



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS' REGULAR MEETING

May 20, 2009

A meeting of the Bay Area Air Quality Management District Board of Directors will be held at 9:45 a.m. in the 7th 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
MAY 20, 2009
9:45 A.M.

BOARD ROOM
7TH FLOOR

CALL TO ORDER

Opening Comments
Roll Call
Pledge of Allegiance

Chairperson, Pamela Torliatt
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 – 4)

Staff/Phone (415) 749-

1. Minutes of May 6, 2009

L. Harper/5073

lharp@baaqmd.gov

2. Communications

J. Broadbent/5052

jbroadbent@baaqmd.gov

Information only.

3. Quarterly Report of Division Activities

J. Broadbent/5052

jbroadbent@baaqmd.gov

The quarterly reports included in the agenda packet reflect division activities for the months of January – March, 2009.

4. Consideration of Recommendation for Contractor for Public Opinion Research Services

J. Broadbent/5052

jbroadbent@baaqmd.gov

The Board of Directors will consider approval of True North Research as the contractor to conduct public opinion research services in an amount not to exceed \$100,000, and authorize the Executive Officer/APCO to execute contract.

COMMITTEE REPORTS AND RECOMMENDATIONS

5. Report of the **Public Outreach Committee Meeting** of May 7, 2009

CHAIR: M. ROSS

J. Broadbent/5052

jbroadbent@baaqmd.gov

COMMITTEE REPORTS AND RECOMMENDATIONS CONTINUED

6. Report of the **Executive Committee Meeting** of May 18, 2009

Action(s): The Committee may recommend Board of Directors' approval of the following:

- A) *Air District Strategic Vision;*
- B) *Community Grant Program Guidelines;*
- C) *Appointment of Interim Officers and Directors on the Air District's Foundation; and*
- D) *Amendments to the Air District's Administrative Code.*

PUBLIC HEARING(S)

7. Final Public Hearing to Consider Adoption of Proposed Fee Amendments to Air District Regulation 3: Fees, and Approval of a Notice of Exemption from CEQA **J. Broadbent/5052**
jbroadbent@baaqmd.gov

At the Board of Directors' meeting on April 15, 2009, staff presented proposed amendments to Air District Regulation 3: Fees – for next fiscal year. No action was taken to adopt the fee amendments, under California Health and Safety Code 41512.5, certain fee schedules require an initial public hearing to be held at least 30 days prior to the date at which adoption or revision of the fee schedules will be considered by the district board. This is the final public hearing.

CLOSED SESSION

8. **Public Employee Performance Evaluations (Government Code Section 54957 and 54957.6)**

Pursuant to Government Code Section 54957 and 54957.6, the Board of Directors will meet in closed session to conduct performance evaluations of the Executive Officer/APCO and District Counsel.

OPEN SESSION

OTHER BUSINESS

9. Report of the Executive Officer/APCO

10. Chairperson's Report

11. 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)

12. Time and Place of Next Meeting – Budget Hearing Immediately Following Regular Meeting - Wednesday, May 20, 2009 - 939 Ellis Street, San Francisco, CA 94109

13. Adjournment

CONTACT EXECUTIVE OFFICE - 939 ELLIS STREET SF, CA 94109

(415) 749-5127

FAX: (415) 928-8560

BAAQMD homepage:

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.
- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the Air District's headquarters at 939 Ellis Street, San Francisco, CA 94109, at the time such writing is made available to all, or a majority of all, members of that body. Such writing(s) may also be posted on the Air District's website (www.baaqmd.gov) at that time.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
939 ELLIS STREET, SAN FRANCISCO, CALIFORNIA 94109
(415) 771-6000

EXECUTIVE OFFICE:
MONTHLY CALENDAR OF DISTRICT MEETINGS

MAY 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Advisory Council Regular Meeting	Wednesday	13	9:00 a.m.	Board Room
Joint Policy Committee	Friday	15	10:00 a.m.	MTC Auditorium 101 8 th Street Oakland, CA 94607
Board of Directors Executive Committee <i>(At the Call of the Chair)</i>	Monday	18	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	20	9:45 a.m.	Board Room
Board of Directors Budget Hearing <i>(At the Call of the Chair)</i>	Wednesday	20	Immediately Following Board of Directors Regular Meeting	Board Room
Board of Directors Personnel Committee – <i>(At the Call of the Chair)</i>	Wednesday	27	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee – <i>(Meets 4th Thursday of each Month)</i>	Thursday	28	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i>	Thursday	28	Immediately Following Mobile Source Cme. Meeting	4th Floor Conf. Room

JUNE 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Budget & Finance Committee <i>(At the Call of the Chair)</i>	Monday	1	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	3	9:45 a.m.	Board Room
Board of Directors Public Outreach Committee <i>(Meets 1st Thursday every other Month) - CANCELLED</i>	Thursday	4	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Legislative Committee <i>(Meets 2nd Thursday of each Month)</i>	Thursday	11	9:30 a.m.	4 th Floor Conf. Room

JUNE 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Month)</i>	Thursday	11	Immediately Following Legislative Cme. Meeting	4 th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	17	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee <i>– (Meets 4th Thursday of each Month)</i>	Thursday	25	9:30 a.m.	4 th Floor Conf. Room

JULY 2009

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	1	9:45 a.m.	Board Room
Advisory Council Regular Meeting	Wednesday	8	9:00 a.m.	Board Room
Board of Directors Legislative Committee <i>(Meets 2nd Thursday of each Month)</i>	Thursday	9	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Climate Protection Committee <i>(Meets 2nd Thursday each Mont)</i>	Thursday	9	Following Legislative Cme. Mtg.	4th Floor Conf. Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	15	9:45 a.m.	Board Room
Joint Policy Committee	Friday	17	10:00 a.m.	MTC Auditorium 101 8 th Street Oakland, CA 94607
Board of Directors Stationary Source Committee <i>(Meets 3rd Monday Quarterly)</i>	Monday	20	9:30 a.m.	Board Room
Board of Directors Mobile Source Committee <i>– (Meets 4th Thursday of each Month)</i>	Thursday	23	9:30 a.m.	4 th Floor Conf. Room

HL – 5/11/09 (9:30 a.m.)
P/Library/Forms/Calendar/Calendar/Moncal

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Pamela Torliatt and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 12, 2009

Re: Board of Directors' Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Regular Board of Directors' meeting of May 6, 2009.

DISCUSSION

Attached for your review and approval are the draft minutes of the Regular Board of Directors' meeting of May 6, 2009.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, CA 94109
(415) 749-5000

Board of Directors' Regular Meeting
May 6, 2009

DRAFT MINUTES

CALL TO ORDER: Chairperson Pamela Torliatt called the meeting to order at 9:58 a.m.

Roll Call: Chairperson Pamela Torliatt, Vice Chairperson Brad Wagenknecht, Secretary Tom Bates and Directors Harold Brown, Chris Daly, Dan Dunnigan, Susan Garner, John Gioia, Carole Groom, Scott Haggerty, Jennifer Hosterman, Yoriko Kishimoto, Liz Kniss, Eric Mar, Nate Miley, Mark Ross, Michael Shimansky, James Spering, Gayle Uilkema, Ken Yeager and Shirlee Zane

Absent: Director Carol Klatt

PLEDGE OF ALLEGIANCE: Lisa Fasano led the Pledge of Allegiance.

Public Comments: Maggie Liftik, Healthy Air Coalition, Mothers & Others for Measuring Metals in the Air, voiced concerns regarding Pacific Steel Casting (PSC), risk levels used in the HRA, and requested odor complaint process improvements and additional air monitoring.

Solomon Barish, Berkeley, requested that PSC be tested every day.

Sasha Barish, Berkeley, age 10, asked to be able to breathe clean air every day.

Judith Barish, Health Air Coalition, asked that the District adopt a toxics use reduction strategy and increase air monitoring of PSC.

Ros Ruiz, GreenAction, reported dangerous levels of manganese and other toxins from PSC and asked for more stringent regulations.

Bradley Angel, Director of Green Action for Health and Environmental Justice, requested additional enforcement and regulation of PSC and asked that the Air District address cumulative impacts.

Christopher Kroll, West Berkeley Alliance for Clean Air and Safe Jobs, referred to an email sent from Janice Schroeder regarding recommendations of the District's Advisory Council and requested new procedures for the District's complaint and NOV process.

Patrick Stelmach, West Berkeley, expressed anger over known toxin levels at PSC, said PSC lowers its production capacity on days air monitoring equipment is operating, requested the District make PSC's operation schedule known to local schools and residents, improve its complaint and NOV processes, and install air monitors at schools.

Executive Officer/APCO Jack Broadbent acknowledged concerns of speakers regarding PSC, said cumulative risk policies are being developed through the CARE Program and an update will be provided at the upcoming Stationary Source Committee meeting.

CONSENT CALENDAR (Items 1-5):

1. Approval of Minutes of April 15, 2009;
2. Communications;
3. District Personnel on Out-of-State Business Travel
4. Consider Establishing New Job Classifications of Health Officer with a Salary Set at Pay Range 148M and Manager, Executive Operations with a Salary Set at Pay Range 148M.
5. Consideration and Approval of a Contractor to Replace the Air District's Meteorological Model

Director Yeager requested removal of Item 4.

Board Action: Director Brown moved to approve Consent Calendar Items 1, 2, 3, and 5; seconded by Director Dunnigan; carried unanimously without opposition.

4. Consider Establishing New Job Classifications of Health Officer with a Salary Set at Pay Range 148M and Manager, Executive Operations with a Salary Set at Pay Range 148M.

Directors requested and received clarification regarding the Manager, Executive Operations position.

Board Action: Director Yeager moved approval of Item 4; seconded by Director Wagenknecht; unanimously approved without objection.

COMMITTEE REPORTS AND RECOMMENDATIONS:

Report 6. **Legislative Committee Meeting**
April 15, 2009
Report given by Chairperson T. Bates

March 23, 2009 Committee minutes approved.

Discussion/Actions:

The Committee discussed the most recent poll taken of four Options on Board Size and Composition. A total of nine (9) responses were received. Consensus at the Committee meeting was reached on Option B; however, at the Board meeting Directors agreed that the matter required further discussion and recommended future discussions focus on efficiency of the Board, fairness, distribution of seats, representation based not only on population but one that also considers areas with major transit, jobs, airports, major trade corridors; where pollution is being generated and where District efforts would be most effective.

The Committee also discussed and considered new bills of air quality significance and corresponding agency positions, and recommends Board of Directors' approval of the nine (9) positions listed in the Board packets. The next meeting of the Legislative Committee is at the Call of the Chair.

Board Action: Director Bates moved that the Board of Directors approve the report and recommendations of the Legislative Committee Meeting and to refer Board Size and Composition back to the Committee; seconded by Director Wagenknecht; unanimously approved without objection.

Report 7. Climate Protection Committee Meeting
April 17, 2009
Report given by Chairperson Y. Kishimoto

March 23, 2009 Committee minutes approved.

Discussion/Actions:

The Committee received an update on the 2009 Climate Action Leadership Summit, scheduled for Monday, May 4, 2009 at the Fox Oakland Theater and discussed the event's agenda, key logistics, morning and afternoon workshops and sponsors. The Committee then received a Climate Protection Grant Program update, which included a discussion of program objectives to reduce GHG emissions, expansion of existing best practices, fostering innovation, co-benefit achievements and engagement of impacted communities. Grants were divided into three categories; Youth Outreach, Planning and Regional Strategies. The Committee discussed successes of these grants which resulted in job creation, 122 public meetings, and participation and involvement from more than 6,400 youth.

The Committee then received a presentation from JPC Climate Consultant, Bruce Riordan on the Joint Policy Committee's Regional Agency Climate Priorities for 2009/2010. Three broad concepts where the four agencies could work together on climate protection activities had been presented to the JPC in March that included:

1. A coordinated approach for the region playing that role;
2. Looking at specific projects the four agencies would take on to get direct GHG emission reductions; and
3. Looking at advocacy and how to build more of a movement.

The four agencies would then focus on six (6) direct projects or programs which would:

1. Begin developing the Sustainable Community Strategy (SB 375)—with ABAG and MTC as the lead agencies;
2. Design and adopt an Indirect Source Rule—with the Air District as the lead agency;
3. Develop and advance climate-friendly regional parking policies—with MTC as the lead agency;
4. Provide support for a coordinated public/private regional plan for electric vehicles—with the Air District and MTC as the lead agencies;
5. Design and implement a regional solar installation/energy efficiency financing program for existing residential/commercial buildings—with ABAG as the lead agency; and
6. Coordinate a regional/local approach to climate adaptation—with BCDC and ABAG as the lead agencies.

The Committee will receive an update on the proposals at a future Committee meeting. The next meeting of the Climate Protection Committee is scheduled for Thursday, May 28, 2009 immediately following the Mobile Source Committee meeting.

Board Action: Director Kishimoto moved that the Board of Directors approve the report of the Climate Protection Committee Meeting; seconded by Director Bates; unanimously approved without objection.

Board Discussion:

Directors requested an update be provided on pricing proposals and examples of model ordinances if regulation is approved.

Report 8. Stationary Source Committee Meeting
April 20, 2009
Report given by Chairperson J. Gioia

January 12, 2009 Committee minutes approved.

Discussion/Actions:

The Committee received an overview of the 2008/2009 Woodsmoke Reduction Program and discussed extensive outreach efforts which have resulted in the doubling of email *AirAlert* sign-ups, 12,000 phone alert signups, 500,000 calls to the 1-877-4NO-BURN hotline, four TV news feature segments, 80 print articles, 6 opinion/editorial articles, and a rebate program for gas-stoves and gas-inserts. Bay Area survey results revealed that 77% supported the no-burn regulation, 74% are aware of "Check Before You Burn", 69% understand that there are negative health effects of woodsmoke, and there was a 50% reduction in the number of people burning on previous nights from the last season. For the 2009/2010 strategy, Air District staff will declare *AirAlerts* using the prior day's afternoon forecast, with curtailment running midnight to midnight for the entire day, or until lifted.

The Committee then received a status report on the Flare Minimization Plan First Annual Update under Regulation 12, Rule 12: Flares at Petroleum Refineries. The annual update process requires that each refinery develop a Flare Minimization Plan to make permanent flare reduction achievements. Over 50 new prevention measures were identified between June 2006 and May 2008 and one public comment was received during the 30-day period requesting that the District make information in the plans more understandable and user-friendly. The plans were further updated, evaluated, and approved on April 17, 2009.

The Committee received a status report on the California Air Resources Board Enhanced Vapor Recovery (EVR) April 1, 2009 deadline, which requires all gasoline dispensing facilities with underground tanks to upgrade to new hanging hardware and new tank pressure management systems. The Air District is providing reasonable and measured enforcement for a total of 2,059 gas stations. The next ARB compliance deadline is September 1, 2009 for In-Station Diagnostics (ISD) Monitoring Instrumentation, and Air District staff does not anticipate this deadline being as much of a problem due to stations already upgrading equipment to coincide with April 1st deadline. The next meeting of the Committee is scheduled for Monday, July 20, 2009 at 9:30 a.m.

Board Action: Director Gioia moved that the Board of Directors approve the report of the Stationary Source Committee Meeting; seconded by Director Garner; unanimously approved without objection.

Report 9. Budget and Finance Committee Meeting
April 29, 2009 and May 6, 2009
Report given by Chairperson C. Daly

March 30, 2009 and April 29, 2009 Committee minutes approved.

Discussion/Actions:

The Budget and Finance Committee met on Wednesday, April 29, 2009 at 9:30 a.m. and today, May 6, 2009 prior to the Board of Directors meeting. The Committee approved the minutes of March 30, 2009 and April 29, 2009. At the April 29th meeting, the Committee received the financial report for the second quarter for Fiscal Year 2008/2009 and a review of financial trends, challenges and risks over the next three years, and suggested further discussion on Reserves be held during the Budget discussion.

The Committee also received responses to questions raised at its last meeting regarding the Fiscal Year 2009/2010 proposed Air District Budget regarding itemization of countywide property tax reductions, breakdown of the In-State Travel budget, and consideration to purchase air monitoring and laboratory equipment. The Committee discussed options regarding grant funding, dedicating funds for climate protection, the OPEB liability, and the status of the Climate Foundation and gave direction to return with recommendations on the Climate Protection Foundation and recommendations for Appendix C – Fund Balances. The Committee recommends Board of Directors' approval of the FYE 2010 Budget, with the exception of Appendix C - Fund Balances.

The Committee discussed the Air District's budgeting system which is outdated and requires excessive staff support, cost and risk. The Committee recommends Board of Directors' approval to authorize the Executive Officer/APCO to solicit bids and execute agreements for a Budgeting System Standardization not to exceed \$175,000 from the Air District's FY 2008/09 Professional Services budget. The Committee also received an overview of the Air District's main Datacenter and Computer Network. Upgrades to these systems will substantially improve the power efficiencies and reliability of the systems. The Committee recommends Board of Directors' approval to authorize the Executive Officer/APCO to solicit bids and execute agreements for Datacenter improvements in an amount not to exceed \$525,000 and Computer Networking improvements in an amount not to exceed \$225,000.

