



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

## BOARD OF DIRECTORS' REGULAR MEETING

June 6, 2007

A meeting of the Bay Area Air Quality Management District Board of Directors will be held at 9:45 a.m. in the 7<sup>th</sup> floor Board Room at the Air District headquarters, 939 Ellis Street, San Francisco, California.

### Questions About an Agenda Item

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

### Meeting Procedures

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

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

# BOARD OF DIRECTORS' REGULAR MEETING A G E N D A

WEDNESDAY  
JUNE 6, 2007

BOARD ROOM  
7TH FLOOR

9:45 A.M.

## CALL TO ORDER

Opening Comments  
Roll Call  
Pledge of Allegiance  
Commendation/Proclamation

Chairperson, Mark Ross  
Clerk of the Boards

## PUBLIC COMMENT PERIOD

**Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3**  
*Members of the public are afforded the opportunity to speak on any agenda item. All agendas for regular meetings are posted at District headquarters, 939 Ellis Street, San Francisco, CA, at least 72 hours in advance of a regular meeting. At the beginning of the regular meeting agenda, an opportunity is also provided for the public to speak on any subject within the Board's subject matter jurisdiction. Speakers will be limited to three (3) minutes each.*

## CONSENT CALENDAR (ITEMS 1-2)

Staff/Phone (415) 749-

1. Minutes of May 16, 2007

V. Johnson/4941

[vjohnson@baaqmd.gov](mailto:vjohnson@baaqmd.gov)

2. Communications

J. Broadbent/5052

[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*Information only*

## COMMITTEE REPORTS AND RECOMMENDATIONS

3. Report of the **Public Outreach Committee** Meeting of May 21, 2007

**CHAIR: P. KWOK**

J. Broadbent/5052

[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*Action(s): The Committee recommends Board of Directors' approval of the following:*

*A) Contract with True North Research to conduct public opinion research services;*

*B) Authorize the Executive Officer/APCO to execute a contract with True North Research in an amount not to exceed \$175,000;*

*C) Contract with P&P Communications to conduct strategic media communications; and*

*D) Authorize the Executive Officer/APCO to execute a contract with P&P Communications in an amount not to exceed \$150,000.*

4. Report of the **Executive Committee** Meeting of May 30, 2007

**CHAIR: M. ROSS**

**J. Broadbent/5052**

[jbroadbent@baaqmd.gov](mailto:jbroadbent@baaqmd.gov)

*Action(s): The Committee recommends Board of Directors' approval of the following:*

- A) *Authorize the Executive Officer/APCO to solicit bids and execute an agreement to perform a comprehensive operations and internal systems review of the agency and authorize the transfer of \$400,000 from the General Reserve and adjust the Air District's proposed fiscal year 2007/2008 budget for this purpose; and*
- B) *Amendments to the Smart-Growth Preamble and policies.*

**PUBLIC HEARINGS**

5. Final Public Hearing to Consider Adoption of Proposed Amendments to Regulation 3: Fees, and Approval of the Filing of a CEQA Notice of Exemption

**B. Bateman/4653**

[bbateman@baaqmd.gov](mailto:bbateman@baaqmd.gov)

*Final public hearing required under California Health and Safety Code 41512.5 to consider any further testimony regarding proposed amendments to Regulation 3: Schedule L: Asbestos Operations and Schedule Q: Excavation of Contaminated Soil and Removal of Underground Storage Tanks, and proposed adoption of Schedule R: Commercial Cooking Operations and Schedule S: Naturally Occurring Asbestos Operations*

**CLOSED SESSION**

6. Conference with Legal Counsel – Audit by Bureau of State Audits

*Pursuant to Government Code Section 54956.75, a need exists to meet in closed session to review the Air District's response to an audit conducted by the Bureau of State Audits.*

**OPEN SESSION**

**OTHER BUSINESS**

7. Report of the Executive Officer/APCO

8. Chairperson's Report

9. Board Members' 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)*

10. Time and Place of Next Meeting - 9:45 a.m., Wednesday, June 6, 2007- Immediately Following Regular Meeting of the Board - 939 Ellis Street, San Francisco, CA 94109

11. Adjournment

**CONTACT CLERK OF THE BOARD - 939 ELLIS STREET SF, CA 94109**

**(415) 749-4965**  
**FAX: (415) 928-8560**  
**BAAQMD homepage:**  
**[www.baaqmd.gov](http://www.baaqmd.gov)**

- To submit written comments on an agenda item in advance of the meeting.
- To request, in advance of the meeting, to be placed on the list to testify on an agenda item.
- To request special accommodations for those persons with disabilities. Notification to the Executive Office should be given at least 3 working days prior to the date of the meeting so that arrangements can be made accordingly.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson, Mark Ross and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 20, 2007

Re: Board of Directors' Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Board of Directors' meeting of May 16, 2007.

DISCUSSION

Attached for your review and approval are the draft minutes of the May 16, 2007 Board of Directors' meeting.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**  
939 ELLIS STREET – SAN FRANCISCO, CA 94109

Draft Minutes: Board of Directors' Regular Meeting – May 16, 2007

**Call To Order**

Opening Comments: Chair Mark Ross called the meeting to order at 9:48 a.m.

Roll Call: Present: Mark Ross, Chair, Tom Bates, Harold Brown (10:05 a.m.), Chris Daly, Dan Dunnigan, Erin Garner, Scott Haggerty, Jerry Hill, Carol Klatt, Patrick Kwok, Janet Lockhart, Jake McGoldrick (9:55 a.m.), Nate Miley, Michael Shimansky, John Silva, Pamela Torliatt, Gayle B. Uilkema, Brad Wagenknecht.

Absent: John Gioia, Yoriko Kishimoto, Liz Kniss, Tim Smith.

Pledge of Allegiance: The Board of Directors recited the Pledge of Allegiance.

Public Comment: There were none.

Director Jake McGoldrick arrived at 9:55 a.m.

Commendations/Proclamation: Mr. Jack P. Broadbent, Executive Officer/APCO introduced Jeff McKay, Director of Finance, Administration and Information Systems. Mr. McKay provided the Board of Directors' with an overview of the Air District being the first government agency in San Francisco to be certified as a Green Business.

Mr. McKay introduced Ms. Sushma Dhulipala Bhatia, Manager of the Green Business Program for the San Francisco Department of the Environment. Ms. Dhulipala provided the Board of Directors' with a summary of the Green Business designation. This recognition is for businesses and government agencies that operate in an environmentally responsible way, which includes going beyond compliance with federal, State and local regulations, taking steps to actively conserve natural resources, minimize waste, prevent pollution and reduce its ecology footprint. Ms. Dhulipala thanked the Air District and the Board of Directors' for their support in the green initiative.

Chairperson Ross thanked Ms. Dhulipala and the City and County of San Francisco for the recognition, as well as thanked staff for implementing the steps that allow the Air District to become a green business.

Director Torliatt requested a list of items being implemented at the Air District that were required for certification.

**Consent Calendar (Items 1 – 5)**

1. Minutes of May 16, 2007

Director Harold Brown arrived at 10:05 a.m.

2. Communications. Correspondence addressed to the Board of Directors. For information only.
3. Quarterly Report of the Air District Activities
4. District Personnel on Out of State Business Travel.

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

5. Consider Establishing a New Classification of Facilities Maintenance Worker with a Salary at Pay Range 108 Effective as of the Date of Board Approval

*The Board of Directors will consider establishing a new classification and salary range for a Facilities Maintenance Worker in the Finance, Administration, and Information Services Division.*

**Board Action:** Director Shimansky moved approval of Consent Calendar Items 1 through 5; seconded by Director Wagenknecht; carried unanimously with the following Board members voting:

### **Committee Reports and Recommendations**

6. Report of the Climate Protection Committee Meeting of May 3, 2007

Director Torliatt presented the report and stated that the Committee met on Thursday, May 3, 2007. The Committee received a presentation on implementation of AB 32 "The California Global Warming Solutions Action of 2006," from Mr. Chuck Shulock, of the Air Resources Board.

The Committee expressed concerns about the lack of Air District involvement in the implementation of AB 32. There was extensive discussion, and the Committee directed staff to forward a copy of the minutes to the Air Resources Board.

Due to the lengthy discussion on implementation of AB 32 the presentation from the consultants on the Air District funded study "Opportunities for Greenhouse Gas Reductions from Stationary Sources" was deferred to the next meeting of the Committee.

The Committee received a presentation from staff on minimizing the Air District's carbon footprint. Staff provided an overview of the Air District's efforts to quantify, reduce and offset greenhouse gas emissions associated with Air District operations.

The Committee provided direction to staff. It was also noted that the Air District is recognized as a Certified Green Business.

The next meeting of the Committee is scheduled for 9:30 a.m., Thursday, July 19, 2007.

**Board Action:** Director Torliatt moved that the Board of Directors' approve the recommendations and report of the Climate Protection Committee; seconded by Director Wagenknecht; carried unanimously without objection.

7. Report of the Public Outreach Committee Meeting of May 7, 2007

Director Kwok presented the report and stated that the Committee met on Monday, May 7, 2007. The Committee received a presentation from staff on the Spare the Air/Free Transit campaign for the 2007 ozone season.

Staff provided a summary of the 2006 highlights and the 2007 campaign elements. This year the Free Transit component will include 4 free half-day commutes (until 1 p.m.) on BART, Cal Train, Ace and ferries; and the bus systems are free all day. 32 transit operators are participating. The ozone season will begin June 1<sup>st</sup>. Staff has developed a new campaign design this year. Printed collateral materials developed for this season were distributed.

Also presented to the Committee was the youth outreach program for fiscal year 2006/2007 and a brief overview of staff's development of a State standard based climate change curriculum for elementary school children was given. After an extensive discussion, the Committee directed staff to significantly expand the program to affect behavioral changes. Avenues to investigate included:

- 1) Expanding the opportunity for more teachers to receive the Clean Air Challenge curriculum;
- 2) Purchase of a demonstration mobile bio-diesel truck or van;
- 3) Provide Board members and school superintendents materials for outreach to teachers in their counties to participate in the Clean Air Challenge curriculum; and
- 4) Legislation.

The next meeting of the Committee is scheduled for Monday, May 21, 2007. Director Kwok also noted that the kick-off meeting in San Francisco for the Spare the Air Day is May 30, 2007.

**Board Action:** Director Kwok moved that the Board of Directors' approve the recommendations and report of the Public Outreach Committee; seconded by Director Uilkema; carried unanimously without objection.

**Public Hearings**

8. Public Hearing to Consider Adoption of New District Regulation 6: Rule 2: Commercial Cooking Equipment, and Adoption of a CEQA Negative Declaration

*Proposed New Regulation 6: Rule 2 would regulate PM<sub>10</sub> (particulate matter of 10 microns in diameter or less) and organic compound emissions from charbroilers used in commercial restaurant operations. The proposed rule will fulfill the District's commitment to control restaurant emissions under its SB 656 Particulate Matter Implementation Schedule and to study potential controls on commercial charbroilers as proposed in further study measure FS-3 in the Bay Area 2005 Ozone Strategy.*



Virginia Lau, Senior Air Quality Specialist provided the Board of Directors' with a presentation on the above mentioned rule.

Some of the background information included the following:

- Nonattainment standards;
- Trends;
- Regulatory commitment; and
- 3 Air Districts that have currently have rules to control emissions which include South Coast; San Joaquin and Ventura County

There has been a significant amount of public outreach with regard to this regulation, some of which included:

- Postcard mailings to both restaurant owners and hood vendors;
- Two meeting were held w/county health departments;
- Meeting w/ the Golden Gate Restaurant Association;
- Held 4 public workshops in November 2006; and
- Final proposal posted on Air District's website on April 16, 2007

A registration fee of \$475 will be required along with an annual fee of \$135. It was requested that this rule become effective June 8, 2008; one year after the adoption of the rule.

After a lengthy discussion, the item was opened for public hearing.

Chairperson Ross opened the Public Hearing at 11:05 a.m.; the following speakers spoke on this item:

Robert Auemian  
Green Kitchen Designs  
954 Third Ave.  
New York, NY 10022

Johnnise Downs  
CA Restaurant Assoc.  
1011 10<sup>th</sup> St.  
Sacramento, CA 95814

Jenny Bard  
American Lung Assoc, of CA  
115 Talbot Ave.  
Santa Rosa, CA 95404

Daniel Scherotter  
Golden Gate Restaurant Assoc.  
640 Sacramento St.  
San Francisco, CA 94111

Lewis Chilton  
Elaine Bell Catering Co.  
776 Technology Way  
Napa, CA 94558

Chairperson Ross closed the public hearing on Agenda Item #8 at 11:28 a.m.

**Board Action:** Director Uilkema moved the Board of Directors' refer the entire item back to the Stationary Source Committee; seconded by Director Kwok.

AYES: Brown, Dunnigan, Garner, Haggerty, Kwok, Lockhart, Miley, Shimansky, Silva, Uilkema, Wagenknecht.

NOES: Bates, Daly, Hill, Klatt, Ross.

ABSENT: Gioia, Kishimoto, Kniss, McGoldrick, Smith, Torliatt.

9. Public Hearing on the Proposed District Fiscal Year 2007/2008 Budget

*Pursuant to California Health and Safety Code Section 40131, the Board of Directors will conduct the first of two public hearings on the proposed Air District Budget for FY 2007/2008. The second public hearing is scheduled for June 6, 2007.*

Jeff McKay provided the Board of Directors' with a presentation informing the Board of Directors that the proposed budget is balanced with the inclusion of fee increases which have been previously presented to the Board of Directors' for consideration.

Mr. McKay stated that the budget ensures the continuing effectiveness of the current programs as well as enhancement of current programs which includes an increase of 2.4 FTE's. Some of the challenges include unfunded medical liability; beginning fiscal year 2009 the Air District will be required to show the unfunded medical liability in its financials. Before the end of the calendar year, the Air District intends to bring forward a specific plan to meet this liability challenge.

The key programs include:

- Community Air Risk Evaluation (CARE) Program
- Climate Protection
- Woodsmoke: Enhanced Outreach

Increases in the proposed budget for these programs are all in the professional services area, and vary with each program.

Lastly, Mr. McKay noted that 2 public hearings are required for the proposed budget and that the second public hearing is currently scheduled for June 6, 2007.

Chairperson Ross moved to open the Public Hearing at 11:50 a.m. There were no speakers from the public.

Chairperson Ross closed the public hearing on agenda item #9 at 11:51 a.m.

**Board Action:** Director Uilkema moved the Board of Directors' continue the second public hearing to June 6, 2007; seconded by Director Haggerty.

**Closed Session** – The Board convened to Closed Session at 11:52 a.m.

10. Conference with Legal Counsel-

**Existing Litigation Government Code Section 54956.9(a)**

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

**Thomasina Mayfield v. Bay Area AQMD**, San Francisco Superior Court, Case No. CGC-06-455723

**Open Session** – The Board reconvened to open session at 11:58 a.m.

Brian Bunger, Counsel, reported that the Board met in Closed Session on item 10 and received a report on the item. The Board provided general direction to staff on that item.

**Other Business**

11. Report of the Executive Officer/APCO – Mr. Broadbent stated that he had no report.
12. Chairperson’s Report – Chair Ross stated that he had no report.
13. Board Members’ Comments – There were none.
14. Time and Place of Next Meeting –The next Regular Board meeting is scheduled for 9:45 a.m., Wednesday, June 6, 2007 – 939 Ellis Street, San Francisco, CA 94109
15. Adjournment – The meeting adjourned at 12:00 p.m.

Vanessa Johnson  
Acting Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Ross and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 29, 2007

Re: Board Communications Received from May 16, 2007 through June 5, 2007

RECOMMENDED ACTION:

Receive and file.

DISCUSSION

A list of Communications received by the Air District from May 16, 2007 through June 5, 2007, if any, will be at each Board member's place at the June 6, 2007 Regular Board meeting.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson, Mark Ross and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 29, 2007

Re: Report of the Public Outreach Committee Meeting of May 21, 2007

RECOMMENDED ACTION

The Public Outreach Committee recommends Board of Director approval of the following:

- A) True North Research as a contractor to conduct public opinion research services;
- B) Authorize the Executive Officer/APCO to execute a contract with True North Research in an amount not to exceed \$175,000;
- C) P & P Communications as a contractor to provide strategic media services; and
- D) Authorize the Executive Officer/APCO to execute contract with P & P Communications in an amount not to exceed \$150,000.

BACKGROUND

The Public Outreach Committee met on Monday, May 21, 2007 to receive the following reports and recommendations:

- 1) A follow-up presentation from staff on the Spare the Air/Free Transit Campaign for 2007;
- 2) Recommendation for a Public Opinion Research firm; and a
- 3) Recommendation for a Strategic Media Contractor

Attached are the staff reports presented in the Public Outreach Committee packet.

Chairperson Kwok will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Mary Ann Goodley

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Patrick Kwok and Members  
of the Public Outreach Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 14, 2007

Re: 2007 Spare the Air/Free Transit Program – Summer Campaign Update

RECOMMENDED ACTION

For information only.

BACKGROUND

Staff will present a summary of the 2007 Spare the Air Summertime Campaign including media and advertising campaign updates, and trend results of public participation since the free transit incentive was introduced in 2004.

DISCUSSION

The Metropolitan Transportation Commission has approved \$7.5 million in funding for the 2007 *Spare the Air/Free Transit Program*. This year, thirty-two Bay Area transit providers have agreed to participate in the program. In response to rider and transit operator feedback, the 2007 *Spare the Air/Free Transit Program* will offer four half-day rides (until 1 pm) on Caltrain, BART, Ace Train and ferries and full-day rides on bus systems. Staff continues to explore opportunities to partner with the private sector and pursue incentives and funding to augment the 2007 season and future campaigns.

Measuring effectiveness is an important aspect of the Spare the Air program. Last year, ridership counts of transit commuters increased by an average of fifteen percent on the six free-transit Spare the Air days. Results from evening telephone surveys of Bay Area drivers show that public participation in the Spare the Program has increased since the free transit incentive was introduced. For example, the percentage of drivers surveyed who made clean air choices on Spare the Air days increased from 7 percent in 2004 and 2005, to 10 percent in 2006.

The Outreach and Incentives Division will conduct outreach to increase public awareness about the sources of summertime air pollution and to promote the clean air choices individuals can make to protect air quality. A full description of the program collateral materials and outreach strategies will be presented at the committee meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT ACTION

Funding for Spare the Air activities through June 30, 2007, is included in the current budget. Funding for activities after June 30, 2007 is included in the proposed FY 2007/08 budget. The largest source of funding for the program is the Congestion Mitigation Air Quality (CMAQ) program. Federal funding includes a \$1 million CMAQ grant which is administered locally by Caltrans on behalf of the Federal Highway Administration. Local funding is through the Transportation Fund for Clean Air (TFCA) program. The remaining non-motor vehicle portion of the funds is from General Revenues.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Luna Salaver  
Reviewed by: Karen Schkolnick/Jack M. Colbourn

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Kwok and Members  
of the Public Outreach Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 14, 2007

Re: Recommendation for Contractor for Public Opinion Research Services

RECOMMENDED ACTION

1. Recommend Board of Directors approval of True North Research as the contractor to conduct public opinion research services.
2. Recommend Board of Directors authorization for the Executive Officer to execute a contract with the selected contractor for an amount not to exceed \$175,000.

BACKGROUND

The Division recently completed a Request for Proposal (RFP) process to solicit responses for the Public Opinion Research Services contract to conduct telephone surveys, gather data on the effectiveness of District outreach programs, and assess public behavior patterns using statistically accepted methodologies. The contract will have a term of twelve months and may be extended for a second twelve-month term at the District's sole discretion.

DISCUSSION

This RFP was released on March 28, 2007. A Bidder's Conference was held at the District office on April 5, 2007, to provide an opportunity for clarification and to respond to questions about the process and services being solicited. Three companies attended. Responses to the RFP were due on April 23, 2007 and three proposals were received on that date.

The proposals were evaluated by a panel of five representatives including staff members from the Outreach and Incentives, Technical Services, and Administration divisions and an outside representative from the Metropolitan Transportation Commission. Based on the results of the evaluation, staff recommends that True North Research be awarded the Public Opinion Research Services contract.

True North Research has extensive experience conducting survey research services for public agencies, including air quality agencies throughout the country. They have designed methodologies for quantifying episodic public education programs and statistically reliable methods for measuring on-going behavior changes resulting from these programs.

EVALUATION



A listing of the RFP criteria and scoring for each of the proposals is included below.

**Proposal, Project Management Staffing, and Previous Experience:** Proposals were evaluated for clearly stating an understanding of the work to be performed and comprehensiveness in addressing the objective. This category also evaluated the overall experience and accomplishments of the consulting team and project management staffing.

**Cost Proposal:** Proposals were evaluated for cost in relation to the outlined scope of the project.

**Green Operating Practices and Local Businesses:** The District supports green operating practices and local businesses and gives a preference to local businesses engaged in green business practices. Proposals were evaluated to determine the extent of bidder's commitment to environmentally sound operational practices.

<b>Evaluative Criteria</b>	<b>True North Research</b>	<b>Aurora Research Group</b>	<b>Valerie Brock Consulting</b>
Proposal ( 25 points)	23.6	20.6	17.6
Project Management Staffing (20 points)	18.8	15.3	14.4
Previous Experience (20 points)	19.6	17.3	14.8
Cost Proposal (25 points)	23.6	18.2	20
Green Operating Practices (5 points)	4.3	3.7	3.4
Local Businesses (5 points)	0.8	1.6	4.1
<b>Total Points</b>	<b>90.7</b>	<b>76.7</b>	<b>74.3</b>

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. The monies for the action recommended through June 30, 2007 are included in the current budget. Funding for activities after June 30, 2007 is included in the proposed FY 2007/2008 Budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Karen Schkolnick  
Reviewed by: Jack M. Colbourn

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Kwok and Members  
of the Public Outreach Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 14, 2007

Re: Recommendation for Strategic Media Contractor

RECOMMENDED ACTION

1. Recommend Board of Directors approval of P&P Communications as the contractor to provide strategic communications services.
2. Recommend Board of Directors authorization for the Executive Officer to execute a contract with the selected contractor for an amount not to exceed \$150,000.

BACKGROUND

The Air District's Outreach and Incentives Division relies on contractors to assist with various aspects of its public affairs and outreach programs. P&P Communications would assist with preparation of strategic advisories, press releases, and electronic media covering the following subjects: Ports and goods movement; climate protection; clean air choices; Spare the Air; community relations; wood smoke reduction; and other topics to be determined by the Director of Outreach and Incentives. The contract will have a term of twelve months.

DISCUSSION

P&P Communications provides strategic communications to help businesses, non-profit groups and government. They are a full-service agency with experience in media relations, public policy, and regulatory compliance as well as marketing, graphic design, and community relations. P&P is familiar with California's complex air quality regulatory landscape and has experience conveying technical issues clearly and effectively.

P&P Communications Principal Gary Polakovic has a long and distinguished career in news media, holding leadership positions at organizations such as the Los Angeles Times, where he won the Pulitzer Prize with a team of reporters. Mr. Polakovic has spent over 20 years covering environmental topics, and many of his stories helped shaped public debate about air quality issues. He participated in the formation of the Society for Environmental Journalists, served as its chairperson, and is a past recipient of the John S. Knight Fellowship at Stanford University. Staff have identified Mr. Polakovic's expertise—his demonstrated mastery of the technical aspects of air pollution and ability to communicate complex issues to the public in a credible and thorough manner—as a skill set with

tremendous potential value to the Air District's public information programs in recommending the awarding of this contract on a sole-sourced basis.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None. The monies for the action recommended are included in the proposed FY 2007/2008 Budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Karen M. Schkolnick  
Reviewed by: Jack M. Colbourn

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Ross and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 30, 2007

Re: Report of the Executive Committee Meeting of May 30, 2007

RECOMMENDED ACTION

The Committee recommends Board of Directors' approval of the Executive Officer/APCO to solicit bids and execute an agreement to perform comprehensive operations and internal systems audit and transfer \$400,000 from the General Reserve for this purpose and adjust the Air District's proposed FY 2007/2008 budget accordingly.

The Committee further recommends Board of Directors' approval of amendments to the Smart-Growth Preamble and Policies.

BACKGROUND

The Executive Committee met on Wednesday, May 30, 2007.

Tom Dailey, M.D., Chairperson of the Hearing Board, presented the Hearing Board Quarterly Report for the first quarter of 2007.

The Committee received a report from Fred Glueck, Chairperson of the Advisory Council on activities of the Advisory Council.

Staff presented reports and updates on the following items:

- A) Production System Update;
- B) Status of Affirmative Action Plan Update;
- C) Closed Session to Discuss Air District's Response to an Audit of the Carl Moyer Program by the Bureau of State Audits;
- D) Consideration of Proposed Comprehensive Internal Systems Review;
- E) Consideration of Amendments to the Smart-Growth Preamble and Policies; and
- F) Joint Policy Committee Update.

A report of the closed session discussion is scheduled for the Board of Directors' June 6, 2007 meeting.

Attached are the staff reports presented in the Executive Committee packet.

Chairperson Mark Ross will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

If approved, \$400,000 will be transferred from the General Reserve for this purpose and an adjustment of the Air District's proposed FY 2007/2008 budget will be made accordingly. Funds for this work will be budgeted not to exceed \$400,000.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Mary Ann Goodley

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson, Mark Ross and Members  
of the Board of Executive Committee

From: Fred Glueck, Chairperson Advisory Council

Date: May 21, 2007

Re: Report of the Advisory Council: February 14 – April 16, 2007

RECOMMENDATIONS:

Receive and file the attached minutes.

DISCUSSION:

Presented below are summaries of the key issues discussed at meeting of the Advisory Council's Standing Committees during the above reporting period.

- A) Air Quality Planning Committee Meeting of February 14, 2007: The Air Quality Planning Committee reviewed and discussed topics and priorities assigned to the Committee at the January 10, 2007 retreat and discussed their Carbon Offset.
- B) Public Health Committee Meeting of February 14, 2007: The Public Health Committee presented continued discussions on Indoor Air Quality (IAQ) and Asthma.
- C) Technical Committee Meeting of February 28, 2007: The Technical Committee received an update from Jean Ospital, Dr. PH., on the South Coast Air District's Multiple Air Toxics Exposure Study (MATES) program and received an update from Air District staff on the District's Climate Protection Program.
- D) Advisory Council Executive Committee Meeting of March 14, 2007: The Committee reviewed its Standing Committee reports and received an overview from Chairperson Glueck on his presentation to the Board of Directors' Executive Committee on February 9, 2007. The Committee also discussed a proposed revision to the Advisory Council's Code of Conduct: Article II.
- E) Advisory Council Regular Meeting of March 14, 2007: The Council reviewed its Standing Committee reports. The Council received a staff presentation on the Air District's Spare the Air Programs for 2007, approved an amendment to the Advisory Council's Code of Conduct and received a report from the Executive Officer/APCO.

- F) Air Quality Planning Committee Meeting of April 11, 2007: The Air Quality Planning Committee received a presentation from Ted Droettboom, on Focused Smart Growth for the Bay Area and John Holtzclaw, Ph. D. gave a presentation on Smart Growth and Climate Change Emissions.
- G) Technical Committee Meeting of April 16, 2007: The Technical Committee discussed the South Coast Air Quality Management District's MATES III program and the Air District's Community Air Risk Evaluation Program and created a matrix comparing the two programs. The Committee also received a presentation from Dr. Bart Ostro, Ph.D., on The Effects of Fine Particle Species on Daily Mortality and Morbidity in California.

The minutes of the above referenced meetings are attached.

Respectfully submitted,

Fred Glueck  
Advisory Council Chairperson

Prepared by: Chioma Dimude  
Reviewed by: Mary Ann Goodley

FORWARDED: \_\_\_\_\_

Bay Area Air Quality Management District  
939 Ellis Street  
San Francisco, California 94109

APPROVED MINUTES

Air Quality Planning Committee  
9:30 a.m., Wednesday, February 14, 2007

1. **Call to Order:** Chairperson Ken Blonski called the meeting to order at 9:41 a.m.

**Roll Call:** Ken Blonski, Chairperson, Irvin Dawid, Emily Drennen, William Hanna, John Holtzclaw, Ph.D.

**Absent:** Harold Brazil, Kraig Kurucz, Ed Proctor.

2. **Public Comment Period.** There were no public comments.

3. **Approval of Minutes of December 14, 2006:** Ms. Drennen moved approval of the minutes; seconded by Dr. Holtzclaw.

Mr. Dawid commented on the discussion of wood burning and requested that he receive copies of the packet of items provided to the Committee. Mr. Dawid inquired about Bay Area cities and counties that have adopted wood smoke ordinances and the difference between mandatory and voluntary. Henry Hilken, Director of Planning, Rules and Research, stated that it is possible that some of the model ordinances are structured in such a way that it is a voluntary prohibition locally at a certain point and then becomes mandatory later. The motion then carried by acclamation with Messrs. Dawid and Hanna abstaining.

