 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, 11/3/21)

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
Refining - Coking Units including fluid cokers, delayed cokers, flexicokers, and coke kilns	Coke and Coke Products
Refining - Cracking Units including fluid catalytic crackers and thermal crackers and excluding hydrocrackers (see G-3 for Hydrocracking Units)	Any Hydrocarbons
Refining - Sulfur Removal including any Claus process or any other process requiring caustic reactants	Any Refining Gas
Sulfuric Acid Manufacturing – Any Chamber or Contact Process	Any Solid, Liquid or Gaseous Fuels Containing Sulfur

(Amended 6/7/00, 11/3/21)

SCHEDULE G-5

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

(Adopted 5/2/07; Amended 11/3/21)

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: \$1,086
- b. The maximum fee per source is: \$86,865

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):

\$734 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):

\$2,180 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: \$630 plus initial fee
- b. Minimum RAF for first TAC source: \$1,888
- c. RAF for each additional TAC source: equal to initial fee *
- d. Minimum RAF per additional TAC source:
\$1,086 *
- e. Maximum RAF per source is: \$86,865

* 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: \$785
- b. The maximum fee per source is: \$43,425

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):

\$369 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):

\$1,086 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.

(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, 6/16/21, 6/15/22)

**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: \$744
 - b. If the washing or drying capacity exceeds 100 pounds: \$744 plus
For that portion of the capacity exceeding 100 pounds: \$20.95 per pound

2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$630 plus initial fee
 - b. Minimum RAF for first TAC source: \$1,323
 - c. RAF for each additional TAC source: equal to initial fee*
 - d. Minimum RAF per additional TAC source: \$744*

* 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: \$543
 - b. If the washing or drying capacity exceeds 100 pounds: \$543 plus
For that portion of the capacity exceeding 100 pounds: \$11.00 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.

(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, 6/15/22)

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

1. INITIAL FEE:
 - a. Landfill (Decomposition Process) \$8,833
 - b. Active Landfill (Waste and Cover Material Dumping Process) \$4,415
 - c. Active Landfill (Excavating, Bulldozing, and Compacting Processes) \$4,415

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: \$630 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) \$4,415
 - b. Active Landfill (Waste and Cover Material Dumping Process) \$2,207
 - c. Active Landfill (Excavating, Bulldozing, and Compacting Processes) \$2,207

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) \$4,867
 - b. Evaluation of Inactive Site Questionnaire as required by Health & Safety Code Section 41805.5(b) \$2,440
 - 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) \$2,440
 - d. Evaluation of Initial or Amended Design Capacity Reports as required by Regulation 8, Rule 34, Section 405 \$1,795
 - e. Evaluation of Initial or Periodic NMOC Emission Rate Reports as required by Regulation 8, Rule 34, Sections 406 or 407 \$5,132
 - f. Evaluation of Closure Report as required by Regulation 8, Rule 34, Section 409 \$1,795
 - g. Evaluation of Annual Report as required by Regulation 8, Rule 34, Section 411 \$4,491

6. 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, 6/16/21, 6/15/22)

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	\$154.50 per ton
2.	Sulfur Oxides	\$154.50 per ton
3.	Nitrogen Oxides	\$154.50 per ton
4.	PM ₁₀	\$154.50 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, 6/16/21, 6/15/22)

SCHEDULE N
TOXIC INVENTORY FEES
(Adopted October 21, 1992)

For each stationary source emitting substances covered by California Health and Safety Code Section 44300 *et seq.*, the Air Toxics "Hot Spots" Information and Assessment Act of 1987, which have trigger levels listed in Table 2-5-1, a fee based on the weighted emissions of the facility shall be assessed based on the following formulas:

1. A fee of \$7.44 for each gasoline product dispensing nozzle in a Gasoline Dispensing Facility;
or
2. A fee calculated by multiplying the facility's weighted toxic inventory (w_i) by the following factor:

Air Toxic Inventory Fee Factor	\$1.13 per weighted pound per year
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Using the last reported data, the facility's weighted toxic inventory (w_i) is calculated as a sum of the individual TAC emissions multiplied by either the inhalation cancer potency factor for the TAC (see Regulation 2, Rule 5, Table 2-5-1, column 10) times 28.6 if the emission is a carcinogen, or by the reciprocal of the chronic inhalation reference exposure level for the TAC (see Regulation 2, Rule 5, Table 2-5-1, column 8) if the emission is not a carcinogen.

(Amended 12/15/93, 6/15/05, 5/2/07, 6/16/10, 5/4/11, 6/4/14, 6/3/15, 6/15/16, 6/6/18, 6/5/19, 6/3/20, 6/16/21, 6/15/22)

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 \$1,137 per source
- b. MFR EMISSIONS FEE..... \$44.73 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\$11,363 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 \$1,583 per application
- b. SYNTHETIC MINOR INITIAL PERMIT FEE \$1,137 per source
- c. SYNTHETIC MINOR REVISION FEE..... \$1,137 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 \$1,583 per application
- b. MFR INITIAL PERMIT FEE \$1,583 per source
- c. MFR ADMINISTRATIVE AMENDMENT FEE \$448 per application
- d. MFR MINOR REVISION FEE \$2,247 per source modified
- e. MFR SIGNIFICANT REVISION FEE\$4,189 per source modifiedffluid
- f. MFR REOPENING FEE \$1,374 per source modified
- g. MFR RENEWAL FEE \$668 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 \$2,366 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 \$19,338