The Committee then discussed the District's deferred maintenance and facility planning strategy, annual facilities costs and the Request for Proposal process. The process was initiated for a strategic facilities planning analysis as a prerequisite to any decision on major capital expenditures related to the Air District headquarters. The RFP will analyze existing and future space needs and costs for options to remodel, renovate, demolish and rebuild, or purchase or lease new space. The Committee discussed options, and recommends Board of Directors' approval in assigning facilities responsibilities to the Budget and Finance Committee.

At the Budget and Finance Committee meeting held prior to the Board meeting today, the Committee reviewed Appendix C- Fund Balances and recommends Board of Directors' approval of the proposed budget for Fiscal Year 2009/2010, as amended, which allocates the following: \$3 million for Building and Facilities; \$2 million for Capital Equipment; \$1 million for Climate Protection; and \$4 million for OPEB (Reserve for economic uncertainties) upon completion of the public hearing process. The next meeting of the Budget and Finance Committee is at the call of the Chair.

Board Action: Director Daly moved that the Board of Directors approve the report and recommendations of the Budget and Finance Committee Meetings; seconded by Director Uilkema; unanimously approved without objection.

Report 10. Mobile Source Committee Meeting
April 30, 2009
Report given by Chairperson S. Haggerty

March 26, 2009 Committee minutes approved.

Discussion/Actions:

The Committee received a status report of the Air District's application to the United States EPA for Diesel Emissions Reduction Act (DERA) funding and the U.S. Department of Energy under the Clean Cities Transportation Sector Petroleum Reduction Technologies Program. The Committee then considered proposed Supplemental Transportation Fund for Clean Air Regional Fund Policies and Evaluation Criteria for Fiscal Year 209/2010 and proposed allocations for specific projects, and recommends Board of Directors' approval of:

1. The proposed FY 2009/2010 TFCA Regional Fund Policies and Evaluation Criteria presented in Attachment B of Agenda Item 4 of the staff report; and
2. Up to \$5 Million for alternative-fuel vehicle and infrastructure projects (Policies # 21-25) to be reserved to match the Air District's application to the Department of Energy (DOE) under Clean Cities FY09 Petroleum Reduction Technologies Projects for the Transportation Sector, Area Interest #4.

The Committee considered revisions to three Fiscal Year 2008/2009 Transportation Fund for Clean Air Regional Fund Projects and recommends Board of Directors' approval of:

- Project #08R53 with Yandell Truckaway, Inc. for an allocation of \$362,436 for retrofit of 20 heavy duty trucks;
- Project #08R59 with Pacific Water Trucks for an allocation of \$115,118 for repower and retrofit of 3 heavy duty vehicles; and
- Project #08R76 with Solano County Transportation Authority for an allocation of \$400,000 for a Safe Routes to School project.

The Committee then considered the Transportation Fund for Clean Air (TFCA) County Program Manager Expenditure Plans for Fiscal Year (FY) 2009/2010 and an Amendment to the FY 2008/2009 Napa County Program Manager TFCA Expenditure Plan and recommends the Board of Directors:

1. Approve funding allocations for FY 2009/2010 TFCA County Program Manager listed on Table 1 of Agenda Item 5 of the staff report;
2. Approve the amended allocation of \$153,586 to the FY 2008/2009 Napa County TFCA Program Manager expenditure plan;
3. Amend FY 2009/2010 TFCA Program Manger Policies to allow County Program Managers the option to use Board approved Policies # 21-25 from the TFCA Regional Fund Policies and Evaluation Criteria for 2009/2010.
4. Authorize the Executive Officer/APC to enter into funding agreements with the County Program Managers for FY 2009/2010 allocations and to amend the Napa County Program Manger's FY 2008/2009 Expenditure Plan, consistent with Board-adopted TFCA Program Manager Policies.

The next meeting of the Mobile Source Committee is scheduled for Thursday, May 28, 2009.

Board Action: Director Haggerty moved that the Board of Directors approve the report and recommendations of the Budget and Finance Committee Meetings; seconded by Director Wagenknecht; unanimously approved without objection.

PRESENTATION:

Overview of “*The American Clean Energy and Security Act of 2009*” – Overview by Deputy APCO, Jean Roggenkamp

Overview - American Clean Energy & Security Act of 2009:

- Introduced by Congressmen Henry Waxman and Ed Markey;
- Discussion draft document under review by House Energy and Commerce Committee;
- 600-page bill; four titled sections addressing Clean Energy, Energy Efficiency, Reducing Global Warming Pollution, Transitioning to a Clean Energy Economy

Title I: Clean Energy

Renewable energy standard; clean transportation; electricity transmission planning; smart grid development; state energy and environment development funds; federal purchases of renewable electricity; and carbon capture and sequestration.

Title II: Energy Efficiency

Building energy efficiency programs; appliance and lighting efficiency programs; industrial and utility energy efficiency programs; efficiency standards for vessels; locomotives, off-road vehicles, and aircraft; harmonizes vehicle standards: DOT, EPA, California; requires states and MPOs to reduce transportation emissions.

Title III: Global Warming

Establishes cap-and-trade program for large industrial sources and utilities; allows banking of allowance for use in future years; allows offsets to increase emissions over allowances; and percentage of allowances to be auctioned not defined yet.

Title IV: Clean Energy Economy

Elements include Green jobs and worker transition; ensures domestic competitiveness; exports clean technology; and adapting to climate change.

Ms. Roggenkamp said the draft discussion bill is being considered by one Committee and would allow the California Low Carbon Fuel Standard to stand. The California tailpipe standard would need to be harmonized with new federal standards. California would not be allowed to implement a separate cap-and-trade program at least through 2017 and SB 375 requirements would complement federal requirements for states and MPOs.

Director Comments/Discussion:

Directors discussed implementation of a carbon fee, the cap-and-trade program and harmonizing of federal standards. Mr. Broadbent said the bill strives to achieve a broad trading system internationally, there is significant concern that work done to date will be swept into this with California not being able to move forward as aggressively, and he said staff would be commenting on the legislation.

Directors received an update on the Conoco Phillips settlement agreement program funds; staff is working with groups to develop specific community projects and an RFP will be developed and discussed at the upcoming Climate Protection Committee.

CLOSED SESSION:

The Board of Directors adjourned to Closed Session at 10:55 a.m.

Conference with Legal Counsel – Existing Litigation

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

Healthy Air Coalition v. Bay Area AQMD, San Francisco Superior Court, Case No. CGC-09-486990

OPEN SESSION

The Board of Directors reconvened in Open Session at 11:01 p.m.; there was no reportable action taken in Closed Session.

OTHER BUSINESS:

Report of Executive Officer/APCO:

- Climate Summit: Mr. Broadbent expressed appreciation to those who attended and helped to organize the Climate Summit. Many local leaders complimented the Air District for their efforts. A summary of the event will be provided at the next Climate Protection Committee meeting.
- Port of Oakland: Mr. Broadbent reported that the Port adopted their MAQIP and Air District staff continues to voice concerns that the plan does not include assurances for air quality improvements. AB 1431 (Hill) was pulled from the Assembly Transportation Committee last Monday. The Bill would have required the Port to adopt the same measures undertaken by Long Beach and Los Angeles Ports and was re-written to require the Port implement its MAQIP commitment, which also did not receive support. The Select Committee in the Assembly on Ports will hold a special hearing in Sacramento on May 27, 2009 at 1:30 p.m. to review the Port of Oakland and its emissions. Mr. Broadbent said Air District staff will be present, communications continue and specific projects and grant applications are moving forward.

Director Discussion/Comments:

Director Miley thanked staff for their continued efforts and believed the Port has put together a plan to move forward. He voiced concern that AB 1431 would impede its competitiveness, did not support such legislation, noted that the Port believes they are making efforts and moving forward, and suggested the Air District allow them the opportunity to implement the MAQIP.

Director Bates agreed that the Port should not be put at a competitive disadvantage but also recognized significant health problems. He suggested timetables be put into place to hold the Port accountable in terms of achieving their goals. Director Miley noted that the Port was returning with a timeline for measurements. Chair Torliatt agreed there was consensus of the Board to continue in its monitoring of the situation and steps be taken to implement the Port's MAQIP.

EVR April 1, 2009 Deadline: Mr. Broadbent reported on the April 1st EVR Phase II deadline for gas station upgrades, stating that 2/3 of gas stations are currently in compliance and District staff is working with remaining stations to enter into compliance agreements.

Mr. Addison then discussed legislative bills dealing with Enhanced Vapor Recovery (EVR). A bill authored by Assembly member Ruskin would provide funding to help small stations install equipment. However, additional legislation supported by CIOMA would remove Air District authority. AB 453 (Garrick), while significantly amended, passed out of the Assembly Natural Resources Committee on Monday and dramatically limits the amount of penalties and affects time periods air districts can charge stations that are not in compliance with ARB's regulation. Mr. Addison agreed to continue to update the Board on the matter, and Chairperson Torliatt requested that a letter be drafted for her signature regarding the issue.

Chairperson's Report: Chairperson Torliatt commended staff and Directors for their work on the Climate Summit. She reported that the A&WMA Conference will be held June 16-19 in Detroit, confirmed that five Boardmembers would be attending, and that she would be hosting a dinner on Wednesday, June 17th.

Board Member Comments: Director Bates reported that the District has paid a significant amount of attention on Pacific Steel Casting, cited pollution from nearby freeways, and said air monitoring was being done regularly.

Director Garner reported that Director Yeager, herself, Mr. Bunger, Mr. Broadbent and an EPA representative toured the Lehigh Cement Facility on April 27, 2009 in response to complaints received at a past Mobile Source Committee meeting. The tour was productive and representatives are addressing dust control measures.

Time and Place of Next Meeting: 9:45 a.m., Wednesday, May 20, 2009, Board Room, 939 Ellis Street, San Francisco, CA 94109

Adjournment: Meeting adjourned at 11:25 a.m.

Lisa Harper
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Pamela Torliatt and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 12, 2009

Re: Board Communications Received from May 6, 2009 through May 19, 2009

RECOMMENDED ACTION:

Receive and file.

DISCUSSION

A list of Communications directed to the Board of Directors received by the Air District from May 6, 2009 through May 19, 2009, if any, will be at each Board member's place at the May 20, 2009, Regular Board meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Memorandum

To: Chairperson, Pamela Torliatt and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 29, 2009

Re: Report of Division Activities for the Months of January 2009-March 2009

ADMINISTRATION AND HUMAN RESOURCES– S. HUNDEL, ACTING DIRECTOR**Human Resources Office**

A Customer Service initiative was implemented at the Air District to date 174 Air District employees have participated in the customer service training. As part of this initiative, a Resource Desk was established in the library. There is a Customer Service Protocol and Benchmark of Expected Standards developed for all employees.

Business Office

The Business Office has completed the request for proposal that was issued to identify a vendor to perform a strategic space planning analysis. The analysis will aid in decision-making on options for addressing workspace needs given the maintenance and repair challenges encountered at the Air District Office building at 939 Ellis Street. Staff has focused on HVAC and elevators and succeeded in reducing the number and frequency of breakdowns significantly.

- Received Clean and Green Auto Facility certification from the SF Dept. of Public Health.

COMPLIANCE AND ENFORCEMENT – K. WEE, DIRECTOR**Enforcement Program**

On January 28, staff inspected 40 locomotives at the Union Pacific Rail yard in West Oakland. All locomotives were found to be in compliance with the CARB MOU regarding excessive idling and were properly equipped with idling reduction devices (IRD). The 2008-20 09 Winter Spare the Air (WSTA) season ended on February 28. For the season, the District declared 11 WSTA Alerts. Staff received 1,453 complaints, processed 1,553 informational packets, issued 254 warning letters and identified 1 potential violation. For the 1st quarter of 2009, there were 6 WSTA Alerts, 698 complaints received, 1,200 informational packets processed, 180 warning letters issued and 1 potential violation identified. Staff inspected 12 Burger King and 25 Carl's Jr. restaurants for compliance with the new chain-driven charbroiler requirements in Reg. 6-

2. NOVs were issued to six (6) Burger King and 3 Carl's Jr. for late registration or installation of certified equipment. Staff presented the preliminary enforcement strategy for CARB mobile source regulations on March 12 to the Ad Hoc Committee on Port Emissions. Meetings with CARB on mobile sources enforcement were held in February. Staff investigated high ambient asbestos readings from Air District-required monitors at the Lennar BVHP-Parcel A redevelopment project that occurred December 29th and 30th. Although the elevated readings themselves were not violations of the Asbestos Dust Mitigation Plan (ADMP), staff issued an NTC to Lennar for a minor infraction of the ADMP concerning lack of track-out controls onto public roadways from trenching activities. On January 28th, staff met with Bay View Hunters Point community members to discuss naturally occurring asbestos (NOA) concerns and to discuss a proposal for the formation of a Bay View Hunters Point Advisory group. Staff met with representatives from U. S. Senator Barbara Boxer's office on February 18th to discuss community concerns about NOA emissions from the Lennar project. On March 19th, staff met with Lennar to discuss additional measures the Air District would like incorporated into the ADMP such as additional monitors, additional dust control measures for trenching activities and consolidation of the ADMP. Lennar agreed to revise its ADMP and submit for approval in April. Staff issued an NOV to Lehigh Southwest Cement Company (Lehigh) for late reporting of an inoperative NOx monitor that occurred in October; and in March, staff documented four visible emission violations at Lehigh with NOVs to be issued in April.

On April 1, staff issued a Notice of Violation to TransBay Container Terminal, Oakland for having eight trucks exceed the 30-minute queue idling limit. On April 8, Schnitzer Steel, Oakland, had a 40' x 400' pile of scrap metal catch on fire. The pile consisted of construction grade metal, appliances and vehicles. District staff collected evacuated cylinder air samples and the laboratory analysis of the samples showed no unusually high levels of toxic compounds. The cause of the fire was spontaneous combustion of organic materials. The District received two complaints, both unconfirmed. Investigation is ongoing to determine if there were any violations of air quality regulations.

Compliance Assurance Program

Staff participated in the monthly Trucker Work Group meetings this quarter at the Port of Oakland. Staff released the Flare Minimization Plan annual updates for all the refineries for the 30-day public review and comment period on February 2. Staff updated and posted November '08 through January '09 refinery flare monitoring data and graphs to the District website. Staff attended the CAPCOA Vapor Recovery Meeting on January 14th and 15th and received an update on proposed Phase I and Phase II Enhanced Vapor Recovery (EVR) systems at gas stations and learned of efforts by CARB to investigate a certified EVR nozzle that might cause transient monitoring alarms and tank over-pressurization conditions.

Additional inspections were conducted at the Union Pacific Rail yard in Benicia, San Jose, and Fremont on March 23 and 25. District staff accompanied CARB staff on a joint inspection on April 6 at the Burlington Northern Santa Fe Rail yard in Richmond and documented 1 violation of the ARB/Railroad Statewide Memorandum of Understanding.

Compliance Assistance Program

Staff produced four (4) advisories regarding: new requirements for wood burning device installations, wood burning device sales, firewood sales and enforcement of the CARB Enhanced Vapor Recovery (EVR) Phase II deadline. On January 12th, Staff conducted outreach to the Public Fleet Supervisors Association on the April 1 CARB Enhanced Vapor Recovery Phase II Deadline and the District’s Onboard Refueling Vapor Recovery (ORVR) Fleet exemption. On March 6, staff held an Industry Compliance School for asbestos contractors, restoration businesses and building departments. Staff conducted wood smoke outreach to the San Francisco Fire Chief and deputies and the City of Palo Alto Building and Fire Departments. Translations from Vietnamese and Spanish languages were provided for Division activities during this period.

Operations

The 1st Quarter In-service training Sessions were conducted in January including: Customer Service Training, Notice of Violation report writing, wood smoke surveillance and complaint response and Regulation 9, Rule 7: Boilers, Steam Generators and Process heaters. On February 6, twelve (12) inspectors attended defensive driving training. Staff attended Visible Emission Evaluation (VEE) training on February 26 and March 4. Staff processed 13 Marsh Burn Smoke Management Plans for burns in Napa and Solano counties and attended a preseason meeting on February 3 with CARB, Department of Fish and Game, Suisun Resource Conservation District and representatives from local fire departments and air districts to discuss changes to the marsh burn program for 2009.

(See Attachment for Activities by County)

ENGINEERING DIVISION – B. BATEMAN, DIRECTOR

Permit Activity Summary

In the first quarter of 2009, 973 new permit applications were received: 263 standard New Source Review applications, 683 Gasoline Dispensing Facility applications, 25 Title V applications, and 2 Banking applications. During this period, the Division issued 646 Authorities to Construct and 392 Permits to Operate.

Engineering Division Permit Activity – 1st Quarter 2009			
Annual update packages started	919	Permits to Operate issued	392
Annual update packages completed	1618	Exemptions	9
Total update pages entered	1005	Authorities to Construct denied	0
New applications received	973	New Companies added to Data Bank during the 1st quarter 2009	205
Authorities to Construct issued	646		

Toxics Program

A total of 80 Health Risk Screening Analyses (HRSAs) were completed in the first quarter of 2009. The majority of these HRSAs were for diesel engine emergency generators, and HRSAs were also completed for landfill modifications, a crematory and several gasoline stations.