4. **Review of the Mission Statement of the Air Quality Planning Committee:** *The Committee reviewed its Mission Statement.*

Chairperson Blonski read the Mission Statement and asked for comments. Mr. Hanna stated that due to the global warming issue, the Committee may want to broaden the Statement. The consensus of the Committee was to maintain the Mission Statement as stated.

5. **Review and Discussion of the Topics and Priorities Assigned to the Committee at the January 10, 2007 Retreat.** *The Committee reviewed and discussed the topics and priorities assigned to the Committee at the Advisory Council's Retreat.*

Chairperson Blonski reviewed the priorities set for the Committee at the Council's January 10, 2007 Retreat.

1. Climate Protection and discussion of carbon footprint.  
Staff will provide information on carbon offsets today. Chairperson Blonski indicated there should be closure on the 2006 carbon footprint today after the staff presentation.



The relationship to the current District programs – how does climate protection figure into the current Air District programs. The Committee will ask staff for a report on this issue.

Mr. Dawid inquired how this item relates to the workshop held at the Metropolitan Transportation Commission (MTC) on Friday. Mr. Hilken stated that it is the Joint Policy Committee (JPC) that met on Friday and it is comprised of Board members from the Air District, Association of Bay Area Governments (ABAG), and MTC. There have recently been efforts to bring in the Bay Conservation and Development Commission (BCDC). The JPC has looked at various regional planning issues and recently has been asked to take a few months to look at ways the JPC may be able to coordinate the activities of the various agencies working on climate protection. This may have been prompted by the work that this Air District has taken on regarding climate protection.

This was a public workshop to get input from members of the public and advocacy groups on things the regional agencies can do for to help advance climate efforts in the Bay Area. Eventually there will be a report back to the JPC with recommendations from that workshop and the research they are doing.

2. Wood burning and Spare the Air Tonight

Chairperson Blonski stated that staff from Outreach and Incentives will speak to the Committee on how it can help develop strategies and better support from the public. In addition, speakers will be invited to talk to the Committee.

Mr. Dawid asked if any municipalities have any prohibitions on wood burning on particular days in the Bay Area. Peter Hess, Deputy APCO, stated that he was not aware of any municipalities that have this requirement. They may have incorporated it into their model ordinance, but it may not be being enforced right now. Mr. Dawid noted that the City of Belmont wrote a letter to Jack Broadbent, Executive Officer/APCO in support of wood burning bans and is seeking a no-burn rule.

Mr. Hess stated that the ordinance program is still moving forward as part of the Wood Burning Strategy that the Council considered and recommended to the Board. The most successful portion of the program as seen in other areas of the country is the Seattle program and the Air District will model after that program.

Continuing, Mr. Hess stated that at the Board of Director's Retreat in January one of the items discussed was a wood burning strategy as a follow-up to what the Council brought to the Board's Executive Committee. In March, the National Hearth Products Association will have a conference in Reno, Nevada. The Air District has been invited to make presentations at the conference, in conjunction with other air districts and municipalities throughout the nation who are looking at similar programs.

3. Spare the Air and discussion of different mitigation measures and mobile sources

Chairperson Blonski noted that today's agenda includes a presentation on mobile sources.

4. Indirect sources

Chairperson Blonski stated that the Committee will schedule some speakers to discuss land use patterns and how it relates to mobile sources, and discuss ways to mitigate

impacts. Chairperson Blonski noted that in the *West Contra Costa Times* there was an article/commentary on sprawl in general.

**6. Discussion of Carbon Offsets:** *Staff presented information to the Committee on carbon offsets.*

Mr. Hilken introduced the item and stated that a lot of thought went in to making the Climate Protection Summit a carbon neutral event. This led to thinking more broadly about what the Air District or individuals can do to reduce the carbon footprint.

Ana Sandoval, Principal Environmental Planner, presented the information and stated that, for the Climate Protection Summit, the District tried to reduce greenhouse gas (GHG) emissions to the extent possible. Offsets were purchased for those emissions that could not be eliminated. The Summit was hosted in a location that was near transit, a requirement for catering was a reduction of waste by compositing and recycling, and the event was mostly paperless.

There were only two hand-outs at the event. A post-consumer recycled bag was used, the bag had a message on it, and the food came from the Bay Area or Northern California. For those emissions that remained, the District staff looked at options available for offsets and determined to use carbonfund.org. Ms. Sandoval noted that carbonfund.org has an “event” offset category and provided a brief overview of the web site Ecobusinesslinks.com Carbon Offset Survey. Ms. Sandoval reported that the Air District would send money to carbonfund.org and they will hold it until they can determine the best cost purchase for a renewable project.

The Air District collected data, such as miles driven, air travel, and facility use, to name a few. The data was sent to carbonfund.org and they did the calculations. The Air District is now listed on their web site and a certificate was presented to the District by carbonfund.org for its reduction of GHG emissions.

Dr. Holtzclaw opined that it was good that the District thought about eliminating as many emissions as possible. Dr. Holtzclaw inquired if it was better to send the money to an agency, such as Native Energy, that has a project now, such as replacing old equipment on wind farm, than to hold the money and wait for a project to come along. Ms. Sandoval stated that carbonfund.org does have a series of projects written up and that the money will go towards the project that is completed first. Carbonfund.org is also considering wind farms.

In response to a question from Mr. Dawid on the carbon offset program, Ms. Sandoval stated that it is good that carbon offsets are available as an option, but that the first option should be to minimize emissions first. Mr. Dawid opined that carbon trading is a more accountable way of handing the funds. In response to Ms. Drennen’s question regarding a one-page information sheet on how to put on a “clean” event, Ms. Sandoval stated that other organizations have also been discussing this. Chairperson Blonski discussed using incentives and that people may be receptive to that. Dr. Holtzclaw noted that one of the disbenefits of carbon trading is that people believe they do not have to participate because companies such as P.G. and E. are participating. With carbon offsets, a person needs to think about what they are going to do.

In response to Chairperson Blonski, Ms. Sandoval stated that the District did not look at audits or administrative costs of the offset providers. Staff relied on the reputation they had with other events that the provider sponsored. The major portion of funding for the projects is coming from grants and other donations.

Mr. Dawid commented that the farmers in Iowa receive payments through the Chicago Climate Exchange (CCX) as a “greenhouse gas credit” for having non-tillable land. It has been determined that if the land is not tilled it will absorb carbon dioxide. The farmers receive an additional credit when they plant grass. Mr. Dawid inquired if the Air District was a member of the Chicago Climate Exchange and Ms. Sandoval stated that the Air District is a member of the California Climate Action Registry.

**Committee Action:** Mr. Dawid moved that the monies collected from the Advisory Council to offset carbon emissions be sent to the carbonfund.org; seconded by Mr. Hanna; carried unanimously without objection.

Chairperson Blonski indicated he would advise Council Chair Glueck of the Committee’s decision and Ms. Drennen requested that Mr. Hayes also be updated on the outcome.

**7. Overview of Mobile Source Programs:** *Staff presented a report to the Committee on Mobile Source Programs.*

Michael Murphy, Advanced Projects Advisor, presented a broad overview of mobile source measures. The presentation should assist the Committee in looking at some of the mobile sources that are contributing emissions, such as toxic air contaminants, diesel particulate, or road dust that contributes to heightened particulate levels. The intent is to discuss the mobile source emissions in the Bay Area; and the state programs, primarily from the Air Resources Board (ARB), and the Air District programs, to reduce emissions.

In California there are a lot of state-wide regulations that the rest of the country does not have. Generally the different regulations adopted by California have a good benefit and more states pick them up, using some of the flexibility under the Federal Clean Air Act. It is expected that this year the Federal Environmental Protection Agency (EPA) will promulgate new regulations on locomotive emissions. With advances in engine technology, the EPA should come out with an aggressive control limit on the diesel engines that are in locomotives. EPA is, at the same time, addressing the propulsion engines that are in large ocean-going vessels. The Air District feels that this regulation will not be as stringent due to international pressure.

Local EPA Region XI is emphasizing voluntary programs and this is being replicated across the country. The West Coast Diesel Collaborative is providing a forum and mechanism for people who are trying to get emissions reductions, primarily from diesel sources, but also from other sources of emissions, and trying to get them to talk to each other about what strategies would work, or opportunities for joint action. There is an effort between organizations in Washington, Oregon and California to discuss issues surrounding interstate highway 5.

Chairperson Blonski opined that since the railroad diesels go between a number of states, how can the District affect the railroads to change out their equipment to be less polluting?

Mr. Murphy stated that there are cleaner locomotives being deployed and they are primarily put into service that runs to and from the state. There are a few voluntary memorandums of understandings (MOU) between the state and the railroads. One focuses primarily on the South Coast air basin, which gets voluntary commitments from the railroad companies to use their cleanest locomotives to haul the goods in and out of the Los Angeles basin. Current estimates are about 40% of the international trade that the United States does is going via the ports of Los Angeles and Long Beach. Some of these locomotives might end up in the Bay Area on a rotational basis, therefore the Bay Area gets some benefit also.

The second MOU was on a state-wide basis. The main benefit for the Bay Area of that MOU, which is only in its first year of implementation, is a commitment from the railroads to accelerate the installation of anti-idling devices (start/stop) that shut down locomotives after they have been idling about 15 minutes. As the next generation of locomotives becomes available, there should be a similar commitment to bring the cleanest locomotives into California. Mr. Murphy stated that there are some additional requirements for locomotives that are called a “captive” fleet. The two major railroads have a number of locomotives that just stay in California and they have agreed to start using ultra-low sulfur diesel on those locomotives. They have also committed to some research programs for additional abatement devices, like a particulate filter. One of the test locomotives is currently on a switch engine that is stationed in Oakland for a year.

Mr. Murphy confirmed that the only diesel fuel sold in California as of June is ultra-low sulfur. Fifteen ppm is the standard sulfur level for diesel fuel number two and locomotives use diesel fuel number two. Ultra-low sulfur diesel removes a lot of particulate, but inefficient combustion or mismatched combustion for the load will still result in visible exhaust. It is important to get particulate filters installed, or some other type of abatement systems.

Mr. Murphy reviewed the sources of emissions – Summer 2005. The figures are taken from the Air District’s current inventory. These are the categories that are currently used for the Clean Air Plan, and other planning documents. Nitrogen oxides (NOx), Reactive Organic Gases (ROG) and PM10 are the primary focus. The focus today will be on air craft, off-road motor vehicles, and on-road motor vehicles. The ship emissions are included in the off-road motor vehicle category.

A large amount of NOx emissions come from on-road motor vehicles, most of which are passenger vehicles. There is a high percentage of ROG, which also comes from passenger vehicles and less from trucks. There are a lot of NOx emissions from off-road motor vehicles and the major component is construction equipment. ARB is promulgating new regulations to try to control the emissions from construction equipment. Consumer products and miscellaneous sources are the major portion of the PM10 emissions (70+%). Re-entrained and wind-blown road dust is the bulk of the percentage for PM10.

Continuing, Mr. Murphy stated that mobile sources are a big part of the Air District’s inventory and, as a result, is a big part of where emission reductions need to come from to meet the health standards in the area. In response to Chairperson Blonski, Mr. Murphy stated that some of the strategies to mitigate this include any program that the Air District engages in to reduce motor vehicle emissions. Other strategies include anything that ARB does to reduce emissions and what local cities might do around smart growth to reduce vehicle

usage. These strategies all contribute to lowering the emissions. There is an aggressive program in this region to reduce the amount of run-off that goes into the storm drains.

Mr. Dawid commented that San Francisco has adopted an ordinance regarding clean construction and noted that the Committee should follow its progress. In response to a question from Mr. Dawid, Mr. Hess stated that about 33% of PM comes from wood burning in home appliances and from 30-40% is from on-road and off-road mobile sources.

Mr. Murphy stated that the best way to reduce emissions from engines and other mobile sources is by taking the oldest engines out of service. The Air District's grant programs results in the largest emission reductions through replacement of old engines with a cleaner piece of equipment. Mr. Murphy noted that the Air District has an on-going program to work with the Port of Oakland, the residents of Western Oakland, and city government in Oakland to reduce emissions.

Chairperson Blonski asked if there was incentive in the private sector to shift to more rail and less truck traffic. Mr. Murphy replied that there are air quality efficiencies and benefits for near rail operations but not necessarily for economic efficiencies. It would be beneficial if the agricultural products from the Central Valley that are being shipped out through the Port of Oakland were put on rail cars and brought in. For the major rail companies, this is not a market that they see as lucrative. There is an effort for the Port of Oakland to try to get a rail link started. Another area the Port is looking at is putting trucks on barges and tug boats or specialty ships would bring them from the ports in Stockton and Sacramento into the Port of Oakland for trans-shipment.

Mr. Hess added to his earlier statement and noted that 33% of the PM contribution on the PM excess days in the winter time is wood smoke, 7% from cooking, 23% on-road, 20% off-road, 7% petroleum refining, 3% power plants, 3% air craft, 1% marine, and 3% from other/miscellaneous.

Mr. Murphy explained that there may be a source of emissions that in the large inventory is small, but because of where it is located and who is being exposed to the emissions, there may be an element of toxic risk from diesel particulate.

Continuing, Mr. Murphy reviewed the clean alternatives, such as garbage trucks fueled by natural gas, experimental efforts like fuel cell vehicles, and smart growth. Smart growth, bicycle promotion, and pedestrian promotion are areas that need more effort. The Air District has worked on smart growth and there is a recent publication from MTC regarding smart growth strategies and things that had been implemented at various rail stations and new neighborhoods. These are important strategies to focus on with the Spare the Air Program and other programs to reduce emissions from motor vehicles. Strategies for indirect source review should also be looked at.

The CARB regulatory efforts were reviewed. The diesel particulate filter is now a standard component on all new on-road trucks; EPA worked cooperatively with ARB to come up with one nation-wide emission standards that came into effect in 2007 to control particulate and NOx emissions from on-road, heavy-duty truck engines. In 2010, there will be a new, more aggressive standard that will regulate NOx for these same types of engines.

Ms. Drennen inquired about data from pedestrian and bike programs. Mr. Murphy stated that the main way the Air District gathers data is through the grant programs. Staff has also looked into the research done by universities and advocacy groups. As the Committee looks at this in more detail, the staff can identify experts outside the District and have them come in and give presentations.

There was discussion on CNG being used for the garbage trucks. Some of the garbage trucks use LNG and they are primarily located in Oakland and San Leandro through Waste Management, which has a corporate policy to look at LNG. There was further discussion on LNG trucks and how costly it is to have an LNG truck custom built. The CNG garbage trucks are built new on an assembly line.

Mr. Dawid requested that the Committee follow the issue of CNG and LNG trucks.

Mr. Murphy stated that LNG would not be a major part of the truck usage at the Port of Oakland. It would be mostly diesel trucks that have diesel particulate filters installed, or brand new diesel trucks.

Mr. Murphy reviewed the CARB regulatory efforts as follows:

- Progressively lower emission limits on new engines/vehicles
- Specifications for clean fuels
  - Reformulated gasoline
  - Ultra low sulfur diesel (15 ppm); including all harbor craft and ferries
- Diesel Risk Reduction Program
- Adopted regulations
  - Transit buses
  - Garbage trucks
  - Public fleet vehicles
  - Idling limits from school buses and trucks; enforcement needs to be monitored
  - Transportation refrigeration units
  - Stricter controls on stationary engines
  - Low-sulfur fuel for auxiliary engines in ocean going vessels
  - Cargo handling equipment
  - Statewide locomotive MOU
- Goods Movement Emission Reduction Plan

Mr. Murphy reviewed the pending regulations and/or actions:

- Review of zero emission vehicle regulations
- Greenhouse gas requirements under AB 32 and other legislation
- Air toxic control measures
  - Commercial trucking
  - Port trucking
  - Shore power for ocean going vessels
  - Low-sulfur fuels for propulsion engines in ocean going vessels
  - Construction and other off-road equipment
  - Harbor craft
- Allocation of \$1 billion in bond revenue
- Ethanol and other biofuels

- Hydrogen highway

The Air District and local efforts include the following:

- The Air District incentive funding, which focuses on mobile sources
- Spare the Air voluntary programs
- Further Study Measure on indirect source control/review
- Exploring regulatory options for maritime activities
- Vehicle buy back
- Enforcement of idling regulations
- Enforcement of statewide locomotive MOU
- Smart growth strategies
- Risk assessments – the Community Air Risk Evaluation (CARE) Program

In response to a question from Mr. Dawid, Mr. Murphy stated that the Air District has the authority to enforce the idling regulation at the Port of Oakland and that some notices of violation have been issued. In response to Dr. Holtzclaw, Mr. Murphy stated that ARB is looking at future regulations that would require all new truck engines come equipped with idle-off systems, but they have not yet promulgated the regulation yet.

Mr. Murphy provided web links that the Committee can refer to. Chairperson Blonski requested that staff keep the Committee posted on any developments that may be of interest to the Committee. Mr. Murphy stated that staff can identify speakers for areas that the Committee might want further information on.

Ms. Drennen offered as a potential agenda topic the idea of shifting passenger car usage to transit use, walking and bicycling. A presentation on what the best measures are in terms of effectiveness and efficiency, both in terms of pounds of diesel per dollar as well as the amount of behavior change.

In conclusion, Mr. Murphy stated that LNG fuel will remain a “nitch” fuel. The Port of Oakland has a lot of trucks, two rail yards and they want to build a third. The rail yards are separate from the marine terminals, but every container that either comes off a ship, or goes on a ship, and is coming in or out of the Bay Area by rail, have to be moved by a truck. They are moved primarily by large, over-powered, trucks. These trucks drive a mile or less to pick up the containers and stay within the Port of Oakland.

**8. Committee Member Comments/Other Business.** There were none.

**9. Time and Place of Next Meeting.** 9:30 a.m., Wednesday, April 11, 2007 – 939 Ellis Street, San Francisco, CA 94109.

**10. Adjournment.** 11:43 a.m.

Mary Romaidis  
Clerk of the Boards

Bay Area Air Quality Management District  
939 Ellis Street  
San Francisco, California 94109

DRAFT MINUTES

Advisory Council Public Health Committee Meeting  
1:30 p.m., Wednesday, February 14, 2007

1. **Call to Order – Roll Call.** Chairperson Bramlett called the meeting to order at 1:36 p.m.  
Present: Jeffrey Bramlett, Chairperson, Cassandra Adams, Janice Kim, M.D., Steven Kmucha, M.D., Linda Weiner.  
Absent: Karen Licavoli-Farnkopf, MPH, Brian Zamora.  
Other: Robert Bornstein, Ph.D., resigned from the Committee prior to the meeting.
2. **Public Comment Period.** There were no public comments.
3. **Approval of Minutes of December 12, 2006.** Dr. Kim requested that on Page No. 3, under Item No. 5, “Informa Healthcare” be changed to “Inhalation Toxicology”. Dr. Kmucha moved approval of the minutes, as corrected; seconded by Ms. Adams; carried unanimously.
4. **Continued Discussion on Indoor Air Quality (IAQ) and Asthma:** *Staff presented number and types of inquiries it receives about IAQ & Asthma and how they are being handled.*

*The Committee developed a plan for identifying a list of various health coalitions addressing the issue of IAQ & Asthma.*

*The Committee to develop a plan for next steps to engage City & County Public Health Officers regarding IAQ & Asthma. Since Mr. Zamora was absent, the Committee agreed that this item be discussed at its next meeting since he would be the key person to provide the necessary information required for the development of a plan.*

Peter Hess, Deputy Air Pollution Control Officer, stated that the Air District staff is looking at what type of coordination is needed, or how staff should be moving towards interfacing with the health community in the areas of IAQ and asthma. The District has requested the Committee to provide it with recommendations on how it might interface with the public, county health officers and non-governmental organizations (NGOs), and what the District’s role might be on the issue of asthma as it relates to outdoor air quality and IAQ. Mr. Hess further stated that the staff frequently receives calls from people who are concerned about odors and air pollution and their impact on causing asthma attacks. Currently, the District staff handles such inquiries by recommending they seek medical advice and to contact their county health officer.

Mr. Hess stated that the District is seeking input from the Committee regarding the direction it should take with respect to IAQ, whether it should be pursuing a different direction or would it be sufficient to distribute information to the public based on what has already been prepared by the California Air Resources Board (CARB). Mr. Hess also addressed the issue of whether the



District should publish a pamphlet similar to CARB's booklet, for the District's own use in the Bay Area. The District has been proactive in addressing several issues related to air quality, such as wood smoke, greenhouse gases, emission violation's etc., but presently it does not have a viable program for IAQ.

Jack Colbourn, Director, Outreach & Incentives Division, stated that the Public Information Office receives calls regularly on indoor air. Since the District currently does not have an IAQ program, the Public Information Officers are instructed to refer such calls to the county health officers and to the CARB. Mr. Colbourn referred to CARB's recent booklet on IAQ which is very informative and useful. Mr. Colbourn also reiterated that the District is seeking advice from the Committee for guidance and appropriate recommendations on a more viable IAQ program that it can take to the Board of Directors for adoption.

Ms. Adams stated that, as an architect, she is well aware that IAQ is often worse than outdoor air quality. From her perspective it makes sense for IAQ to be a part of the District's overall air quality program.

Dr. Kmucha commented that, as a practicing physician, he notices, on a regular basis, that there are people who believe they have asthma and yet who have not formally been diagnosed with the disease. There is enough information available these days through the press to make people aware that there has been an increase in asthma over the last several years, and that certain geographic regions and locations are more prone to asthma. The most important factor to consider is that the people, who complain about having asthma, but have not yet been diagnosed, should first be encouraged to contact their physician to determine their diagnosis for asthma accurately. There are many other symptoms that can masquerade as asthma when it really is not asthma, and some of those diagnoses are worse than asthma. There are several medical management and environmental controls these days that can be implemented to reduce the patient's problems.

Dr. Kmucha suggested the following:

1. If people have access to a healthcare system, they should be encouraged to use it by contacting their physician to obtain an accurate diagnosis on asthma.
2. The Committee should continue to pursue attempts in trying to interact with the City & County Public Health Officers. This will be helpful in compiling the required information on resources that are available to the internal public health officers. Once the information is available to the District, the staff can provide the correct contact information to the public, for their respective counties, when they call in.
3. Since many school systems now have health nurses available in the schools, it has become more reasonable for children who have asthma to use their medication at school. Working with the school systems in disseminating information on IAQ and asthma might be a viable resource.
4. Staff could provide the callers with a list of references, reading materials and resources, acknowledging the fact that some people may not have access to healthcare services, may not have any health insurance or sufficient finances. They may also not have any internet access. The District could mail out the reference materials but this might be costly in postage; and the District may not have sufficient staffing to answer phone inquiries all day.
5. The message that when the air quality is poor, one can have an exacerbation of respiratory and cardiac problems, could be included as an educational piece in every announcement the

District makes through the media. There are many triggers that exacerbate asthma and, that on any day when a person has an exacerbation, it is due to days or even weeks of accumulating effects that causes them to have an exacerbation.

Dr. Kim suggested the following:

1. Scientifically, it is important to make sure that when people call in and complain about their asthma as it relates to IAQ and outdoor air quality, that their health provider is involved and that their diagnoses is accurate. Dr. Kim agreed with Dr. Kmucha's suggestion that medical management is very important. It has been increasingly recognized that controlling the triggers in the environment are an important part of the medical management aspect of asthma. The District can encourage callers to look into and work with their physician in terms of trying to identify what the true triggers might be for their particular situation. The District is not a health agency and certainly not in a position to make any diagnoses and provide medical recommendations to the callers. Therefore, it is important to have callers work with their physician but also provide them with a broader medical knowledge that they might be able to bring back to their physician and/or to their health departments to address their particular concerns.
2. The District must understand the background of sciences relative to the relationship between IAQ or outdoor air pollution and asthma. Asthma is a chronic disease; some people are more concerned that they have developed asthma as a result of being exposed to outdoor air than to someone who has asthma exacerbations and does not know what actually triggered them.
3. The District could develop a fact sheet and a web page that links to well respected organizations such as the American Lung Association (ALA), and the National Heart/Lung Association which has developed new guidelines on clinical practices for asthma.

Ms. Adams suggested that in order to save postage costs, packets of reference materials could be distributed to the public through the county public health officers, and the libraries. In addition to the reference materials discussed above, Ms. Adams suggested that with respect to IAQ it would be useful to distribute copies of those regulations that pertain to limiting volatile organic compounds (VOCs) emissions in various indoor products, so that this information is more readily available to the public.

Ms. Weiner commented that there are several asthma coalitions in every county and that the District should tap into existing coalitions and work in partnership with them in being a resource to the public. Ms. Weiner agreed to identify a list of the various health coalitions for the District and provide their contact information to Mr. Hess.

After listening to the Committee's comments and suggestions, Mr. Hess summarized the following suggestions that were made by the Committee:

1. The medical management aspect of asthma is very important. When inquiries are received by the District, callers should be encouraged to contact their physician to seek medical attention in order to obtain an accurate diagnosis of asthma.
2. The District should provide information to the callers or to the people whom it contacts. The District should develop a message to disseminate to the public in a variety of forms – brochures and a fact sheet with the District's logo on them, website that links to other organizations such as the ALA, etc. The fact sheet could also identify a list of things people

can do at home to minimize the exposure to indoor air contaminants. All the materials that are developed for the website must also be available as mailers since everyone may not have access to the internet. The Public Information Officers could also be given a script to use when contacting people. The CARB's booklet on IAQ could also be disseminated as part of the District's packet of reference materials.

Mr. Colbourn stated that since the District is at a no-growth level this year, he does not have sufficient staff resources available to devote to the IAQ initiative, and that the District is looking to the Committee to provide a more formal recommendation to the full Advisory Council for its consideration, and thereafter to the Board of Directors on this issue. This would provide an opportunity for the Outreach & Incentives Division to move forward on developing the reference materials, suggested by the Committee, by contracting with an outside firm to develop them. Mr. Colbourn also mentioned that, at a recent conference he attended on IAQ, he found that other air pollution control agencies throughout the country identified doctors' offices as the main avenue for distributing reference materials on IAQ since the doctors carry more credibility on medical issues and the sciences.

In response to Chairperson Bramlett's suggestion to have a list of those outdoor items that trigger asthma, Mr. Colbourn explained that the District stays away from suggesting that asthma may be caused by any one particular source. The District does not have the science or medical experience to state that any one source causes asthma. The statistics mentioned in the Community Air Risk Evaluation (CARE) Program regarding how the asthma population for children under the age of 14 years are being viewed as a risk group, were obtained from the county public health offices and seem to be on the higher side.

In response to Mr. Colbourn's request that the Committee provide some long-term recommendations on IAQ to the District, Dr. Kmucha inquired as to how the District would potentially measure IAQ as part of its overall program. Mr. Colbourn stated that in the near future the District would want to undertake a more formalized program on IAQ. As an air agency, the District is obligated to look ahead and do something on IAQ since this is an air pollution control issue. Ms. Weiner suggested that since there are several outdoor air quality issues currently that the District is focused on and has a mandate to do, that it would be best for the Committee, at this point in time, to provide educational guidelines as it is presently doing, and make incremental recommendations rather than any long-term ones, with the eventual goal for the District to become regulatory in the area of IAQ.

In cases where the District's inspectors visit with individuals at their residences, Chairperson Bramlett inquired if the District receives requests to conduct air monitoring outside a problematic facility. Mr. Hess cited a recent example of the people living in West Berkeley who are very concerned about what they are breathing in by living close to a particular facility that, in their opinion, is causing health problems. In this situation, the District has required the facility to prepare a health risk assessment. The District has also installed a mobile air monitoring station at the facility. This will measure the air quality and compare it to the air quality standards for the toxics. The necessary information will be provided to the residents in that area so that they know what the air quality impacts could be. Mr. Hess also mentioned that the District is working with the CARE Program to be able to eventually provide information to cities, counties and land use planners for planning future housing developments in areas where the air is cleaner.

**Committee Action:** The Committee agreed to wait until its next meeting when Mr. Zamora could be present to discuss further steps to engage City & County Public Health Officers regarding IAQ and asthma. The Committee will then make a complete recommendation, based on suggestions made at today's meeting, to the full Advisory Council, and thereafter to the Board of Directors, on the issue of IAQ and asthma.

**5. Committee Member Comments/Other Business.**

a) Regarding the Spare the Air Tonight program, Dr. Kim wanted to know how much information is disseminated by the District about any messages or advisories to the local weather channels because she has noticed that when a Spare the Air night is announced, nothing is mentioned about what actions the public might take to reduce emissions.