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 \$270 per source, not to exceed \$26,584

(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, 6/16/21, 6/15/22)

**SCHEDULE Q
EXCAVATION OF CONTAMINATED SOIL AND
REMOVAL OF UNDERGROUND STORAGE TANKS
(ADOPTED JANUARY 5, 1994)**

1. Persons excavating contaminated soil or removing underground storage tanks subject to the provisions of Regulation 8, Rule 40, Section 401, 402, 403 or 405 are subject to the following fee:
 - a. OPERATION FEE: \$168
(Amended 7/19/00, 8/1/01, 6/5/02, 7/2/03, 6/2/04, 6/6/07, 5/21/08, 5/20/09, 6/16/10, 6/15/11, 6/6/12, 6/4/14, 6/3/15, 6/15/16)

**SCHEDULE R
EQUIPMENT REGISTRATION FEES**

1. Persons operating commercial cooking equipment who are required to register equipment as required by District rules are subject to the following fees:
 - a. Conveyorized Charbroiler REGISTRATION FEE: \$744 per facility
 - b. Conveyorized Charbroiler ANNUAL RENEWAL FEE: \$209 per facility
 - c. Under-fired Charbroiler REGISTRATION FEE: \$744 per facility
 - d. Under-fired Charbroiler ANNUAL RENEWAL FEE: \$209 per facility

2. Persons operating non-halogenated dry cleaning equipment who are required to register equipment as required by District rules are subject to the following fees:
 - a. Dry Cleaning Machine REGISTRATION FEE: \$371
 - b. Dry Cleaning Machine ANNUAL RENEWAL FEE: \$259

3. Persons operating diesel engines who are required to register equipment as required by District or State rules are subject to the following fees:
 - a. Diesel Engine REGISTRATION FEE: \$250
 - b. Diesel Engine ANNUAL RENEWAL FEE: \$166
 - c. Diesel Engine ALTERNATIVE COMPLIANCE PLAN FEE (for each plan submitted under District Regulation 11-17-402): \$250

4. Persons operating boilers, steam generators and process heaters who are required to register equipment by District Regulation 9-7-404 are subject to the following fees:
 - a. REGISTRATION FEE \$137 per device
 - b. ANNUAL RENEWAL FEE: \$115 per device

5. Persons owning or operating graphic arts operations who are required to register equipment by District Regulation 8-20-408 are subject to the following fees:
 - a. REGISTRATION FEE: \$446
 - b. ANNUAL RENEWAL FEE: \$278

6. Persons owning or operating mobile refinishing operations who are required to register by District Regulation 8-45-4 are subject to the following fees:
 - a. REGISTRATION FEE \$209
 - b. ANNUAL RENEWAL FEE \$123

(Adopted 7/6/07, Amended 12/5/07, 5/21/08, 7/30/08, 11/19/08, 12/3/08, 5/20/09, 6/16/10, 6/15/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18)

**SCHEDULE S
NATURALLY OCCURRING ASBESTOS OPERATIONS**

1. ASBESTOS DUST MITIGATION PLAN INITIAL REVIEW AND AMENDMENT FEES:

Any person submitting an Asbestos Dust Mitigation Plan (ADMP) for initial review of a Naturally Occurring Asbestos (NOA) project shall pay the following fee (including NOA Discovery Notifications which would trigger an ADMP review): \$966

Any person submitting a request to amend an existing ADMP shall pay the following fee: \$495

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: \$7,452

3. GEOLOGIC EVALUATION FEE:

Any person submitting a Geologic Evaluation for exemption from Section 93105 shall pay the following fee: \$3,680

4. INSPECTION FEES:

- a. The owner of any property for which an ADMP is required shall pay fees to cover the costs incurred by the District 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: \$206 per hour
- b. The owner of any property for which Geologic Evaluation is required shall pay fees to cover the costs incurred by the District. Inspection fees shall be invoiced by the District, based on the actual time spent in conducting such inspections, and the following time and materials rate: \$206 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, 6/16/21, 6/15/22)

**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 \$0.174 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, 6/16/21, 6/15/22)

**SCHEDULE V
OPEN BURNING**

1. Any prior notification required by Regulation 5, Section 406 is subject to the following fee:

- a. OPERATION FEE: \$199
- 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: \$714 for 50 acres or less
 \$971 for more than 50 acres but less than or equal to 150 acres
 \$1,224 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: \$796 for 50 acres or less
 \$1,079 for more than 50 acres but less than or equal to 150 acres
 \$1,404 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: \$1,029
 - 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:

\$509	for 25 acres or less
\$714	for more than 25 acres but less than or equal to 75 acres
\$867	for more than 75 acres but less than or equal to 150 acres
\$1,021	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 6/1913; Amended 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/3/20, 6/16/21, 6/15/22)

SCHEDULE W
REFINING EMISSIONS TRACKING FEES

1. ANNUAL EMISSIONS INVENTORIES:

Any 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: \$89,518
- b. Each subsequent annual submittal: \$44,760

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: \$5,472
- b. Each subsequent annual submittal: \$2,736

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 \$12,433.

(Adopted 6/15/16; Amended 6/5/19, 6/16/21, 11/3/21, 6/15/22)

**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)