Staff completed work on initial proposed revisions to regulations dealing with dry cleaners: Regulation 11, Rule 16: Perchloroethylene and Synthetic Solvent Dry Cleaning Operations; Regulation 8, Rule 17: Petroleum Dry Cleaning Operations; Regulation 2, Rule 1 Permits, and Regulation 8, Rule 27: Synthetic Solvent Dry Cleaning Operations. The Board of Directors adopted the proposed revisions on March 4, and directed staff to develop a new proposal that would accelerate the phase-out schedule for Perc. Staff conducted an initial meeting with industry representatives to advise them of the regulatory changes and to initiate the rule development process for the accelerated Perc phase-out.

Staff began rule development for amendments to the District's Toxics New Source Review rule. The draft staff proposal includes more stringent permitting requirements for new/modified sources that would be located in priority communities or in proximity to sensitive receptors. A workshop on the proposed amendments is expected to be held in July.

Staff is continuing work on a Health Risk Assessment (HRA) for Sentinel Cremation Societies in Emeryville. Several new residential buildings have been built immediately adjacent to the crematory, and Sentinel will be subject to the public notification requirements of the Air Toxics Hot Spots (ATHS) Program. Notices will be sent to affected members of the public. Sentinel will also conduct a community meeting with the public to discuss the results of the HRA.

Staff began analysis of ambient air monitoring data collected in West Berkeley in order to assess health risk to the community. Staff also continued work on a CEQA Health Risk Assessment for Dutra Materials, a proposed asphalt plant near Petaluma. Finally, staff began reviewing an update of the toxic emission inventory for Lehigh Southwest Cement Company (Cupertino) for the Air Toxics Hot Spots Program.

Title V Program

In the first quarter of 2009, the Engineering Division staff completed six Title V actions. Substantial progress was also made in drafting Title V renewal permits for the five refineries. The draft permits will be circulated internally for review in the second quarter of 2009. Public noticing of these permits is expected to occur in August 2009.

Title V permit revisions were issued for public comment for the ConocoPhillips Refinery's Clean Fuels Expansion Project (CFEP). This includes the following Major Facility Review permits: ConocoPhillips – San Francisco Refinery, ConocoPhillips Carbon Plant and Air Liquide Large Industries, US LP. The public comment period on these permit revisions will close on May 25, 2009.

Permit Evaluation Program

Staff continued work evaluating a number of significant permit applications from the five Bay Area refineries including Tesoro's 50 blowdown tower, Shell's SRU thermal oxidizer, and Valero's VIP Amendment condition changes.

Staff continued work on the PSD permit for the Russell City Energy Center (Hayward). A public hearing on the draft permit was held on January 21 at Hayward City Hall. The public comment period for the draft permit was then extended until February 6. The District received 58 individual sets of written comments on the project, and has been working on evaluating and responding to these comments. Final action on the permit is expected to be completed in the second quarter of 2009.

Permit evaluations are also underway for two new proposed large power plants in Contra Costa County: (1) the Willow Pass Generating Station, and (2) the Marsh Landing Generating Station. The Preliminary Determination of Compliance (PDOC) for these projects is scheduled for completion during the second quarter of 2009.

Engineering Division staff participated in the annual Flare Minimization Plan (FMP) updates. The public comment period for the FMP updates ended on March 3. Comments were reviewed, and the updated FMPs were approved on April 17. The next FMP annual updates are due to be submitted in October 2009. Staff also provided engineering support for the review of causal reports submitted for various flaring events.

Staff continued work to implement the stationary diesel engine ATCM and portable diesel engine ATCM. The Division continues to receive many diesel engine permit applications. The Diesel Engine Workgroup met several times to resolve issues.

Staff provided CARB with input data for Regional Haze Modeling and made Best Available Retrofit Technology (BART) determinations on select facilities. CARB adopted the California Regional Haze State Implementation Plan (SIP) on January 22, 2009. The only action item for the Bay Area in this SIP is the control of SO₂ emissions at the combined FCCU/Coker stack at Valero Benicia Refinery. For the purposes of this program, the deadline for the SO₂ reductions is December 31, 2013.

Engineering Projects Program

Staff continued Business Process Improvement workgroup meetings to develop key requirements for future permit systems for the following source categories: graphic arts, wood coating, miscellaneous metal parts, plastic parts, solvent cleaning, dry cleaning, auto bodies and internal combustion engines.

Staff completed the latest 3-year internal review of the District's emission offset program for new and modified sources, both major and non-major. The report demonstrates that the District's program is at least equivalent to federal requirements that deal only with major sources.

Staff participated in workgroup discussions of Best Available Control Technology cost-effectiveness triggers, including consideration of separate cost triggers for precursor organic compounds and non-precursor organic compounds.

Staff continued meetings with Compliance & Enforcement, Information Systems and Rule Development to develop an online portal to register small graphic arts operations, to help streamline regulatory requirements. The portal is scheduled for release in June 2009.

LEGAL DIVISION – B. BUNGER, DISTRICT COUNSEL

The Air District Counsel's Office received 134 Violations reflected in Notices of Violation (NOVs) for processing. Mutual Settlement Program staff initiated settlement discussions regarding civil penalties for 114 Violations reflected in NOVs. In addition, 10 Final 30 Day Letters were sent regarding civil penalties for 13 Violations reflected in NOVs. Finally, settlement negotiations resulted in collection of \$66,750 in civil penalties for 70 violations reflected in NOVs.

Counsel in the Air District Counsel's Office initiated settlement discussions regarding civil penalties for 46 Violations reflected in NOVs. Settlement negotiations by counsel resulted in collection of \$282,750 in civil penalties for 54 violations reflected in NOVs. In addition to civil penalties for violations reflected in NOVs, the Air District received \$4,000 from the City of San Jose, \$3,900 from Abbott Labs, and \$36,343.32 from Tesoro, in connection with settlement agreements. In total, \$326,993.32 was collected by Attorneys in the 3rd Quarter.

(See Attachment for Penalties by County)

COMMUNICATION AND OUTREACH – L. FASANO

Public Information and Media

Winter Spare the Air – The Winter Spare the Air Campaign continued through most of the first quarter. Messages were delivered to the public through TV, print, billboard, radio, Internet, grassroots and in-theater advertising. Educational materials were developed and distributed to the public via mail, at public events and through the Air District's websites.

Six *Winter Spare the Air Alerts* were issued in the first quarter of 2009, prompting numerous inquiries by the media and general public. Media advisories were issued each time. The close of the wintertime 2008/2009 *Spare the Air Tonight* campaign was announced in a press release on March 6, 2009.

Behavior change and recognition of the Winter Spare the Air campaign also improved in the 2008/2009 season:

- 24 percent of Bay Area households did not burn wood or reduced their wood burning because of the Winter Spare the Air program - up from 18 percent last year
- 77 percent of respondents indicated that they supported the new wood burning rule
- The number of people registered for automated AirAlerts swelled from 55,000 to 100,000
- 12,000 people signed up for Phone Alerts
- Nearly 500,000 residents called the 877-4-NO BURN line for information or to check the burn status

Spare the Air, Every Day – Staff is planning for the Summer Spare the Air season. Creative work for the Spare the Air campaign will be under way once the new advertising and media relations contractors are on board.

Sunday Streets San Francisco - Staff participated in a planning meeting for Sunday Streets San Francisco. The initiative encourages residents to make clean air choices by closing streets and creating a route for thousands of local families, children and adults to walk, jog and bike. The Air District is a major sponsor of Sunday Streets.

Spring Clean for Kids – Staff presented awards and took part in cleaning a school for the “Spring Clean for Kids” event on March 31 at Sequoia Elementary School in Oakland. Safe, nontoxic natural cleaners from San Francisco-based Method Home were donated for the event. Sequoia Elementary was chosen for the spring cleaning as part of a contest for students that drew pictures illustrating the ways they “Spare the Air.” Both winning drawings were from Sequoia Elementary in Oakland.

Permissive Burn Period Extended – The Air District announced in a press release that the spring burn season for Marsh Management fires will be extended through April 15. The open burning season for Marsh Management fires officially runs from February 1 through March 31, 2009. However, due to heavy winter rainfall in February, the Air District is extending the burn season this spring.

City CarShare Partnership - The Air District and City CarShare are partnered to help residents Spare the Air in the Bay Area by offering incentives for residents to drive less. The public was invited to visit www.sparetheair.org where they could pledge to reduce air pollution by driving less and receive special City CarShare discounts. After taking the Spare the Air pledge, current City CarShare members received a one-time \$20 driving credit, and new members received a \$50 driving credit.

Media Inquiries & Coverage - During the quarter, numerous print stories were published or aired on a variety of topics concerning the Air District, including: the CARE Program, climate change funding from a ConocoPhillips settlement, PSC, vapor recovery program, the Hanson/Lehigh cement plant and the Clean Air Plan. During this period, about 115 media calls were fielded, and more than 1,500 inquiries and requests for information were answered.

During the quarter, the Air District issued 16 press releases. Topics included *Winter Spare the Air*, the proposed PSD permit for the Russell City Power Plant and the announcement of the permissive burn season for marsh management.

Request for Proposals were issued for Advertising and Media/Public Relations Services. Twelve proposals were received and four firms were selected for recommendation to the Public Outreach Committee and Board.

Public Inquiries – Staff responded to more than 1,100 calls from the public, with increased volume attributable to Winter Spare the Air Alerts and media coverage of the wood smoke rule. Other topics included permits, the vehicle buy-back program and other air quality topics.

Community Outreach

Russell City Energy Center – Staff completed outreach for the Jan. 21 PSD hearing, returning several phone calls from the media and interested parties and providing photocopying of documents for the Golden Gate Legal Center and the Sierra Club. Staff then facilitated the meeting attended by more than 150 people, producing handouts and displays and coordinating public comment by 43 people, which was both recorded and transcribed.

San Mateo County Resource Team Meeting – Staff attended the San Mateo County Air Quality Resource Team at the Peninsula Traffic Congestion Relief Alliance's offices in San Bruno. The team reviewed the goals of the project to promote alternative commute options to major employers and gather data about commuting to share with transit providers. The team also brainstormed an agenda for the commuter event and started planning outreach efforts.

2030 Solutions to Secure California's Transportation and Energy and Climate Future Conference – Staff represented the District at this statewide conference hosted Jan. 14-15 by the California Energy Commission. Staff distributed information and responded to inquiries from conference participants about the District's grant and climate protection programs. Approximately 500 companies and agencies participated in the conference.

Bay Area 2009 Clean Air Plan Workshop – Staff coordinated the public outreach and logistics for the Clean Air Plan Workshop on Jan. 28 in Oakland. Outreach consisted of electronic notifications to the District’s list serve of interested parties, environmental justice groups, and health professionals. Staff facilitated meeting logistics, provided logistical support during the meeting, and was on-hand to address any questions and concerns.

Winter Green Forum – Staff attended an informative community meeting hosted Feb. 2 by the City of Morgan Hill’s Environmental Programs Division. Staff gave a presentation which included an overview of the Air District, the health impacts of wood smoke, an overview of the Air District’s wood smoke regulation, and provided information on the Wintertime Spare the Air Campaign. Staff answered questions and addressed concerns regarding wood smoke.

Bay View Hunters Point (BVHP) – Staff met with members of the BVHP to discuss potential projects including but not limited to education, public outreach and air filtration installation for the Bay View Hunters Point neighborhood. Discussion centered on continuing to build trust within the community and how to better facilitate communication between the Air District and the community. A proposal for a community advisory group was presented by Air District staff. Community members and the Air District discussed how the District and community will continue to stay engaged in air quality and health issues in the Bay View Hunters Point neighborhood.

East County Environmental Justice Collaborative – Staff attended a Town Hall meeting to hear community concerns about air and water quality and gave a brief update of District activities in the East Contra Costa County, including CARE, Clean Air Plan, and our incentive programs. Reports were also delivered by representatives from U.S. EPA, Contra Costa County Community Development Department and several divisions of Contra Costa Health Services including Hazardous Materials and Environmental Health. More than 60 people attended the Jan. 28 meeting in Bay Point.

Contra Costa Environmental Justice Resource Team – Staff developed and delivered a “community scorecard” on permit and violation activity in Contra Costa County and participated in a brainstorming session regarding whom to involve in a proposed Green Business Forum. Another planning meeting will be held March 4, with the Forum planned for April.

San Jose Green Vision Resource Team – After intensive collaboration between the District and San Jose Department of Environmental Services, a kickoff meeting of the San Jose Green Vision Resource Team was held Jan. 22 at San Jose City Hall. Mayor Chuck Reed welcomed meeting participants. District and City staff reviewed the history of the District’s resource teams and the City’s Green Vision respectively. The team brainstormed potential projects and will meet again in April to begin the project selection process. Approximately 45 people participated, including City Councilmembers Kansen Chu and Pierluigi Oliverio and staff from District Director Ken Yeager and Vice-Mayor Judy Chirco’s offices.

League of Women Voters League Day – Staff represented the District at the annual meeting of the League of Women Voters of the Bay Area. Staff distributed information about the District’s climate protection and air quality programs. Approximately 150 League members participated.

Bay Area Environmental Education Resource (BAEER) Fair – Staff conducted outreach at the annual BAEER Fair in San Rafael, distributing information on the District’s Protect Your Children curriculum and responding to inquiries from teachers regarding the District’s Clean Air Challenge program. Approximately 300 people participated in the fair.

African American Health Summit and Exhibition – Staff participated in the 2009 African American Health Summit and Exhibition Feb. 6-7 in Oakland. The annual summit, which the District co-sponsored, focuses on important health issues in the Bay Area’s African American communities. Staff attended breakout sessions on asthma management at the Summit. Staff also displayed the District’s wrapped Spare the Air Prius and informational posters on District programs and distributed materials about the District’s CARE, Climate, *Spare the Air*, and Youth Outreach programs at the Exhibition. Thousands of people participated in the Summit and visited its Exhibition.

China EP Emergency Management Delegation – Staff hosted 17 members of a delegation of air quality professionals from mainland China on February 11. Staff presented an overview of the Air District, its air monitoring program and Compliance and Enforcement Division. The delegation also toured the District’s lab.

CEQA Guidelines Update Public Workshops – Staff organized logistics and coordinated publicity for the Feb. 26 workshop in Oakland. The workshop provided an update on the Air District’s 1999 CEQA Guidelines and solicited public input on potential concepts for CEQA air quality significance thresholds for the Bay Area. Staff attended the meeting and was on-hand to answer any questions. Fifty-six members of the public attended this meeting. Staff is in the process of scheduling workshops in April and May for the next round of public meetings.

State of the Valley Conference – Staff participated in this annual conference hosted by Joint Venture Silicon Valley (JVSV) that examines metrics on the state of the economy in San Mateo and Santa Clara counties and examines both economic and social challenges and opportunities. This year’s conference focused on publications (“Index of Silicon Valley” and “Climate Prosperity: A Greenprint for Silicon Valley”) jointly produced by the Silicon Valley Community Foundation and JVSV. Staff displayed informational posters on District programs and distributed materials about the CARE, Climate, *Spare the Air* and Youth Outreach programs. Approximately 1,500 business and community leaders participated in the conference.

Cool the Earth 100 Schools Celebration – Cool the Earth is a private non-profit that convenes school assemblies and sets goals for schoolchildren and their parents for reducing CO₂. The organization celebrated a milestone of reaching 100 Bay Area Schools. The District's contribution to the Cool the Earth 100 Schools milestone was recognized at a celebration attended by District staff and approximately 50 community members and funders.

Sustainable Novato – Staff participated in “Creating Sustainable Communities,” an educational community forum sponsored by the Marin Community Foundation, the Novato Housing Coalition, the Greenbelt Alliance, Sustainable Novato and Sustainable Marin. Elected officials, planning and transportation experts and CARB staff presented information on the relationship between smart growth and climate change. Staff displayed informational posters and fliers on the District's Climate Change and *Winter Spare the Air* programs. Approximately 175 community members participated.

Boys and Girls Club Bay View Hunters Point – Staff spoke about air pollution and ways to *Spare the Air* with students in a Bay View Hunters Point after-school program. Staff distributed pedometers and reusable lunch bags to the approximately 25 students in attendance.

Contra Costa Environmental Justice Resource Team – The Team's plan to host a Green Business Forum was merged into a plan for the same event to be hosted by the Richmond Chamber of Commerce. The District has committed to hosting a booth at the May 14 forum, while the Team will be involved in community outreach to promote the Forum.

CARE Cumulative Impacts Working Group – Staff presentations at the March 5 meeting included an overview of cumulative impacts and definitions, a description of the CARE Program and an overview of the Bay Area Clean Air Communities and its regulatory options, followed by group discussion.

Canada College Spring Math and Science Fair – Staff participated in a panel discussion on climate protection education in schools and distributed information about the District's youth outreach efforts to math and science teachers on March 7 in San Mateo County. Approximately 100 teachers participated.

Central Marin Rotary – Staff gave a presentation on ozone and particulate pollution and climate change on March 9 to members of the Central Marin Rotary Club in Larkspur. Staff answered questions about the District's wood burning rule and air pollution in the Bay Area.

Saint Andrew's School, Saratoga – Staff joined District Board Director Sue Garner in providing information on air pollution to approximately 150 K-5 grade school students on March 13 at the Saint Andrew's School Annual Science Expo in Saratoga.