Mr. Colbourn explained that because of the new particulate matter (PM) standards issued by the Environmental Protection Agency (EPA), the District cut its threshold in half and, as a result, there were 30 Spare the Air Tonight advisories during the period of the program, versus none last year. The District cannot control what the TV stations announce. If the District gets involved in the interviews, then it always provides some tips or advice to the public. The District has received a lot of publicity for the Spare the Air Tonight program which is relatively inexpensive compared to the Spare the Air Day program. Approximately 54% of the public are aware of the Spare the Air Tonight program and know what actions they could take to mitigate. The District also conducts a survey of the program, and 13% of the people surveyed to date, showed that they take an action – which is either not to burn wood or to drive less. Most of the questions received from the press relate to why there are so many Spare the Air advisories. The District does not want to give the message that the air is dirtier, but that there are stricter standards and that the District is clamping down by enforcing stricter regulations.

Mr. Colbourn stated that the staff is compiling data on the Spare the Air Tonight program which ends on February 16, 2007, and that this data could be made available to the Committee at its next meeting. The Spare the Air campaign has made some inroads this winter; it is announced on the news frequently and the public is more educated about it.

For the next fiscal year's budget, Mr. Colbourn stated that he is proposing some incentives for change-outs. The staff is also working with the Hearth Products Association (HPA) to discuss how best the District might help them to get their products out and capitalize on obtaining incentives for change-outs.

b) Ms. Weiner mentioned that through the American Lung Association, she is involved in reinvigorating an organization called Health Network for Clean Air that is organizing doctors and nurses throughout the State to not only help in State legislation but to act as spokespeople. There are currently two interesting bills – the Off-Road Regulations Statewide bill, and the Clean Investment Port bill which was originally focused on Long Beach and Los Angeles but now includes Oakland.

c) Ms. Weiner informed the Committee that she will not be able to attend the next meeting scheduled for Wednesday, April 11, 2007 due to a conflict on that date.

**6. Time and Place of Next Meeting.** 1:30 p.m., Wednesday, April 11, 2007, 939 Ellis Street, San Francisco, CA 94109.

**7. Adjournment.** The meeting adjourned at 2:40 p.m.

Neel Advani  
Deputy Clerk of the Boards

Bay Area Air Quality Management District  
939 Ellis Street  
San Francisco, California 94109

APPROVED MINUTES

Advisory Council Technical Committee  
9:00 a.m., Wednesday, February 28, 2007

1. **Call to Order – Roll Call.** Chairperson Sam Altshuler, P.E., called the meeting to order at 9:15 a.m. Present: Sam Altshuler, P.E., Chairperson, Louise Bedsworth, Ph.D., John Holtzclaw, Ph.D., (9:35 a.m.), Kraig Kurucz.  
Absent: Robert Bornstein, Ph.D., William Hanna.
2. **Public Comment Period.** There were no public comments.
3. **Approval of Minutes of August 9, 2006.** The approval of the minutes was deferred until a quorum was present.
4. **Update on the South Coast Air District's Multiple Air Toxics Exposure Study (MATES) Program:** *Jean Ospital, Dr.P.H., Health Effects Officer, South Coast Air Quality Management District (SCAQMD), provided the Committee with an update on the SCAQMD's MATES Program. The Committee and Staff discussed differences between the MATES and the Community Air Risk Evaluation (CARE) Program.*

Chairperson Altshuler introduced Dr. Jean Ospital, Health Effects Officer, South Coast Air Quality Management District (SCAQMD) and thanked him for coming to the Bay Area for making the presentation to the Committee. Dr. Ospital's presentation included the following topics:

- Structure of the SCAQMD
- Smog Formation
- Southern California Air Quality
- Public Health Issues
- Toxic Air Contaminants
- Sources of Toxics
- Background of MATES Study
- MATES-II Monitoring
- Average Air Toxics Cancer Risks
- Model Estimated Risk from MATES-II
- MATES-III Goals, Components and Enhancements
- Substances Measured
- MATES-III Progress
- MATES-III Monitory Sites & Microscale Sites
- Selected Organic Toxic Substances; their annual averages and trends
- Next Steps

Dr. Ospital provided a brief overview of the SCAQMD and its governing structure. The basic issues of concern of the SCAQMD are similar to those in the Bay Area – smog, ozone and particulate matter (PM). Other issues are risk from toxics such as additional risk of cancer from particulate toxic compounds, children’s health and environmental justice. Dr. Ospital further stated that toxic air contaminants do not have air quality standards but they do have some toxicity; they may be carcinogens, may lead to adverse reproductive outcomes and can pose a threat to public health. Toxics come from a number of sources; however, pesticides and herbicides are not measured by the SCAQMD. Another view from Southern California is based on an article that was published in the *Los Angeles Times* a year ago, which noted a report that was published on the Environmental Protection Agency (EPA)’s assessment of national air toxics, that California was rated as No. 2 on the study and that New York had the highest risk. The report also stated that San Francisco was rated as the highest point of risk in California.

Dr. Ospital provided an overview of the Multiple Air Toxics Exposure Study (MATES) Program and explained that it comprises of a series of studies. MATES-I was conducted in 1987 to monitor the levels of air toxics. Most of the toxics measured were in the gas phase. MATES-II was conducted in 1998-1999. It was a more comprehensive study when many more sites were taken for measurements; and more chemicals and substances were measured. A newly listed toxic during the time period was diesel exhaust particulate. Results showed that there was a downward trend for certain air toxics; that the bulk of air toxic risk came from mobile sources and that diesel exhaust accounted for 71% of cancer risks from air toxics.

There were two separate monitoring components to MATES-II: (1) a network of 10 fixed sites which monitored for toxic air contaminants once every six days for an entire year; and (2) a microscale study which utilized three mobile platforms to sample at 14 additional communities. The microscale study specifically targeted residential areas. The sampling platforms were situated in a community for a one-month period. For both the fixed and microscale sites, over 30 air pollutants were measured. These included both gases and particulates.

The key results of the MATES-II study were as follows:

1. The carcinogenic risk in the South Coast Air Basin is about 1,400 per million people. This is based on the average of the pollutant concentration measured at the fixed monitoring sites. Mobile sources represent the greatest contributor. About 71% of all risk is attributed to diesel particulate emissions; 20% to other toxics associated with mobile sources (including benzene, butadiene and formaldehyde); and 11% of all risk is attributed to stationary sources.
2. In addition to the monitoring portion, MATES-II also included a computer modeling exercise where emissions of toxics were estimated throughout the region and apportioned to a 2 km x 2 km grid scale. The model that was used estimated what the annual average concentrations were from those emissions. It showed that the higher risk levels occurred in the harbor area where the ports are located, the south-central Los Angeles area and near the freeways, with diesel being the predominant source of that risk.

For the MATES-III study, an update on the previous study and an assessment of the current air toxics levels were done; the gradients between community levels by using several microscale sites were determined; and an update on the risk characterization was done. Also included in the study is an update of the emissions inventory and the modeling exercise and ambient monitoring. There are some enhancements between MATES-II and MATES-III. An additional substance, naphthalene, was added. The substance was in the process of being evaluated by Cal EPA and the California Air Resources Board (CARB) and it was found that they did adopt a toxic potency factor on it for cancer. Analyses for “markers” of diesel and other PM sources were also done. A more frequent sampling of once every three days was undertaken, and the study was extended from one year to two.

A myriad of major substances, such as several volatile organic hydrocarbons, toxic metals, polycyclic aromatic hydrocarbons (PAHs) and diesel PM, were determined as a result of the analyses for risk and for source apportionment. For the PM apportionment addition, a multiple organic tracer approach is being taken by combining the PM<sub>2.5</sub> filters on a monthly basis at each fixed site, and compiling the data for organics, EC, OC and metals. The chemical mass balance (CMB) model is being used to conduct the PM source apportionment.

Dr. Ospital described the slides on the various monitoring and microscale sites for MATES-III.

Dr. John Holtzclaw arrived at 9:35 a.m and a quorum was present.

The progress to date on the MATES-III study is as follows: it was started in April, 2004; the air toxics sampling was done for two years at 10 fixed and six microscale sites and is completed. The laboratory analyses are also completed as of two weeks ago, and all the data are presently undergoing the QA/QC reviews. An initial “look” at the toxics shows a downward trend from when MATES-II was undertaken. Five volatile organic toxic substances were selected for presentation of initial results: benzene, 1, 3 butadiene, formaldehyde, acetaldehyde and perc.

The value for benzene at the 10 fixed sites, over the two-year period, shows that the highest levels are in the fall and winter months, and that the highest site is the Compton site. The monitoring data between the sites varied on a monthly and seasonal basis. There was a dramatic reduction across all the sites in annual benzene levels. The annual trend shows that the benzene levels decreased; it was compared to the trends from the ARB for monitoring sites in Southern California. The MATES-II and III studies are consistent with ARB’s findings that there has been a reduction through 2005.

Regarding formaldehyde, there was not much difference between the MATES-II and MATES-III studies. The annual trend showed an increase in 1995-96 that was likely due to a change in the methodology rather than a real change in levels. There is no obvious trend over time on formaldehyde. For acetaldehyde, the annual averages were the same for the MATES-II and MATES-III studies. Regarding perc, it is being phased out in the use of dry cleaners and as a solvent, and there was a substantial reduction in the averages between the two studies. The annual trend also shows a gradual decrease.



The study also estimated the lifetime 70-year exposure risk for the five substances discussed above. There was a reduction greater than 50% in the risk factor, with the aldehydes remaining at the same levels.

Currently, staff is completing the sample analyses, including the PM source “markers”; the toxics emissions inventory is being updated; modeling will be used to estimate levels over the region during the middle of this year; and the PM source apportionment calculations will be applied to the monitoring data.

In reply to Committee members’ questions, Dr. Ospital responded as follows:

- 1) Wood smoke is an issue and it is one of the sources that will be looked at in the source apportionment model. In terms of its contribution to particulate matter, it is a much larger issue in Northern California. However, wood smoke is currently an issue for the SCAQMD since there is a ruling on fireplaces that is coming up for the Board of Directors’ consideration. The current draft of the proposed rule would require new buildings to have EPA-approved fireplace inserts. It is a very controversial rule and there is limited data available on the contribution of wood smoke to PM<sub>2.5</sub>. If a fireplace has an insert, it would need to be upgraded to one that is currently EPA-certified when a house is sold; and if it does not have an insert currently, then it would be exempt. All new houses would be required to have EPA-certified devices installed. The in-house, brick hearth open burning fireplace is not included in the proposed rule language. (Altshuler)
- 2) Lube oil is not specifically being looked at but some of the “markers” for vehicles are lube oil-driven. It cannot be determined if lube oil comes from a car or a truck since it has similar components. It has been suggested that the ratio of certain PAHs are different in gasoline vehicles compared to diesel. (Altshuler)
- 3) With regard to ultra fine sizing for particulate matter, it is not part of the MATES study. However, there is a port monitoring study that will be starting at six sites near and around the ports. Part of this study will be toxics, criteria pollutants and particle counts. In the near future, there will be information available on ultra fine particles. There is also a study that is currently underway at the Santa Monica and Van Nuys municipal airports in which particle counts are being measured at both ends of the runways, for a six month period, at each airport.
- 4) In the slide presented earlier during the meeting for the Model Estimated Risk from MATES-II, which showed the intensity of the various areas in the Los Angeles area, Mr. Kurucz inquired if the two freeways leaving the area were truly measured and found to be low risk, or whether they were outside the scope of the study geography. Dr. Ospital explained that there are differences in the traffic intensity on the San Diego freeway (the one going north-to-south). At the time of the study it was traveled predominantly by light duty vehicles. In the area nearer the ports is the 710 freeway which has about 20% heavy duty diesel traffic. All the freeways have heavy traffic; however, the types of traffic are different. The ARB had a report commissioned on traffic volumes in California which quantified the light duty vs. the heavy duty traffic on the different major roadways; the 710 freeway showed that it had more heavy duty diesel traffic on it.

- 5) Mr. Kurucz inquired if the decrease in the annual trends for benzene and 1,3 butadiene agreed with the predicted models. Dr. Ospital explained that for the MATES-II modeling, the modeling results were very close to the monitoring results. In terms of MATES-III, the updated emissions inventory or modeling has not been done as yet. Staff will address the question of whether it fits with what is being measured at a later date.
- 6) There are two sources for formaldehyde: one from tailpipe emissions and the other from formation in the atmosphere. The SCAQMD staff has not done a lot of study on formaldehyde emissions. It is unknown whether the precursors are still present or if it is because of the emissions. The emissions inventory update will need to be reviewed to see how that tracks the inventory for MATES-II. The ARB is revising their emissions model and there have been several reiterations of the current version; the latest information is currently being plugged into the SCAQMD's emissions inventory. (Altshuler)
- 7) Mr. Althsuler inquired how many natural gas heavy duty vehicles are operating without catalysts versus the newer ones which are equipped with catalysts. Dr. Ospital commented that within the last three years most of the gas fueled transit buses in the South Coast were purchased with catalysts, and that the heavy duty fleet of natural gas vehicles is very low.
- 8) For the first year of the MATES-III study, the cost was estimated at \$2 million; this included staff time and purchase of new equipment and monitoring devices. The second year of the study may cost less than \$2 million. Part of the cost is the routine analyses of the organics, particulates, PAHs and naphthalene which were outsourced. (Altshuler)
- 9) With regard to PM apportionment for MATES-II, diesel was designated as a toxic air contaminant during the study and the SCAQMD used elemental carbon as a surrogate for diesel; there was a conversion factor of 1.04 based on the emissions inventory. A factor of 1.04 was chosen to convert elemental carbon to diesel PM. The Technical Advisory Group felt that for MATES-III this method was a very uncertain way to measure diesel particulate. Therefore, the staff is now using the chemical mass balance (CMB) approach for looking at the source apportionment for diesel as well as for gasoline. Source profiles that have been published from those sources could be put into a correlation equation for apportioning the emissions to different sources using the different chemical tracers, for example, cholesterol used as a tracer for meat cooking and other compounds are a signature for wood smoke; diesel and gasoline have several overlaps in terms of the PAHs and the lube oil-derived chemicals. There is some evidence that there may be differences in ratios of the PAHs. In 1990 there was an apportionment for diesel, wood smoke, cooking, etc; and the apportionment to diesel was found to be very close to what the MATES study estimated. (Bedsworth)
- 10) The Model Estimated Risk from MATES-II shows that there were estimates of risk up to 1,400 per million people; and the chart on the 70-Year Risk shows lower estimates of greater than a hundred. Mr. Altshuler inquired if the difference was due to the fact that diesel was not included. Dr. Ospital explained that the Risk Charts that he had shown during his presentation were for the five substances that had been selected, and that they did not include diesel or any other toxics. In MATES-II, the diesel risk was about 1,000 in a million, which accounted for the bulk of the risk.

11) Wild land fires and grass fires would be apportioned into the wood smoke-type category. Usually in Southern California when there are fires, they are very large and there are very little data available on contributions on a few days but it is not very significant to an annual average. If the PM apportionment is done correctly, they should not affect risk at all in terms of the particulates since for cancer risk there are no risk factors adopted for wood or vegetation burning derived PM. It would affect risk in terms of PM components exposure or volatile organics that are emitted. Typically, in a fire, no or a little blip is seen in the 24-hour monitoring filters. In the areas where there is a heavy concentration of smoke the stations often go down when the electricity goes out because of the fires; hence, no data are available in such situations. The SCAQMD sponsored a couple of studies after the 2003 fall fire, and commissioned the investigators to look at (a) children's health and (b) hospital admission data and mortality data, during the fires. Some estimates were done based on the monitoring as well as satellite imaging on what the exposures were. By combining both sets of the data, it provided a more believable estimate of particulate levels. The study's findings showed correlations of symptoms in children and respiratory symptoms with reported smoke exposure. The hospital admissions and mortality studies were based on the State's data and there were also correlations on certain diseases that were mostly cardiovascular related. (Altshuler)

12) Mr. Altshuler inquired whether any focused study had been done for unique events, such as 9/11, strikes, fuel price spikes, or holidays, to see what impacts those limited events had on the air quality, if any. Dr. Ospital stated that no focused studies were done. However, there are data from the monitoring network that could provide information on recent events. There was a port shutdown a couple of years ago for a week or so, and researchers at the University of Southern California found some differences for that time period that were attributed to either more emissions from ships piling up, or lower emissions from less trucks on the road, depending on which component is being looked at.

13) Mr. Altshuler inquired if the SCAQMD had done any monitoring of emissions from ships. Dr. Ospital stated that the District will be using some profiles for ship emissions using bunker fuel as part of the source apportionment. The University of Riverside has been doing some measurements and if those analyses are available, the staff will use them. Nickel and Vanadium will also be used as potential tracers for bunker fuel.

In reply to the District staff's questions, Dr. Ospital commented as follows:

1) The SCAQMD's Advisory Committee is called the Technical Advisory Group and comprises of 20 members from academia, industry, local governments and community and environmental organizations. During the planning stages of the MATES-III study, the Group met about five times and during the analyses phase when routine monitoring and laboratory work is being conducted, the Group has not met for at least two years. It was not worthwhile to have the Group meet until staff had reasonable information for it to discuss. (Hess)

2) With regard to long-term non-cancer risk or acute risk, during the analyses or modeling stages for the MATES-II study, staff also looked at non-cancer risks in terms of how the levels compared to a long-term reference exposure level. There were no significant findings.

With regard to acrolein, it was not included in MATES-II and III studies. The Technical Advisory Group wanted staff to look at it; however, at the time there was no established

method being used either by CARB or by the EPA. Currently, there is a method that people are comfortable with. (Martien)

3) Gary Kendall, Director, Technical Services, commented that the Bay Area Air Quality Management District (BAAQMD) has very similar trends for benzene and 1,3 butadiene. With regard to formaldehyde, Mr. Kendall stated that diesel vehicles are significant aldehyde emitters. The SCAQMD completed a couple of studies in conjunction with the ARB and British Petroleum (BP)/ARCO to look at diesel and natural gas fuel buses. The study showed that very little formaldehyde came from the diesel vehicles, whereas the natural gas buses without catalysts emitted more comparatively. Based on this limited data, Dr. Ospital did not expect diesel to be a large contributor.

4) The compounds that will be included for the MATES-III modeling study will be most of the toxics that have significant risks such as benzene, butadiene, perchloroethylene, aldehydes, and metals such as cadmium, nickel, chromium VI, from both mobile and stationary sources, and they will be apportioned to the grid. The type of model to be used has not been decided. Staff is looking at the newer and better models to be consistent with the modeling done for the SCAQMD's Air Quality Management Plan. (Martien)

Phil Martien, Senior Advanced Project Advisor and CARE Program Manager, commented that the regional modeling is a grid-based model in which the emissions are estimated and then fed into the model, along with meteorological inputs. The District is not doing any interpolations except for validating and evaluating the model.

5) With regard to a communication strategy, the results of the MATES-III are being disseminated as follows: (a) keeping the Board of Directors apprised. The Mobile Source Committee also meets periodically and receives updates from staff; (b) once the modeling results and summary statistics are available, staff will present them to the Technical Advisory Group and request their feedback; (c) conducting community presentations in those communities where the monitoring is being done. In addition, town hall meetings will be held when the results will be presented and questions from the communities answered; (d) a report will eventually be published and distributed. (Hess)

6) Mr. Hess stated that the BAAQMD staff is considering doing some detailed funding of toxicity of some food markers and working with the University of Minnesota on some of their studies. Mr. Hess inquired if the SCAQMD is considering any changes to its MATES program and Dr. Ospital's thoughts on future research. Dr. Ospital opined that with regard to future research, he would look at the following: (a) developing monitoring methods that can be deployed on a mass basis so that the information is available widespread from a larger number of sites; (b) developing data on wild fires and their toxicity and their influence on exposure. More real time monitors are required rather than just the 24-hour samples which do not provide the necessary data; (c) installing the technologies and hardware that are required to be able to link to real time data remotely; (d) conducting more limited and longer-term monitoring, at fewer sites, on a continuous basis, so that better information is available on trends.

7) Mobile sampling could be helpful for backyard monitoring since they can easily identify hot spots; however the available technologies are different and they are not federally sanctioned for routine monitoring. (Martien)

8) In response to Mr. Altshuler’s inquiry, Mr. Martien stated that the BAAQMD’s CARE Program costs approximately \$1 million per year.

**3. Approval of Minutes of August 9, 2006.** With a quorum present, Chairperson Altshuler requested that on Page 2 of the minutes, in the third sentence, change the word “has” to “have”; on Page 2, second Paragraph, last sentence, change the word “has” to “have”; and on Page 2, third Paragraph, last sentence, change the word “is” to “are”. Dr. Holtzclaw moved approval of the minutes, as corrected; seconded by Dr. Bedsworth; carried unanimously.

**5. Update on the District’s Climate Protection Program:** *Staff provided an update on the Climate Protection Program. The Committee discussed climate protection issues and how to complement the District’s activities.*

Ana Sandoval, Principal Environmental Planner, provided an update on the District’s Climate Protection Program. The presentation included information on the different initiatives the District is currently working on, the progress made to date and plans for the future:

Why an Air District Climate Program?

- Regional leadership needed on critical environmental issue
- Higher temperatures increase emissions
- Continued warming could erode air quality improvements
- Fossil fuel combustion is main source of greenhouse gases (GHGs) and criteria, toxic air pollutants
- Co-benefits of control strategies
  - Energy efficiency
  - Transportation control measures
  - Smart growth
  - Low emission vehicles

District’s Early Steps

- Launched climate protection program June 2005
- Established Board of Directors Climate Protection Committee
- Integrated climate protection into all air quality programs
- Climate protection initiatives
  - Regional climate protection Summit
  - Bay Area GHG emission inventory
  - GHG mitigation study
  - In-house GHG emission reductions
  - Promotion of energy efficiency

Next Steps

- Regional Leadership Council
- Bay Area Climate Protection website
- Public Outreach Campaign
- Grant Program
- Continuation of Existing Initiatives

- GHG Technology Study
- Bay Area GHG Emission Inventory
- K-12 Climate Protection Education
- Integration with District Activities
- In-house GHG Emission Reductions

Grant Program Potential Project Types

- Renewable energy infrastructure, such as solar or wind energy
- Green technology development, such as more energy efficient products
- Green building projects
- Public involvement campaigns, such as educational messaging or emission reduction implementation programs

GHG Technology Study

- Identify opportunities for emission reductions at stationary sources subject to District regulations
- Identify benefits and disbenefits of reduction measures
- Independent study: URS hired as contractor
- Ongoing staff reviews of Phase I Draft Final Report
- Phase II Study to evaluate most promising reduction measures

Further Integration with District Activities

- Transportation Fund for Clean Air (TFCA) grants evaluation criteria now include GHG reduction benefit
- CEQA comment letters now include consideration of GHG emissions
- Air Quality Element General Plan Guidelines will include section on Climate Protection
- Updated CEQA Guidelines will address GHG emissions analysis and mitigation strategies
- Staff will report on GHG emissions in rule development
- Smart Growth – Focusing Our Vision process

The Committee offered the following suggestions on the Climate Protection initiatives:

- 1) Dr. Holtzclaw commented that the Focusing Our Vision process was oriented with local governments and focused on saving space and using the transportation systems more efficiently. The process did not include any calculation of the global warming gas emission differences. He suggested that as the District comes up with various alternatives, if an analysis could be done to compare the different alternatives, this might be an excellent addition to that process.
- 2) Mr. Kurucz suggested that since the State is developing an environmental K-12 curriculum, the District's K-12 curriculum on climate change should be integrated with the State's efforts.
- 3) Chairperson Altshuler commented that he is pleased to see that some of the scoring criteria may be altered for the TFCA and Carl Moyer programs. He suggested that

Environmental Impact Reports (EIRs) would be another aspect that is very important.

4) Chairperson Altshuler suggested installation of compact fluorescent light bulbs for efficiency at the District since they are very low on GHG emissions.

5) Chairperson Altshuler commented that there will be some unique challenges regarding issues related to wood smoke and banning wood combustion, etc. It could be debated that when wood is burned, it is a renewable fuel which is good for the environment from a carbon dioxide perspective. Some of the issues would need to be balanced carefully.

6) Dr. Bedsworth inquired if any efforts are being made to train people to conduct outreach programs on this topic. It was suggested that staff and community members could be trained to reach out to other air districts around the State.

Ms. Sandoval explained that the District does not have an initiative currently to develop a formal training program; however, staff is in touch with other air districts through the California Air Pollution Control Officers Association (CAPCOA) which has formed a Climate Protection Committee to act as a forum for exchange of information. Dr. Bedsworth also suggested that the District form a pool of speakers and make it available on its website as a resource.

7) Dr. Holtzclaw suggested educating the media, particularly newspapers, TV and radio, about the various ways of handling global warming. For example, John King, an architectural critic with the *San Francisco Chronicle*, wrote an article about the new federal building in San Francisco. He described the efforts that were made to make the building more toxic free and to reduce the amount of global warming gases emitted during its construction and operations. Dr. Holtzclaw stated that it was an excellent article and that the District could play a major role in this aspect.

8) With regard to “branding”, Dr. Holtzclaw commented that one poll states what Americans think the consequences of global warming are in places such as the poles. Dr. Holtzclaw suggested that the “branding” or any other publicity on climate change should emphasize the potential local impacts of global warming so that people begin to think of it as something happening locally rather than something happening at the poles.

9) Chairperson Altshuler commented that cans or packages of food sold in stores have a label on them that indicates the calorie count for each food, and suggested that products should have a similar label on them that indicates the amount of BTUs and GHG emissions that are respectively used and emitted during their production. Similarly, new cars should have labels indicating the amount of greenhouse gases that are emitted during their production.

Chairperson Altshuler mentioned that he would like to find out from the District as to what role the Advisory Council could play to complement the staff and the Board of Directors in its initiatives on climate change. The Committee discussed the possibility of recommending one or two members of the Technical Committee to participate in the Board’s Public Outreach and Climate Protection Committees. A lengthy discussion followed. Chairperson Altshuler stated that he would convey the Committee’s comments to the Management staff and discuss it with them.

Mr. Kurucz mentioned that the District staff has incorporated GHG elements in not only planning but in some selected new rule developments. Dan Belik, Manager, Rule Development, responded to questions regarding the boiler rules and described the process for developing criteria for GHG impacts during the rule making process.

6. **Committee Member Comments/Other Business.** Chairperson Althshuler stated that Bart Ostro, Chief, Office of Health Hazard Assessment, will make a presentation to the Committee at its next meeting. In May 2007, Tom Cahill, Professor Emeritus, University of California at Davis, will be presenting to the full Advisory Council, and Chairperson Althshuler will be contacting Mark Jacobsen, Professor, Stanford University, to make a presentation on elemental carbon issues to the Advisory Council at a future meeting.

The Committee thanked Dr. Ospital and staff for their presentations.

7. **Time and Place of Next Meeting.** 9:00 a.m., Monday, April 16, 2007, 939 Ellis Street, San Francisco, CA 94109.
8. **Adjournment.** 11:50 a.m.

Neel Advani  
Deputy Clerk of the Boards



Bay Area Air Quality Management District  
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APPROVED MINUTES

Advisory Council Executive Committee  
9:00 a.m., Wednesday, March 14, 2007

1. **Call to Order – Roll Call.** Chairperson Glueck called the meeting to order at 9:05 a.m.

**Present:** Fred Glueck, Chairperson, Sam Altshuler, Ken Blonski, Jeffrey Bramlett, Harold Brazil, Kraig Kurucz (9:17 a.m.).

**Absent:** Louise Bedsworth, Ph.D.

2. **Public Comment Period:** There were no public comments.

3. **Approval of Minutes of November 8, 2006:** Mr. Bramlett moved approval of the minutes; seconded by Mr. Blonski; carried unanimously without objection.

4. **Committee Reports:**

a) Air Quality Planning Committee Meeting of February 14, 2007: Mr. Blonski presented the report and stated that the Committee reviewed its Mission Statement and the topics and priorities assigned to the Committee at the January 10, 2007 Council Retreat. Two presentations were made to the Committee: 1) Ana Sandoval presented information on carbon offsets and 2) Michael Murphy provided an overview of mobile source programs. The next meeting is scheduled for April 11<sup>th</sup> and the Committee is working on obtaining a speaker from U.C. Santa Cruz, Manuel Pastor, or one of his associates. In addition, John Holtzclaw, Ph.D. will present a paper that he gave at the 2005 Air & Waste Management Association Convention.

There was general discussion about speakers for other Committees (Tom Cahill from UC Davis and Bart Ostro from the Office of Environmental Health Hazard Assessment) regarding rail yards and ports. Chair Glueck recommended that all the Committees review and discuss Dr. Pastor's report and a general discussion would take place at the May Council meeting. Dr. Pastor would be invited to attend the July Council meeting for his presentation.

Councilmember Kraig Kurucz arrived at 9:17 a.m.

b) Public Health Committee Meeting of February 14, 2007: Mr. Bramlett stated that the Committee continued discussions on indoor air quality (IAQ) and asthma; and the relationship between IAQ and outdoor air quality. The Committee briefly discussed the Air District's Spare the Air Program. The Committee is looking at what role the Air District should take regarding IAQ. The Committee discussed how to interface with the public, health officers and non-government organizations, and the importance of people working with their health care

providers to quantify their concerns. In summary, the Committee suggested that the role of the District would predominantly be one of facilitating existing information; the California Air Resources Board (CARB) was discussed; a fact sheet, web, and media presence would be the basis for speaking points.

Mr. Zamora will provide information on how the health officer aspects are going and the Committee should have some written recommendations drafted for a future meeting; there will be more discussion on the science interface before the recommendation is finalized. The next meeting of the Committee is April 11, 2007.

c) Technical Committee Meeting of February 28, 2007: Mr. Altschuler reported that Dr. Jean Ospital from the South Coast AQMD (SCAQMD) provided the Committee with an update on the MATES Program, which is a parallel to this Air District's CARE Program. The goal is to produce a matrix or table that compares the two programs. There was also a presentation from District staff about the Board activities on climate change and greenhouse gases (GHG). The Committee discussed what the role of the Advisory Council could be and one suggestion was to offer the Council's expertise to staff or the Board on climate change in a more formal way; possibly having several members of the Technical Committee attend the Board Public Outreach and Climate Protection Committee meetings.

Peter Hess, Deputy APCO, stated that the Board now has Standing Committee on Climate Protection that meets on a regular basis. The Committee is looking at the issue of a Foundation, the climate programs at the Air District, and would take into account the advice provided by the Council as a whole.

Mr. Altschuler stated that the next meeting of the Committee is scheduled for April 16<sup>th</sup> and Bart Ostro from the Office of Environmental Health Hazard Assessment (OEHHA) will give a presentation. There was discussion on making this a joint meeting with the Public Health Committee.

## **5. Overview of Chairperson Glueck's Report to the Board of Directors' Executive**

**Committee Meeting of February 9, 2007:** *Chairperson Glueck gave an overview of his report to the Board of Directors' Executive Committee.*

Mr. Glueck noted that there would be a presentation today from the Outreach and Incentives Division and that it relates to the APCO's discussion from the Council's Retreat. The Spare the Air Program is going through some changes, which will be part of today's presentation. The Council should be aware of how the Council can assist or facilitate the promulgation of education and information to the public with regard to the Air District's policies. The policies include the CARE Program, the particulate matter discussion with CARE, indoor air quality, and climate protection. The charge to the Council's Committees is to see how the information can be best relegated to the public through Outreach and Incentives and how the Council can be of assistance with the Spare the Air campaign. Spare the Air is going to be a behavioral change and the Council can help educate the general public.

Jack Colbourn, Director of Outreach and Incentives, provided a brief overview of the presentation to be given to the full Council. The Spare the Air Program will migrate to Spare the Air/Clean Air Choices. The District will push the public to make clean air choices with the new campaign. The message built into the summer program is "what are you going to do?"

The Metropolitan Transportation Commission (MTC) is providing \$7.5 million and the District's contribution is about \$2 million for the free ride program, which will continue this year. The District is seeking funding from larger companies to help sponsor the free rides program, or other aspects of the campaign.

The District is developing a brochure on clean air choices and 50 things you can do now. Mr. Colbourn reviewed changes in the free rides component of the summer campaign. In response to a comment from Chair Glueck, Mr. Colbourn stated that 2000 employers are signed up to receive the Spare the Air alerts, which they then disseminate to their employees and encourage them to car pool, telecommute, or do other things. There is also an educational component, the "Clean Air Challenge," which goes to teachers. In conclusion, Mr. Colbourn stated that it will take a few years to get the Clean Air Choices message out and that spare the air is every day.

**6. Committee Discussion Regarding Proposed Revision to the Advisory Council's Code of Conduct: Article 2:** *The Committee considered a proposed revision to the Advisory Council's Code of Conduct: Article 2.*

Chair Glueck stated that a request had been made to change one of the gender references in Article 2 of the Code of Conduct and a Council vote will be taken to add the word "her" to paragraph 1.

**7. Committee Member Comments/Other Business:** Chairperson Glueck announced that he would introduce the new Council member at today's Regular meeting.

**8. Time and Place of Next Meeting:** 9:00 a.m., Wednesday, May 9, 2007, 939 Ellis Street, San Francisco, CA 94109.

**9. Adjournment:** The meeting adjourned at 9:56 a.m.

Mary Romaidis  
Clerk of the Boards

Bay Area Air Quality Management District  
939 Ellis Street  
San Francisco, California 94109

APPROVED MINUTES

Advisory Council Regular Meeting  
10:00 a.m., Wednesday, March 14, 2007

**CALL TO ORDER**

Opening Comments: Chairperson Glueck called the meeting to order at 10:06 a.m.

Chair Glueck introduced new Advisory Council member Robert T.P. Huang, Ph.D.

Roll Call: Present: Fred Glueck, Chair, Cassandra Adams (10:28 a.m.), Sam Altshuler, P.E., Ken Blonski, Jeffrey Bramlett, Harold Brazil, Irvin Dawid, Emily Drennen, MPH, William Hanna, John Holtzclaw, Ph.D., Robert T.P. Huang, Ph.D., Janice Kim, M.D., Ph.D., Steven Kmucha, M.D., Kraig Kurucz, Karen Licavoli-Farnkopf, MPH, Ed Proctor, Linda Weiner (10:53 a.m.), Brian Zamora.

Absent: Louise Bedsworth, Ph.D., Robert Bornstein, Ph.D.

**PUBLIC COMMENT PERIOD:** There were none.

**CONSENT CALENDAR:**

**1. Approval of Minutes of January 10, 2007:** Dr. Holtzclaw moved approval of the minutes; seconded by Mr. Hanna. Mr. Altshuler requested that “in lieu of” on page 4 be changed to read “to complement.” Ms. Drennen requested Ms. Bedsworth’s first name be corrected on page 2 and on page 5, paragraph 7 the word “promoting” be added before the word “walking.” Mr. Altshuler moved approval of the minutes as corrected; seconded by Mr. Bramlett; carried unanimously without objection.

**COMMITTEE REPORTS**

**2. Air Quality Planning Committee Meeting of February 14, 2007:** Mr. Blonski stated that the Committee reviewed its Mission Statement and priorities set at the Retreat. There were two speakers from staff: Ana Sandoval presented information on carbon offsets and Michael Murphy discussed the Air District’s Mobile Source programs. The plan for the April meeting is to discuss, with staff, the work done by Professor Manuel Pastor of UC Santa Cruz. Professor Pastor would be invited to give a presentation at a future meeting.

3. **Public Health Committee Meeting of February 14, 2007:** Mr. Bramlett stated that the Committee discussed the Spare the Air program and indoor air quality (IAQ) and asthma. The Committee is looking at what role the Air District should take regarding IAQ and asthma and how to interface with the public, health officers, and non-governmental organizations. The discussion also looked a several other areas, such as people working with their health care providers if they have asthma, the scientific relationship between indoor/outdoor air and asthma and where the focus should be, and a coordinated message that represents the Air District's position. The next meeting of the Committee will be on April 11<sup>th</sup> and will focus on any responses from the health officers and a recommendation will then be developed to present to the Council.
  
4. **Technical Committee Meeting of February 28, 2007:** Mr. Altshuler stated that the Committee heard from Dr. Jean Ospital on the South Coast AQMD MATES Program. The MATES Program is similar to the Air District's CARE Program. It is anticipated that a table will be produced comparing the two programs and would be presented to the full Council. A second speaker was from staff, Ana Sandoval, who gave a presentation on the climate protection activities at the Board level. The Committee also discussed how the Council, or the Technical Committee, could complement activities going on at the Board level.

The next meeting of the Committee is scheduled for April 16<sup>th</sup> and Bart Ostro from the Office of Environmental Health Hazard Assessment (OHEHHA) will give a presentation on monitoring issues focusing on measurements at the Port of Oakland. Members of the Public Health Committee are invited to attend this meeting. After discussion, it was determined a joint meeting of the Committees would not be feasible.

### **Presentation**

5. **Presentation on Air District's Spare the Air Program for 2007:** *Air District staff presented an overview of the Air District's Spare the Air Programs.*

Chairperson Glueck stated that the presentation is based on the APCO's discussion with the Council during the Retreat and the changes that are taking place in the Spare the Air program. One aspect is how the Advisory Council can help develop ideas or efforts to assist in outreach with public information and public participation.

Jack Colbourn, Director of Outreach and Incentives, stated that the Spare the Air program started in 1991 and the free rides program is about four years old. This year, the District is making some changes to promote a Clean Air Choice program and that it is really 365 day a year effort. There will still be components, such as the free ride program and wood stove change outs. The idea is to get people to take responsibility on what they can do to clean the air. There will be outreach to the public on ways they can clean the air, such as a "tip card," that will focus on climate issues and diesel.

Mr. Colbourn noted that some changes have been made in the free ride program this year. There are four days of free rides, which will be for morning commutes only on the ferries, trains and BART; the buses will operate on a full day.

Councilmember Cassandra Adams arrived at 10:28 a.m.

Mr. Colbourn stated that the District is doing long-term surveys and measurements to see what kind of behavior changes there are. The three major priorities this year are climate, wood smoke, and port/diesel emissions and the Spare the Air/Clean Air Choices campaign will focus on these priorities.

The Council had a general discussion on the campaign and how the Council members can carry the message back to the organizations they represent. The Council provided comments and suggestions to staff on several aspects of the campaign.

Councilmember Linda Weiner arrived at 10:53 a.m.

Karen Schkolnick, Air Quality Program Manager, stated that the 2006/2007 Spare the Air Tonight season has just been completed and ran from November 20, 2006 to February 16, 2007. There were 30 advisories called this year, which was a result of the more stringent PM 2.5 standard. The US EPA adopted a more stringent PM 2.5 standard in September 2006, which is more protective of public health (from  $65 \mu\text{g}/\text{m}^3$  to  $35 \mu\text{g}/\text{m}^3$ ). The focus of the Spare the Air Tonight campaign was to reduce particulate matter through reduction of wood burning emissions and reduction of driving.

Ms. Schkolnick reviewed the PM 2.5 exceedances and reported that there were 30 advisories issued by the Air District and the national 24-hour  $35 \mu\text{g}/\text{m}^3$  standard was exceeded 27 times. There is no equivalent state 24-hour standard. The outreach strategy included the following:

- Community events;
- Mailings to the employer network and about 100 asthma clinics;
- The Spare the Air website was updated on a regular basis;
- Continuation of the Santa Clara Woodstove Rebate Program, which is coming to a close; and
- Advertising and collateral materials included:
  - Video commercial featuring the Executive Officer
  - Radio and television advertising
  - Bookmark about particulate matter
  - Tip card about wood burning
  - Handbook about wood burning and particulate matter

Each time the Air District issued an advisory, the public was alerted that the air quality was forecast to be unhealthful and that sensitive individuals should take measures to protect their health. Additional messages to the public to encourage them to make clean air choices were “Don’t burn wood,” “switch to natural gas or EPA certified insert,” and “drive less.” Ms. Schkolnick noted that there was extensive media coverage and reviewed the number of print, television and radio stories resulting from the campaign. There have been 1,945 woodstove change-outs through the Santa Clara County woodstove rebate program; this program will conclude soon. Ms. Schkolnick reported that an expanded telephone survey was conducted that had very positive results. Nine hundred eighty-eight surveys were conducted. Ms. Schkolnick summarized program awareness as a result of the survey.

Ms. Schkolnick provided an update on the Spare the Air summertime outreach program for 2007. The summertime program was created in 1991. There were 11 advisories issued in 2006. The 2007 Program elements include: advertising, public outreach, employers, media

outreach, free transit incentives, a youth outreach campaign, and a web page and *AirAlerts*. Program highlights include free transit on four full-days for regional bus systems and partial-days on BART, CalTrain, and the ferries to alleviate operation service and security issues. The focus of the campaign will be towards positive, long-term behavior changes by promoting clean air choices.

There will be expanded public surveys and on-board measurement to start the process of estimating long-term behavior change and assessing attitude changes regarding clean air choices. The Air District will continue its effort to secure private partners and funding for the 2007 Spare the Air program. Ms. Schkolnick provided examples of what some of the private partners will be doing during the campaign.

Discussion on the campaign included the free transit and making sure it was fair and equitable to people in all areas; how air alerts are sent; linking health and wellness to climate change; and parking charges at BART parking lots on the free transit days (there will still be a charge for parking). The Council discussed ideas for the campaign and provided input to Mr. Colbourn and Ms. Schkolnick.

Chair Glueck commented that all of the programs the Air District is running are interrelated. He thanked Ms. Schkolnick and Mr. Colbourn for their presentations.

### **Council Discussions**

#### **6. Consideration and Approval of an Amendment to the Advisory Council's Code of Conduct:** *The Council considered approval of a revision to its Code of Conduct.*

Chair Glueck stated that a request had been made to change Article 2, Section 1 regarding the gender references. The change would add the word "her" to paragraph 1.

**Council Action:** Dr. Holtzclaw moved to accept the change to Article 2, Section 1 of the Code of Conduct as stated above; seconded by Mr. Bramlett.

Ms. Drennen suggested that the District make all documents gender neutral. The motion then carried unanimously without objection.

### **Air District Overview**

#### **7. Report of the Executive Officer/APCO:** Peter Hess, Deputy APCO, reported on the following:

1. There is CARE Program meeting taking place now and Advisory Council members are invited to attend if they wish.
2. The budget has been prepared and will be submitted to the Board of Directors. The revenue from the county funding has increased; a permit fee increase is being proposed; and the hearings on the budget will take place in June 2007.
3. The District will embark on a technology-enforcing strategy on emissions from food preparation. This will address some of the fine particulate emissions from under-fired grills and chain driven grills. The South Coast AQMD promulgated a rule about eight years ago; the Bay Area District rule includes more sources.

4. Amendments to the internal combustion engine rule will come before the Board of Directors for approval within the next few months.
5. The District is moving forward on the transition from the wintertime to the summertime Spare the Air Program.
6. Mr. Hess announced his retirement from the Air District on July 18, 2007.

## **OTHER BUSINESS**

### **8. Report of Advisory Council Chair:**

Chair Glueck reported that the Executive Committee discussed items brought to the full Council today. The other two items brought up were that the May 9<sup>th</sup> meeting will have Dr. Cahill make a presentation on a study he has done on particulate matter in the train yards in Roseville. For the July meeting, Dr. Pastor will give a presentation on his report "*Still Toxic After All These Years.*"

### **9. Council Member Comments/Other Business**

In response to a question from Mr. Dawid, Mr. Hess stated that there is no wireless access in the Board Room.

In response to a question from Mr. Altshuler, Chair Glueck stated that he will discuss with staff Advisory Council attendance at the Air & Waste Management Association annual conference.

Dr. Kmucha noted that a resolution has been submitted to the City of Belmont that would make their non-smoking ordinances some of the strictest in the country. Dr. Kmucha inquired if this is something the Council could consider supporting. Chair Glueck stated that it would be difficult to comment at this time. The Public Health Committee is addressing IAQ, but the Council, at this point, is not prepared to make any comment on the resolution being proposed in the City of Belmont. Ms. Drennen added that several members of the Council that know about this resolution and they could provide updates to the Council. Chair Glueck referred the item to the Public Health Committee.

Mr. Hanna stated that there seems to be a number of people arguing against the human causes of global warming. Mr. Dawid added that the IPCC report states that there is a 90% probability that it is human caused.

Mr. Dawid went to the Bureau of Automotive Repair testing facility with the Sierra Club Air Quality Committee and saw how the visual test is conducted (The Smoking Vehicle Law) and the ARB "pinch test," which deals with evaporative emissions from automobiles. By 2010, the largest cause of emissions is going to be evaporative, not through the tailpipe.

10. **Time and Place of Next Meeting:** 10:00 a.m., Wednesday, May 9, 2007, 929 Ellis Street, San Francisco, CA 94109.



11. **Adjournment:** The meeting was adjourned at 11:52 a.m.

Mary Romaidis  
Clerk of the Boards

Bay Area Air Quality Management District  
939 Ellis Street  
San Francisco, California 94109

APPROVED MINUTES

Air Quality Planning Committee  
9:30 a.m., Wednesday, April 11, 2007

1. **Call to Order:** Chairperson Ken Blonski called the meeting to order at 9:31 a.m.

**Roll Call:** Ken Blonski, Chairperson, Harold Brazil, Irvin Dawid, Emily Drennen, William Hanna, John Holtzclaw, Ph.D.; Robert Huang

**Absent:** Kraig Kurucz, Ed Proctor.

**Also Present:** Mr. Fred Glueck

2. **Public Comment Period.** There were no public comments.
3. **Approval of Minutes of February 14, 2007:** Mr. Dawid provided a number of minor revisions to the minutes that will be incorporated into the final version. Mr. Hanna moved approval of the minutes; seconded by Dr. Holtzclaw. Upon conclusion of the revisions of the minutes Chair Blonski called for approval and the draft minutes were approved unanimously.
4. **Discussion of Focused Growth for the Bay Area:** *Mr. Ted Droettboom presented information to the Committee on Focused Growth.*

Mr. Droettboom provided the Committee a brief overview of his background and his affiliation with the District, ABAG (Association of Bay Area Governments), and other organizations.

It was brought to the attention of the Committee that many individuals also refer to Focused Growth as Smart Growth. It is now being called Focused for two reasons: 1) many think the term Focused is a little less valuable than the term Smart; 2) because it implies that somebody else's growth is dumb.

Why Focused Growth? It is driven by the high housing prices in the region. The median housing prices in the Bay Area by County a few months ago have gone down slightly. High housing prices are driving a phenomenal in which we describe as "drive until you qualify." Residents are moving further and further out into the region and indeed beyond the region to find homes that they can afford.

The focus of sprawl eats up our land resources, these are numbers supplied by the Greenbelt Alliance, which identify about nine percent of our precious open space resources at risk. Three percent of those at high risk of being developed. Finally, in present context, Focus Growth can help us reduce greenhouse gas emissions. That is because principally 50% of the greenhouse emissions in this region are due to transportation sources. We drive an awful lot and in fact if only 85% of our transportation greenhouse gases are due to on road vehicles, which includes each of us and a few truck drivers on the roads. Aircrafts contribute about 7%, other mobile sources like locomotives and ships at sea, contribute about 8%. A big part of reducing greenhouse gas emissions in this region will in fact involve driving less or driving more efficiently.

The region is growing at about 1%, per year; which means in any one year 99% of the development is already here. To give you some indication of what we need to do in this region in the transportation sector to meet the 2020 targets, an analysis prepared by the Metropolitan Transportation Commission (MTC) was shown. The growth in percentage terms with 1990 as the base is called Vehicle Miles Traveled (VMT) on a daily basis. That is the number of miles that each driver collectively, drives on a daily basis and by 2020 that is projected at current trends in under a moderate focused growth scenario to grow by almost 60%.

If we turn over the current fleet, CO<sup>2</sup> associated with VMT will not grow quite as fast, maybe about 45% beyond the base.

Chairperson Blonski requested clarification on the term “turnover the fleet” does that mean newer vehicles? Mr. Droettboom’s response was yes, and that it also includes more efficient vehicles even under the current standards. Due to the fact people keep their vehicles for a fairly long time in this climate. As vehicles turnover and as we drive more, we will still be able to reduce CO<sup>2</sup>. The Pavley standards take us down to a lower level. Pavley is currently in court and is being challenged by all the major automobile manufacturers including the major manufacturer of hybrid vehicles. However, to meet the State standards for 2020 which is back to 1990 levels, we need to go down to a lower amount.

The State has identified a number of strategies to meet its 2020 target, the principle and most powerful standard; tons per metric, tons per year of course is vehicle standards. Their second most powerful strategy is smart land use and intelligent transportation. That is driving smarter and riding smarter. Mr. Dawid mentioned that the Climate Action Team indicated on their charts that Land Use and Transportation was noted as number one in 2010.

Mr. Dawid added to the 2010-2020 standards, noting that the afforestation/reforestation was referred as number two and that vehicle standards start in 2009, therefore, there would not be much savings by 2010, as well as noted that probably by 2020 that there still would not be much change. Mr. Dawid did point out that the focus should be the bio-mass plants, where they actually burn wood chips to a great extent, although this method is very controversial.

The vision of focused growth for the Bay Area was produced by a consortium of Bay Area agencies; and voluntary sector agency groups, which ended up being the Smart Growth Strategy Regional Livability Footprint Project. The vision at that time was a network of neighborhoods, which would be a much more compact development. The environmental benefits include, much less green field development, significant reduction in water consumption per household, gasoline consumption and of course CO<sup>2</sup> emissions relative to the trend. The significant problem with the consortium of folks that got together to produce the vision, did not spend enough time with the individuals that control land use at the region, which include local governments and many of the local governments felt excluded from the process.

The group has since spoken to local governments and getting voluntarily agreements to something called priority development areas. Those are designated with relatively simple criteria and are in existing communities, near fixed transit or comparable levels of bus service and near job concentrations.

Mr. Dawid recalled the meetings that Mr. Droettboom referenced and concurred with the conference and noted that he was able to attend two meetings in Santa Clara County and noted that while at the meeting in Mountain View, ABAG staff members were not aware that Palo Alto was in one county and Menlo Park in the other. Mr. Dawid was interested in knowing if Mr. Droettboom will be bringing in the CMA's and Mr. Droettboom noted that they are planning to bring them in and Mr. Dawid noted that the CMA's would be rather instrumental, especially since they do control so much of the local transportation funding.

Mr. Glueck questioned if the intent is to focus on housing and jobs together, to reduce transportation.

Mr. Droettboom referred to the CARB guidelines about locating residential development near freeways.

Dr. Holtzclaw noted that in reference to the Livability Footprint, prior to that time, individuals in all three regional agencies were concerned with regional growth and the continued expansion of freeways. He mentioned that ABAG took the leadership role as the land use agency in addressing this issue, and noted that if individuals from all regions participated in putting things together and MTC analyzed the trends, perhaps there would be attention by the City and County Governments to this need for implementation.

Chairperson Blonski questioned the quality of life. Mr. Droettboom responded that it has come up with regard to Marin City. In addition, Chairperson Blonski questioned the infrastructure with regard to costs and Mr. Droettboom noted that San Francisco could not escape the infrastructure costs which would eventually have to replace the urban structure truck synergy.

Chairperson Blonski raised issues with regard to peak use of the commute and Mr. Droettboom mentioned that perhaps the Bay Area could adopt a toll system that is currently being used in Southern California that in fact may play a part in global warming.

Ms. Drennan noted that she was a facilitator on a panel on Smart Growth projects and underscored that nothing happens at the regional level, issues/ideas to come from each of the counties, as a facilitator, it was so interesting to see how the plan was perceived.

Chairperson Blonski questioned if conservation areas played a role to help focused growth. Mr. Droettboom's response was that it does serve as a priority with the Open Space Council and East Bay Park Districts.

Mr. Hanna mentioned Marin County as the carrying capacity, global warming and water use per housing, and the water problems that currently exist. Mr. Droettboom's response was that it speaks to the Bay Area being a special region and its huge amount for growth with water resources.

Mr. Huang questioned the reference that environmentalist make when it come to the focus growth program. Mr. Droettboom mentioned that there are many discussions about CO<sup>2</sup> and climate change. Mr. Droettboom also noted that he is in the process of developing a Joint Climate Protection Strategy with four agencies, to be consistent with their messages. The regional transportation plan over its 25 year life is over \$100 Billion, if the allocation criteria were changed, it may make a difference in supporting growth in more desirable areas. The various regions decided where the monies would be spent, as incentives were provided.

Mr. Glueck mentioned behavioral modification, and that the District is approaching that with respect to the Spare the Air Program, making it more individualized and a 24/7 issue. In terms of getting all the local communities to buy into a regional approach or policy, other than just the financial incentives are there any other discussions in regionalizing the planning process overlaying the local cities, counties and government? How does the overall Bay Area buy into the regional programs and participate? Mr. Droettboom noted that about every decade in this region, there are discussions about regional governance, where bills are proposed in Sacramento and nothing happens.

Ms. Drennan questioned the buy-in of the infill conception of Smart Growth vs. Traditional model. Mr. Droettboom's responded by noting that MTC has put in place a transit oriented development policy. This policy only applies only to new extensions of the system, with most of the extensions are going to places where there is not a lot of present development, for example E-Bart System to East Contra Costa County. The policy affects 13% of the development over the next 30 years.

Ms. Drennan continued with the question of Warm Springs Bart extension and the political nature of funding some of these less than stellar transportation projects that are pretty investments on a regional scale. Lastly, one of the benefits by doing infield development is having less community upset due to moderate changes being made to the neighborhood portion of it and how is it being dealt with. Mr. Droettboom noted that the principle land use at Warm Springs is the NUMMI plant, with NUMMI not wanting additional residential development, due to the fact NUMMI is a polluter. Warm Springs makes sense in the long term and it may be okay, but over time.

Mr. Hess, Deputy Air Pollution Control Officer, congratulated Mr. Droettboom on his presentation and asked that the Committee carry this information forward to the next full council meeting.

Chairperson Blonski requested the Committee take a three minute break. The meeting reconvened at 11:05 a.m.

**5. How Does Smart Growth Impact Climate Change Emissions?:** *Dr. John Holtzclaw presented information to the Committee on Climate Change Emissions.*

Four communities were used during this presentation. Three from the Bay Area, and one out of state, each was similar with the exception of density and transit. Dr. Holtzclaw provided an overview of the density of residences per household. Sprawl normally consists of three households per residential acre, with the sprawl going about five households per residential acre.

A slide courtesy of Mr. Steve Price showed San Pablo Avenue in El Cerrito, CA transformation of the main street, placing light rail down the center, narrowing the lanes to may be one or two lanes of traffic in either direction. The sidewalks would widen, and the ground floor would utilize commercial space with about 60 households per residential acre. The Census Tract is currently at 9 households per residential acre and would increase the Census Tract to 15 households per residential acre. This would be without surface parking.

The comparison of four neighborhoods and one thing is when you increase density, we looked at the variables and density was the most important. Dr. Holtzclaw showed various comparisons with the use a detailed comparison slide showing Urban vs. Sprawl Auto Use in the following four areas, San Ramon, CA; Rockridge, Oakland, CA; North Beach, San Francisco; and Manhattan.

The summary of slides covered the following items:

- Community Transformation – San Pablo Ave. in El Cerrito, CA; 60 households per residential acre; with no parking, 30 households per residential acre; with surface parking;
- North Beach in San Francisco – 90 households per residential acre; with a backyard and no parking;
- Urban vs. Sprawl Auto Use - provides information on the autos per capita ranging from 0.79 in San Ramon, CA to a low of 0.12 in Manhattan;
- Larger households have the tendency to drive more than the smaller household;
- Costs of Urban Infill versus Suburban Sprawl – 5 times more pipe and wiring to build Village Homes in Davis versus an apartment house, located in Nob Hill, twice as much building materials, etc. with the homes being energy efficient houses and took as much as 5 times as much heating and cooling, since Davis is harsher climate.

What is being done about the financial impact? Dr. Holtzclaw suggested that in the more convenient areas there should be building.

Ms. Drennan noted by making relatively small changes in the suburban areas that you can impact driving and auto ownership and wondered are there other strategies that are more affective? Dr. Holtzclaw feels the development that we have in the next 50 years at low density, will indeed help the people that live there now and will help the people who live nearby and can shop there.

- 6. Committee Member Comments/Other Business.** Council members shared information regarding reports and emails with the Committee. Chairperson Blonski reminded individuals that Dr. Pastor or a representative will make a presentation at the next full Council meeting, regarding the study he co-authored “Still Toxic After All These Years – Air Quality and Environmental Justice in the San Francisco Bay Area.” Chairperson Blonski will not be able to attend the June 13, 2007 meeting and Ms. Drennan will chair in his absence.
- 7. Time and Place of Next Meeting.** 9:30 a.m., Wednesday, June 13, 2007 – 939 Ellis Street, San Francisco, CA 94109.
- 8. Adjournment.** 11:50 a.m.

Vanessa Johnson  
Executive Secretary

Bay Area Air Quality Management District  
 939 Ellis Street  
 San Francisco, California 94109

DRAFT MINUTES

Advisory Council Technical Committee  
 9:00 a.m., Monday, April 16, 2007

1. **Call to Order – Roll Call.** Chairperson Sam Altshuler called the meeting to order at 9:05 a.m. Present: Sam Altshuler, P.E., Chairperson, Louise Bedsworth, Ph.D, John Holtzclaw, Ph.D., Kraig Kurucz, William Hanna, (9:10 a.m.), Robert Bornstein Ph.D., (9:20 a.m.).
2. **Public Comment Period.** There were no public comments.
3. **Approval of Minutes of February 28, 2007.** The minutes were approved and carried unanimously.
4. **Overview of the South Coast Air Quality Management District’s (SCAQMD) MATES III Program and the Air District’s CARE program:** The Committee Members compared and contrasted the MATES III program and the CARE program. The following Matrix was developed. A draft of the matrix was sent to the SCAQMD for review.