Richmond Chamber of Commerce – Staff and Community Focus have been participating in the Richmond Chamber Green Business Forum Committee. The purpose of this participation is to provide information and assistance to the Contra Costa Environmental Justice Resource Team members who are interested in participating in this

Forum. The District will be conducting outreach at the May 14 forum and will be sharing the table with community members from the Resource Team.

San Francisco Citywide Revival – Air District staff are tabling and conducting community outreach at the San Francisco Citywide Revival in the Bay View/Hunter’s Point neighborhood that is sponsored by the California Donor Action Network. The District is sponsoring a nurse from the local health clinic who conducts lung function screenings to determine if the follow up is necessary to check for asthma or other respiratory problems. Air quality information about the CARE and CAP program has been disseminated.

Faster Freight for Cleaner Air Conference – Staff attended the Faster Freight for Cleaner Air Conference from March 23-25 in Long Beach. Staff networked with freight movement operators, Port officials and private and public businesses to promote the Air District’s Grant and Incentive Funds programs. The District distributed community outreach materials and information about Spare the Air and the Carl Moyer Program to conference participants.

California Climate Action Reserve – Staff distributed information about the District’s Climate Protection, CARE and Youth Outreach programs at the “Navigating the American Carbon World” Conference from April 1-3 in San Diego. This annual conference focuses attention on government and market-oriented solutions to climate change. Approximately 1,500 business, industry, environmental and government leaders attended.

Contra Costa Asthma Coalition Meeting – Staff participated in the Contra Costa Asthma Coalition meeting April 2 in Richmond. Staff outlined the District’s upcoming Community Grant Program and Carl Moyer Program to outreach for potential projects. Representatives from Communities for a Better Environment presented their findings from the Richmond Health Survey, which surveyed a total of 198 households in Richmond regarding residents’ health, the health of their families, and their neighborhood.

Napa Communities Firewise Foundation – The District is providing additional sponsorship for the education and outreach of the Napa Firewise program. This program provides residents with the option of chipping wood in lieu of burning to build a defensible space around their property. The chipping program has helped reduce particulate matter emitted into the air by more than 200,000 pounds since 2005.

PLANNING DIVISION – H. HILKEN, DIRECTOR**Community Air Risk Evaluation (CARE) Program**

Staff convened the first meeting of the Cumulative Impacts Work Group. Representatives from business, government, nonprofits, and community organizations will provide input to the CARE Task Force and staff on potential regulatory options for addressing cumulative impacts. Staff participated in the statewide Cumulative Impacts Precautionary Approaches working group meeting to discuss options for developing a uniform approach for addressing cumulative impacts. Staff held two community meetings to discuss proposed sampling locations for the monitoring study related to the Custom Alloy Scrap Sales facility in West Oakland. Staff participated in a meeting of West Berkeley residents to discuss air toxics exposure at certain West Berkeley Schools. Staff worked with Research and Modeling staff to develop and review the latest version of high resolution toxic air contaminant modeling for the Bay Area and used the results to identify a set of revised impacted communities. Staff worked with Technical Division to continue to instrument the District's mobile sampling van.

Air Quality Planning Program

Staff prepared for the District's May 4th 2009 Climate Action Leadership Summit at the Fox Oakland Theater by developing breakout session content, securing experts to facilitate and lead discussions on numerous issues, finalizing invitation lists, and coordinating the work of the event planning consultant. The nine breakout sessions will consist of "Elected Officials Dialogue: Paying For It All," "General Plans or Climate Action Plans: Which Way to Go," "SB 375: A Bottom-up Approach," "Rising Seas: Planning for Climate Change," "Equip Your Climate Action Toolbox," "Elected Officials Dialogue: Technology and the Green Economy," "Come and Get It: Sustainable Financing Districts," "Housing as a Key Tool to Reduce Community Emissions," and "The Role of Pricing in Reducing VMT." Staff continued reviewing climate protection grant progress reports and interacting with grantees to ensure that appropriate progress is being made on all climate protection grant projects. Staff continued to administer the Protect Your Climate contract and generally raised awareness of the curriculum in the Bay Area by presenting at the Bay Area Environmental Educators Fair in Marin and the San Mateo County Math and Science Teacher Conference. Staff participated in statewide and regional SB375 meetings and the Regional Targets Advisory Committee (RTAC) meetings. Staff participated in CAPCOA climate protection committee meetings regarding implementation of AB32, SB375 and development of CEQA significance thresholds for greenhouse gases.

Staff held a Public Workshop on the 2009 Clean Air Plan and convened a series of internal meetings with District staff from various divisions to gather recommendations for control measures for the Plan. Staff continued to develop the multi-pollutant evaluation methodology that will be used to evaluate control measures. Staff met with stakeholders and regional agency partners to discuss the Plan's multi-pollutant methodology and potential mobile source and transportation control measures. Staff held a public workshop on the CEQA Guidelines update and has identified a number of options for setting CEQA significance thresholds for criteria pollutants, toxic air

contaminants and greenhouse gases. Staff participated in State and national conference calls regarding implementation of the new ambient air quality standards and future planning requirements for these standards.

Rule Development Program

Staff presented proposed amendments to District Regulation 8, Rules 33 and 39 concerning gasoline bulk terminals, bulk plants and delivery vehicles at a public hearing on February 4, 2009. The Board continued the hearing to incorporate some new, lower standards for certain equipment in bulk terminals and plants. The public hearing to adopt the amendments was scheduled for April 15, 2009. Staff also presented information about these rule amendments to the Stationary Source Committee. Staff hosted a public workshop to consider input on draft amendments to Regulation 8, Rule 3: Architectural Coatings. Staff participated in the Clean Air Plan workshop and is evaluating potential stationary sources control measures.

Research and Modeling Program

Staff presented the status of on-going particulate matter (PM) data analysis and modeling work at two internal staff meetings, including an overview of goals of the project, details on planned technical analyses, and analysis of the effectiveness of the District's wood burning ban on Bay Area PM. Staff evaluated the District's PM attainment status with respect to the federal 24-hour PM standard, using measurements from 2006 through 2008. Staff completed the high resolution toxics simulations over the Bay Area for the CARE program. Staff participated in several CCOS/CRPAQS Technical and Policy Committee meetings/conference calls. Staff coordinated meetings and conference calls for the establishment of air monitoring stations to measure hydrocarbons at San Ramon, Patterson Pass, Livermore and Denverton. Staff provided technical support to the District's Engineering Division regarding the Russell City Energy Center (Hayward) and the Diamond Generating Corporation Kelso Combustion Turbine Project proposed in northeast Alameda County.

Emission Inventory

Staff continued work on the 2008 base year emission inventory and preparing the Small Ports Emissions Inventory. The District's 2007 GHG inventory was approved by the Climate Action Registry and the summary report was posted on their web site. Point sources criteria, toxics and (this year for the first time) GHG data report was completed and sent to ARB to fulfill our annual submittal requirement. Staff reviewed and verified emissions data for the Mineta San Jose International Airport for Voluntary Airport Low Emissions program (VALE) AIP grant application for Preconditioned Air units. Staff reviewed the Bay View Hunters Point Community Diesel Pollution Reduction Plan for the City of San Francisco Department of the Environment and provided comments.

STRATEGIC INCENTIVES – J. COLBOURN, DIRECTOR**TFCA Program****Regional Fund:**

Staff released the regional fund draft policies for public comment on 2/11/09. Staff received seven formal written comments on these policies which were presented to the MSC on 3/26/09.

Staff also issued 39 fiscal year (FY) 08/09 contracts to TFCA project sponsors and also fully executed at 11 contracts over the reporting period.

County Mangers Program Fund:

On 2/18/09, staff conducted a workgroup meeting with the TFCA County program managers to discuss the procedures for expenditure plan applications for this year's program. This is a new streamlined process that will assist counties to get their funds earlier.

Bicycle Facility Program:

During this reporting period staff has issued the two remaining contracts for the FY 2008/2009 Bicycle Facility Program.

Carl Moyer (CMP)/Mobile Source Incentive Fund (MSIF) Program

On 2/26/09, staff updated the MSC on the Department of Finance (DOF) Audit of CMP. As part of this update, staff presented the DOF's observation regarding late expenditures associated with program, explained actions already taken to ensure this would not occur in future and notifying the committee that the CMP audit was concluded. This report was presented and accepted by the Board on 3/4/09.

Throughout this reporting period, staff has been preparing for Program Year 11 outreach for CMP/MSIF. These activities have included staff receiving training on 1/29/09, on the 2008 CMP guidelines, hosting of a dealer workshop on 2/6/09 to explain the CMP process for this fiscal year and participation in an ARB seminar regarding shorepower at the Port of Oakland on 2/10/09. Additionally, staff has selected an outreach contractor through a joint RFP process with the Communications Office. This contractor will assist staff in media and outreach communications with prospective grantees.

California Goods Movement Bond (I - Bond) Program**Staff Actions:**

Staff has performed over 40 pre-inspections as part of the truck retrofit program.

Lower Emission School Bus Program (LESBP):

On 1/23/09, staff requested that the MSC consider requesting that the Board reserve \$3.5 million in MSIF to fund new school bus purchase projects under the LESBP. As previously mentioned, the ARB suspended funding for this program in December, 2008. Staff proposed to utilize available in MSIF funds to do bus replacements under the program and to use any future I-Bond funding for school bus retrofits. The MSC approved his recommendation and it was ratified by the Board on 3/4/09.

Staff issued 14 contracts for \$6.5 million to replace 40 schoolbuses between model years 1977 through 1989.

Federal Stimulus Plan Applications

As part of the unprecedented investment under the American Recovery and Reinvestment Act (ARRA) the District has chosen to apply for two separate pots of funding. These are described below:

- **Bay Area Electrical Vehicle and Infrastructure Project:** The Bay Area Air Quality Management District (BAAQMD) will apply for \$15 million in Department of Energy clean cities funding to expedite the rapid deployment of alternative fueled vehicles and infrastructure in the Bay Area. These funds will be used to purchase new alternative fuel vehicles and infrastructure, and to retrofit existing vehicles. This effort will reduce air emissions and also bolster local manufacturing jobs (power and technology). It will also provide a model for how the nation will reduce its dependence on petroleum by expanding the transportation energy fueling choices available to consumers and demonstrating their commercial viability.
- **Diesel Emissions reductions at the Port of Oakland:** BAAQMD will apply to the United States Environmental of Protection Agency for \$10 million in funds to retrofit and repower diesel heavy-duty trucks, locomotives, buses and marine vessels at the Port of Oakland. This effort is targeted at creating 300 new jobs at manufacturing, retail and maintenance facilities and preserving more than 1,000 trucking jobs. Again, this effort will pave the way towards a cleaner and more efficient cargo transportation network required to meet the challenges of the new century.

TECHNICAL DIVISION – G. KENDALL, DIRECTOR

Air Quality

In the first quarter of 2009, Bay Area PM_{2.5} levels exceeded the 35µg/m³ 24-hour national standard on 6 days. High pressures systems in January and early February resulted in warm, sunny days with light winds that allowed particulate levels to build over the Bay Area. During this period of warm weather, easterly winds also transported particulates from the Central Valley into the Bay Area, adding to the overall particulate loading. There were only 4 days of rain between January 1st and February 4th, producing less than 1-inch of rain in the Bay Area. The weather pattern became rainy and unsettled from February 5th thru the end of March, resulting in Good or low-Moderate air quality for the remainder of the quarter.

The Winter Spare the Air Alert program began on November 1st, 2008 and ended on February 28th, 2009. Air District filter-based PM_{2.5} monitors recorded thirteen days when the 24-hour national PM_{2.5} standard was exceeded compared to seven days during the 2007-8 winter season.

Air Monitoring

From January through March 2009, 23 air monitoring stations were operating, with all equipment operating on routine, EPA-mandated schedules. The increased wintertime sampling schedule for PM_{2.5} began at designated stations on October 1st, 2008 and ended on March 31st, 2009. Ozone monitors at four satellite stations were shut down during the low ozone season on December 1st, 2008, as allowed under a waiver granted by the EPA.

Meteorology and Forecasting

The 4th quarter 2008 air quality data were quality assured and entered into the EPA Air Quality System (AQS) database. Staff continued to make daily air quality, Wintertime Spare the Air Alert, open burn, and marsh burn forecasts. Staff attended a meeting with the EPA AIRNow group in North Carolina to discuss the distribution and maintenance of the new DMS database developed by STI under contract to the Technical Services Division, and also used by the EPA AIRNow group. Staff attended a Suisun Marsh Burn meeting in Cordelia to meet with burners and various air quality regulatory agencies to discuss improved burning in the Suisun Marsh area.

Performance Evaluation

The Performance Evaluation Group conducted regular, mandated performance audits on 72 analyzers at 20 Air District monitoring stations. Staff also participated in the installation, testing, and calibration of monitoring equipment in the CARE Project van.

Hydrogen Sulfide (H₂S) and Sulfur Dioxide (SO₂) monitors were audited at the Tesoro Refinery, the Valero Refinery, and the Chevron Refinery Ground Level Monitoring (GLM) networks. All GLM monitors passed the audit.

Staff attended the Department of Transportation Safety Training for transporting compressed gas cylinders in vehicles.

Laboratory

In addition to routine ongoing analyses, two fallout samples collected from a single family residence near Pacific Steel Casting in Berkeley were analyzed microscopically for morphology.

Four filter samples taken from the outlet of the glass furnace at Owens Brockway Glass Containers, Inc., Oakland were analyzed for lead content.

Also, four ambient air samples collected in the vicinity of the Pinole Rodeo Auto Wreckers fire on 1/27/09 were analyzed for total reduced sulfur compounds, carbon monoxide and toxic compounds.

Source Test

Ongoing Source Test activities during January, February, and March of 2009 included Continuous Emissions Monitoring (CEM) Field Accuracy Tests, source tests, gasoline cargo tank testing, and evaluations of tests conducted by outside contractors. The ConocoPhillips Rodeo Refinery's open path monitor monthly reports for December, January, and February were reviewed. The Source Test Section participated in the District's Rule Development efforts and Business System Analysis for the new production system.

STATISTICS

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

General Checks Issued	1,405
Purchase Orders Issued	500
Checks/Credit Cards Processed	3,938
Contracts Completed	42
RFP's	9

Executive Office:

Meetings Attended	180
Board Meetings Held	6
Committee Meetings Held	19
Advisory Council Meetings Held	3
Hearing Board Meetings Held	1
Variances Received	3

Information Systems

New Installation Completed	13
PC Upgrades Completed	40
Service Calls Completed	742

Human Resources

Manager/Employee Consultation (Hrs.)	280
Management Projects (Hrs.)	280
Employee/Benefit Transaction	500
Training Sessions Conducted	7
Applications Processed	280
Exams Conducted	6
New Hires	3
Payroll Administration (Hrs.)	520
Safety Administration	120
Inquiries (voice/telephone/in-person)	6300

Vehicle/Building Maintenance

Vehicle Services Completed	150
Requests for Building Services	365

Compliance and Operations Program

Asbestos Plans Rec'd	997
Coating and other petitions Evaluated	4
Open Burn Notifications Rec'd	1,290
Prescribed Burn Plans Evaluated	16
Smoking Vehicle Complaints Rec'd	2,022
Tank/Soil Removal Notifications Rec'd	13
Compliance Assistance Inquiries Rec'd	329
Green Business Reviews	28
Flare Notifications	84

Compliance Assurance Program

Industrial Inspections Conducted	2,600
GDF Inspections Conducted	977
Asbestos Inspections Conducted	643
Open Burning Inspections Conducted	46
Auto Body/Dry Cleaning Inspections Conducted	134

Engineering Division:

Annual Update Packages Started	919
Annual Update Packages Completed	1,618
Total Update Pages Entered	1,005
New Applications Received	973
Authorities to Construct Issued	646
Permits to Operate Issued	392
Exemptions	9
Authorities to Construct Denied	0
New Companies added to Databank during the 1st Quarter 2009	205

Outreach & Incentives Division:

Presentations Made	38
Responses to Media Inquiries	33
Press Releases	16
General Requests for Information	1162
Visitors	1

STATISTICS (continued)

Compliance and Enforcement Division:

Enforcement Program

Reportable Compliance Activity Investigated	120
Citizen Complaints Investigated	570
GDF Tags Issued	107
Violations Resulting in Notices of Violation	139
Violations Resulting in Notice to Comply	106
New Hearing Board Cases Reviewed	0

Technical Services:

1st Quarter 2009 Ambient Air Monitoring

Days Exceeding Nat'l 24-hour PM _{2.5} Std.....	6
Days Exceeding Nat'l 24-hour PM ₁₀ Std.....	0
Days Exceeding Nat'l 24-hour PM ₁₀ Std.....	0
Days Exceeding the Nat'l 8-hour Ozone Std.....	0
Days Exceeding the State 1-hour Ozone Std.....	0
Days Exceeding the State 8-hour Ozone Std....	0

Ozone Totals, Jan.-Dec. 2009

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

Particulate Totals, Jan.-Dec. 2009

Days Exceeding Nat'l 24-hour PM _{2.5} Std.....	6
Days Exceeding the Nat'l 24-hour PM ₁₀ Std....	0
Days Exceeding State 24-hour PM ₁₀ Std.....	0

PM_{2.5} Winter Season Totals for 2008-2009

Days Exceeding Nat'l 24-hour PM _{2.5} Std.....	13
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1st Quarter 2009 Agricultural Burn Days

Jan.-Mar. Permissive Burn Days – North.....	70
Jan.-Mar. No-Burn Days – North.....	20
Jan.-Mar. Permissive Burn Days – South.....	70
Jan.-Mar. No-Burn Days – South.....	20
Jan.-Mar. Permissive Burn Days – Coastal.....	70
Jan.-Mar. No Burn Days – Coastal.....	20

Laboratory

Sample Analyzed.....	1219
Inter-Laboratory Analyses.....	1

Technical Library

Titles Indexed/Cataloged	
Periodicals Received/Routed	

Source Test

Total Source Tests.....	229
Pending Source Tests.....	7
Violation Notices Recommended.....	8
Contractor Source Tests Reviewed.....	2,975

Continuous Emissions Monitoring (CEM)

Indicated Excess Emission Report Eval.....	29
Monthly CEM Reports Reviewed.....	130
Indicated Excesses from CEM.....	15

Ground Level Monitoring (GLM)

Jan.-Mar. Ground Level Monitoring SO ₂ Excess Reports.....	0
Jan.-Mar. Ground Level Monitoring H ₂ S Excess Reports.....	1

These facilities have received one or more Notices of Violations
Report period: January 1, 2009 – March 31, 2009

Alameda County

Status Date	Site #	Site Name	City	Regulation Title
3/10/2009	A3590	City of Berkeley/Engr Div/Public Works	Berkeley	Failure to Meet Permit Conditions; Solid Waste Disposal Sites
3/13/2009	A0703	Pacific Steel Casting Co-Plant #2	Berkeley	Public Nuisance
3/03/2009	C0367	Quik Stop	Castro Valley	Failure to Meet Permit Conditions
2/06/2009	T4329	Abrew Construction	Dublin	Asbestos Demolition, Renovation & Mfg.
1/22/2009	B1986	Carl Zeiss Meditec	Dublin	Failure to Meet Permit Conditions
2/11/2009	B5448	Enablence USA Component Inc	Fremont	Failure to Meet Permit Conditions
1/14/2009	A1749	Global Plating, Inc	Fremont	Hexavalent Chromium
2/09/2009	A0792	Washington Hospital	Fremont	Failure to Meet Permit Conditions
3/03/2009	C9353	ConocoPhillips #2611128	Livermore	Gasoline Dispensing Facilities
3/02/2009	A2066	Waste Management of Alameda County	Livermore	Major Facility Review (Title V)
3/18/2009	B7824	Agricultural Bag Mfg, Inc	Oakland	Graphics Arts Printing & Coating Operations
1/14/2009	T3726	Amber Flooring, Inc.	Oakland	Authority to Construct; Permit to Operate
1/27/2009	C8419	Chevron SS #9-0076	Oakland	Gasoline Dispensing Facilities
2/18/2009	T4487	Christopher Martin Hickey	Oakland	Asbestos Demolition; Perc & Synthetic Solvent Dry Cleaning Operations
1/23/2009	C9278	Food & Gas Company/Valero	Oakland	Gasoline Dispensing Facilities
3/16/2009	C6872	Fruitvale Union 76	Oakland	Gasoline Dispensing Facilities
3/12/2009	C7901	Guy's Service Gas-Diesel	Oakland	Permit to Operate; Gasoline Dispensing Facilities
3/13/2009	B2387	Trans Bay Container Terminal	Oakland	Idling Trucks
2/24/2009	L3921	Professional Asbestos & Lead Services	Pleasanton	Asbestos Demolition, Renovation & Mfg.
1/06/2009	C8384	Bedrock Oil	San Lorenzo	Gasoline Dispensing Facilities

Contra Costa County

Status Date	Site #	Site Name	City	Regulation Title
3/03/2009	C9590	Gas of America	Antioch	Permit to Operate
3/16/2009	C0237	Trinity Valero Enterprises	Antioch	Gasoline Dispensing Facilities
3/12/2009	C7695	All Star Gasoline	Concord	Permit to Operate
3/02/2009	A0091	Chevron Avon Terminal	Martinez	Failure to Meet Permit Conditions; Major Facility Review (Title V); Sulfur Dioxide; Hydrogen Sulfide
3/03/2009	C9730	Martinez Gas and Carwash	Martinez	Permit to Operate

**These facilities have received one or more Notices of Violations
Report period: January 1, 2009 – March 31, 2009**

Contra Costa County Continued

Status Date	Site #	Site Name	City	Regulation Title
3/04/2009	A7034	Plains Products Terminals LLC	Martinez	Storage of Organic Liquids
1/22/2009	B1661	Rhodia Inc	Martinez	Major Facility Review (Title V)
1/22/2009	A0011	Shell Martinez Refinery	Martinez	Major Facility Review (Title V); Episodic Release from Pressure Relief Devices at Petroleum Refineries
1/22/2009	B9288	East Bay Auto Body Repair, Inc	Pittsburg	Authority to Construct; Permit to Operate
1/22/2009	A4618	Keller Canyon Landfill Company	Pittsburg	Solid Waste Disposal Sites Perc & Synthetic Solvent Dry
3/18/2009	B1287	Vogue Cleaners	Pleasant Hill	Cleaning Operations
3/11/2009	A0016	ConocoPhillips - San Francisco Refinery	Rodeo	Standards of Performances for New Stationary Sources; Flare Monitoring at Petroleum Refineries; Continuous Emission Monitoring & Recordkeeping Procedures; Major Facility Review (Title V) Lequipment Leaks; Storage of Organic liquids; Wastewater (Oil- Water) Sepa
3/03/2009	A0016	ConocoPhillips #2709143	San Ramon	Permit to Operate

Marin County

Status Date	Site #	Site Name	City	Regulation Title
3/11/2009	A2898	Paragraphics	San Rafael	Failure to Meet Permit Conditions Perc & Synthetic Solvent Dry
2/04/2009	B1023	Gateway Cleaners	Sausalito	Cleaning Operations

Napa County

Status Date	Site #	Site Name	City	Regulation Title
1/22/2009	B1247	Clover Flat Landfill Inc	Calistoga	Authority to Construct; Permit to Operate; Solid Waste Disposal Sites
1/22/2009	T3947	Larkmead Vineyards	Calistoga	Open Burning
3/03/2009	D0611	Ishaq Trading Corp	Napa	Gasoline Dispensing Facilities Authority to Construct; Permit to Operate
3/03/2009	D2034	Pleasure Cove Marina	Napa	Authority to Construct; Permit to Operate

San Francisco County

Status Date	Site #	Site Name	City	Regulation Title
1/14/2009	H1945	Pacific Gas & Electric	San Francisco	Public Nuisance

These facilities have received one or more Notices of Violations
Report period: January 1, 2009 – March 31, 2009

San Mateo County

Status Date	Site #	Site Name	City	Regulation Title
3/03/2009	C8132	Farsco Inc	Pacifica	Gasoline Dispensing Facilities Authority to Construct; Permit to Operate
1/15/2009	P9999	Sequoia Union High Schl District	Redwood City	Motor Vehicle & Mobile Equip Coating Operations
2/06/2009	A5932	New Look Auto Body	San Mateo	Coating Operations

Santa Clara County

Status Date	Site #	Site Name	City	Regulation Title
1/28/2009	A0017	Lehigh Southwest Cement Company	Cupertino	Authority to Construct; Permit to Operate
3/03/2009	B7130	Animal Memorial Service	Gilroy	Failure to Meet Permit Conditions
3/03/2009	T4717	Joanne McPhee	Morgan Hill	Open Burning
1/28/2009	B9267	Bay Fiberglass & Pre-Cast	San Jose	Authority to Construct; Permit to Operate
3/03/2009	B6777	eBay / WPR	San Jose	Permit to Operate
3/03/2009	B0751	Micrel Semiconductor Inc	San Jose	Parametric Monitoring & Recordkeeping Procedures; Failure to Meet Permit Conditions
3/03/2009	D0318	Nice Air	San Jose	Gasoline Dispensing Facilities
1/28/2009	B9388	Nordstrom Inc	San Jose	Authority to Construct
3/03/2009	C7394	Pacific Pride Cardlock #81	San Jose	Gasoline Dispensing Facilities Authority to Construct; Permit to Operate
3/03/2009	B9175	San Jose Fuel Company	San Jose	Authority to Construct; Permit to Operate
1/28/2009	B9361	Macys Inc	Santa Clara	Authority to Construct; Permit to Operate
1/28/2009	A5079	S J Valley Plating Inc	Santa Clara	Hexavalent Chromium
2/06/2009	N2951	San Jose Construction	Santa Clara	Asbestos Demolition, Renovation & Mfg.
3/03/2009	B9470	Westfield Valley Fair	Santa Clara	Authority to Construct; Permit to Operate
3/03/2009	C6109	Calstone Company	Sunnyvale	Gasoline Dispensing Facilities
3/18/2009	B1994	Collision Auto Repair	Sunnyvale	Motor Vehicle & Mobile Equip Coating Operations

These facilities have received one or more Notices of Violations
Report period: January 1, 2009 – March 31, 2009

Solano County

Status	Date	Site #	Site Name	City	Regulation Title
	3/18/2009	B2834	Insituform Technologies Inc Valero Refining Company -	Benicia	Failure to Meet Permit Conditions Major Facility Review (Title V);
	1/14/2009	B2626	California	Benicia	Equipment Leaks
	1/27/2009	T4038	Charlie Lum	Fairfield	Open Burning
	2/27/2009	T4079	Heather Rotz	Fairfield	Open Burning
	3/03/2009	C8800	A&A Grand Gas BPG Pacific, LLC - Manouchehr	Vallejo	Gasoline Dispensing Facilities
	3/03/2009	D1182	Shahab	Vallejo	Gasoline Dispensing Facilities
	3/03/2009	C9228	Chevron	Vallejo	Gasoline Dispensing Facilities
	3/03/2009	C8365	Pooja Oil, LLC	Vallejo	Gasoline Dispensing Facilities Particulate Matter & Visible
	1/14/2009	A0128	Syar Industries, Inc	Vallejo	Emissions

Sonoma County

Status	Date	Site #	Site Name	City	Regulation Title
	1/22/2009	T3241	Timothy Davis	Graton	Open Burning
	1/27/2009	T3261	Abel Ochoa	Petaluma	Open Burning
	2/27/2009	T4315	Annette Elder-Evins	Santa Rosa	Open Burning
	3/03/2009	C6184	ARCO Facility #04936	Santa Rosa	Gasoline Dispensing Facilities
	1/22/2009	B5523	Daniel O Davis Inc	Santa Rosa	New Source Review Permit to Operate; New Source
	1/14/2009	B4845	Santa Rosa/Carrera Plating	Santa Rosa	Review

Closed NOV's with Penalties by County January 2009 – March 2009

Alameda

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
7-Eleven #32734	C0138	Livermore	\$500	1
Alvarado Valero	C8505	Union City	\$1,173	1
AMG Pipeline, Inc	D1409	Fremont	\$400	1
AM-PM Mini Market/ARCO Fac #2112	C8874	Alameda	\$500	1
AMV Gas & Food Inc	C9968	Hayward	\$3,846	3
ARCO Facility #02107 - JOHN CHAO	C0792	Oakland	\$500	1
ARCO Facility #02169 - KULWINDER KAUR	C0690	Oakland	\$500	1
Bedrock Oil	C8384	San Lorenzo	\$5,692	6
Castco	B8873	San Leandro	\$1,500	2
Chevron #9-1851	C9508	Oakland	\$400	1
Chevron SS #9-0076	C8419	Oakland	\$750	2
ConocoPhillips #30169	C9282	Fremont	\$200	1
Enablence USA Component Inc	B5448	Fremont	\$1,500	1
Food & Gas Company/Valero	C9278	Oakland	\$750	2
Foothill Chevron - Bedrock Oil, Inc	C9849	Hayward	\$2,096	2
Global Plating, Inc	A1749	Fremont	\$1,000	1
Lake Merritt Gasoline - Sanjiv N	D0035	Oakland	\$250	1
NICA, DMT, Inc.	S8071	Livermore	\$500	1
P. W. Stephens, Inc.	L6230	Fremont	\$45,000	6
SHORE ACRE GAS	C9120	Oakland	\$500	1
Southwest Hazard Control, Inc	T3280	San Leandro	\$800	1
Sunol Super Stop	C7361	Sunol	\$750	2
Xtra Oil Company	C0120	Berkeley	\$500	2

Total Violations Closed: 41

**Closed NOV's with Penalties by County
January 2009 – March 2009 (continued)**

Contra Costa

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Antioch Valero	D0500	Antioch	\$1,673	1
Bedrock Pinole Chevron #4014 - Chang Park	C1464	Pinole	\$4,846	3
Bonfare Markets	C9970	Concord	\$200	1
Byron Power Co.	B0437	Brentwood	\$2,000	1
Chevron Products Company	A0010	Richmond	\$60,500	17
Golden Gate Express	N2467	Martinez	\$2,000	1
Golden Gate Service Station	D0448	Pittsburg	\$500	1
Grand Gas Station	D0808	Concord	\$200	1
Plains Products Terminals LLC	A7034	Martinez	\$157,250	14
Quebecor World Pittsburg	A0932	Pittsburg	\$20,000	5
San Ramon Bedrock	C8371	San Ramon	\$673	1

Total Violations Closed: 46

Marin

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Jakela Inc.	S8881	Novato	\$2,000	1

Total Violations Closed: 1

Napa

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Todd Hudson	S8121	Napa	\$500	1

Total Violations Closed: 1

**Closed NOV's with Penalties by County
January 2009 – March 2009 (continued)**

San Francisco

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Currie's Chevron Service	C8644	San Francisco	\$250	1
San Francisco Water Department	C6643	San Francisco	\$400	1
Third Street Shell	C8982	San Francisco	\$500	1

Total Violations Closed: 3

San Mateo

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Barbara Tracy	S7311	Burlingame	\$1,250	3
Canyon Gas & Propane	C8999	Redwood City	\$500	1
Conoco Phillips #2611200	C9268	San Bruno	\$900	1
ConocoPhillips #253652	C7964	Menlo Park	\$350	1
Greener Dry Cleaners	A0307	Millbrae	\$250	1
Peninsula Cleaners	A1130	Millbrae	\$1,250	2
Unocal #0109	C9415	San Bruno	\$400	1

Total Violations Closed: 10

Santa Clara

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Al's Arco	C4360	Santa Clara	\$400	1
Cal-Tech AutoBody Repair	A5887	Milpitas	\$500	1
In & Out Gas LLC	D1326	San Jose	\$1,000	1
McCarthy Ranch Chevron & Carwash	C9911	Milpitas	\$850	2

**Closed NOV's with Penalties by County
January 2009 – March 2009 (continued)**

Santa Clara (continued)

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
San Martin Gas & Mart	C5339	San Martin	\$350	1
Valley Oil Company	B5289	Mountain View	\$1,250	1
Western States Oil	C3780	San Jose	\$200	1

Total Violations Closed: 8

Solano

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Bart Price	T0285	Benicia	\$350	1
Duracite	B2868	Fairfield	\$1,250	2
Morrow Crane Company	A9128	American Canyon	\$500	1

Total Violations Closed: 4

Sonoma

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Pete Lewis	S0978	Fulton	\$1,200	2
Poma Holdings, Inc	B2758	Santa Rosa	\$1,250	1
Green Acres Home	S8146	Sebastopol	\$250	1
SFD	S6598	Santa Rosa	\$1,000	1
Sonoma Jet Center	B6956	Santa Rosa	\$650	1

Total Violations Closed: 6

District Wide

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Casa De Fruta Chevron	C7838	Hollister	\$2,000	2
KAG West, LLC	A4021	West Sacramento	\$8,500	2

Total Violations Closed: 4

ACRONYMS AND TERMINOLOGY

ABAG	Association of Bay Area Governments
AC	Authority to Construct issued to build a facility (permit)
AMBIENT	The surrounding local air
AQI	Air Quality Index
ARB	[California] Air Resources Board
ATCM	Airborne Toxic Control Measure
BAAQMD	Bay Area Air Quality Management District
BACT	Best Available Control Technology
BANKING	Applications to deposit or withdraw emission reduction credits
BAR	[California] Bureau of Automotive Repair
BARCT	Best Available Retrofit Control Technology
BIODIESEL	A fuel or additive for diesel engines that is made from soybean oil or recycled vegetable oils and tallow. B100=100% biodiesel; B20=20% biodiesel blended with 80% conventional diesel
BTU	British Thermal Units (measure of heat output)
CAA	[Federal] Clean Air Act
CAL EPA	California Air Resources Board
CCAA	California Clean Air Act [of 1988]
CCCTA	Contra Costa County Transportation Authority
CEQA	California Environmental Quality Act
CFCs	Chlorofluorocarbons
CMA	Congestion Management Agency
CMAQ	Congestion Management Air Quality [Improvement Program]
CMP	Congestion Management Program
CNG	Compressed Natural Gas
CO	Carbon monoxide
EBTR	Employer-based trip reduction
EJ	Environmental Justice
EIR	Environmental Impact Report
EPA	[United States] Environmental Protection Agency
EV	Electric Vehicle
HC	Hydrocarbons
HOV	High-occupancy vehicle lanes (carpool lanes)
hp	Horsepower
I&M	[Motor Vehicle] Inspection & Maintenance ("Smog Check" program)
ILEV	Inherently Low Emission Vehicle
JPB	[Peninsula Corridor] Joint Powers Board
LAVTA	Livermore-Amador Valley Transit Authority ("Wheels")
LEV	Low Emission Vehicle
LNG	Liquefied Natural Gas
MPG	Miles Per Gallon

MTC	Metropolitan Transportation Commission
NAAQS	National Ambient Air Quality Standards (federal standards)
NO _x	Nitrogen oxides, or oxides of nitrogen
NPOC	Non-Precursor Organic Compounds
NSR	New Source Review
O ₃	Ozone
PM _{2.5}	Particulate matter less than 2.5 microns
PM ₁₀	Particulate matter (dust) less than 10 microns
PM _{>10}	Particulate matter (dust) over 10 microns
POC	Precursor Organic Compounds
pphm	Parts per hundred million
ppm	Parts per million
PUC	Public Utilities Commission
RFG	Reformulated gasoline
ROG	Reactive organic gases (photochemically reactive organic compounds)
RIDES	RIDES for Bay Area Commuters
RTP	Regional Transportation Plan
RVP	Reid vapor pressure (measure of gasoline volatility)
SCAQMD	South Coast [Los Angeles area] Air Quality Management District
SIP	State Implementation Plan (prepared for <i>national</i> air quality standards)
SO ₂	Sulfur Dioxide
TAC	Toxic Air Contaminant
TCM	Transportation Control Measure
TFCA	Transportation Fund for Clean Air [BAAQMD]
TIP	Transportation Improvement Program
TMA	Transportation Management Association
TOS	Traffic Operations System
tpd	tons per day
Ug/m ³	micrograms per cubic meter
ULEV	Ultra low emission vehicle
ULSD	Ultra low sulfur diesel
USC	United States Code
UV	Ultraviolet
VMT	Vehicle miles traveled (usually per <i>day</i> , in a defined area)
VTA	Santa Clara Valley Transportation Authority
ZEV	Zero Emission Vehicle

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Pamela Torliatt and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 13, 2009

Re: Recommendation for Contractor for Public Opinion Research Services

RECOMMENDED ACTION

1. Approval of True North Research as the contractor to conduct public opinion research services; and
2. Authorization for the Executive Officer to execute a contract with the selected contractor in an amount not to exceed \$100,000.