Comparison of Programs

South Coast AQMD MATES Program	Bay Area AQMD CARE Program
MATES I 1987	CARE 2005
MATES II 1988-1999	Phase I 2006
MATES III 2004 - 2006	Phase II 2007
Population: 14? Million	Population: 7 million
Cost: \$2 Million Per Year	Cost: \$1 Million per Year
Focus: Marine Ports, Air Ports, Highways	Focus: Marine Ports, Region-wide, Freeways
Grid: 4/2 km	Grid: 2 km
20 Member Technical Advisory Group	15 Member Technical/Community Committee
Components Being Monitored: Metals, (Chromium VI, Nickel, Cd,) PAHs, VOC’s, (Benzene, Diesel PM, Formaldehyde, Acetaldehyde, Naphthalene, 1,3, Butadiene (Elemental Carbon), Acrolein-being considered	Components Being Monitored, (Chromium VI, Nickel, Cd,) PAHs, VOC’s, (Benzene, Formaldehyde, Acetaldehyde, Naphthalene, 1,3, Butadiene (Diesel PM, Elemental Carbon), Acrolein-begun
PM Sizing	No PM Sizing
Woodsmoke from Wild fires	Special Study Markers for Woodsmoke –



	residential woodburning, Carbon dating
Neither Program looking @ Lube oil	
10 Fixed Sites; 3 microscale Sites Temp. Monitoring Stations	23 Permanent Sites
3 Mobile Sites/temporary sites	No temporary sites
Results: 1998/1999 Cancer Risk 1400 per mil from air toxics	Results: 2000 - Cancer Risk 700 per mil from air toxics
Diesel PM causes 71% of cancer risk	Diesel PM Causes 80% of cancer risk measurement
20% of cancer risk from Benzene, formaldehyde, 1,3/ Butadiene	?
Benzene is decreasing in South Coast Area	Benzene is decreasing in Bay Area
Perc is decreasing in South Coast Area	Per is decreasing in Bay Area
Formaldehyde, and Acetaldehyde are remaining flat	?
Acrolene is flat?	Acrolene is flat
Modeling: Some Regional and Local scale plans to update	Modeling: Plan to conduct regional and local

**5. Presentation on “Health Effects of Fine PM Species in Daily Mortality and Morbidity in California”:** Dr. Bart Ostro Ph.D., Chief Air Pollution Epidemiology Unit, Office of Environmental Health Hazard Assessment (OEHHA), California Environmental Protection Agency (Cal EPA); delivered to the Committee a presentation on the “Health Effect of Fine PM Species on Daily Mortality and Morbidity in California” which he co-authored. Dr. Ostro’s presentation included the following topics:

- Introduction – Background on PM2.5
- Previous Epidemiologic results on PM2.5 and its components
- Mortality Study
- Findings on Susceptible Subgroups (prelim)
- Findings on Morbidity (prelim)
- Biologic Mechanisms
- Summary
- Future Work

Dr. Ostro stated he is with the California Office of Environmental Health Hazard Assessment (Cal OEHHA) which is part of Cal EPA. His official responsibility is to recommend state air quality status to the Air Resource Board (ARB). Dr. Ostro did a great deal of research with regards to issues relating to Criteria Air Quality; his presentation focused on the issues published a month or two ago on Mortality. The Committee heard the first public presentation on Morbidity. Dr. Ostro states that he has worked on sensitive populations to see which population is particularly sensitive to some of the elements of the study that will be enumerated later. Most of the morbidity epidemiology discussion is based on the conditions, respirations and data. Bio-monitoring; a medium with which to see chemical analysis in the body; it

captures chemical that people have in their bodies that are higher than the required standard helped achieve result in this study. At this point, Mr. Altshuler noted that Richard Jackson from CDC gave a presentation of the subject to the Advisory Council about a year ago. Dr. Ostro added that findings show that people have much chemical in their body; about 100 times the normal amount.

Dr. Ostro explained the components of PM<sub>2.5</sub> as a heterogeneous mixture of solid and liquid from multiple sources which can be gas to particle conversion or directly emitted particles. He added that to identify the components and sources of PM<sub>2.5</sub> could help target its control and strategy. Several epidemiology studies link PM<sub>2.5</sub> with mortality and these include:

1. Short Term exposure and daily mortality
  - Six United State cities (Schwartz et al. 1996, 2003)
  - Eight Canadian cities (Burnett et al. 2003)
  - Nine counties (Ostro et al. 2006)
2. Long term exposure and mortality
  - Dockery et al. 1993; Laden et al. 2006
  - Pope et al. 2006
  - Krewski et al 2000

Dr. Ostro noted a crucial question “what is the relative toxicity of PM<sub>2.5</sub> components?” he also stated that one criticism is of control strategy, we think about high cost and things that are toxic. With all PM<sub>2.5</sub> components; be it toxic or diesel, factory or restaurant, dwelling, the most important question is what kind of coefficient it has to health effect and what source it comes from. NAS and WHO recommended determining the toxicity of different particle characteristics and sources is a research priority because (1) Very few epidemiologic studies have examined components or sources; (2) this could help target pollution control and reduce overall abatement costs; (3) it could improve estimate of health impact assessment; and (4) it may help explain heterogeneity in multi-city studies.

Dr. Dave Fairley asked if any research has taken these multi-city studies and estimated the range to see the difference? In his response, Dr. Ostro said that John Hopkins and his group are looking into the variations to see the coefficient and what the specific elements are. Dr. Ostro also added that in some hypothesis, there are some generic responses due to the generic particles and generic depositors in different counties and countries. And the one for California is different due to the toxicity. The results and studies of components or sources on mortality include; (a) Mar et al. 2000 showed that EC/OC generated from motor vehicle exhaust related to mortality in Phoenix; (b) Laden et al. did studies in six US cities and showed that markers for motor vehicles and residual oil sulfates but not crusty materials relate to death; (c) Burnett et al. 2000 also did a study in Canada and found that sulfates, zinc, nickel and iron relate to death. However, NO<sub>3</sub>, EC, OC in relation to mortality were not measured.

In California, PM<sub>2.5</sub> studies are different from that typically studied; the source mix and chemistry are quite different with regards to PM<sub>2.5</sub> in California and Southern California in particular. The study shows that Nitrate are greater share of PM<sub>2.5</sub> but different in the east and many other parts of the world. Dr. Ostro also added that the winter concentration is

higher than summer. At this point, Dr. Bornstein asked the reason why the winter is higher. Dr. Ostro further explained that many pollutants come into play in different ways; the biomass, nature of gas constituent, adequate chemistry and other combination theory that change all the time. Dr. Ostro added that the data collected will depend on the country. Dr. Bornstein further clarified that ozone produces a lot of Nitrate particles in the summer and Nitrate is higher because it does not pull until it is colder and thus wood burning in winter along with the higher concentration of PM<sub>2.5</sub>. Other reasons why PM<sub>2.5</sub> in California is typically different according to Dr. Ostro's study is greater indoor penetration and people spending more time outdoors. In response to Dr. Bedsworth's question on outdoor penetration, Dr. Ostro noted that there are not enough data about outdoor models.

Methodologies in this study included

For methodology I, Time-series regression analysis used follows that of Ostro et al. (2006) linking PM<sub>2.5</sub> to mortality, and many others (HEI 2003). Daily counts of mortality that involve hospital admits modeled as Poisson, conditional on time-varying covariates of time, weather, and day of week were also used. The use of smoothing splines to control for time, temperature and humidity was also part of the methodology used. (Spline is non-linear data-driven functions that smooth the relation of mortality and time).

Dr. Ostro pointed out the All-cause mortality in Sacramento County for 2000-2003 and emphasized the differences between the Mortality and Time without Smooth versus the Mortality and Time with Smooth on the presentation. He noted that the smoothing made the control variation for seasonality more effective.

Methodology II, comprised formula for Log(Mt) as well as examining single-day pollutant lags of 0 to 4 confounders like Smoking, Occupational exposure, and Indoor pollution that were taken into consideration.

Methodology III involved the random effects meta-analysis used to combine individual county results. Sensitive analysis like varying degree of freedom for time and weather, penalized spline, treatment of missing data and seasonal-specifics of cool season being October to March were also used.

Results of the findings are as follows:

PM<sub>2.5</sub> in California Study of 2000-2003 showed that some counties have more concentration than others. The highest concentration is found in Riverside County with 27.1 followed by Orange County with 21.5 mean daily PM<sub>2.5</sub> per microgram. Los Angeles came third with 20.8, Kern had 19.5; Fresno was 17.5, Santa Clara equaled 13.9 while Contra Costa and Sacramento had 12.8 and 12.6 respectively and San Diego came with the least amount of concentration of 15.3 mean daily PM<sub>2.5</sub> per microgram.

The components of PM<sub>2.5</sub> studied in six California Counties where mean PM<sub>2.5</sub> =19.3 ug/m<sup>3</sup>; resulted in OC having the highest of 7.1 mass (ug/m<sup>3</sup>) followed by NO<sub>3</sub> with 5.5 mass (ug/m<sup>3</sup>); SO<sub>4</sub> came out with 1.9; EC resulted in 1.00; S was .5 while CU+Fe+Zn, K, Si

and Cl were at the barest minimum of a little above zero. However, some components noted as Other on the graph had the PM<sub>2.5</sub> components of approximately 2.7 mass (ug/m<sup>3</sup>).

With regards to the Temporal Correlations of PM<sub>2.5</sub> and Components, the presentation table showed the moderation of the chemicals overtime; with NO<sub>3</sub> being the highest with 0.65 correlation. Also sulfate is seen to be higher in the summer.

The selective summary of meta-analytic associations for alternative lags is color-coded (red =  $p < 0.05$ ; green =  $p < 0.10$ ). Red denotes the most significant chemicals with health related problems. The chemicals that are most prominent in rate with cardiovascular health issues are PM<sub>2.5</sub> (3), NO<sub>3</sub> (3); denoted in green, SO<sub>4</sub> (3), Zn (3), EC (2), Fe (2), K (2) also denoted in green. These chemicals; PM<sub>2.5</sub>, EC, OC, NO<sub>3</sub>, SO<sub>4</sub>, Cu, Fe, K, according to the findings do not show mortality caused by respiratory problem except for Zn that rate at 1 ( $p < 0.10$ ). Mortality at age above 65 (age > 65) is seen in PM<sub>2.5</sub> (3), Zn (3), and EC (2) all denoted with green that is equivalent to  $p < 0.5$  while NO<sub>3</sub> is (0) denoted in red. At this point, Phil Martien commented that it is surprising that not much respiratory death related issue existed in the findings.

The Cardiovascular Mortality 3 knots/year and 4 knots/year graph show the range of distribution possibilities of Excess Risk per Inter Quartile Range (IQR) and Species and Lag Days of 75<sup>th</sup> to 25<sup>th</sup> concentration risk of pollution per year differential. Knots were used to default the smoothing to see which is smoother. The graph shows which chemicals are at significant 5point level; these are PM<sub>2.5</sub>, SO<sub>4</sub>, and Zn while NO<sub>3</sub> is at 10point level whereas above zero percent is the normal range.

Selective summary of meta-analytic associations for Winter showed the cardiovascular related mortality traced the following chemicals; PM<sub>2.5</sub> (3), NO<sub>3</sub> (3), SO<sub>4</sub> (3), Zn (3), all denoted in red ( $p < 0.05$ ) and EC (2), Fe (2), K (2), Zn (2), denoted in green ( $P < 0.10$ ). Respiratory related mortality was SO<sub>4</sub> (3). Chemical related to death at age above 65 were significant in PM<sub>2.5</sub>, Fe, K and Zn.

Excess risks per microgram (ug/m<sup>3</sup>) for Cardiovascular Mortality of pollutants were tabularized with corresponding lags and percent change per microgram. The pollutants (PM<sub>2.5</sub>, EC, OC, NO<sub>3</sub>, SO<sub>4</sub>, K, Fe, Zn,) all have lags of three (3). Fe has the highest percent per microgram of 8.38 followed by K with 7.51, EC has 2.38, SO<sub>4</sub> has 1.22 while PM<sub>2.5</sub>, OC, NO<sub>3</sub>, have 0.18, 0.34 and 0.36 respectively. However, Zn has overwhelmingly 194.9 and Sam Altshuler commented if Zn lined very well; that is if Zn is actually 194.6 or 1.946. Dr. Ostro responded that these numbers are not to be taken seriously and that 2.2% is the low estimate considering difference in measurement error and problems of measurement.

The Effect Modification and Mortality was examined with regards to gender, race and education. Cardiovascular mortality by education showed that non-high school graduates is about 10% while high school graduates is 46% of mortality related to EC, OC, Nitrate, Zn and Iron. Dr Ostro added that education is a proxy for a whole bunch of lag but possibility includes exposure study shows that lower income, lack of medical care and lack of exercise and smoking may be prime factors.

Future Work for the study will be based on the following areas:

- 1) Repeat study with larger data set
  - 2) Develop Chemical Mass Balance models to estimate effect of sources
  - 3) Estimate independent effects of temperature on mortality and morbidity and determine susceptible subgroups
  - 4) GIS-based analysis to examine exposure misclassification.
1. **Committee Member Comments/Other Business:** Chairperson Altshuler stated that Tom Cahill, Professor Emeritus, University of California Davis will be at the next meeting. The Committee thanked Dr. Ostro for his presentation and presented him with a token of appreciation from the Air District.
  2. **Time and Place of Next Meeting.** The next meeting will be at 9:00 a.m., June 11, 2007, 939 Ellis Street, San Francisco CA 94109.
  3. **Adjournment.** 12:11p.m.

Chioma Dimude  
Acting Executive Secretary

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

**TO:** Chairperson Mark Ross and Members of the Executive Committee

**FROM:** Chairperson Thomas M. Dailey, M.D., and Members of the Hearing Board

**DATE:** April 6, 2007

**RE:** Hearing Board Quarterly Report – JANUARY 2007 – MARCH 2007

**RECOMMENDED ACTION:**

This report is provided for information only.

**DISCUSSION:**

<u>COUNTY/CITY</u>	<u>PARTY/PROCEEDING</u>	<u>REGULATION(S)</u>	<u>STATUS</u>	<u>PERIOD OF VARIANCE</u>	<u>ESTIMATED EXCESS EMISSIONS</u>
Contra Costa/Martinez	<b>SHELL OIL PRODUCTS US, MARTINEZ REFINERY</b> (Variance – Docket No. 3528) – Variance from regulation requiring compliance with permit conditions; from regulation limiting the quantity of particulate matter in the atmosphere through establishment of limitations on emission rates, concentration, visible emissions and opacity; from regulation limiting emissions of nitrogen oxides and carbon monoxide from boilers, steam generators, and process heaters in petroleum refineries; from regulation for standards of performance for new stationary sources; and from regulation to reduce emissions of precursor organic compounds from miscellaneous operations	2-1-307 6-301 9-10-305 8-2-301 10-40CFR 60.102(a)(2) and 60.103; 63 CFR 1564(a)(1) and 1565(a)(1)	Withdrawn	===	(CO); (Hydrocarbon); Opacity
Contra Costa/Pittsburg	<b>LOS MEDANOS ENERGY CENTER, LLC</b> (Variance – Docket No. 3526) – Variance from regulation requiring compliance with permit conditions and from regulation limiting emissions of nitrogen oxides from stationary gas turbines (APCO not opposed.)	2-1-307 9-9-301.1.3	Withdrawn. No emissions violations occurred	===	===
Santa Clara/San Jose	<b>SFPP, L.P.</b> (Variance – Docket No. 3525) – Variance from regulation requiring compliance with permit conditions and from regulation limiting emissions of organic compounds from gasoline transfer operations at gasoline bulk terminals and delivery vehicles. (APCO not opposed.)	2-1-307 (Condition No. 7492, parts 6, 10 & 13) 8-33-301	Granted	11/22/06 to 2/19/07	5,007.60 # (VOC) 2.5 # (Naphthalene) 45.07 # (Benzene)
Solano/Fairfield	<b>CITY OF FAIRFIELD</b> (Variance – Docket No. 3527) – Variance from regulation requiring compliance with permit conditions (APCO opposed.)	2-1-307 (Condition ID # 20384, Items 1 through 9)	Withdrawn. Advised by District to apply for Permit to Construct application for alterations to engine	===	(NOx), (CO), (NH3), (POC)

**NOTE: During the first quarter of 2007, the Hearing Board dealt with one Docket on one hearing day.  
A total of \$7,552.56 was collected as excess emission fees during this quarter.**

**EXCESS EMISSION DETAILS**

<u>COMPANY NAME</u>	<u>DOCKET NO.</u>	<u>TOTAL EMISSIONS</u>	<u>TYPES OF EMISSIONS</u>	<u>PER UNIT COST</u>	<u>TOTAL AMT COLLECTED</u>
SFPP, L.P.	3525	5,007.60 lbs	VOC	\$ 1.44/lb	\$ 7,210.99
		2.5 lbs	Naphthalene	\$ 7.18/lb	\$ 17.98
		45.07 lbs	Benzene	\$ 7.18/lb	\$ 323.59
				<b>TOTAL COLLECTED:</b>	<b><u>\$ 7,552.56</u></b>

Respectfully submitted,

Thomas M. Dailey, M.D.  
Chair, Hearing Board

Prepared by: Neel Advani  
Reviewed by: Mary Ann Goodley

FORWARDED: \_\_\_\_\_

NA:na (4/6/07HBEXQURT)

**BAY AREA AIR QUALITY MANGEMENT DISTRICT**

Memorandum

To: Chairperson Ross and Members  
of the Executive Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 23, 2007

Re: Production System Project Update

RECOMMENDED ACTION:

Receive and File.

DISCUSSION:

In December of 2006 staff presented a plan for implementation of the new production system and replacement of IRIS and Databank. At that time, staff indicated that execution of the plan would be accompanied by detailed reports on the status of actual costs as compared to projected costs, and by detailed reports on the status of actual accomplishments as compared to projected accomplishments. Staff will present the current status for this multi-year project, and a brief description of the next milestone.

BUDGET CONSIDERATION/FINANCIAL IMPACT

No impact.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jeffrey McKay



**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

## Memorandum

To: Chairperson Ross and  
Members of the Executive Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 21, 2007

Re: Status of Affirmative Action Plan Update

RECOMMENDATION

Receive and file.

BACKGROUND

At the Budget & Finance Committee meeting of April 25, 2007, the Committee requested information on whether there are any gender-based differences in compensation for Air District employees. This report responds to that request and provides an update on the Air District's Affirmative Action Plan.

With regard to the specific question concerning compensation, the District analyzes compensation relative to gender each year as part of the update to the Affirmative Action Plan (AAP). A summary of the compensation analysis results is included in the discussion section of this report, below.

The Human Resources Officer (HRO) reviewed the AAP upon his appointment in July of 2003 and determined that it had not been updated since 1995. This lapse was probably due to passage of Proposition 209. Since the passage of Proposition 209 California courts have affirmed the legality of affirmative action plans so long as the actions prescribed by the plans are narrowly and carefully tailored to remedy past discrimination while not creating quotas or an unfair advantage for minorities and females. Accordingly, the Air District contracted with an expert on affirmative action plan development, Biddle Consulting Group, to assist in preparing an updated, legally viable plan that fulfills the District's commitment to equal employment opportunities and affirmative action. Since then, the AAP has been updated each year and has included a compensation analysis.

DISCUSSION

The Affirmative Action Plan updates that have been conducted utilizing data for fiscal years 03/04, 04/05 and 05/06 have shown a difference in compensation for men and women that is not explained by seniority of the incumbents. The most recent update showed a difference in four out of eight job categories as follows: Administrative and Technical executives and managers (2 categories), Technicians, and Office and Clerical. Since incumbents within the same job classification are paid the same regardless of gender, and seniority does not explain the difference in compensation, the difference can be attributed to the number of male incumbents in higher paying job classifications within a category of job classifications. For example, the higher paying executive and manager job classifications have more male than female incumbents; the director-level positions are all

held by males, with females occupying three section-level manager positions, and one DAPCO position. The difference shown in the Office and Clerical job category has been determined to be a single year anomaly caused by the hiring of three males to temporarily backfill vacancies in higher paying clerical positions. The Office and Clerical jobs are dominated by female incumbents, who hold 42 out of 54 positions in that category.

The Air District is in the process of updating the Affirmative Action Plan with data from the current fiscal year. Copies of the updated plan will be available in July. A report summarizing the update will be placed on the consent calendar for the meeting of July 18, 2007. A preliminary analysis of the data and a review of Plan updates for the previous three years indicate that the racial and gender makeup of Air District staff has been fairly static, with the gender construct of the technical manager category being a notable exception. Specifically, the Air District has increased the number of female technical managers with the recent promotion of a female to the position of Air Quality Program Manager. In addition, a female was promoted recently to the position of Supervising Air Quality Engineer, which will provide the supervisory experience necessary to compete for future promotional opportunities in a technical manager category.

Staff will be making a brief presentation at the Executive Committee Meeting on May 30, 2007, to provide an overview of the results of the last three plan updates, as well as a preliminary analysis of the data for the current fiscal year.

#### BUDGET CONSIDERATION/FINANCIAL IMPACT

There is no fiscal impact beyond what has already been contemplated and approved in the current budget.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Michael K. Rich

**BAY AREA AIR QUALITY MANGEMENT DISTRICT**

Memorandum

To: Chairperson Ross and Members  
of the Executive Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 21, 2007

Re: Proposed Comprehensive Operations and Internal Systems Review

RECOMMENDED ACTION:

Authorize the Executive Officer/APCO to solicit bids and execute an agreement to perform comprehensive operations and internal systems audit and transfer \$300,000 from the General Reserve for this purpose and adjust the Air Districts' proposed FY 2007-08 budget accordingly.

DISCUSSION:

The District has benefited from a prior internal audit of its financial functions. The work clarified processes, implemented new controls, and reviewed compliance with state and federal guidelines. Such results are desirable in all business functions. Accordingly, staff intends to pursue a comprehensive audit of all Air District functions.

This comprehensive District-wide audit will include testing of actual versus documented processes, review of applicable federal and state guidelines, updated processes and implementation of controls.

Staff intends to initiate a Request for Proposal in the upcoming fiscal year.

BUDGET CONSIDERATION/FINANCIAL IMPACT

If approved, \$300,000 will be transferred from the General Reserve for this purpose and an adjustment of the Air Districts' proposed FY 2007/08 budget will be made accordingly. Funds for this work will be budgeted not to exceed \$300,000.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Jeffrey McKay

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

Memorandum

To: Chairperson Mark Ross and Members  
of the Executive Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 22, 2007

Re: Amendments to the *Smart-Growth Preamble and Policies*

RECOMMENDED ACTION

Recommend Board of Directors adoption of the amendments to the *Smart-Growth Preamble and Policies*.

BACKGROUND

In February 2003, the Board of Directors endorsed the *Smart-Growth Preamble and Policies* of the Smart Growth Strategy/Regional Livability Footprint Project that was developed in collaboration with the Association of Bay Area Governments (ABAG), Metropolitan Transportation Commission (MTC), Bay Area Conservation and Development Commission (BCDC), the State Regional Water Quality Control Board and the Bay Area Alliance for Sustainable Communities.

DISCUSSION

As part of the *Focusing Our Vision* process, the Joint Policy Committee has endorsed a number of amendments to the *Smart-Growth Preamble and Policies* and is recommending that the member agencies adopt these amendments as outlined in the attached memorandum from JPC Regional Planning Program Director Ted Droettboom.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

Prepared by: Greg Tholen  
Reviewed by: Henry Hilken  
Attachment

Date: May 22, 2007

To: Chairperson Mark Ross and Members  
of the Executive Committee

From: Ted Droettboom, Regional Planning Program Director, JPC

Subject: Amendments to the *Smart-Growth Preamble and Policies*

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### Introduction and Background

In 2002 upon the completion of the *Smart Growth Strategy / Regional Livability Footprint Project* (the *Project*), four of the five Bay Area regional agencies (ABAG, BAAQMD, BCDC, and MTC) adopted the *Smart-Growth Preamble and Policies* (the *Policies*), as an official expression of regional policy relative to growth and development.

As part of the *Focusing Our Vision (FOCUS)* program, the ABAG-BAAQMD-MTC Joint Policy Committee (JPC) has reviewed the *Policies* and has endorsed a number of amendments which the JPC is recommending for adoption by its member agencies and by BCDC. This memo details those amendments and their rationale, and it recommends that the Bay Area Air Quality Management District adopt the *Smart-Growth Preamble and Policies* as amended and attached.

### Proposed Amendments

The JPC considered policy amendments at its September and November meetings in 2006 and at its January and March meetings this year. It has endorsed amendments under six topic headings.

#### 1. Health and Safety

In 2005, the California Air Resource Board (CARB) released its *Air Quality and Land-Use Handbook* and the JPC received a presentation from CARB staff. The *Handbook's* recommendations are consistent with concerns that have also been highlighted by the environmental-justice community and are the subject of BAAQMD's Community Air Risk Evaluation (CARE) program. All suggest that development needs to be carefully sited relative to local sources of air pollution, including highways and ports. The 100<sup>th</sup> anniversary of the San Francisco earthquake, increased worries about the stability of the region's levees, and the prospect of sea-level rise as the result of global warming have also reminded us that we live in region with significant environmental risks. To the extent, possible, we need to heed these risks when locating new development and population concentrations. The potential impact of development form on physical exercise and the onset of obesity also deserves some recognition. In recognition of these concerns, the JPC endorsed a new policy as follows:

### **Health and Safety**

Promote and protect public health and safety by locating and designing development with sensitivity to natural and man-made risks, by reducing these risks where appropriate and feasible, and by facilitating healthy and safe behaviors.

## 2. Economic Activity and Goods Distribution

The *Smart Growth Strategy / Regional Livability Footprint Project* was started at a time when the Bay Area economy was booming, and it is likely that the impact of the dot-com bust had not fully sunk in when the *Project* wound down in 2002. For whatever reason, economic development issues do not enjoy high standing in either the *Project's* final report or in the *Preamble and Policies*. Since 2002, the region's goods movement study and some local planning exercises have pointed to potential land-use competition between "smart" residential development and goods-distribution facilities. Our transit-oriented development work has also highlighted possible conflicts between proposed residential densities and established industrial activities; and there has been a general concern about residential development foreclosing opportunities for job generators. A policy sensitive to these economic concerns is appropriate, and the JPC endorsed the following:

### **Economic Activity and Goods Distribution**

Encourage planning and development that respects the public and private infrastructure required for the maintenance of a prosperous regional economy and for the efficient provision and distribution of goods and services.

## 3. Land for Future Urban Development

The *Project* and the resultant *Policies* emphasize infill development and re-development within existing cities and towns. This is appropriate and desirable. However, even with copious infill, future regional growth will likely require some totally new communities developed on greenfield. Planning these new communities to conserve natural resources, to reduce trip demand through mixed and multiple uses, and to achieve densities appropriate to transit service will be more difficult if the greenfield is prematurely subdivided and developed at low densities (so-called parcelization). It is in the region's interest to maintain a relatively un-subdivided and undeveloped "urban reserve" to facilitate the planning and development of new compact and complete communities in the future. The JPC endorsed this policy:

### **Future Urban Development**

Anticipate and prepare for future urban expansion by discouraging the premature subdivision of agricultural and vacant land for low-density

residential development which cannot be efficiently served by transit, which does not provide for the complete range of infrastructure, uses and services required to meet the daily needs of residents, which is located without regard to proximate employment opportunities, and which does not respect urban growth boundaries.

4. Conservation of aesthetic, historic and cultural resources

As the Bay Area matures, there is an increasing interest in protecting unique aspects of its cultural heritage in addition to its natural environment. Amending the policy relating to environmental conservation makes it clear that we may consider culturally significant resources in designating priority areas. The JPC endorsed an amendment to the policy on Environmental, Natural Resource, Open Space and Agricultural Preservation to add the following sentence at the end:

Protect scenic, historic, and cultural resources that contribute to the region's identity.

5. Schools and Educational Quality

Concerns about school infrastructure and the quality of public education are frequently noted as impediments to the community acceptance and successful marketing of infill development. While the existing policies contain reference to educational facilities, there are opportunities to strengthen the links between smart growth and schools. The JPC endorsed a number of amendments to existing policies.

Amend the policy on Social Justice and Equity to read as follows:

Improve conditions in disadvantaged neighborhoods, ensure environmental justice, and improve access to jobs, housing, ~~and~~ public services *and good schools* for all residents in the region.

(In this and following amendment proposals, deletions are indicated by ~~strikeouts~~ and additions by *italics*.)

Amend the policy on Infrastructure Investments to read as follows:

Improve and maintain existing infrastructure and support future investments that promote smart growth, including water and land recycling, brownfield clean-up and re-use, multi-use ~~and school~~ facilities, smart building codes, retention of historic character and resources, and ~~educational improvements~~ *provision of high-quality school capacity*.

Amend the policy on Cooperation on Smart Growth Policies as follows:

Encourage *the State*, local governments, *water and sewer districts*, *school districts*, stakeholders and other constituents in the Bay Area to cooperate in supporting actions consistent with the adopted Smart Growth policies. Forge cooperative relationships with governments and stakeholders in surrounding regions to support actions that will lead to inter-regional Smart Growth benefits.

(In addition to school districts, the JPC endorsed the addition of water and sewer districts as an explicitly named reference in this policy, as they—like school districts—have considerable influence over infrastructure capacity. The JPC also recognized the significant omission of the State role in the policy as previously worded. The State has a significant say in virtually all public investments, including school facilities.)

## 6. Sustainability and Green Building

One of the principal reasons for smart growth is sustainability. Nevertheless, the JPC believed it would be helpful to include explicit references to sustainability and specific implementation measures, like green buildings, within the policies. The JPC also thought some direct reference to climate change was timely. The JPC endorsed amendments to two existing policies.

Amend the policy on Environmental, Natural Resource, Open Space and Agricultural Preservation to read as follows:

Protect and enhance open space, agricultural lands, other valued lands, watersheds and ecosystems throughout the region. Promote development patterns *and building technologies* that protect and improve air quality, *conserve resources and reduce greenhouse gas emissions*. Protect and enhance the San Francisco Bay and Estuary. *Protect scenic, historic, and cultural resources that contribute to the region's identity*.

(Also incorporates amendments on scenic, historic and cultural resources endorse under topic 4)

Amend the policy on Infrastructure Investments to read as follows:

Improve and maintain existing infrastructure and support future investments that promote smart growth, including water and land recycling, brownfield clean-up and re-use, multi-use facilities, smart building codes, *green building principles*, retention of historic character and resources, and provision of high-quality school capacity.

(Incorporates earlier proposed school amendments without highlighting)

### Recommendation

The *Smart-Growth Preamble and Policies* are intended to be read and applied together as a whole, not separately and individually. Therefore, it is appropriate that the Bay Area



Air Quality Management District not simply approve amendments, but that it adopt the entire *Smart-Growth Preamble and Policies* as amended by the JPC endorsements. The Executive Officer/APCO, therefore, recommends:

THAT the Bay Area Air Quality Management District adopt the *Smart-Growth Preamble and Policies* as amended and dated March 2007 (attached).

# SMART-GROWTH PREAMBLE AND POLICIES

## Preamble

Current land-use patterns in the San Francisco Bay Area are putting intense pressure on the economic, environmental and social wellbeing of the Bay Area and of surrounding regions. The projected addition of over one million new residents and one million new jobs in the coming decades will further challenge our ability to sustain the high quality of life we enjoy today.

To help meet this challenge, the five regional agencies of the Bay Region—the Association of Bay Area Governments, Bay Area Air Quality Management District, Bay Conservation and Development Commission, Metropolitan Transportation Commission and the Regional Water Quality Control Board—along with the economy, environment and social equity caucuses of the Bay Area Alliance for Sustainable Communities, developed a set of Smart Growth policies.

The policies reflect the values articulated by workshop participants of the Smart Growth Strategy/Regional Livability Footprint Project and address Bay Area conditions. The policies are consistent with widely accepted notions of smart growth. They are meant to encourage meaningful participation from local governments, stakeholders and residents.

The policies provide a framework for decision-making on development patterns, housing, transportation, environment, infrastructure, governmental fiscal health and social equity that can lead us toward development of vibrant neighborhoods, preservation of open space, clean air and water, and enhanced mobility choices, while enhancing the Bay Area's relationship with surrounding regions.

## Policies

### Jobs/Housing Balance and Match

Improve the jobs/housing linkages through the development of housing in proximity to jobs, and both in proximity to public transportation. Increase the supply of affordable housing and support efforts to match job income and housing affordability levels.

### Housing and Displacement

Improve existing housing and develop sufficient new housing to provide for the housing needs of the Bay Area community. Support efforts to improve housing affordability and limit the displacement of existing residents and businesses.

### Social Justice and Equity

Improve conditions in disadvantaged neighborhoods, ensure environmental justice, and improve access to jobs, housing, public services and good schools for all residents in the region.

### Health and Safety

Promote and protect public health and safety by locating and designing development with sensitivity to natural and man-made risks, by reducing these risks where appropriate and feasible, and by facilitating healthy and safe behaviors.

**Environmental, Natural Resource, Open Space and Agricultural Preservation**

Protect and enhance open space, agricultural lands, other valued lands, watersheds and ecosystems throughout the region. Promote development patterns and building technologies that protect and improve air quality, conserve resources and reduce greenhouse gas emissions. Protect and enhance the San Francisco Bay and Estuary. Protect scenic, historic, and cultural resources that contribute to the region's identity.

**Future Urban Development**

Anticipate and prepare for future urban expansion by discouraging the premature subdivision of agricultural and vacant land for low-density residential development that cannot be efficiently served by transit, which does not provide for the complete range of infrastructure, uses and services required to meet the daily needs of residents and which is located without regard to proximate employment opportunities.

**Economic Activity and Goods Distribution**

Encourage planning and development that respects the public and private infrastructure required for the maintenance of a prosperous regional economy and for the efficient provision and distribution of goods and services.

**Mobility, Livability and Transit Support**

Enhance community livability by promoting infill, transit oriented and walkable communities, and compact development as appropriate. Develop multi-family housing, mixed-use development, and alternative transportation to improve opportunities for all members of the community.

**Local and Regional Transportation Efficiencies**

Promote opportunities for transit use and alternative modes of transportation including improved rail, bus, high occupancy (HOV) systems, and ferry services as well as enhanced walking and biking. Increase connectivity between and strengthen alternative modes of transportation, including improved rail, bus, ride share and ferry services as well as walking and biking. Promote investments that adequately maintain the existing transportation system and improve the efficiency of transportation infrastructure.

**Infrastructure Investments**

Improve and maintain existing infrastructure and support future investments that promote smart growth, including water and land recycling, brownfield clean-up and re-use, multi-use facilities, smart building codes, green building principles, retention of historic character and resources, and provision of high-quality school capacity.

**Local Government Fiscal Health**

Improve the fiscal health of local government by promoting stable and secure revenue sources, reduced service provision costs through smart growth targeted infrastructure improvement, and state and regional sponsored fiscal incentives. Support cooperative efforts among local jurisdictions to address housing and commercial development, infrastructure costs, and provision of services.

**Cooperation on Smart Growth Policies**

Encourage the State, local governments, water and sewer districts, school districts, stakeholders and other constituents in the Bay Area to cooperate in supporting actions consistent with the adopted Smart Growth policies. Forge cooperative relationships with governments and stakeholders in surrounding regions to support actions that will lead to inter-regional Smart-Growth benefits.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson Mark Ross and Members  
of the Executive Committee

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 21, 2007

Re: Joint Policy Committee Update

RECOMMENDED ACTION:

Receive and file.

DISCUSSION

At the May 30, 2007, meeting of the Executive Committee, Ted Droettboom will provide an update on the activities of the Joint Policy Committee.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT  
Memorandum

To: Chairperson, Mark Ross and Members  
of the Board of Directors

From: Jack P. Broadbent  
Executive Officer/APCO

Date: May 29, 2007

Re: Public Hearing to Consider Adoption of Proposed Amendments to Regulation  
3: Fees, and Approval of the Filing of a CEQA Notice of Exemption

RECOMMENDED ACTION:

Staff recommends that the Board take the following actions:

- A) Adopt proposed amendments to Regulation 3: Fees, that apply to emission sources not included within the District's permit system, as follows: Fee Schedules L, Q, R and S, and Sections 3-331 and 3-332; and
- B) Approve the filing of a CEQA Notice of Exemption.

BACKGROUND

At the Board of Directors' meeting on May 2, 2007, staff presented proposed amendments to District Regulation 3: Fees, for the next fiscal year. Following a public hearing, the amendments were adopted with an effective date of July 1, 2007, with the exception of those amendments that apply to non-permitted emission sources. Under Health and Safety Code section 41512.5, action cannot be taken to adopt or revise fees applicable to emission sources not included within a permit system until 30 days after an initial public hearing is held. Staff is recommending that the Board adopt these remaining proposed amendments with an effective date of July 1, 2007.

DETAILS OF PROPOSED FEE AMENDMENTS

Staff is proposing to increase the fees in Schedule L: Asbestos Operations, and Schedule Q: Excavation of Contaminated Soil and Removal of Underground Storage Tanks, by five percent. These increases would help the District address increasing regulatory program costs, and bring fee revenue toward more complete recovery of program activity costs associated with these Schedules.

Staff is proposing to add a new Schedule R: Equipment Registration Fees (and an associated new Section 3-331 that refers to Schedule R). Schedule R would establish registration fees for charbroilers subject to the proposed Regulation 6, Rule 2: Commercial Cooking Equipment. Affected facilities would be subject to an initial registration fee of \$475, and an

annual renewal fee of \$135. These fees would not apply unless and until the Board adopts the new commercial cooking equipment rule.

Staff is proposing to add a new Schedule S: Naturally Occurring Asbestos Operations (and an associated new Section 3-332 that refers to Schedule S). These fees would apply to operations that are required to submit an Asbestos Dust Mitigation Plan (ADMP) to the District to comply with the Asbestos Airborne Toxic Control Measure (ATCM) for Construction, Grading, Quarrying, and Surface Mining Operations. This State ATCM became effective on November 19, 2002, but the District currently has no fee for ADMP review. The proposed Schedule S would establish a fee of \$225 for ADMP review, with an additional fee of \$2000 for those projects that require an air monitoring component.

The Staff Report for this rule development project, which contains additional information regarding the proposed fee regulation amendments, is attached for your review.

Respectfully submitted,

Jack P. Broadbent  
Executive Officer / Air Pollution Control Officer

Prepared by: Brian Bateman  
Reviewed by: Peter Hess

Attachment(s)



BAY AREA  
AIR QUALITY  
MANAGEMENT  
DISTRICT

## **STAFF REPORT**

### **PROPOSED AMENDMENTS TO BAAQMD REGULATION 3: FEES**

APRIL 20, 2007

**Engineering Division  
Bay Area Air Quality Management District**



## 1. EXECUTIVE SUMMARY

District staff has prepared proposed amendments to District Regulation 3: Fees, for Fiscal Year Ending (FYE) 2008 (i.e., July 1, 2007 to June 30, 2008) that would increase revenue to enable the District to address increasing regulatory program activity costs, and continue to move toward more complete cost recovery. A recently completed 2007 Cost Recovery Study indicates that a significant cost recovery gap exists. For the most recently completed fiscal year (FYE 2006), fee revenue covered 53 percent of direct and indirect program costs, leaving a gap of \$17.8 million to be filled with property tax revenue.

For FYE 2008, the proposed fee amendments would increase fee revenue by approximately \$1.4 million from projected revenue levels in the FYE 2007 budget, representing an increase of about six percent. For reference, the most recent annual increase in the Consumer Price Index for the Bay Area (i.e., from Calendar Year 2005 to 2006) was 2.9 percent.

The District is proposing amendments to individual Fee Schedules that are based on the magnitude of the cost recovery gap identified in the 2007 Cost Recovery Study. Fee Schedules with the largest cost recovery gaps would be increased by 15 percent; schedules with moderate cost recovery gaps, along with most administrative fees, would be increased by five percent; schedules with less significant cost recovery gaps would be increased by three percent; and schedules with no cost recovery gaps would not be increased.

Several additional miscellaneous amendments are proposed as follows:

1. Increase permit fees for compost operations that require District permits (i.e., facilities with throughputs of biomass equal to greater than 500 tons per year) to more fully recover the District's costs associated with these sources.
2. Increase the permit fees for refinery flares subject to District Rules 12-11 and 12-12 to more fully recover the District's costs associated with these sources.
3. Create new fees for registration of conveyORIZED (chain-driven) charbroilers, and large under-fired charbroilers, to recover the costs associated with proposed new District Regulation 6, Rule 2: Commercial Cooking Equipment.
4. Create new fees for operations that require an Asbestos Dust Mitigation Plan to be approved by the District under the State Airborne Toxic Control Measure for Construction, Grading, Quarrying, and Surface Mining Operations.
5. Reduce the minimum base fee assessed under Schedule N: Toxic Inventory Fees. This change is proposed because the District will begin to assess Toxic Inventory Fees based on the established cancer Unit Risk Factor for diesel particulate matter. As a result, the number of facilities paying fees under Schedule N will increase significantly (primarily facilities with diesel engine backup generators), so that the minimum base fee can be reduced without decreasing overall fee revenue.

## 2. BACKGROUND

State law authorizes the District to assess fees to generate revenue to recover regulatory program activity costs (i.e., the District's full direct and indirect expenditures for personnel, services and supplies, and capital outlay, related to implementing and enforcing air quality programs affecting stationary sources of air pollution). The largest portion of fees is collected under provisions that allow the District to impose permit fees sufficient to recover the full costs of programs related to permitted sources. The District is also authorized to assess fees for: (1) areawide or indirect sources of emissions which are regulated but for which permits are not issued by the District, (2) sources subject to the requirements of the State Air Toxics Hot Spots Program (AB 2588) and, (3) activities related to the District's Hearing Board involving variances or appeals from District decisions on the issuance of permits.

The District has established, and regularly updates, a fee regulation under these authorities (District Regulation 3: Fees). Currently, over forty percent of the District's general fund operating budget is derived from fees imposed in accordance with this regulation.

From time to time, the District has considered whether these fees result in the collection of a sufficient and appropriate amount of revenue in comparison to the costs of related program activities. In 1999, a comprehensive review of the District's fee structure and revenues 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 1999 Cost Recovery Study indicated that fee revenue did not nearly offset the full costs of program activities associated with sources subject to fees as authorized by State law. Property tax revenue (and in some years, fund balances) had consistently been used to close this cost recovery gap.

The District adopted an across-the-board fee increase of 15 percent, the maximum allowed by law, for FYE 2000 as a step toward more complete cost recovery. In each of the next five years, the District adjusted fees only to account for inflation (for FYE 2005, the District also approved further increases in Title V fees, and a new processing fee for renewals of permits to operate).

In 2004, the District's Board of Directors approved funding for an updated Cost Recovery Study. The accounting firm Stonefield Josephson, Inc. completed this study in March 2005 (*Bay Area Air Quality Management District Cost Recovery Study, Final Report; March 30, 2005*). The 2005 Cost Recovery Study indicated that a significant cost recovery gap continued to exist. For the most recent year analyzed, FYE 2004, fee revenue covered about 60 percent of direct and indirect program activity costs.

In the two years following the completion of the 2005 Cost Recovery Study (i.e., FYE 2006 and FYE 2007), the District adopted fee amendments that increased overall projected fee revenue by an average of about seven percent per year. In order to address fee equity issues, the various fees were not all increased in a uniform manner. Rather, individual Fee Schedules were amended based on the magnitude of the cost recovery gap as determined in the 2005 Cost Recovery Study.

District staff has recently completed an update to the 2005 Cost Recovery Study, using the methodology established by Stonefield Josephson, Inc. and based on cost and revenue data collected over the last two completed fiscal years, FYE 2005 and FYE 2006 (*Bay Area Air Quality Management District 2007 Cost Recovery Study, March 2007*). This 2007 Cost Recovery Study indicates that, while the cost recovery gap decreased from FYE 2004 to FYE 2005, it increased significantly from FYE 2005 to FYE 2006 (i.e., in FYE 2006, the cost recovery gap increased by \$3.7 million from the previous fiscal year to \$17.8 million; fee revenue covered 53 percent of program activity costs).

The increase in the cost recovery gap observed between FYE 2005 and FYE 2006 was primarily the result of significant increases in the District's personnel costs over this period. The most significant factor contributing to this increase in personnel costs was pensions (i.e., payments to PERS). For each of the years analyzed in the 2005 Cost Recovery Study (i.e., FYE 2002, FYE 2003, and FYE 2004), the personnel costs associated with the District's PERS pension plan were very low as excess assets were being used for the payment of employer contributions (i.e., the District's PERS account was "superfunded"). Due to the end of this superfunded status, the District's PERS costs increased in FYE 2005 to \$1.7 million, and to \$4.7 million in FYE 2006. (PERS costs are estimated to be \$4.8 million in FYE 2007, and \$5.0 million in FYE 2008).

For FYE 2008, District staff has developed proposed amendments to Regulation 3 using an approach similar to what was used for FYE 2006 and FYE 2007. On an overall basis, it is estimated that the amendments would increase fee revenue by \$1.4 million in FYE 2008 from projected revenue levels in the current fiscal year budget, representing an increase of about six percent. This is about double the rate of inflation (the increase in the annual CPI for urban wage earners for the California Bay Area from calendar year 2005 to 2006, as reported by the California Department of Industrial Relations, Division on Labor Statistics and Research was 2.9 percent).

Projected fee revenue for FYE 2008 is provided in Table 1, based on District staff's proposed amendments to Regulation 3. These figures are approximations, as actual fee revenue depends on a variety of factors, some of which are difficult to predict (e.g., year-to-year fluctuations in industrial activities).

**Table 1. Projected Fee Revenue for FYE 2008**

<b>Permit Fees</b>	
New & Modified Permit Fees, Permit to Operate Renewal Fees, Title V Fees	\$21,797,000
<b>Other Fees</b>	
AB 2588 Fees (excluding State pass-through)	\$535,000
Asbestos, and Soil Excavation Notification Fees	\$1,739,000
Registration Fees	\$285,000
Hearing Board Fees	\$30,000
<b>Total</b>	<b>\$24,386,000</b>

### **3. PROPOSED FEE AMENDMENTS FOR FYE 2008**

#### **3.1 OVERVIEW OF PROPOSED AMENDMENTS**

The District's fee proposal for FYE 2008 is similar to the amendments adopted for FYE 2006 and FYE 2007. The percentage increase for an individual Fee Schedule is based on the magnitude of the cost recovery gap for that Schedule as indicated in the 2007 Cost Recovery Study. In order to minimize the effects of large year-to-year variations in program activities, three-year average cost recovery figures (covering the period July 1, 2003 to June 30, 2006) are used for this purpose. In addition to these percentage increases, several additional amendments to Regulation 3 are proposed that will allow the District to more appropriately recover costs related to specific source categories. The proposed amendments are summarized as follows.

1. The following Fee Schedules, which the 2007 Cost Recovery Study indicates have the largest revenue gaps (i.e., fee revenue representing less than 60 percent of costs), would be increased by 15 percent:

- Schedule A: Hearing Board
- Schedule D: Gasoline Transfer at Gasoline Dispensing Facilities, Bulk Plants and Terminals
- Schedule E: Solvent Evaporating Sources
- Schedule F: Miscellaneous Sources
- Schedule G-1: Miscellaneous Sources
- Schedule H: Semiconductor and Related Operations
- Schedule I: Dry Cleaners

Schedule K: Solid Waste Disposal Sites  
Schedule P: Major Facility Review Fees

2. The following Fee Schedules, which the 2007 Cost Recovery Study indicates have less significant revenue gaps (i.e., fee revenue representing less than 75 percent of costs), would be increased by 5 percent:

Schedule L: Asbestos Operations  
Schedule Q: Excavation of Contaminated Soil and Removal of Underground Storage Tanks

3. The following Fee Schedules, which the 2007 Cost Recovery Study indicates have relatively minor cost recovery gaps (i.e., fee revenue representing less than 96 percent of costs), would be increased by 3 percent:

Schedule B: Combustion of Fuels  
Schedule G-2: Miscellaneous Sources  
Schedule N: Toxic Inventory Fees

4. The following Fee Schedules, which the 2007 Cost Recovery Study indicates have no revenue gaps, would not be increased:

Schedule C: Stationary Containers for the Storage of Organic Liquids  
Schedule G-3: Miscellaneous Sources  
Schedule G-4: Miscellaneous Sources

It should be noted that Schedule G-3 shows no revenue gap only when program costs and revenue related to refinery flares are removed. Staff is proposing to move refinery flares into a new higher-cost Schedule G-5 (as indicated in item 7 below) rather than increase fees for Schedule G-3.

5. The fees in Schedule M: Major Stationary Source Fees, would be increased by 15 percent. This will partially compensate for emissions inventory reductions not associated with program cost reductions at affected facilities that have resulted in decreased fee revenue from this emissions-based Fee Schedule.
6. The following administrative fees would be increased by 5 percent:

Section 3-302: New and modified source filing fee  
Section 3-309: Duplicate permit fee  
Section 3-311: Banking filing fee and withdrawal fee  
Section 3-312: Regulation 2, Rule 9 Alternative Compliance Plan fee  
Section 3-327: Permit to Operate renewal processing fee  
Section 3-329: Fee for Risk Screening (base fee for each application specified in the applicable Fee Schedule)

7. The permit fees for refinery flares subject to District Rules 12-11 and 12-12 would be increased by 50 percent to more fully recover the District's costs associated with these sources. A new Fee Schedule G-5 would be created for this purpose.
8. The permit fees for compost operations that require District permits (i.e., facilities with throughputs of biomass equal to greater than 500 tons per year) would be increased to more fully recover the District's costs associated with these sources by specifically listing these sources in Fee Schedule G-1 (compost operations currently fall under Fee Schedule F).
9. New fees would be established for registration of conveyORIZED (chain-driven) charbroilers, and large under-fired charbroilers, to recover the costs associated with proposed new District Regulation 6, Rule 2: Commercial Cooking Equipment.
10. New fees would be established for operations that require an Asbestos Dust Mitigation Plan to be approved by the District under the State Airborne Toxic Control Measure for Construction, Grading, Quarrying, and Surface Mining Operations.
11. The minimum base fee assessed under Schedule N: Toxic Inventory Fees would be reduced from \$125 to \$75. This change is proposed because the District will begin to assess Toxic Inventory Fees based on the established cancer Unit Risk Factor for diesel particulate matter. As a result, the number of facilities paying fees under Schedule N will increase significantly (primarily many facilities with diesel engine backup generators), so that the minimum base fee can be reduced without decreasing overall fee revenue.

Additional details regarding the proposed amendments are provided in the following section.

### **3.2 PROPOSED RULE AMENDMENTS**

The complete text of the proposed changes to District Regulation 3: Fees, has been prepared in strikethrough (deletion of existing text) and underline (new text) format, and is included in Appendix A. A detailed description of the proposed amendments follows.

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

The proposed amendment for Section 3-302 is a 5 percent increase in the filing fee for permit applications (rounded to the nearest whole dollar), from \$286 to \$300.

- Section 3-309: Duplicate Permit

The proposed amendment for Section 3-309 is a 5 percent increase in the fee for a duplicate Permit to Operate (rounded to the nearest whole dollar), from \$58 to \$61 per permit.

- Section 3-311: Banking

The proposed amendment for Section 3-311 is a 5 percent increase in the filing fee for banking applications (rounded to the nearest whole dollar), from \$286 to \$300.

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

No change in regulatory language is proposed for Section 3-312.1, which requires an additional annual fee equal to 15 percent of the facility's Permit to Operate fee for facilities that elect to use an Alternative Compliance Plan (ACP) for compliance with Regulation 8, or Regulation 2, Rule 2. These ACP fees would increase along with any increase in a facility's Permit to Operate renewal fees for sources in Schedules B, D, E, F, G-1, G-2, H, K, and I.

The proposed amendment for Section 3-312.2 is a 5 percent increase in the annual fee (rounded to the nearest whole dollar) for a facility that elects to use an Alternative Compliance Plan (ACP) contained in Regulation 2, Rule 9: Interchangeable Emission Reduction Credits. The fee for each source included in the ACP would be increased from \$721 to \$757, and the maximum fee would be increased from to \$7,212 to \$7,573.

- Section 3-320: Toxic Inventory Fees

The maximum toxic inventory fee specified in Section 3-320.1 would be increased by 5 percent (rounded to the nearest whole dollar), from \$6,564 to \$6,892.

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

The proposed amendment for Section 3-327 is a 5 percent increase in the processing fee (rounded to the nearest whole dollar) for a facility for renewal of Permits to Operate.

- Section 3-329: Fee for Risk Screening

No change in regulatory language is proposed for Section 3-329, Fee for Risk Screening. Increases in risk screening fees are instead specified in Schedules B, C, D, E, F, G-1, G-2, H, I, and K. For each applicable Fee Schedule, the base fee for each application that requires a Health Risk Screening Analysis would be increased by 5 percent. The portion of the risk screening fee that is based on the type of source involved would be increased by 3 percent for sources covered by Schedules B and G-2, and by 15 percent for sources covered by Schedules D, E, F, G-1, H, I, and K. There would be no increase (except for the increase in the base fee) for sources covered by Schedules C, G-3, and G-4.

- Section 3-331: Registration Fees

A new Section 3-331 is proposed that requires any person who must register equipment under District rules to submit a registration fee, and any annual fee thereafter, as given in Schedule R, a proposed new Fee Schedule. Initially, Schedule R would only apply to facilities subject to equipment registration requirements under proposed District Regulation 6, Rule 2: Commercial Cooking Equipment. The fees proposed for Schedule R are detailed in the Fee Schedules section below.

- Section 3-332: Naturally Occurring Asbestos Fees

A new Section 3-332 is proposed that requires any person who must submit an Asbestos Dust Mitigation Plan to comply with the Asbestos Airborne Toxic Control Measure (ATCM) for Construction, Grading, Quarrying, and Surface Mining Operations (found in section 93105 of Title 17 of the California Code of Regulations) to pay the fees in Schedule S, a proposed new Fee Schedule. The fees proposed for Schedule S are detailed in the Fee Schedules section as follows.

- Fee Schedules

The fees contained in each Fee Schedule in Regulation 3 would be increased by either 3 percent, 5 percent or 15 percent (rounded to the nearest whole dollar, in most cases) as summarized in Section 3.1 of this report, with the exception of the following fee schedules, which would have no increase in fees: Schedule C: Stationary Containers for the Storage of Organic Liquids, Schedule G3: Miscellaneous Sources, and Schedule G4: Miscellaneous Sources. Additional proposed changes to Fee Schedules are as follows.

#### Schedule G-1: Miscellaneous Sources

Staff is proposing to add compost operations involving windrows, static piles, aerated static piles, in-vessel, or other similar methods to Schedule G-1. These compost operations are currently considered a miscellaneous source subject to the lower-cost Schedule F. The Schedule G-1 fees would apply to compost operations that are large enough to require a District permit (i.e., facilities with throughputs of biomass equal to greater than 500 tons per year). There are currently approximately 20 compost operations in this category in the Bay Area.

In recent years, District staff resources devoted to compost operations have exceeded the revenue derived from fees for these sources by a wide margin. Compost operations have air emissions that include precursor organic compounds, particulate matter, toxic air contaminants, and odorous compounds. Although the District is prohibited from enforcing odor complaints at green waste composting operations under State law, odor complaints must still be responded to in order to determine the source of the complaint. For FYE 2003 through 2006, the District received an average of one hundred complaints per year for facilities with composting operations. The cost of responding to



these complaints and investigating the source of the problem was more than \$840 per site. These complaint response costs are in addition to all other annual enforcement and permitting expenses associated with compost sources.

Listing compost operations in Schedule G-1 would more fully recover the District's costs associated with these sources (overall revenue from annual permit renewal fees from all affected sources would be increased to about \$16,500). The applicable permit fee would also be more appropriate as compared to the level of emissions from these sources. For example, the wood waste grinding operation that often accompanies a compost operation is already subject to Schedule G-1, and the composting operation generates much more emissions of particulate matter than the grinding operation does. The annual permit renewal fee in Schedule G-1 (after adoption of the proposed amendments) would be \$826 per source.

### Schedules G-3 and G-5

The District is proposing to move refinery flares subject to District Rule 12-11 (which are also subject to Rule 12-12) from Fee Schedule G-3, to a new Fee Schedule G-5. The permit fees for Schedule G-5 would be 50 percent higher than the existing fees in Schedule G-3.

The 2005 Cost Recovery Study indicated that there was no cost recovery gap associated with Fee Schedule G-3 as fee revenue exceeded District costs for FYE 2002, FYE 2003, and FYE 2004. In order to address fee equity issues, the District has not increased fees for Schedule G-3 for the past two years.

The 2007 Cost Recovery Study indicates that this situation has changed dramatically in the last two years, and that a significant cost recovery gap now exists for this Fee Schedule. For example, Schedule G-3 had cost recovery gaps of \$146,000 and \$1.2 million for FYE 2005 and FYE 2006, respectively.