BACKGROUND

Staff 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 two additional years at the District's sole discretion.

DISCUSSION

This RFP was released on April 20, 2009. Responses to the RFP were due on May 11, 2009 and five proposals were received by that date. One proposal was received late and was not considered.

The proposals were evaluated by a panel of four representatives including staff members from the Communications and Outreach Office, Technical Services, Planning and Administration divisions. 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.

Responsiveness of Proposal. This category evaluated the responsiveness of the proposal clearly stating an understanding of the work to be performed and comprehensiveness of the proposal to address the objective. This category also evaluated the overall experience and accomplishments of the consulting team and project management staffing.

Cost Proposal. Costs were evaluated for adequacy in relation to the outlined scope of the project.

References, 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.

Expertise and Experience of Team. This category evaluated the overall experience and accomplishments of the team and specifically, environmental and governmental experience.

Project Management Experience. This category evaluated the team’s experience developing environmental guidelines and protocols for government agencies within the project management framework.

The scoring and total points for each of the RFPs is contained in the following table.

Public Opinion Research Services

Evaluative Criteria	True North.	Action Research	Issues and Answers
Proposal (25 points)	24	20.3	18.3
Expertise & Experience (30 points)	29	25.3	22.7
Project Management (15 points)	15	14	12
Cost (20 points)	9	6	11.5
References/Local/Green Business (10 points)	7.3	6.7	4.7
Total Points	84.3	72.3	69.2
Evaluative Criteria	Market Dimensions	EMC Research	Wilson Research Strategies
Proposal (25 points)	16.3	11.3	0
Expertise & Experience (30 points)	21	18.7	0
Project Management (15 points)	12	10.3	0
Cost (20 points)	13.5	19	0
References/Local/Green Business (10 points)	5.7	8.6	0
Total Points	68.5	67.9	0

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding for activities conducted from May 2009 through June 30, 2009 is included in the current budget. Activities after July 1, 2009 will be included in the FY 2009/10 budget. Funding for these contracts comes from three sources: Congestion Mitigation Air Quality grant, the Transportation Fund for Clean Air Fund, and General Revenues.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Lisa Fasano
Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson, Pamela Torliatt and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 14, 2009

Re: Report of the Public Outreach Committee Meeting of May 7, 2009

RECOMMENDED ACTIONS

Receive and file.

BACKGROUND

The Public Outreach Committee met on Thursday, May 7, 2009. The Committee received the following reports and updates:

- A) 2009 Summer Spare the Air Every Day Campaign
- B) Employer Program Spring/Summer
- C) Overview of Air District Website Redesign

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

Chairperson Ross will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Lisa Harper
Approved by: Mary Ann Goodley

Attachment(s)

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Ross and Members
of the Public Outreach Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 4, 2009

Re: 2009 SUMMER SPARE THE AIR EVERY DAY CAMPAIGN

RECOMMENDED ACTION:

For information only.

BACKGROUND

Since 1991, the *Spare the Air* campaign has worked to persuade the public to adopt practices that promote long-term behavior change to protect air quality. Historically, the *Spare the Air* program has been an episodic public outreach campaign with advisories being issued to the media, individuals, employers, schools and public agencies whenever air quality was forecast to be unhealthy. Last season, the *Spare the Air* campaign transitioned to the *Spare the Air Every Day* campaign to **emphasize** that clean air choices should be made every day to improve air quality and protect the climate. The 2009 summertime ozone season runs from Monday, May 11 – Friday, October 2, 2009 with emphasis on ways to reduce summertime pollutants.

DISCUSSION

Air District staff is working with O’Rorke Inc., MS&L Public Relations and Allison & Partners on the summertime 2009 *Spare the Air Every Day* campaign. O’Rorke Inc. and MS&L Public Relations were selected as the Air District advertising and media contractors and Allison & Partners as the Employer Program contractor by the Board of Directors at the Board meeting of April 15, 2009.

The focus of this year’s campaign will be to target and reduce the number of single passenger vehicles on our roadways. Carpooling and transit will be emphasized.

This year’s *Spare the Air Every Day* campaign will include:

- Advertising – The campaign will use radio and TV advertising from last year, with additional pieces in multiple languages, including Spanish, Chinese and Vietnamese. Digital advertising will also be utilized through SFGate.com, Facebook, Yelp and Google. The Treasure Island banner will again be utilized to reach the people that cross the Bay Bridge each day to encourage the use of carpooling and transit.

- Media – *Spare the Air Every Day* will be covered on radio and television. Coverage will include ethnic broadcast outlets, including Chinese, Vietnamese and Latino.
- Smoking Vehicle Program – This summer, advertising for the Smoking Vehicle Program will be linked to advertising efforts for the *Spare the Air Every Day* campaign.
- Employer Program – The Employer Program will have a *Spare the Air Every Day* focus, providing additional opportunities for outreach.
- Additional Outreach – Electronic sign boards will display real time *Spare the Air Every Day* messages. In addition, outreach will occur at community events such as the series of Sunday Streets San Francisco events and the Contra Costa County Fair.

At the Committee meeting, staff will elaborate further on these components of the 2009 *Spare the Air Every Day* Campaign.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

Funding for the outreach program is included in the FY 2009-10 Budget and is funded primarily through the Congestion Mitigation Air Quality (CMAQ) program.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Ana Sandoval
Reviewed by: Lisa Fasano

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Ross and Members
of the Public Outreach Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 4, 2009

Re: EMPLOYER PROGRAM SPRING/SUMMER

RECOMMENDED ACTION:

For information only.

BACKGROUND

Staff will provide an update on the Employer Program component of the 2009 *Spare the Air Every Day* campaign.

DISCUSSION

This year, the Employer Program component of the *Spare the Air Every Day* campaign will feature four educational air quality workshops for employers. Expanding upon the success of previous Employer Program summits, the workshops will offer a chance to interact with employers in a smaller setting and address workplace air quality concerns and solutions specific to their region of the Bay Area. The workshops will tentatively be held in the North Bay, South Bay, East Bay and in San Francisco. Like in previous summits, the workshops will feature a panel of businesses that have successfully established *Spare the Air Every Day* or sustainability programs in their workplaces, as well as a presentation from District staff and an opportunity for Q&A.

The focus of this year's campaign will be to target and reduce the number of single passenger vehicles on our roadways. Carpooling and transit will be emphasized.

Additionally, materials for the Employer Program are being updated and converted to downloadable and email-friendly files. A step-by-step guide for employers to start or enhance their *Spare the Air* workplace program is also being developed.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Ana Sandoval
Reviewed by: Lisa Fasano

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Ross and Members
of the Public Outreach Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 4, 2009

Re: OVERVIEW OF AIR DISTRICT WEBSITE REDESIGN

RECOMMENDED ACTION:

For information only.

BACKGROUND

Last year, the District initiated a project to design and develop a new BAAQMD website. This effort began with survey of interested parties. The surveys included the general public, the regulated community, other environmental agencies and groups, the media, and internal staff. Information gathered from the surveys was used to re-design the structure, navigation and appearance of the new site.

DISCUSSION

Staff will present a look at the website redesign and discuss the redesign process.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

For information only.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson, Pamela Torliatt and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 12, 2009

Re: Report of the Executive Committee Meeting of May 18, 2009

RECOMMENDED ACTION

The Executive Committee may recommend Board of Directors' approval of the following:

- A) Air District's Strategic Vision ;
- B) Community Grant Program Guidelines;
- C) Appointment of Interim Officers and Directors on Air District's Climate Protection Foundation; and
- D) Amendments to the Air District's Administrative Code.

BACKGROUND

The Executive Committee will meet on Monday, May 18, 2009. The Committee will receive the following reports and recommendations:

- A) Quarterly Report of the Hearing Board;
- B) Consideration of Air District Strategic Vision;
- C) Discussion of Advisory Council Recommendations;
- D) Consideration of Community Grant Program Guidelines;
- E) Consideration of Recommendation of Interim Officers and Directors on the Air District Foundation; and
- F) Discussion of Committee Meeting Schedules and Consideration to Amend the Air District's Administrative Code.

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

Chairperson Pamela Torliatt will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Lisa Harper
Reviewed by: Mary Ann Goodley

Attachment(s)

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
 Memorandum

TO: Chairperson Pamela Torliatt and Members
 of the Executive Committee

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

DATE: April 27, 2009

RE: Hearing Board Quarterly Report – JANUARY, 2009 – MARCH, 2009

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>
Alameda/Livermore	WASTE MANAGEMENT OF ALAMEDA COUNTY (LIVERMORE) – Docket No. 3566 – <i>Application for Emergency Variance from Regulation to limit the emission on non-methane organic compounds and methane from waste decomposition process at solid waste disposal sites and from regulation requiring compliance with permit conditions and from conditions of the Major Facility Review Permit. - Emergency Variance</i>	(Major Facility Review Permit)	Granted	3/13/09 – 3/16/09	===
Contra Costa/Richmond	CHEVRON U.S.A. INC. (RICHMOND) – Docket No. 3524 - <i>Appeal of Chevron U.S.A. Inc. from the Issuance of a Further Revised Major Facility Review Permit for Facility with respect to permit conditions for various tanks and other sources at Refinery No. A 0010 (Richmond Refinery) – Further Hearing.</i>	(Major Facility Review Permit)	Hearing continued; further status report due & recvd March 20, 2009; further status report due 3/21/10	===	===
Solano/Fairfield	ABBOTT LABORATORIES, ROSS PRODUCTS DIVISION (FAIRFIELD) – Docket No. 3565 – <i>Application for Emergency Variance from regulation requiring compliance with permit conditions and Volatile Organic Compounds Emissions – Emergency Variance</i>	2-1-307	Denied	===	===

Solano/Fairfield	RETAIL ALLIANCE, LLC (FAIRFIELD) – Docket No. 3564 - <i>Application for Variance from regulation requiring compliance with permit conditions and volatile organic compounds emissions from gasoline dispensing facilities) – (APCO opposed) Regular Variance Hearing.</i>	8-7-203 2-1-307	Granted	4/1/09 – 7/31/09	===
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NOTE: During the first quarter of 2009, a total of one (1) hearing was held and the Hearing Board processed and filed a total of three (3) Applications: Two (2) Emergency Variances and one (1) Regular Variance. Two (2) Status Reports were received and filed for an Appeal (one each for the same Docket). The Appeal hearing was continued and status reports required of the Appellant, which was approved by the Hearing Board. The Hearing Board also prepared a formal response letter to the Air Resources Board Enforcement Division regarding its approval of Docket 3564; Variance application. A total of \$6,140.49 was collected as Hearing Board fees (applications and public noticing) during the first quarter of 2009.

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>
					\$ 0
				TOTAL COLLECTED:	<u>\$ 0</u>

Respectfully submitted,

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

Prepared by: Lisa Harper
 Reviewed by: Mary Ann Goodley

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Torliatt and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 12, 2009

Re: Consideration of Approval of Air District Strategic Vision

RECOMMENDED ACTION:

Recommend Board of Directors' approval of the Air District Strategic Vision presented in the Attachment.

BACKGROUND

The Air District's mission statement, core values and goals were developed approximately ten years ago. While their content holds true, their words do not fully reflect other endeavors at the Air District, such as the extensive work on climate protection. In addition, the current Strategic Vision does not reflect advances made in identifying and addressing air pollution in impacted communities. Staff has embarked on a process to revisit, revise, and renew the Strategic Vision. Staff intends to develop a product that will: create a unifying strategy for Air District endeavors; provide guidance when developing new programs or redefining existing ones; and communicate the Air District's purpose, priorities and values to its stakeholders.

Staff presented a proposed Strategic Vision and its development process at the Board of Directors Retreat on January 21, 2009. At that point, Board of Directors provided feedback on the content of the Strategic Vision and directed staff to reach out to stakeholders and solicit input on the Strategic Vision. A further update was provided to the Executive Committee of the Board of Directors on March 16, 2009.

DISCUSSION:

The Air District conducted an extensive internal process to revisit the Strategic Vision. No outside consultants were utilized in this process. The internal development process included a series of meeting for all levels of staff as well as an online survey.

Following the first presentation of the proposed Strategic Vision at the Board of Directors Retreat on January 21, 2009, staff commenced a stakeholder input process. Stakeholders contacted for input include:

Advisory Council Members

Hearing Board Members

CARE Task Force Members

Community Resource Teams

Napa

Richmond

San Francisco

San Jose

San Mateo

Southern Alameda

Tri-Valley

Sonoma

Affiliated Organizations, such as

Air and Waste Management Association, Golden West Chapter

American Lung Association of California

Association of Bay Area Governments

Breathe California

California Air Resources Board

California Air Pollution Control Officers Association

East Bay EDA

Joint Policy Committee

Metropolitan Transportation Commission

San Francisco Bay Conservation and Development Commission

San Francisco Department of the Environment

Silicon Valley Leadership Group

US EPA Region 9

Alameda County Congestion Management Agency

Contra Costa Transportation Authority

Transportation Authority of Marin (TAM)

Napa County Transportation and Planning Agency

San Francisco County Transportation Authority

City/County Association of Governments of San Mateo County (CCAG)

Santa Clara Valley Transportation Authority

Congestion Management Agency

Solano Transportation Authority

Sonoma County Transportation Authority

The attached document reflects the insightful and thoughtful feedback received from a broad array of stakeholders as well as the Board of Directors. The resulting product is inspiring, bold and comprehensive. The proposed Strategic Vision will serve as a solid foundation for positioning the Air District as a leading and successful public agency.

Once adopted, the Strategic Vision Document will be published online, in the annual report, in the annual budget, and other appropriate Air District publications.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Ana Sandoval
Reviewed by: Mary Ann Goodley

Attachment

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
FINAL DRAFT STRATEGIC VISION
MAY 2009**

Vision

A healthy breathing environment for every Bay Area resident.

Mission

To protect and improve public health, air quality, and the global climate.

Core Values

<i>Excellence</i>	Air District programs and policies are founded on science, developed with technical expertise, and executed with quality.
<i>Leadership</i>	The Air District will be at the forefront of air quality improvement and will pioneer new strategies to achieve healthy air and protect the climate.
<i>Collaboration</i>	Involving, listening, and engaging all stakeholders to create broad acceptance for healthy air solutions.
<i>Dedication</i>	Committed staff that live and believe the Air District's mission.
<i>Equity</i>	All Bay Area residents have the right to breathe clean air.

Strategic Goals

- Reduce and ultimately eliminate health disparities due to air pollution.
- Achieve and maintain air quality standards for all criteria pollutants, utilizing the expertise and innovation of the Air District and its partner agencies.
- Implement exemplary regulatory programs and ensure compliance with applicable Federal, State and Air District regulations.
- Through incentives and partnerships, establish the Bay Area as a leading center for emissions reductions in the areas of mobile sources, land use planning, innovative technology and energy.
- Utilize educational programs and partnerships to engage all Bay Area stakeholders in sparing the air every day.
- Serve as air quality authority in development of air policy and information.
- Apply state-of-the-art tools, techniques, and technology in Air District operations.
- Retain a top-performing and motivated workforce.
- Implement best practices in environmental stewardship in Air District operations.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
DRAFT STRATEGIC VISION
February 2009**

Vision

A healthy breathing environment for every Bay Area resident.
To be the most effective and innovative air quality agency.

Mission

The Mission of the Bay Area Air Quality Management District is to To protect and improve public health, air quality, and the global climate through regulation, incentives, and education.

Core Values

Excellence Air District programs and policies are founded on science, developed with technical expertise, and executed with quality.

Leadership The Air District will be at the forefront of air quality improvement and will pioneer new strategies to achieve healthy air and protect the climate.
We will explore and pioneer new strategies for achieving clean air.

Collaboration Involving, listening, and engaging all stakeholders to create broad acceptance for healthy air solutions.
Involvement of all stakeholders is critical to achieving clean air. In carrying out our mission we will strive to inform and engage all stakeholders, including but not limited to, the Bay Area public, environmental community groups, public agencies and businesses.

Dedication Committed staff that live and believe the Air District's mission.
The commitment of the people of the Air District is vital to accomplishing our mission.

Equity All Bay Area residents have the right to breathe clean air.

Strategic Goals

1. Reduce and ultimately eliminate health disparities due to air pollution
2. Attain **Achieve** and maintain air quality standards for all criteria pollutants, utilizing the expertise and innovation of the Air District and its partner agencies.
- 2.3. Implement exemplary regulatory programs and ensure **Ensure** compliance with applicable Federal, State and Air District air quality regulations.
3. Strengthen and refine our rules to improve living conditions and air quality for residents of the Bay Area. *(folded into above goal)*
4. Achieve reductions in regional greenhouse gas emissions and address air quality impacts of climate change. *(encompassed within regulatory goal)*
5. Reduce exposure to air pollution in impacted communities. *(encompassed in first goal)*

- 6.4. Through incentives and partnerships, establish the Bay Area as a leading center for emissions reductions in the areas of mobile sources, land use planning, innovative technology and energy. Award grants and provide incentives to improve air quality.
5. Utilize educational programs and partnerships to engage all Bay Area stakeholders in sparing the air every day. Promote positive air quality choices.
6. Serve as air quality authority in development of air policy and information.
8. Practice efficient operations and effective communication within the Air District and with stakeholders. *(encompassed in goal addressing tools, techniques and technology)*
9. Cultivate strategic partnerships aimed at improving public health. *(encompassed in other goals)*
- 10.7. Apply state-of-the-art air quality tools, techniques, and technology in Air District operations.
11. Promote the development and use of new, clean air technology with partners within and beyond the Bay Area. *(encompassed in incentives goal)*
- 12.8. Retain a top-performing and motivated workforce.
- 13.9. Implement best practices in environmental stewardship in Air District operations.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Torliatt and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 11, 2009

Re: Discussion of Advisory Council Recommendations

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

The Advisory Council's first topic meeting, on Air Quality and Public Health, was held on February 11, 2009. At that meeting the Council heard presentations and received materials from four County Public Health Officers, from Alameda, Contra Costa, San Francisco, and Santa Clara Counties. The Council discussed the presentations and materials at meetings on March 11, 2009 and April 8, 2009, and prepared a report, including recommendations, to the Board of Directors. Members of the Council presented the report and recommendations to the Board at the April 15, 2009 meeting.

DISCUSSION:

The Council's report on the Air Quality and Public Health meeting included a total of 19 recommendations in three categories: 1) Reducing Health Impacts from Air Pollution, 2) Public Outreach and Community Collaboration and 3) Legislation, Regulation and Policy. Staff are reviewing the recommendations and preparing a list of Air District actions related to the recommendations that are a) already implemented and ongoing, b) under development, or c) under consideration. Staff will present a summary of the actions related to the Advisory Council recommendations.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Gary Kendall
Reviewed by: Jean Roggenkamp

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Torliatt and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 12, 2009

Re: Consideration of Approval of Guidelines for the Community Grant Program

RECOMMENDED ACTION

The Committee will consider recommending Board of Directors' approval of the attached Guidelines for the Community Grant Program.

BACKGROUND

The Air District has historically supported community-based projects that reduce emissions, improve energy efficiency, provide air quality education and improve community health, yet not in a formalized process. Through these grants the Air District will create a designated fund for these community based projects which help to move forward the Air District's mission of achieving clean air to protect the public's health and the environment.

The Board of Directors at its December 3, 2008, meeting approved a \$250,000 funding level for development of a formalized Community Grant Program.

DISCUSSION

The Community Grant Program provides an opportunity for the Air District to focus on areas where there is a demonstrated need for resources, a commitment to the Air District's mission and approach where resources can be utilized to achieve a measurable impact. To achieve these goals this program proposes to award grants that focus on outreach and education, emission reductions, and/or improved respiratory health in communities. At the Committee meeting, staff will present the guidelines for the grant program.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Richard Lew
Reviewed by: Lisa Fasano

Attachment(s)

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
2009 COMMUNITY GRANT PROGRAM
GUIDELINES**

SECTION I: GENERAL INFORMATION

Background

The Bay Area Air Quality Management District (District) is committed to achieving clean air to protect the public's health and the environment. The District adopts and enforces regulations and implements programs to achieve healthy air quality. In December of 2008, the District established the Community Grant Program to reduce air pollution and its harmful impacts to public health at the local level. The Community Grant Program is intended to supplement and enhance the District's community outreach efforts.

Since 1991 the Community Outreach Program at the District has been engaging the public in voluntary local efforts to reduce air pollution. The District seeks to stimulate additional local voluntary emission reduction efforts and to lessen potential impacts from sources of air pollution through grants for outreach and education, emissions reductions and respiratory health improvement.

The District has supported community-based grant projects on an ad hoc basis over the years. Through these grants, the District has been able to work with local communities on programs to reduce air pollution and mitigate the health impacts of ambient air contaminants. The Community Grant Program formalizes this process to maximize community participation and increase opportunities for communities to help our region improve its air quality and protect our environment.

Geographic Region

Grants will be made for eligible projects that provide service within the District's 9-county jurisdiction. The District's jurisdiction encompasses all of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo and Santa Clara Counties, southern Sonoma County and southwestern Solano County.

Grant Range

The Board of Directors has authorized up to a total of \$250,000 for the 2009 Community Grant Program. The District will award individual grants in an amount from a minimum of \$10,000 to a maximum of \$50,000, depending upon program area and scope of services.

Duration

The grant period will be 12-18 months. The project must be completed within the time period specified for each grant program area (Section IV).

Who can apply?

Eligible applicants include public agencies, non-profit 501(c) 3 organizations, organizations with fiscal sponsorship under a 501(c) 3 organization, K-12 schools (public & private institutions) and small businesses located in the nine-county

jurisdiction of the District. Eligible grant recipients must be responsible for the implementation of the project and have the authority and capacity to complete the project.

Available Funds

The Community Grant program focuses on areas where there is a demonstrated need for resources and compatibility with the District’s mission to reduce air pollution and to protect public health. Eligible projects must provide outreach and education about air quality issues, emission reductions and/or improve respiratory health.

Ineligible Activities:

The Community Grant Fund will not fund:

- Projects that are already funded by the District
- Academic research, studies or investigations
- Costs for preparing or submitting grant application
- Deficit budgets
- Lobbying efforts
- Endowment campaigns
- Political and organization fundraising campaigns
- Marketing of products or technologies
- Research and development for new technologies or products

District funds may only be used for project costs that are incurred after the date that the grant agreement is fully executed.

Important Dates

June 15, 2009	Call for Community Grant Program applications
July 17, 2009	Deadline for District receipt of applications
August 14, 2009	Notification of grants
September 25, 2009	Deadline to execute agreement

Contact Information

Grant applicants are encouraged to discuss their grant applications with District staff prior to submittal. The primary contact person for the Community Grant Program is:

Jim Smith
Public Information Officer
Communications and Outreach Office
939 Ellis Street, 5th Floor
San Francisco, CA 94109
jsmith@baaqmd.gov
(415) 749-4631

SECTION II GOALS AND OBJECTIVES

The overarching goals of the Community Grant Program are to reduce local airborne pollutants, to increase public awareness of air quality issues and to protect the public from the harmful effects of air pollution.

The District will achieve these goals by funding activities that support one or more than one of the following objectives.

Objective 1: Outreach & education to inform community members about air quality improvement issues.

There are many ways to conduct outreach and education to the public about the health consequences of air pollution. The District seeks to identify and support those projects designed to reach local audiences effectively and broadly with targeted messages about behavior changes that can reduce air pollutants and greenhouse gases in their daily lives.

Objective 2: Implementation of behavior changes that lead to a reduction of emissions.

The District seeks to fund projects that demonstrate direct benefits to local air quality; for example, projects that encourage chipping of wood instead of burning, reduction of idling in neighborhoods with heavy truck traffic, traffic reduction efforts around schools and replacing incandescent with florescent lighting all can reduce both air pollutants and greenhouse gases.

Objective 3: Respiratory Health Improvement Projects.

The District seeks to fund projects that reduce air pollution impacts or protect the health of local residents from airborne impacts. Distribution of information to the public on how to control asthma or the installation of air filtration systems are examples of projects that may mitigate potential impacts of airborne pollutants.

SECTION III APPLICATION PROCEDURES

Application process

Applications are due at the District office by no later than 5:00 pm on Friday, July 17, 2009. Applications submitted after 5:00 p.m. on Friday, July 17, 2009 are incomplete applications and will not be accepted.

Electronic Submittal Process

In support of its internal policy of being a carbon neutral agency, the District welcomes paperless applications for this grant program. Proposals may be submitted electronically to jsmith@baaqmd.gov. Faxed, mailed or couriered proposals will be accepted but must be dated or postmarked before 5:00 p.m. on Friday, July 17, 2009. If you have not received a confirmation of receipt from the District within 3 days of the application deadline, please contact Jim Smith at (415) 749-4631. Applicants that foresee a problem meeting this requirement should contact Jim Smith.

Formatting

Proposals must be single-spaced, with a minimum of 1 inch margins and 12-point font. The District's Community Grant Program Cover Sheet (Appendix A) will serve as the proposal's cover sheet/title page. Include the name of the applicant (e.g., organization) and page number on each page. The District discourages use of plastic folders. Electronic proposals must be submitted as either PDF or Word documents.

Application Requirements

Any items submitted other than those specified in these application requirements will not be reviewed.

Cover page – 1 page

Use the District's Community Grant Program Cover Page located in Appendix A as the first page of your application packet. The cover page must be signed by a person with authority to legally bind your organization (in electronic applications, a typed in name is legally equivalent to a signature¹).

Proposal Narrative – Maximum 4 pages

Requirements vary by grant program area – see Section IV below. Please use required elements as headings in your narrative to facilitate evaluation of your proposal.

Organizational Capacity – Maximum 2 pages

Provide a brief description of the applicant and its demonstrated ability to achieve success with the proposed activity. Include a brief bio (1 paragraph) for each key staff person.

Project Budget – Maximum 2 pages

Provide a full budget for the proposed activity, broken out by year (if applicable). Identify budget line items funded by the District's Community Grant Program. List any other funders, their total contribution (including in-kind), and indicate whether or not that contribution has been secured (in-hand), committed, requested or not yet requested. *In evaluation scoring, in-kind resources will count 50% as much as cash contributions.*

Include, at a minimum, the following line items:

- Salary – list project team members, hours for each and hourly rates for each
- Fringe/benefits – list fringe rate
- Consultants/sub-contractors – list estimated hours and rates
- Meetings (convening of) – any public meetings, workshops, trainings, etc. required as part of your project (NOT internal project team meetings)
- Materials design and production (including web)
- Indirect expenses / overhead – list your indirect/overhead rate

In addition, provide a brief budget narrative of 1-2 sentences on each line item to add clarity and specificity.

¹ See the Electronic Signatures in Global and National Commerce Act, <http://www.ftc.gov/os/2001/06/esign7.htm>

Required Attachments

For local governments and public agencies:

- list of 3 most recent grantors with contact information
- letters of commitment from any significant project partners itemizing what they are providing (technical support, matching funds, etc.)
- authorizing letter of commitment approving the submittal of the proposal and identifying the individual authorized to submit and carry out the proposal.

For non-profit organizations:

- list of Board of Directors with affiliations
- 501c3 IRS designation letter
- 2007 financial audit
- organizational budgets for 2008 (or FY 08/09) and 2009 (or FY 09/10)
- letters of commitment from any significant project partners itemizing what they are providing (technical support, matching funds, etc.)
- authorizing letter of commitment approving the submittal of the proposal and identifying the individual authorized to submit and carry out the proposal.

For K-12 schools:

- list of 3 most recent grantors with contact information
- letters of commitment from any significant partners itemizing what they are providing (technical support, matching funds, etc.)
- authorizing letter of commitment approving the submittal of the proposal and identifying the individual authorized to submit and carry out the proposal.

For small businesses:

- proof of fiscal solvency (e.g., IRS 1040)
- letters of commitment from any significant project partners itemizing what they are providing (technical support, matching funds, etc.)
- authorizing letter of commitment approving the submittal of the proposal and identifying the individual authorized to submit and carry out the proposal.

Demonstration of Clean Air Achievement

Applicants with a demonstrated history of working to improve air quality will receive points in the evaluation criteria. *Documentation of clean air commitments (e.g. copy of or web link to previous projects) must be included in application as an attachment.*

Evaluation Criteria and Scoring

Specific evaluation criteria and their relative weights in scoring applications are listed in each of the grant program areas in Section IV below.

SECTION IV GRANT PROGRAM AREAS

The District is offering grants in three program areas: Outreach and Education, Emission Reductions, and Respiratory Health Improvement. Under each program area, specific proposal requirements and evaluation criteria (scoring) are listed, as well as examples of potentially fundable projects. The sample projects listed are given to provide general guidance, and are neither intended to limit the range of projects submitted for funding nor to assure funding for any particular project.

Projects that fall within other District grant programs and activities are not eligible for 2009 community grants.

1) Outreach and Education

Through its outreach and education grants, the District seeks to promote behavior changes in communities that reduce polluting activities.

⇒ *Outreach and Education Grants*

Grant range: \$10,000 – 25,000

Duration: 12 months

Eligible applicants: Public agencies, non-profit 501(c) 3 organizations, organizations with fiscal sponsorship under a 501(c) 3 organization, K-12 schools and small businesses committed to reducing local air pollution.

Eligible projects could include (but are not limited to):

- education projects to encourage truckers or school bus drivers in heavily trafficked areas to reduce engine idling;
- school-based projects that educate parents and students about pollution generated by schools and that encourage lower polluting activities at school and at home;
- neighborhood or homeowner association efforts to educate local residents about the health impacts air pollution attributable to wood burning;
- energy conservation projects to improve air quality;
- projects to educate parents of children with asthma about asthma management.

School curriculum development projects are not eligible.

Proposal Narrative Requirements for Outreach and Education Grants

Proposal narratives must not exceed 9 pages. Proposals should be concise, and adequately and clearly address the following elements. Proposal narratives must include ALL of the following:

- Description of the project – Provide a concise description of what you will undertake and the amount requested.
- Need(s) being addressed – Succinctly explain the need for the proposed activity and why funding from the District is critical in meeting that need.

- Goals and objectives of the proposed activity – List all goals and objectives for the proposed activity. Goals are broad aspirations whereas objectives are means to achieving a goal.
- Strategic approach – The strategic approach describes how objectives will be achieved. Include a detailed description of what you will do, how you will do it, any partners you will collaborate with, and why this particular approach is proposed. Make sure your strategic approach relates to the goals and objectives you have listed.
- Connection with District’s goal and objectives – State specifically how your project and approach will support the District’s goal and objectives (see Section II); be clear as to which objective(s) your project will support.
- Potential for air pollution reduction – Provide a qualitative and quantitative discussion of how your proposed activity will ultimately result in the reduction of air pollution. What is the nature of the emission reductions: less energy use, less idling, less driving to school or less wood burning? Support your assertions with realistic estimates of the impact your project will have, relying on factors such as, the size of your target audience, number of people reached (directly and indirectly), or the number of events held. Explain how you arrived at your estimations. Use the emissions quantification guidelines in Appendix B to make your estimations.
- Achievement of co-benefits – Discuss benefits above and beyond reduction of air pollution that will accrue as a result of your proposed activity (i.e. education about health impacts of wood burning leads to better neighbor relations). Use quantitative descriptions (i.e. 15 neighborhood block wood burning agreements signed) of co-benefits as much as possible, clearly explaining the assumptions and methodologies you used for making your estimations.
- Measuring success – Clearly state the metrics by which you will evaluate success – how will you know that you have achieved your goals and objectives? You may use both qualitative (i.e. better relationships with truckers) and quantitative (i.e. 8 hours in reduced idling) metrics.
- Timeline / Deliverables – Create an easy-to-read table listing major deliverables and estimated number of months to complete each deliverable.
- Demonstration of environmental commitment – Clearly state what your previous experience is with promoting clean air projects and demonstrate how your day-to-day business or organizational practices demonstrate environmental commitment.
- Engaging impacted communities – The Air District is committed to the mitigation of air pollution in communities defined as most at-risk in its Community Air Risk Evaluation (CARE) Program. Based on maps of toxic air emissions and sensitive populations, six priority communities that would benefit from immediate mitigation action have been identified (Concord, Richmond/San Pablo, Western Alameda

County, San Jose, Redwood City/East Palo Alto and Eastern San Francisco). Proposals that target these areas will receive points for doing so.