District staff has determined that the significant increase in District costs associated with Schedule G-3 in recent years is due almost exclusively to one source category, refinery flares (refinery flares were moved from Schedule G-2 to Schedule G-3 effective July 1, 2004). District staff resources associated with refinery flares have increased sharply in recent years due to the adoption of District Rule 12-11: Flare Monitoring at Petroleum Refineries, and Rule 12-12: Flares at Petroleum Refineries. Rule 12-11, adopted June 4, 2003, requires each refinery to submit a detailed monthly monitoring report to the District for each subject flare. In addition, flow verification reports are required to be submitted every six months

Rule 12-12, adopted July 20, 2005, specifies that refinery flaring is prohibited unless it is consistent with an approved Flare Minimization Plan (FMP), and all commitments due under that plan have been met. FMPs were required to be submitted to the District by August 1, 2006, and updated on an annual basis thereafter. Prior to installing or modifying equipment that may contribute to flaring, FMPs must also be updated to

address the new or modified equipment. Review of the initial FMPs, which is still underway, has been very resource intensive for the District. Rule 12-12 also requires the refineries to submit reports to the District that provide detailed information regarding the cause of individual flaring events.

The District staff resources currently devoted to refinery flares due to Rules 12-11 and 12-12 is currently approximately 4 FTEs. The required staff resources are expected to drop by about one-third after the initial FMP review period is completed. Moving the refinery flares into Schedule G-5 would increase overall annual permit renewal revenue for these sources to a total of about \$300,000. This would more fully recover the District's ongoing costs associated with implementation and enforcement of Rules 12-11 and 12-12. The annual permit renewal fee for each flare would be \$12,423.

### Schedule N: Toxic Inventory Fees

Fees for Schedule N, are calculated by a formula that includes the fee revenue that is to be collected for District purposes, as well as the fee revenue that is to be passed through to the State to recover State agency costs related to the Air Toxics Hot Spots Program. The District portion of variable  $F_T$ , the total amount of fees to be collected, used to calculate fees for Schedule N is proposed to be increased by 3 percent. This change does not require any modifications to the language of Schedule N. (The smaller State portion of  $F_T$  established by the California Air Resources Board is expected to be unchanged in FYE 2008).

The District is proposing to reduce the minimum base fee assessed under Schedule N from \$125 to \$75. This change is proposed because the District has now issued permits to thousands of diesel engine backup generators, and in FYE 2008 will begin to assess Toxic Inventory Fees for them, and other types of permitted diesel engines, based on the established cancer unit risk value for diesel particulate matter. The District is required to do this under the requirements of Health and Safety Code section 44380, which specifies that an air district must assess a fee upon the operator of every facility subject to toxic inventory requirements of the Air Toxics Hot Spots Program.

As a result of including diesel engines, the number of facilities paying fees under Schedule N will increase significantly, so that the minimum base fee can be decreased without a decrease in overall revenue. It should be noted that this change will also result in a decrease in the variable  $S_L$ , the surcharge per pound of weighted emissions, so that the Schedule N fees for many facilities that are above the minimum fee threshold of 1000 weighted pounds will also be reduced.

The Schedule N fees for most facilities with diesel engines will increase as a result of the proposed change. For the most typical case (i.e., a facility with a single diesel engine backup generator), annual permit renewal fees under Schedule N will increase by \$75 (the new minimum base fee). Schedule N fees for facilities with more than one permitted diesel engine backup generator, or with one or more prime diesel engine that operate more frequently, will likely increase by more than \$75.

## Schedule R: Equipment Registration Fees

District staff is developing a new rule that would control air emissions from restaurant cooking equipment, Regulation 6, Rule 2: Commercial Cooking Equipment. The focus of the rule is on conveyORIZED (chain-driven) charbroilers, and larger under-fired charbroilers. The new rule is expected to be considered for adoption by the District's Board of Directors in May 2007.

The proposed Regulation 6, Rule 2 would require the owner/operator of a subject facility to register the charbroiler(s), and any emission control device(s) that operates with the charbroiler(s), with the District in accordance with District Regulation 1, Section 410. Registration will provide the District with the basic information needed to implement and enforce the new rule, and a mechanism to collect fees to recover associated costs.

The District has completed an evaluation of District costs related to implementation and enforcement of the proposed Rule 6-2. Based on the estimated number of subject facilities, appropriate fees for equipment registration, and annual renewal of registration, have been derived to recover costs. The proposed fees (for both conveyORIZED and under-fired charbroilers) are \$475 for registration, and \$135 for annual renewal. These fees are listed in a proposed new Schedule R.

## Schedule S: Naturally Occurring Asbestos Operations

On November 19, 2002, an Asbestos ATCM for Construction, Grading, Quarrying, and Surface Mining Operations became effective in California. This ATCM requires road construction and maintenance activities, construction and grading operations, and quarrying and surface mining operations in areas where naturally-occurring asbestos (NOA) is likely to be found to employ the best available dust mitigation measures. Each air district is required to implement and enforce the ATCM for affected sources within their jurisdiction.

Construction projects in areas of NOA that will disturb more than one acre must prepare and obtain district approval for an asbestos dust mitigation plan (ADMP). The ADMP must specify how the operation will minimize emissions and must address specific emission sources. Quarries and surface mines in areas of NOA must also obtain district approval for an ADMP. An ADMP must contain an air-monitoring component, if deemed necessary by the district's APCO.

The District is proposing to charge fees for processing ADMPs to recover costs of implementing and enforcing the ATCM in a new Schedule S. Based on District staff's experience, a fee of \$225 for ADMP review will cover District costs for this program.

In a few cases since the ATCM became effective over four years ago, the nature and location of specific construction projects have resulted in the District requiring an asbestos air monitoring component to be included in an ADMP. The requirement for air monitoring greatly increases the time and effort required by District staff to implement and enforce the ATCM requirements. Based on District staff's experience, an additional

fee of \$2000 will cover District costs for air monitoring, if it is required as part of the ADMP approval.

#### **4. PROJECTED FEE REVENUE AND COSTS OF PROGRAM ACTIVITIES**

With the proposed amendments, the District's total projected fee revenue for FYE 2008 is about \$24.4 million. The 2007 Cost Recovery Study indicated that, for the last complete fiscal year analyzed (FYE 2006), the District's total regulatory program activity costs were approximately \$37.9 million (\$27.2 million in direct costs, and \$10.7 million in indirect costs).

#### **5. STATUTORY AUTHORITY FOR PROPOSED FEE INCREASES**

State law authorizes air districts to adopt fee schedules to cover the costs of various air pollution programs. Health & Safety Code section 42311(a) provides authority for an air district to collect permit fees to cover the costs of district programs related to permitted stationary sources. These fees may not exceed the actual cost of permit programs in the preceding year with an adjustment for an increase in the CPI. Subject to similar limitations, Health & Safety Code section 42311(f) further authorizes the District to assess additional permit fees to cover the costs of programs related to toxic air contaminants. Health & Safety Code section 41512.7 limits the allowable percentage increase in fees for authorities to construct and permits to operate (i.e., operating/new and modified permit fees) to 15 percent per year.

Health & Safety Code section 42311(g) authorizes air districts to adopt a schedule of fees to be assessed on areawide or indirect sources of emissions, which are regulated but for which permits are not issued by the district, to recover the costs of district programs related to these sources. This section provides the authority for the District to collect asbestos fees (including fees for NOA operations), soil excavation reporting fees, and registration fees for regulated commercial cooking equipment.

Health & Safety Code section 44380(a) authorizes the air district to adopt a fee schedule, which recovers the costs to the district and the State of the Air Toxics Hot Spots Program (AB 2588).

Health & Safety Code section 42311(h) authorizes air districts to adopt a schedule of fees to cover the reasonable costs of the Hearing Board incurred as a result of appeals from district decisions on the issuance of permits. Section 42364(a) provides similar authority to collect fees for the filing of applications for variances or to revoke or modify variances.

The proposed fee amendments are in accordance with all applicable authorities

provided in the California Health and Safety Code. Based on the results of the 2007 Cost Recovery Study, permit fee revenue following the proposed amendments would still be far below the District's direct and indirect program activity costs associated with regulatory programs covering permitted sources. Similarly, Hearing Board fee revenue will still be below the District's program activity costs associated with Hearing Board activities related to variances and permit appeals. Finally, fee revenue from non-permitted areawide sources would not exceed the District's program activity costs for these sources.

## **6. ASSOCIATED IMPACTS AND OTHER RULE DEVELOPMENT REQUIREMENTS**

### **6.1 EMISSIONS IMPACTS**

There will be no direct air emission increases or decreases as a result of the proposed fee amendments.

### **6.2 ECONOMIC IMPACTS**

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

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

The impact of the proposed fee amendments on small businesses is expected to be minimal. Many small businesses operate only one or two sources, and generally pay only the minimum permit renewal fees. Table 2 provides a summary of typical annual permit renewals fees projected for FYE 2008 for various size dry cleaners, auto body shops, gasoline stations, and facilities with only diesel engine backup generators (BUGs), along with the increase in renewal fees relative to the current FYE 2007. Note that the permit renewal fees for most dry cleaners will decrease in FYE 2008 relative to the current fiscal year due to the proposed changes to Schedule N fees previously described.

**Table 2. Projected Typical Annual Permit Renewal Fees for FYE 2008, and Increases in Renewal Fees Relative to the Current Fiscal Year**

Facility Size →	Small		Medium		Large	
	Total Fee	Increase	Total Fee	Increase	Total Fee	Increase
Dry Cleaner	\$353	-\$18	\$392	-\$57	\$1,006	-\$424
Auto Body Shop	\$258	\$29	\$258	\$29	\$514	\$58
Gasoline Station	\$656	\$79	\$1,252	\$153	\$1,849	\$229
Diesel BUG Facility	\$297	\$97	\$367	\$105	\$1,037	\$377

Notes: Small Dry Cleaner: One machine, 50 gal/yr Perc  
 Medium Dry Cleaner: One machine; 150 gal/yr Perc  
 Large Dry Cleaner: Two machines; 400 gal/yr Perc  
 Small Autobody Shop: One Booth; 100 gal/yr paint; 50 gal/yr cleanup  
 Medium Autobody Shop: One Booth; 200 gal/yr paint; 75 gal/yr cleanup  
 Large Autobody Shop: Two Booths; 500 gal/yr paint; 200 gal/yr cleanup  
 Small Gasoline Station: Four triple product nozzles  
 Medium Gasoline Station: Eight triple product nozzles  
 Large Gasoline Station: Twelve triple product nozzles  
 Small Diesel BUG Facility: One 500-HP diesel engine  
 Medium Diesel BUG Facility: One 1500-HP diesel engine  
 Large Diesel BUG Facility: Two 2000-HP diesel engines

### 6.3 ENVIRONMENTAL IMPACTS

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

Section 40727.2 of the Health and Safety Code imposes requirements on the adoption, amendment, or repeal of air district regulations. It requires a district to identify existing federal and district air pollution control requirements for the

equipment or source type affected by the proposed change in district rules. The district must then note any differences between these existing requirements and the requirements imposed by the proposed change. This fee proposal does not impose a new standard, make an existing standard more stringent, or impose new or more stringent administrative requirements. Therefore, section 40727.2 does not apply.

#### **6.4 STATUTORY FINDINGS**

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

- Necessary to fund the District's efforts to attain and maintain federal and state air quality standards, and to reduce public exposure to toxic air contaminants;
- Authorized by Health and Safety Code sections 42311, 42311.2, 41512.7, 42364, 44380 and 40 CFR Part 70.9;
- Clear, in that the amendments are written so that the meaning can be understood by the affected parties;
- Consistent with other District rules, and not in conflict with any state or federal law;
- Not duplicative of other statutes, rules or regulation; and
- Implements and references Health and Safety Code sections 42311, 42311.2, 41512.7, 42364, 44380 and 40 CFR Part 70.9.

#### **7. RULE DEVELOPMENT PROCESS**

On February 14, 2007, the District issued a notice for a public workshop to discuss with interested parties a proposal to increase District fees. Distribution of this notice included all District-permitted facilities and a number of other potentially interested stakeholders.

The workshop was held on March 9, 2007. One member of the public attended. On March 26, 2007, District staff provided a briefing on the proposed amendments to the District Board of Directors' Budget and Finance Committee. On April 2, 2007, the District issued a Public Hearing Notice. The public hearing to consider adoption of the proposed amendments is scheduled for May 2, 2007.

Under Health and Safety Code section 41512.5, the adoption or revision of fees for non-permitted sources require two public hearings that are held at least 30 days apart from one another. This provision applies to Schedule L: Asbestos Operations, Schedule Q: Excavation of Contaminated Soil and Removal of Underground Storage Tanks, Schedule R: Equipment Registration Fees (and the associated new Section

3-331), and Schedule S: Naturally Occurring Asbestos Operations (and the associated new Section 3-332). A second public hearing regarding these proposed amendments to Regulation 3 is scheduled for June 6, 2007.

## **8. PUBLIC COMMENTS**

No comments have been received regarding the proposed fee amendments as of the date of this report. One individual attended the public workshop, but provided no comments.



## **BAY AREA AIR QUALITY MANAGEMENT DISTRICT**

### **RESOLUTION No. 2007-**

#### **A Resolution of the Board of Directors of the Bay Area Air Quality Management District Amending Regulation 3 – Fees**

WHEREAS, a public hearing has been properly noticed in accordance with the provisions of Health & Safety Code sections 40725;

WHEREAS, in 2005 the Bay Area Air Quality Management District (“District”) retained the accounting firm of Stonefield Josephson, Inc. to conduct a study of the District’s fee structure for permitted and non-permitted sources in order to determine whether or not fee revenue from these regulated sources was sufficient to pay for the costs of those regulatory activities and services;

WHEREAS, Stonefield Josephson, after a thorough analysis of the District’s fee structure, revenues and associated costs, found that District fee revenue have not been sufficient to offset the costs of associated regulatory activities and reported this and other findings in *Bay Area Air Quality Management District Cost Recovery Study, Final Report; March 30, 2005* (“2005 Cost Recovery Study”);

WHEREAS, Stonefield Josephson also found that: (1) despite an across-the-board fee increase of 15 percent in fiscal year ending (FYE) 2000 and adjustments during the subsequent 5 years for inflation, a significant cost recovery gap still exists; and (2) for FYE 2004, fee revenue covered only about 60 percent of direct and indirect program activity costs, leaving a gap of approximately \$13 million to be filled with property tax revenue;

WHEREAS, Stonefield Josephson, based on its findings, recommended that, if the identified revenue gap was to be reduced, fees should be increased by more than annual cost of living adjustments over a period of time;

WHEREAS, in 2005 and 2006 the Board approved amendments to Regulation 3 – Fees to increase fees to address this revenue gap and to move toward full alignment between permit fee revenues and associated District permit-related activities and services;

WHEREAS, in 2007 District Staff prepared an update of the 2005 Cost Recovery Study using the methodology established by Stonefield Josephson, Inc., based on cost and revenue data for FYEs 2005 and 2006 (“2007 Cost Recovery Study”);

WHEREAS, the 2007 Cost Recovery Study indicates that a significant cost recovery gap continues to exist with fee revenues for FYE 2006 covering only 53 percent of the direct and indirect costs of program costs;

WHEREAS, on May 2, 2007 the Board adopted resolution No. 2007-06 including findings regarding the need to amend Regulation 3 – Fees to more fully recover the costs of programs related to permitted sources and amending certain fee schedules for permitted sources;

WHEREAS, the Board of Directors has determined for FYE 2008 there is a need to increase fees to further reduce the misalignment between fee revenues for non-permitted sources and associated District activities and services related to those sources;

WHEREAS, District Staff proposed new or increased fees for non-permitted sources based on the magnitude of the cost recovery gap for certain new source categories and existing fee schedules as identified in the 2007 Cost Recovery Study;

WHEREAS, District staff discussed this proposal at a public workshop on March 9, 2007;

WHEREAS, on April 2, 2007, District staff published in newspapers the notice of public hearings required by Health and Safety Code sections 40725 and on that date also distributed and published on the District's website a request for public comments and input on the proposed amendments to Regulation 3;

WHEREAS, the Budget and Finance Committee of the Board of Directors held a regularly scheduled public meeting on March 26, 2007, at which the proposed amendments to Regulation 3 were discussed and at which oral or written presentations could be made on the subject of the proposed amendments;

WHEREAS, on April 2, 2007, the District transmitted the text of the proposed amendments to Regulation 3 to the California Air Resources Board;

WHEREAS, the Board of Directors of the Bay Area Air Quality Management District held a public hearing on May 2, 2007, to consider the proposed amendments to Regulation 3 in accordance with all provisions of law;

WHEREAS, an additional public hearing is required by Health and Safety Code section 41512.5 for fees applicable to sources not included within the District's permit system, specifically, the proposed adoption or amendment of Regulation 3, Section 331, Registration Fees, and Section 332, Naturally Occurring Asbestos Fees and the associated fee schedules: Schedule L, Asbestos Operations; Schedule Q, Excavation of Contaminated Soil and Removal of Underground Storage Tanks; Schedule R, Equipment Registration Fees; and Schedule S, Naturally Occurring Asbestos Operations;

WHEREAS, the Board of Directors of the Bay Area Air Quality Management District held a second public hearing on June 6, 2007, to consider the proposed amendments to Regulation 3 related to non-permitted sources in accordance with all provisions of law;

WHEREAS, the Board of Directors obtains its authority to adopt, amend or repeal rules and regulations from sections 40702, 42311, 42311.2, 41512.7, 42364 and 40725 through 40728 of the Health & Safety Code and Title 40, Code of Federal Regulations, Part 70.9;

WHEREAS, the Board of Directors has determined that the proposed amendments to Regulation 3 related to non-permitted sources are written or displayed so that its meaning can be easily understood by the persons directly affected by it;

WHEREAS, the Board of Directors has determined that the proposed amendments to Regulation 3 related to non-permitted sources are in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations;

WHEREAS, the Board of Directors has determined that the proposed amendments to Regulation 3 related to non-permitted sources do not impose the same requirements as any existing state or federal regulation and are necessary and proper to execute the power and duties granted to and imposed upon the District;

WHEREAS, the Board of Directors by adopting the proposed amendments to this regulation is implementing, interpreting and making specific the provisions of Health & Safety Code section 42311 (fee schedule for district programs), section 41512.7 (allowable increases to authority to construct and permit to operate fees), and section 42364 (fees schedule for hearing board review of permit appeals);

WHEREAS, District staff has evaluated the proposed amendments to Regulation 3 related to non-permitted sources and has determined that the proposed rulemaking project is statutorily exempt from the requirements of CEQA pursuant to Public Resources Code section 21080, subparagraph (b)(8) (the establishment, modification, structuring, restructuring, or approval of rates, tolls, fares or other charges by public agencies); and CEQA Guidelines section 15273 (statutory exemption for rates, tolls, fares and charges);

WHEREAS, District staff has determined that a socioeconomic analysis of the proposed amendments to Regulation 3 related to non-permitted sources pursuant to Health & Safety Code section 40728.5 is not required because the amendments will not significantly affect air quality or emissions limitations within the meaning of that section;

WHEREAS, District staff has determined that an incremental cost-effectiveness analysis of the proposed amendments to Regulation 3 related to non-permitted sources pursuant to Health & Safety Code section 40920.6 is not required because the amendments do not impose best available retrofit control requirements;

WHEREAS, District staff has prepared and presented to this Board, a detailed staff report relative to the subject matter of the proposed amendment which is incorporated by reference and attached hereto;

WHEREAS, District staff recommends adoption of the proposed new and amended provisions of Regulation 3, Section 331, Registration Fees, and Section 332, Naturally Occurring Asbestos Fees and the associated fee schedules: Schedule L, Asbestos Operations; Schedule Q, Excavation of Contaminated Soil and Removal of Underground Storage Tanks; Schedule R, Equipment Registration Fees; and Schedule S, Naturally Occurring Asbestos Operations;

and

WHEREAS, this Board concurs with District staff's recommendations and desires to adopt the proposed amendments to Regulation 3 related to non-permitted sources and associated schedules as described above and set forth in Attachment A hereto.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Bay Area Air Quality Management District does hereby adopt, pursuant to the authority granted by law, the proposed amendments to Regulation 3 – Fees as set forth in Attachment A hereto and discussed in the staff report, with instructions to staff to correct any typographical or formatting errors before final publication of the text of the proposed amended rule as adopted.

BE IT FURTHER RESOLVED that the effective date of the proposed amendments attached hereto shall be July 1, 2007.

BE IT FURTHER RESOLVED, that the Board of Directors of the Bay Area Air Quality Management District does hereby approve the filing of a CEQA Notice of Exemption for the proposed amendments to Regulation 3 – Fees.

The foregoing resolution was duly and regularly introduced, passed and adopted at a regular meeting of the Board of Directors of the Bay Area Air Quality Management District on the Motion of Director \_\_\_\_\_, seconded by Director \_\_\_\_\_, on the \_\_\_\_ day of \_\_\_\_\_, 2007 by the following vote of the Board:

AYES:

NOES:

ABSENT:

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Mark Ross  
Chairperson of the Board of Directors

ATTEST:

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Pamela Torliatt  
Secretary of the Board of Directors

# **ATTACHMENT A**

**[PROPOSED AMENDED RULE]**

**Regulation 3: Fees**

## REGULATION 3 FEES

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## REGULATION 3 FEES

(Adopted June 18, 1980)

### 3-100 GENERAL

**3-101 Description:** This regulation establishes fees to be charged for Hearing Board filings, for permits, banking, experimental exemptions, renewal of permits, costs of environmental documentation, asbestos operations, air toxics inventories, and soil excavation and underground tank removals.

*(Amended 7/6/83; 11/2/83; 2/21/90; 12/16/92; 8/2/95; 12/2/98; 5/21/03)*

**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, and P.

*(Amended 6/4/86; 7/1/98; 6/7/00)*

**3-104 Deleted August 2, 1995**

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

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

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

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

**3-106 Deleted December 2, 1998**

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

*(Adopted June 7, 2000)*

### 3-200 DEFINITIONS

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

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

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

*(Amended February 20, 1985)*

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

*(Amended June 4, 1986)*

**3-204 Initial Fee:** The fee required for each new or modified source based on the type and size of the source. The fee is applicable to new and modified sources seeking to

obtain an authority to construct. Operation of a new or modified source is not allowed until the permit to operate fee is paid.

*(Amended June 4, 1986)*

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

*(Amended June 4, 1986)*

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

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

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

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

**3-209 Small Business:** A business with no more than 10 employees and gross annual income of no more than \$600,000 that is not an affiliate of a non-small business.

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

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

*(Amended July 3, 1991)*

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

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

**3-213 Major Stationary Source:** For the purpose of Schedule M, a major stationary source shall be any District permitted plant, building, structure, stationary facility or group of facilities under the same ownership, leasehold, or operator which, in the base calendar year, emitted to the atmosphere organic compounds, oxides of nitrogen (expressed as nitrogen dioxide), oxides of sulfur (expressed as sulfur dioxide), or PM<sub>10</sub> 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 effective March 1, 2000** *(Amended 10/20/99)*

**3-215 Deleted effective March 1, 2000** *(Amended 10/20/99)*

**3-216 Deleted effective March 1, 2000** *(Amended 10/20/99)*

**3-217 Deleted effective March 1, 2000** *(Amended 10/20/99)*

**3-218 Deleted effective March 1, 2000** *(Amended 10/20/99)*

**3-219 Deleted effective March 1, 2000** *(Amended 10/20/99)*

**3-220 Deleted effective March 1, 2000** *(Amended 10/20/99)*

**3-221 Deleted effective March 1, 2000** *(Amended 10/20/99)*

**3-222 Deleted effective March 1, 2000** *(Amended 10/20/99)*

**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 Minor Modification:** Any physical change or alteration to a source listed on Schedules G-3 or G-4 that will not increase emissions of any air contaminant. Such modifications may include alterations to improve energy and operational efficiency and those that reduce emissions. Alterations to increase actual or maximum production capacity shall not be considered minor modifications. Final determination of the applicability of this section shall be made by the APCO.

*(Adopted June 6, 1990)*

**3-226 Air Toxics "Hot Spots" Information and Assessment Act of 1987:** The Air Toxics "Hot Spots" Information and Assessment Act of 1987 directs the California Air Resources Board and the Air Quality Management Districts to collect information

from industry on emissions of potentially toxic air contaminants and to inform the public about such emissions and their impact on public health. It also directs the Air Quality Management District to collect fees sufficient to cover the necessary state and District costs of implementing the program.

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

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

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

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

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

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

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

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

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

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

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

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

**3-237 PM<sub>10</sub>:** See Section 2-1-229 of Regulation 2, Rule 1.

*(Adopted June 7, 2000)*

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

*(Adopted June 15, 2005)*

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

*(Adopted June 15, 2005)*

### **3-300 STANDARDS**

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

*(Amended June 7, 2000)*

**3-302 Fees for New and Modified Sources:** Applicants for authorities to construct and permits to operate new sources shall pay for each new source: a filing fee of \$300, the initial fee, the risk screening fee, the permit to operate fee, and toxic surcharge (given in Schedules B, C, D, E, F, H, I or K). Applicants for authorities to construct and permits to operate modified sources shall pay for each modified source, a filing fee of \$300, the initial fee, the risk screening fee, and any incremental increase in permit to operate and toxic surcharge fees. Where more than one of the schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules. Except for gasoline dispensing facilities (Schedule D) and semiconductor facilities (Schedule H), the size to be used for a source when applying the schedules shall be the maximum size the source will have after the construction or modification. Where applicable, fees for new or modified sources shall be based on maximum permitted usage levels or maximum potential to emit including any secondary emissions from abatement equipment.

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

302.2 Deleted July 3, 1991

- 302.3 Fees for Abatement Devices: Applicants for an authority to construct and permit to operate abatement devices where there is no other modification to the source shall pay a \$300 filing fee and initial and risk screening fees that are equivalent to 50% of the initial and risk screening fees for the source being abated. For abatement devices abating more than one source, the initial fee shall be 50% of the initial fee for the source having the highest initial fee.
- 302.4 Fees for Reactivated Sources: Applicants for a Permit to Operate reactivated, previously permitted equipment shall pay the full filing, initial, risk screening, permit, and toxic surcharge fees.
- 302.5 Schedule G Fees: Applicants for minor modifications to permitted sources subject to Schedules G-3 or G-4 shall pay filing, initial, risk screening, permit to operate, and toxic surcharge fees specified under Schedule G-2. Permit renewal fees will continue to be charged under Schedules G-3 and G-4.

*(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)*

**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.

*(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)*

**3-304 Alteration:** An applicant to alter an existing permitted source shall pay only the filing fee, provided that the alteration does not result in an increase in emissions of any regulated air pollutant.

*(Amended 6/4/86; 11/15/00; 6/2/04)*

**3-305 Cancellation or Withdrawal:** There will be no refund of initial, risk screening, and filing fees if an application is cancelled or withdrawn. However, if an application for identical equipment is submitted within six months of the date of cancellation or withdrawal, the initial fee will be credited in full against the fee for the new application.

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

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

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

- 1.1 The condition change applies to a single source or a group of sources with shared permit conditions.
- 1.2 The condition change does not subject the source(s) to any District Regulations or requirements that were not previously applicable.
- 1.3 The condition change does not result in any increase in emissions of POC, NPOC, NO<sub>x</sub>, CO, SO<sub>2</sub>, or PM<sub>10</sub> at any source or the emission of a toxic air contaminant above the trigger levels identified in Table 2-5-1
- 1.4 The condition change does not require a public notice.

306.2 Other Condition Changes: Applicant shall pay the filing, initial, and risk screening fees required for new and modified equipment under Section 3-302. If the condition change will result in higher permit to operate fees, the applicant shall also pay any incremental increases in permit to operate fees and toxic surcharges.

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

**3-307 Transfers:** The owner/operator of record is the person to whom a permit is issued or, if no permit has yet been issued to a facility, the person who applied for a permit. Permits are valid only for the owner/operator of record. Permits are re-issued to the new owner/operator of record with no change in expiration dates.

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

- 3-308 Change of Location:** An applicant who wishes to move an existing source, which has a permit to operate, shall pay no fee if the move is on the same facility. If the move is not on the same facility, the source shall be considered a new source and subject to Section 3-302. This section does not apply to portable permits meeting the requirements of Regulation 2-1-220 and 413.  
*(Amended 7/6/83; 6/4/86; 6/15/05)*
- 3-309 Duplicate Permit:** An applicant for a duplicate permit to operate shall pay a fee of \$61 per permit.  
*(Amended 5/19/99, 5/1/02; 5/21/03; 6/02/04; 6/15/05; 6/7/06)*
- 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, a late fee equal to 100% of the initial fee, plus the risk screening fee. A modified gasoline dispensing facility subject to Schedule D that is not required to pay an initial fee shall pay back fees, a late fee equal to 100% of the filing fee, plus the risk screening 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 plus the risk screening 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)*
- 3-311 Banking:** Any applicant who wishes to bank emissions for future use, or convert an ERC into an IERC, shall pay a filing fee of \$300 per source plus the initial fee given in Schedules B, C, D, E, F, H, I or K. Where more than one of these schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules. Any applicant for the withdrawal of banked emissions shall pay a fee of \$300.  
*(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)*
- 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 shall pay an annual fee of \$757 for each source included in the alternative compliance plan, not to exceed \$7,573.  
*(Adopted 5/19/82; Amended 6/4/86; 5/19/99; 6/7/00; 6/6/01; 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06)*
- 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 a project which is subject to review under the California Environmental Quality Act (Public Resources Code, Section 21000, et seq.) shall pay, in addition to the fees required under Section 3-302 and in any applicable schedule, the District's costs of performing all environmental evaluation required pursuant to the California Environmental Quality Act, the District's costs in preparing any environmental study or Environmental Impact Report (including the costs of any outside consulting assistance which the District may employ in connection with the preparation of any

such study or report), as well as the District's reasonable internal costs (including overhead) of processing and reviewing the required environmental documentation.

*(Adopted 12/18/85; Amended 5/1/02)*

**3-316 Deleted June 6, 1990**

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

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

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

318.1 A fee of \$2000 per application, and

318.2 The District's cost exceeding \$2000 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)*

**3-319 Major Stationary Source Fees:** Any major stationary source emitting 50 tons per year of organic compounds, sulfur oxides, nitrogen oxides, or PM<sub>10</sub> 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 \$6,892 per year.

*(Adopted 10/21/92; Amended 5/19/99; 5/21/03; 6/2/04; 6/15/05; 6/7/06)*

**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, and major facility review fees based on Schedule P. Where applicable, renewal fees shall be based on actual usage or

emission levels that have been reported to or calculated by the District. In addition to these renewal fees for the sources at a facility, the facility shall also pay a processing fee at the time of renewal as follows:

- 327.1 \$59 for facilities with one permitted source, including gasoline dispensing facilities,
- 327.2 \$116 for facilities with 2 to 5 permitted sources,
- 327.3 \$232 for facilities with 6 to 10 permitted sources,
- 327.4 \$348 for facilities with 11 to 15 permitted sources,
- 327.5 \$463 for facilities with 16 to 20 permitted sources,
- 327.6 \$579 for facilities with more than 20 permitted sources.

*(Adopted 6/7/00; Amended 6/2/04; 6/16/04; 6/15/05; 6/7/06)*

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

*(Adopted June 7, 2000)*

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

*(Adopted June 15, 2005)*

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

*(Adopted June 15, 2005)*

**3-331 Registration Fees:** Any person who is required to register equipment under District rules shall submit a registration fee, and any annual fee thereafter, as set out in Schedule R.

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

### **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 an additional 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 an additional late fee equal to 50 percent of all fees specified on the invoice.
- 405.3 **Renewal of Permit to Operate:** The facility will be notified that the permit has lapsed and that further operation is no longer authorized. Reinstatement of lapsed Permits to Operate will require the payment of reinstatement fees in addition to all fees specified on the invoice. Fees shall be calculated using fee schedules in effect at either the time of reinstatement or at the time additional fees are assessed under subsection 3-405.2.
  - 3.1 Fees received during the first 30 days following the due date must include all fees specified on the invoice plus a reinstatement fee equal to 10 percent of all fees specified on the invoice.
  - 3.2 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 invoice plus a reinstatement fee equal to 50 percent of all fees specified on the invoice.
- 405.4 **Other Fees:** Persons who have not paid the fee by the invoice due date, shall pay a 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.
  - 4.1 Fees received more than 30 days after the invoice due date must include a late fee of 10 percent of the original invoiced fee.

*(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)*

- 3-406 Deleted June 4, 1986**
- 3-407 Deleted August 2, 1995**
- 3-408 Permit to Operate Valid for 12 Months:** A Permit to Operate is valid for 12 months from the date of issuance or other time period as approved by the APCO. *(Amended 6/4/86; Amended 6/7/00)*
- 3-409 Deleted June 7, 2000**
- 3-410 Deleted August 2, 1995**
- 3-411 Advance Deposit of Funds:** The APCO may require that at the time of the filing of an application for an Authority to Construct for a project for which the District is a lead agency under the California Environmental Quality Act (Public Resources Code, Section 21000, et seq.), the applicant shall make an advance deposit of funds, in an amount to be specified by the APCO, to cover the costs which the District estimates to incur in connection with the District's performance of its environmental evaluation and the preparation of any required environmental documentation. In the event the APCO requires such an estimated advance payment to be made, the applicant will be provided with a full accounting of the costs actually incurred by the District in connection with the District's performance of its environmental evaluation and the preparation of any required environmental documentation. *(Adopted 12/18/85; Amended 8/2/95)*
- 3-412 Deleted December 2, 1998**
- 3-413 Toxic "Hot Spots" Information and Assessment Act Revenues:** No later than 120 days after the adoption of this regulation, the APCO shall transmit to the California Air Resources Board, for deposit into the Air Toxics "Hot Spots" Information and Assessment Fund, the revenues determined by the ARB to be the District's share of statewide Air Toxics "Hot Spot" Information and Assessment Act expenses. *(Adopted October 21, 1992)*
- 3-414 Deleted December 2, 1998**
- 3-415 Failure to Pay - Further Actions:** When an applicant or owner/operator fails to pay the fees specified on the invoice by the due date, the APCO may take the following actions against the applicant or owner/operator:
  - 415.1 Issuance of a Notice to Comply.
  - 415.2 Issuance of a Notice of Violation.



415.3 Revocation of an existing Permit to Operate. The APCO shall initiate proceedings to revoke permits to operate for any person who is delinquent for more than one month. The revocation process shall continue until payment in full is made or until permits are revoked.

415.4 The withholding of any other District services as deemed appropriate until payment in full is made.

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

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

*(Adopted October 8, 1997)*

**SCHEDULE A  
HEARING BOARD FEES<sup>1</sup>**

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 .....	\$1733  \$867	\$259  \$87	
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 .....	\$1041  \$519	\$259  \$87	
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.....	\$691  \$519	\$87  \$87	
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.....	\$691  \$519	\$87  \$87	
5.	For each application to revoke a variance .....	\$1041	\$87	
6.	For each application for approval of a Schedule of Increments of Progress in accordance with §41703 .....	\$691	\$87	
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.....	\$1733  \$867	\$259  \$87	
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 .....	\$1041  \$519	\$259  \$87	
9.	For each Appeal (Permit, Banking, Title V).....	\$1733 per hearing day	\$867 per hearing day	\$867 for entire appeal period
10.	For each application for intervention in accordance with Hearing Board Rules §§2.3, 3.6 & 4.6.....	\$867	\$174	
11.	For each application to Modify or Terminate an abatement order .....	\$1733 per hearing day	\$867 per hearing day	
12.	For each application for an interim variance in accordance with §42351	\$867	\$174	
13.	For each application for an emergency variance in accordance with §42359.5.....	\$432	\$87	

		Large Companies	Small Business	Third Party
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	\$867	\$259	\$259
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) .....	\$174 or cost per day if hearing solely dedicated to one Docket	\$0	\$174 or cost per day if hearing solely dedicated to one Docket

NOTE 1 Any person who certifies under penalty of perjury that payment of the foregoing fees will cause an unreasonable hardship, may be excused from the payment of fees by order of the Hearing Board on that account.

*(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)*

**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 \$1.66 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 \$8.26 Per Pound
Asbestos	
Benzene	
Cadmium	
Carbon tetrachloride	
Chlorinated dioxins and dibenzofurans (15 species)	
Ethylene dibromide	
Ethylene dichloride	
Ethylene oxide	
Formaldehyde	
Hexavalent chromium	
Methylene chloride	
Nickel	
Perchloroethylene	
1,3-Butadiene	
Inorganic arsenic	
Beryllium	
Polynuclear aromatic hydrocarbons (PAH)	
Vinyl chloride	
Lead	
1,4-Dioxane	
Trichloroethylene	

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

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

$$\text{Fee} = (\text{Opacity}^* \text{ equivalent} - 20) \times \text{number of days allowed in variance} \times \$1.85$$

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:

$$\text{Fee} = (\text{Opacity}^* \text{ equivalent} - 40) \times \text{number of days allowed by variance} \times \$1.85$$

- \* 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)*

## 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: \$38.79 per MM BTU/HOUR
  - a. The minimum fee per source is: \$207
  - b. The maximum fee per source is: \$72,374
  
2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.
  - a. RSF for first TAC source in application: \$300 plus \$38.79 per MM BTU/hr
  - b. Minimum RSF for first TAC source: \$507
  - c. RSF for each additional TAC source: \$38.79 per MM BTU/Hr \*
  - d. Minimum RSF per additional TAC source: \$207 \*
  - e. Maximum RSF per source is: \$72,374
    - \* RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
  
3. PERMIT TO OPERATE FEE: \$19.39 per MM BTU/HOUR
  - a. The minimum fee per source is: \$148
  - b. The maximum fee per source is: \$36,186
  
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.
  
5. ROUNDING: Fees for each source will be rounded to the nearest dollar. The fee for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.
  
6. Applicants for an authority to construct and permit to operate a project, which burns municipal waste or refuse-derived fuel, shall pay in addition to all required fees, an additional fee to cover the costs incurred by the State Department of Health Services, and/or a qualified contractor designated by the State Department of Health Services, in reviewing a risk assessment as required under H&S Code Section 42315. The fee shall be transmitted by the District to the Department of Health Services and/or the qualified contractor upon completion of the review and submission of comments in writing to the District.
  
7. A surcharge equal to 100% of all required initial and permit to operate fees shall be charged for sources permitted to burn one or more of the following fuels: coke, coal, wood, tires, black liquor, and municipal solid waste.

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

*(Amended 6/5/85; 6/4/86; 3/4/87; 6/6/90; 7/3/91; 6/15/94; 10/8/97; 7/1/98  
7/1/98; 5/19/99; 6/7/00; 6/6/01, 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06)*

**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: 0.165 cents per gallon
  - a. The minimum fee per source is: \$182
  - b. The maximum fee per source is: \$24,806
  
2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.
  - a. RSF for first TAC source in application: \$300 plus 0.165 cents per gallon
  - b. Minimum RSF for first TAC source: \$482
  - c. RSF for each additional TAC source: 0.165 cents per gallon \*
  - d. Minimum RSF per additional TAC source: \$182 \*
  - e. Maximum RSF per source is: \$24,806

\* RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
  
3. PERMIT TO OPERATE FEE: 0.083 cents per gallon
  - a. The minimum fee per source is: \$130
  - b. The maximum fee per source is: \$12,403
  
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.
  
5. ROUNDING: Fees for each source will be rounded to the nearest dollar. The fee for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.

*(Amended 2/20/85; 6/5/85; 6/4/86; 7/3/91; 6/15/94; 7/1/98; 5/19/99;  
6/7/00; 6/6/01, 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06)*



**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: \$125.48 per single product nozzle (spn)  
\$125.48 per product for each multi-product nozzle (mpn)
2. PERMIT TO OPERATE FEE: \$48.06 per single product nozzle (spn)  
\$48.06 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:

$$\$173.54 \times \left\{ \left[ (mpn_{\text{proposed}})(\text{products per nozzle}) + spn_{\text{proposed}} \right] - \left[ (mpn_{\text{existing}})(\text{products per nozzle}) + spn_{\text{existing}} \right] \right\}$$

*mpn* = multi-product nozzles  
*spn* = single product nozzles

The above formula includes a toxic surcharge.

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

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

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

4. RISK SCREENING FEE (RSF) of \$300 per application is only applicable to projects for which a health risk screening analysis is required under Regulation 2-5-401 [including increases in permitted throughput for which a health risk screening analysis is required.]
  5. Nozzles used exclusively for the delivery of diesel fuel or other fuels exempt from permits shall pay no fee. Multi-product nozzles used to deliver both exempt and non-exempt fuels shall pay fees for the non-exempt products only.
- B. All bulk plants, terminals or other facilities using loading racks to transfer gasoline or gasohol into trucks, railcars or ships shall pay the following fees:

1. INITIAL FEE: \$1,649 per single product loading arm  
\$1,649 per product for multi-product arms
2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.
  - a. RSF for first TAC source in application: \$1,949
  - b. RSF for each additional TAC source: \$1,649 \*

\* RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$460 per single product loading arm  
\$460 per product for multi-product arms

4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.
- C. Fees in (A) above are in lieu of tank fees. Fees in (B) above are in addition to tank fees.
- D. Fees for each source will be rounded to the nearest dollar. The fee for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.

*(Amended 2/20/85; 6/5/85; 6/4/86; 7/3/91; 6/15/94; 10/8/97; 7/1/98;  
5/19/99; 6/7/00; 6/6/01, 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06)*

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

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

1. INITIAL FEE:
  - a. The minimum fee per source is: \$276
  - b. If usage is not more than 1,000 gallons/year: \$276
  - c. If usage is more than 1,000 gallons/year: \$555 per 1,000 gallons
  - d. The maximum fee per source is: \$22,069
  
2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.
  - a. RSF for first TAC source in application: \$300 plus initial fee
  - b. Minimum RSF for first TAC source: \$576
  - c. RSF for each additional TAC source: equal to initial fee \*
  - d. Minimum RSF per additional TAC source: \$276 \*
  - e. Maximum RSF per source is: \$22,069

\* RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
  
3. PERMIT TO OPERATE FEE:
  - a. The minimum fee per source is: \$199
  - b. If usage is not more than 1,000 gallons/year: \$199
  - c. If usage is more than 1,000 gallons/year: \$276 per 1,000 gallons
  - d. The maximum fee per source is: \$11,033
  
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.
  
5. Fees for each source will be rounded to the nearest dollar. The fee for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.

*(Amended 5/19/82; 10/17/84; 6/5/85; 6/4/86; 10/8/87; 7/3/91; 6/15/94; 7/1/98;  
5/19/99; 6/7/00; 6/6/01, 5/1/02, 5/21/03; 6/2/04; 6/15/05; 6/7/06)*

**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: \$276
2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.
  - a. RSF for first TAC source in application: \$576
  - b. RSF for each additional TAC source: \$276 \*

\* RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$199
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: \$1,654
2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.
  - a. RSF for first TAC source in application: \$1,954
  - b. RSF for each additional TAC source: \$1,654 \*

\* RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$826
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: \$2,470
2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.
  - a. RSF for first TAC source in application: \$2,770
  - b. RSF for each additional TAC source: \$2,470 \*

\* RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$1,234
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: \$16,565
2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.
  - a. RSF for first TAC source in application: \$16,865
  - b. RSF for each additional TAC source: \$16,565 \*

\* RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$8,282
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: \$47,335
2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.
  - a. RSF for first TAC source in application: \$47,635
  - b. RSF for each additional TAC source: \$47,335 \*

\* RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$23,667
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: \$24,848
2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.
  - a. RSF for first TAC source in application: \$25,148
  - b. RSF for each additional TAC source: \$24,848 \*

\* RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$12,423
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)*

**SCHEDULE G-1**  
(Adopted June 18, 1980)

<b>Equipment or Process Description</b>	<b>Materials Processed or Produced</b>
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

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

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

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



**SCHEDULE G-2**  
(Adopted June 6, 1990)

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

*(Amended June 7, 2000)*

**SCHEDULE G-3**  
(Adopted June 18, 1980)

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

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

**SCHEDULE G-4**  
(Adopted June 6, 1990)

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

*(Amended June 7, 2000)*

**SCHEDULE G-5**

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

**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: \$276
  - b. The maximum fee per source is: \$22,070

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

  - c. SOLVENT CLEANING OPERATIONS, such as usage of:  
Solvent Sinks (as defined in Regulation 8-30-214);  
Solvent Spray Stations (as defined in Regulation 8-30-221);  
Solvent Vapor Stations (as defined in Regulation 8-30-222); and  
Wipe Cleaning Operation (as defined in Regulation 8-30-225).  
The fee is based on the gross throughput of organic solvent processed through the solvent cleaning operations on an annual basis (or anticipated to be processed, for new sources):
    - i. If gross throughput is not more than 3,000 gal/yr: \$276
    - ii. If gross throughput is more than 3,000 gallons/year: \$186 per 1,000 gallon
  - d. COATING OPERATIONS, such as application of:  
Photoresist (as defined in Regulation 8-30-215); other wafer coating;  
Solvent-Based Photoresist Developer (as defined in Regulation 8-30-219);  
and other miscellaneous solvent usage.  
The fee is based on the gross throughput of organic solvent processed through the coating operations on an annual basis (or anticipated to be processed, for new sources):
    - i. If gross throughput is not more than 1,000 gal/yr: \$276
    - ii. If gross throughput is more than 1,000 gallons/year: \$555 per 1,000 gallon
2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.
  - a. RSF for first TAC source in application: \$300 plus initial fee
  - b. Minimum RSF for first TAC source: \$576
  - c. RSF for each additional TAC source: equal to initial fee \*
  - d. Minimum RSF per additional TAC source: \$276 \*
  - e. Maximum RSF per source is: \$22,070

\* RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE:
  - a. The minimum fee per source is: \$199
  - b. The maximum fee per source is: \$11,033

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

  - c. SOLVENT CLEANING OPERATIONS, such as usage of:  
Solvent Sinks (as defined in Regulation 8-30-214);  
Solvent Spray Stations (as defined in Regulation 8-30-221);  
Solvent Vapor Stations (as defined in Regulation 8-30-222); and  
Wipe Cleaning Operation (as defined in Regulation 8-30-225).

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

- i. If gross throughput is not more than 3,000 gal/yr: \$199
- ii. If gross throughput is more than 3,000 gallons/year: \$93 per 1,000 gallon

d. COATING OPERATIONS, such as application of:

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

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

- i. If gross throughput is not more than 1,000 gal/yr: \$199
- ii. If gross throughput is more than 1,000 gallons/year: \$276 per 1,000 gallon

- 4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.
- 5. The fee for each source will be rounded to the whole dollar. Fees for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.

*(Amended 1/9/85; 6/5/85; 6/4/86; 7/3/91; 6/15/94; 10/8/97; 7/1/98; 5/19/99; 10/20/99; 6/7/00; 6/6/01, 5/1/02, 5/21/03; 6/2/04; 6/15/05; 6/7/06)*

**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: \$276
  - b. If the washing or drying capacity exceeds 100 pounds: \$276 plus  
For that portion of the capacity exceeding 100 pounds: \$8.23 per pound
  
2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.
  - a. RSF for first TAC source in application: \$300 plus initial fee
  - b. Minimum RSF for first TAC source: \$576
  - c. RSF for each additional TAC source: equal to initial fee \*
  - d. Minimum RSF per additional TAC source: \$276 \*

\* RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
  
3. PERMIT TO OPERATE FEE FOR A DRY CLEANING MACHINE (per drum):
  - a. If the washing or drying capacity is no more than 100 pounds: \$199
  - b. If the washing or drying capacity exceeds 100 pounds: \$199 plus  
For that portion of the capacity exceeding 100 pounds: \$4.13 per pound
  
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.
  
5. Fees for each source will be rounded to the nearest dollar. The fee for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.

*(Amended 10/17/84; 6/5/85; 6/4/86; 7/3/91; 6/15/94; 10/8/97; 7/1/98;  
5/19/99; 6/7/00; 6/6/01, 5/1/02, 5/21/03; 6/02/04; 6/15/05; 6/7/06)*

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

1. INITIAL FEE:
  - a. Inactive or Closed Solid Waste Disposal Sites \$1,654
  - b. Active Solid Waste Disposal Sites \$3,307
  
2. RISK SCREENING FEE (RSF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk screening analysis is required under Regulation 2-5-401.
  - a. RSF for first TAC source in application: \$300 plus initial fee
  - b. RSF for each additional TAC source: equal to initial fee \*

\* RSF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
  
2. PERMIT TO OPERATE FEE:
  - a. Inactive or Closed Solid Waste Disposal Sites \$826
  - b. Active Solid Waste Disposal Sites \$1,654
  
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) \$994
  - b. Inactive Site Questionnaire evaluation as required by Health & Safety Code Section 41805.5(b) \$498
  - 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) \$498
  - d. Evaluation of Initial or Amended Design Capacity Reports as required by Regulation 8, Rule 34, Section 405 \$366
  - e. Evaluation of Initial or Periodic NMOC Emission Rate Reports as required by Regulation 8, Rule 34, Sections 406 or 407 \$1,048
  - f. Evaluation of Closure Report as required by Regulation 8, Rule 34, Section 409 \$366
  - g. Evaluation of Annual Report as required by Regulation 8, Rule 34, Section 411 \$917
  
6. Fees for each source will be rounded off to the nearest dollar. The fee for sources will be rounded up or down to the nearest dollar.
  
7. For the purposes of this fee schedule, a solid waste disposal site 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)*



**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: ~~\$89~~\$93 for amounts 100 to 500 square feet or linear feet.  
~~\$327~~\$343 for amounts 501 square feet or linear feet to 1000 square feet or linear feet.  
~~\$475~~\$499 for amounts 1001 square feet or liner feet to 2000 square feet or linear feet.  
~~\$653~~\$686 for amounts greater than 2000 square feet or linear feet.
  - b. Cancellation: ~~\$43~~\$45 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: ~~\$251~~\$264 for amounts 100 to 159 square feet or 100 to 259 linear feet or 35 cubic feet  
~~\$364~~\$382 for amounts 160 square feet or 260 linear feet to 500 square or linear feet or greater than 35 cubic feet.  
~~\$529~~\$555 for amounts 501 square feet or linear feet to 1000 square feet or linear feet.  
~~\$779~~\$818 for amounts 1001 square feet or liner feet to 2500 square feet or linear feet.  
~~\$1114~~\$1,167 for amounts 2501 square feet or linear feet to 5000 square feet or linear feet.  
~~\$1526~~\$1,602 for amounts 5001 square feet or linear feet to 10000 square feet or linear feet.  
~~\$1941~~\$2,038 for amounts greater than 10000 square feet or linear feet.
  - b. Cancellation: ~~\$120~~\$126 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: ~~\$43~~\$45
  - b. Cancellation: ~~\$43~~\$45 (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: ~~\$179~~\$188
  - b. Cancellation: ~~\$120~~\$126 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: ~~\$297~~\$312
  
6. Asbestos demolition operations for the purpose of fire training are exempt from fees.
  
7. Floor mastic removal using mechanical buffers and solvent is subject to the following fee:
  - a. OPERATION FEE: ~~\$179~~\$188
  - b. Cancellation: ~~\$120~~\$126 of above amount non-refundable for notification processing.

*(Amended 9/5/90; 1/5/94; 8/20/97; 10/7/98; 7/19/00; 8/1/01, 6/5/02, 7/2/03; 6/2/04)*

**SCHEDULE M**  
**MAJOR STATIONARY SOURCE FEES**  
(Adopted June 6, 1990)

For each major stationary source emitting 50 tons per year or more of Organic Compounds, Sulfur Oxides, Nitrogen Oxides, and/or PM<sub>10</sub>, the fee shall be based on the following:

- |    |                   |                 |
|----|-------------------|-----------------|
| 1. | Organic Compounds | \$82.67 per ton |
| 2. | Sulfur Oxides     | \$82.67 per ton |
| 3. | Nitrogen Oxides   | \$82.67 per ton |
| 4. | PM <sub>10</sub>  | \$82.67 per ton |

Emissions calculated by the APCO shall be based on the data reported for the most recent 12-month period prior to billing. In calculating the fee amount, emissions of Organic Compounds, Sulfur Oxides, Nitrogen Oxides, or PM<sub>10</sub>, 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)*

**SCHEDULE N**  
**TOXIC INVENTORY FEES**  
(Adopted October 21, 1992)

For each stationary source emitting substances covered by California Health and Safety Code Section 44300 *et seq.*, the Air Toxics "Hot Spots" Information and Assessment Act of 1987, which have trigger levels listed in Table 2-5-1, a fee based on the weighted emissions of the facility shall be assessed based on the following formulas:

1. A fee of \$5 for each gasoline product dispensing nozzle in the facility, if the facility is a Gasoline Dispensing Facility; or
2. A fee of \$75 if the facility has emissions in the current Toxic Emissions Inventory which are greater than or equal to 50 weighted pounds per year and less than 1000 weighted pounds per year; or
3. A fee of \$75 +  $S_L \times (w_i - 1000)$  if the facility has emissions in the current Toxic Emissions Inventory which are greater than or equal to 1000 weighted pounds per year;

where the following relationships hold:

$w_i$  = facility weighted emissions for facility  $j$ ; where the weighted emission for the facility shall be calculated as a sum of the individual emissions of the facility multiplied by either the Unit Risk Factor (URF) for the substance times one hundred thousand (in cubic meters/microgram) if the emission is a carcinogen, or by the reciprocal of the chronic reference exposure level ( $REL_C$ ) for the substance (in cubic meters/microgram) if the emission is not a carcinogen [use URF and  $REL_C$  as listed in Table 2-5-1]:

$w_j$  = Facility Weighted Emission =  $\sum_{i=1}^n E_i * Q_i$  where

$n$  = number of toxic substances emitted by facility

$E_j$  = amount of substance  $i$  emitted by facility in lbs/year

$Q_j$  =  $URF * 10^5$ , if  $i$  is a carcinogen; or

$Q_j$  =  $[REL_C]^{-1}$ , if  $i$  is not a carcinogen

$F_T$  = Total amount of fees to be collected by the District to cover District and State of California AB 2588 costs as most recently adopted by the Board of Directors of the California Environmental Protection Agency, Air Resources Board, and set out in the most recently published "Amendments to the Air Toxics "Hot Spots" Fee Regulation," published by that agency.

$N_L$  = Number of facilities with emissions in current District Toxic Emissions Inventory greater than 1000 weighted pounds per year.

$N_S$  = Number of facilities with emissions in current District Toxic Emissions Inventory greater than 50 weighted pounds per year and less than 1000 weighted pounds per year.

$N_{NOZ}$  = Number of gasoline-product-dispensing nozzles in currently permitted Gasoline Dispensing Facilities.

$S_L$  = Surcharge per pound of weighted emissions for each pound in excess of 1000 weighted pounds per year, where  $S_L$  is given by the following formula:

$$S_L = \frac{F_T - (75 \times N_S) - (75 \times N_L) - (5 \times N_{NOZ})}{\sum_{j=1}^{N_L} (w_j - 1000)}$$

*(Amended 12/15/93; 6/15/05)*

**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 ..... \$283 per source
  - b. MFR EMISSIONS FEE .....\$11.13 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 ..... \$2,827 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 ..... \$394 per application
- b. SYNTHETIC MINOR INITIAL PERMIT FEE ..... \$276 per source
- c. SYNTHETIC MINOR REVISION FEE .....\$276 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 applicable fees according to 3a-h below. The fees in 3b and 3g apply to each source in the initial or renewal permit, while the fees in 3d-f apply to each source affected by the revision or reopening.

- a. MFR FILING FEE ..... \$394 per application
- b. MFR INITIAL PERMIT FEE ..... \$381 per source
- c. MFR ADMINISTRATIVE AMENDMENT FEE ..... \$112 per application
- d. MFR MINOR REVISION FEE .....\$559 per source modified
- e. MFR SIGNIFICANT REVISION FEE .....\$1,043 per source modified
- f. MFR REOPENING FEE .....\$342 per source modified
- g. MFR RENEWAL FEE ..... \$166 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 .....\$588 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 \$7,605
  - 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 .....\$67 per source, not to exceed \$6,613

*(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)*

**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:       ~~\$120~~\$126

*(Amended 7/19/00; 8/1/01, 6/5/02, 7/2/03; 6/2/04)*

**SCHEDULE R**  
**EQUIPMENT REGISTRATION FEES**

1. Persons operating commercial cooking equipment that are required to register equipment as required by District rules are subject to the following fees:
  - a. Conveyorized Charbroiler REGISTRATION FEE: \$475
  - b. Conveyorized Charbroiler ANNUAL RENEWAL FEE: \$135
  - c. Under-fired Charbroiler REGISTRATION FEE: \$475
  - d. Under-fired Charbroiler ANNUAL RENEWAL FEE: \$135



**SCHEDULE S**  
**NATURALLY OCCURRING ASBESTOS OPERATIONS**

1. ASBESTOS DUST MITIGATION PLAN PROCESSING FEE:

Any person submitting an Asbestos Dust Mitigation Plan (ADMP) for review of an Naturally Occurring Asbestos (NOA) project shall pay the following fee (including NOA Discovery Notifications which would trigger an ADMP review): \$225

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: \$2,000