Evaluation Criteria and Scoring for Outreach and Education grants

Potential for changing attitudes	20
Connection with Grant Program’s objectives	20
Strength and feasibility of strategic approach	15
Organizational capacity (including fiscal soundness)	10
Matching funds	10
Demonstration of potential pollution reduction	10
Demonstration of environmental commitment	5
Engaging impacted communities	5
<u>Strength of proposal (adheres to instructions, well-written)</u>	<u>5</u>
Total possible points	100

2) Emission Reductions

Through its emission reductions grants the District seeks to fund projects that demonstrate direct benefits to local air quality.

⇒ *Emission Reduction Grants*

Grant range: \$10,000 – 50,000

Duration: 12-18 months

Eligible applicants: Public agencies, non-profit 501(c) 3 organizations, organizations with fiscal sponsorship under a 501(c) 3 organization, K-12 schools and small businesses committed to reducing local air pollution.

Eligible projects could include (but are not limited to):

- replacing wiring and lighting in buildings to improve energy conservation in order to reduce greenhouse gases;
- establishing van pools, carpools and biking and walking incentive projects that reduce driving to and from schools in heavily-trafficked public locations.

The District discourages proposals that only address education and not the actual reduction of air pollution.

Air monitoring projects are not eligible.

Proposal Narrative Requirements for Emissions Reduction Grants

Proposal narratives must not exceed 9 pages. Proposals should be concise, and adequately and clearly address the following elements. Proposal narratives must include ALL of the following:

- Description of the project – Provide a concise description of what you will undertake and the amount requested.
- Need(s) being addressed – Succinctly explain the need for the proposed activity and why funding from the District is critical in meeting that need.

- Strategic approach – Include a detailed description of what you will do, how you will do it, any partners you will collaborate with, and why this particular approach is proposed.
- Connection with District’s goal and objectives – State specifically how your project and approach will support the District’s goal and objectives (see Section II); be clear as to which objectives your project will support.
- Emissions reduction – Provide a qualitative and quantitative discussion of how your proposed activity will reduce of air pollution. What is the nature of the emission reductions: less traffic congestion during school drop-off and pick-up hours, less energy used, less wood burning? Support your assertions with realistic estimates of the impact your project will have, in terms such as the size of your target audience, number of people reached (directly and indirectly), events held. Explain how you arrived at your estimations. Use the emissions quantification guidelines in Appendix B to make your estimations.
- Achievement of co-benefits – Discuss benefits above and beyond reduction of air pollution that will accrue as a result of your proposed activity, focusing on benefits to local communities. Use quantitative descriptions of co-benefits as much as possible (cost savings – lower electric or gas bills for example), clearly explaining the assumptions and methodologies you used for making your estimations.
- Measuring success – Clearly state the metrics by which you will evaluate success – how will you know that you have achieved your goals and objectives? You may use qualitative and must use quantitative metrics.
- Timeline / Deliverables – Create an easy-to-read table listing major deliverables and estimated months in which each deliverable will be completed.
- Demonstration of environmental commitment – Clearly state what your previous experience is with promoting clean air projects and demonstrate how your day-to-day business or organizational practices demonstrate environmental commitment.
- Engaging impacted communities – The Air District is committed to the mitigation of air pollution in communities defined as most at-risk in its Community Air Risk Evaluation (CARE) Program. Based on maps of toxic air emissions and sensitive populations, six priority communities that would benefit from immediate mitigation action have been identified (Concord, Richmond/San Pablo, Western Alameda County, San Jose, Redwood City/East Palo Alto and Eastern San Francisco). Proposals that target these areas will receive points for doing so.

Evaluation Criteria and Scoring for Emission Reduction grants

Emission reductions	25
Connection with Grant Program’s objectives	15
Strength and feasibility of strategic approach	15
Organizational capacity (including fiscal soundness)	10
Matching funds	10
Finance strategy for sustaining position	10
Demonstration of environmental commitment	5
Engaging impacted communities	5
<u>Strength of proposal (adheres to instructions, well-written)</u>	<u>5</u>
Total possible points	100

3) Respiratory Health Improvement Projects

=> Respiratory Health Improvement Project Grants

Grant range: \$10,000 – 50,000

Duration: 12 months

Eligible applicants: Public agencies, non-profit 501(c) 3 organizations, organizations with fiscal sponsorship under a 501(c) 3 organization, K-12 schools and small businesses committed to reducing local air pollution.

Through its respiratory health improvement grants, the District seeks to help the public minimize the potential health impacts of air borne pollutants.

Eligible projects could include (but are not limited to):

- installation of air filtration systems;
- asthma management and education programs.

The District encourages proposals that include commitments for the expansion of clearly proven best practices.

Projects that do not quantify how they would improve respiratory health are not eligible.

Proposal Requirements for Respiratory Health Improvement Project Grants

Proposal narratives must not exceed 9 pages. Proposals should be concise, and adequately and clearly address the following elements. Proposal narratives must include ALL of the following:

- Description of the project – Provide a concise description of what you will undertake and the amount requested.
- Need(s) being addressed – Succinctly explain the need for the proposed activity and why funding from the District is critical in meeting that need.

- Goals and objectives of the proposed activity – List all goals and objectives for the proposed activity. Goals are broad aspirations whereas objectives are means to achieving a goal.
- Strategic approach – The strategic approach describes how objectives will be achieved. Include a detailed description of what you will do, how you will do it, any partners you will collaborate with, and why this particular approach is proposed. Make sure your strategic approach relates to the goals and objectives you have listed.
- Connection with District’s goal and objectives – State specifically how your project and approach will support the District’s goal and objectives (see Section II); be clear as to which objectives your project will support.
- Potential for respiratory improvement – Provide a qualitative and quantitative discussion of how your proposed activity will improve respiratory health. What is the nature of the project: counseling, providing asthma management guidelines? Support your assertions with realistic estimates of the impact your project will have, in terms such as the size of your target audience, number of people reached (directly and indirectly), actions taken, etc. Explain how you arrived at your estimations.
- Achievement of co-benefits – Discuss benefits above and beyond better health that will accrue as a result of your proposed activity, focusing on better school attendance due to better health and other potential benefits to impacted communities. Use quantitative descriptions of co-benefits as much as possible, clearly explaining the assumptions and methodologies you used for making your estimations.
- Measuring success – Clearly state the metrics by which you will evaluate success – how will you know that you have achieved your goals and objectives? You may use both qualitative and quantitative metrics.
- Timeline / Deliverables – Create an easy-to-read table listing major deliverables and estimated number of months to complete each deliverable.
- Demonstration of environmental commitment – Clearly state what your previous experience is with promoting clean air projects and demonstrate how your day-to-day business or organizational practices demonstrate environmental commitment.
- Engaging impacted communities – The Air District is committed to the mitigation of air pollution in communities defined as most at-risk in its Community Air Risk Evaluation (CARE) Program. Based on maps of toxic air emissions and sensitive populations, six priority communities that would benefit from immediate mitigation action have been identified (Concord, Richmond/San Pablo, Western Alameda County, San Jose, Redwood City/East Palo Alto and Eastern San Francisco). Proposals that target these areas will receive points for doing so.

Evaluation Criteria and Scoring for Mitigation of Air Pollution Impacts grants

Potential for respiratory health improvement	20
Connection with Grant Program's objectives	15
Strength and feasibility of strategic approach	15
Cost-effectiveness of project	10
Organizational capacity (including fiscal soundness)	10
Demonstration of previous success	10
Matching funds	5
Demonstration of environmental commitment	5
Engaging impacted communities	5
<u>Strength of proposal (adheres to instructions, well-written)</u>	<u>5</u>
Total possible points	100

SECTION V AFTER RECEIVING A GRANT

Award Process

Notification of preliminary approval of the projects will be made on August 14, 2009. The District will notify successful applicants electronically, unless the applicant has only a mailing address. District staff will forward the successful applicant a grant agreement for execution. The agreement will include the project's terms and conditions that the grantee must meet, including monitoring and reporting requirements, notifying the District of any change in operation, and providing certificates of insurance. Final approval for funding occurs upon execution by both the project sponsor and the District of a Community Grant Program agreement. If grantee does not complete the project or comply with all of the grant's terms and conditions, the grantee may have to repay a portion or all of the funds granted, and may be barred from future District grants. In the event that the District awards an amount that is less than the amount requested, District staff will work with the awardee to align deliverables, outcomes and timelines appropriately. Upon execution of the grant agreement, the grantee may commence work on its funded activities.

Payment of Grant Funds

The payment schedule will be established in the funding agreement for each project. No funds will be released until the funding agreement has been signed by the project sponsor and the District (i.e. fully executed). In general, payment will be made on a reimbursement basis, after project costs are incurred and documented. The final payment will be made upon adequate completion of all deliverables and submittal of a complete final report (including narrative and financial reporting).

Reporting

Grantees are required to submit quarterly reports on the progress of the project. Quarterly reports include narrative descriptions of progress and financial accounting of the grant program to date. Annual or final reports include narrative descriptions of the year's activities and final fiscal accounting for the whole year. For one-year grants, the annual report is considered the final report. For grants with an 18 month duration an annual report for the first 12 months is required and a summary or final report is required at the end of the contract period. Quarterly reports are used by the District to

identify potential problems with grant implementation, in order to intervene with grantees and modify approaches to ensure successful outcomes. Final reports are used to analyze the impact of the District's investments and assist in shaping future grant programs. All reports will be used to share information and promote successes among grantees and with the greater Bay Area community.

Report formats and requirements will be provided to grantees with their award materials.

Meetings/conferring

District staff will meet individually with all grantees onsite midway through their project implementation to assess progress made on projects.

**APPENDIX A
COMMUNITY GRANT PROGRAM COVER SHEET**

I. Applicant

Name of Organization: _____

Type of Organization: Public agency K-12 school 501c3 non-profit
 Small business Sponsored project of another 501c3 non-profit

Mailing Address: _____

Website: _____

Primary Contact Person: _____ Title: _____

Phone #: () _____ Fax #: () _____ E-mail: _____

Executive Director: _____

Phone #: () _____ Fax #: () _____ E-mail: _____

Fiscal Sponsor (if applicable)*: _____

Mailing Address: _____

Primary Contact Person: _____ Title: _____

Phone #: () _____ Fax #: () _____ E-mail: _____

** A fiscal sponsor is a non-profit or public agency that permits an organization that does not have a tax-exempt status to operate under its auspices. If you have a fiscal sponsor, please complete this box AND attach your fiscal sponsor's IRS tax-exempt letter.*

II. Project

Project Title: _____

Program Area / Grant Type (e.g. Outreach and Education, Emissions Reductions or Respiratory Health Improvement):

Total Project Cost: \$ _____ District Funding Request: \$ _____

Individual authorized to enter into a formal agreement with the Air District:

I, _____, authorize the submittal of this grant application and certify that all information is correct and accurately reflects the project scope, costs, timeline, and availability of funds.

Signature: _____ Title: _____

APPENDIX B
GUIDELINES FOR ESTIMATING GREENHOUSE GAS REDUCTIONS

Basic Calculations

To determine the amount of greenhouse gas emissions reduced from reductions in various types of energy use, or in switches to “clean” energy sources (solar, wind, etc.), use the following equations:

Electricity: (# of kilowatt hours saved) X 0.000365 = tons of GHG emissions reduced

Natural gas: (# of therms saved) X 0.005277 = tons of GHG emissions reduced

Gasoline: (# gallons of gas saved) X 0.00855 = tons of GHG emissions reduced

Diesel: (# gallons of diesel saved) X 0.01 = tons of GHG emissions reduced

Other energy/fuel sources – contact the Air District for specific guidelines not provided here (Jim Smith, jsmith@baaqmd.gov).

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Pamela Torliatt and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 12, 2009

Re: Consideration of Recommendation Regarding Appointment of Interim
Officers and Directors on the Air District's Foundation

RECOMMENDED ACTION:

Consider recommending Board of Directors' approval of interim directors and officers on the Air District's Foundation.

BACKGROUND

The Board of Directors' at its July 9, 2008, meeting approved the establishment of an Air District foundation, with the purpose of accepting private donations to fund climate protection activities throughout the Bay Area. In February of 2009, Air District staff filed the necessary legal documents to establish a 501c3 non-profit entity with the ability to serve as a foundation.

DISCUSSION

Staff will provide an update to the Executive Committee on the creation of an Air District foundation, including options for other types of regional funding mechanisms outside of a foundation that would meet multiple objectives for advancing climate protection activity in the Bay Area. Staff will also recommend appointment of interim directors and officers.

BUDGET CONSIDERATION / FINANCIAL IMPACT

Under evaluation, staff will report on fiscal impact at a future meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Abby Young
Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Pamela Torliatt and Members
of the Executive Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 12, 2009

Re: Discussion of Committee Meeting Schedules and Consideration to
Amend the Air District's Administrative Code

RECOMMENDED ACTION

The Committee will discuss Standing Committee meeting schedules and may recommend that the Board of Directors' amend the Air District's Administrative Code to revise the current one-year term of office for Board Officers to a two-year term of office.

BACKGROUND

The Board of Directors' currently has nine (9) Standing Committees, one (1) Ad Hoc Committee, and member of the Joint Policy Committee. Standing Committees and Ad Hoc Committees are comprised of nine (9) board members selected by the Board Chairperson. Ad Hoc Committees are convened on as "as needed" basis. The Joint Policy Committee consists of five (5) board members selected by the Board Chairperson.

I. Standing Committees:**Executive Committee:**

Chairperson: Director Pamela Torliatt Vice-Chair: Director Brad Wagenknecht
Meeting Schedule: This Committee meets at the call of the Chair

Budget and Finance Committee:

Chairperson: Director Chris Daly Vice-Chair: Director Michael Shimansky
Meeting Schedule: This Committee currently meets at the call of the Chair

Climate Protection Committee:

Chairperson: Director Yoriko Kishimoto Vice-Chair: Director Tom Bates
Meeting Schedule: This Committee meets the 2nd Thursday **each month** immediately following the Legislative Committee meeting

Legislative Committee:

Chairperson: Director Tom Bates Vice-Chair: Director Brad Wagenknecht
Meeting Schedule: This Committee meets the 2nd Thursday **each month**

Mobile Source Committee:

Chairperson: Director Scott Haggerty Vice-Chair: Director Gayle Uilkema
Meeting Schedule: This Committee meets the 4th Thursday **each month**

Standing Committees Continued:

Personnel Committee:

Chairperson: Director Hal Brown Vice-Chair: Director Michael Shimansky
Meeting Schedule: This Committee meets at the call of the Chair

Public Outreach Committee:

Chairperson: Director Mark Ross Vice-Chair: Director Ken Yeager
Meeting Schedule: This Committee meets the 1st Thursday **every other month**

Stationary Source Committee:

Chairperson: Director John Gioia Vice-Chair: Director Carol Klatt
Meeting Schedule: This Committee meets the 3rd Monday **quarterly**

Nominating Committee:

Chairperson: Director Pamela Torliatt Vice-Chair: N/A
Meeting Schedule: This Committee meets in **November**

Joint Policy Committee

Meeting Schedule: This Committee meets **bi-monthly**

Ad Hoc Committee on Port Emissions

Chairperson: Director Nate Miley Vice-Chair: Director
Meeting Schedule: This Committee meets at the call of the Chair

The Committee will discuss the effectiveness associated with scheduling back to back meetings on the same day.

II. Consideration of Possible Amendments to the Air Districts' Administrative Code Division I, Section 2.1: Officers of the Board

The term of office for Board Officers is currently a one-year term of office and was amended by the Board of Directors in 2003, effective 2005, from a two-year term of office to a one-year term. In 1999 the term of office was amended to a two-year term of office for the Chairperson, Vice-Chairperson and Secretary.

Neither the Health & Safety Code that established the Air District nor the Air District's Administrative Code prohibits a longer than one-year term of office for the Chairperson, Vice-Chairperson and Secretary.

The Air District's Administrative Code Division I, Section 14 enables the Board of Directors to amend its Administrative Code "at any meeting by a vote of a majority of the members of the Board of Directors, provided notice of such amendments has been given at a preceding regular meeting."

The practice at other regional agencies with regard to the term of office for their respective Officers is as follows:

- 1) Metropolitan Transportation Commission- Chairperson two-year term
- 2) Association of Bay Area Governments' President serves two-year

- 3) South Coast Air Quality Management District, Sacramento Metro Air Quality Management District, and the Mojave Air Quality Management District is set by statute and have two-year term of office;

The benefits of two-year terms of office for the Air Districts' Chairperson, Vice-Chairperson, and Secretary would provided for consistency in Board leadership with other regional agencies, and enhanced leadership in setting and implementing long term policies and practices for the Air District.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Mary Ann Goodley

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Pamela Torliatt and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: May 12, 2009

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

RECOMMENDED ACTION:

Adopt proposed fee amendments with an effective date of July 1, 2009, and approval of filing of a Notice of Exemption from the California Environmental Quality Act.

BACKGROUND

State law authorizes the Air District to assess fees to recover the reasonable costs of implementing and enforcing programs related to stationary sources of air pollution. The Air District has established, and regularly updates, its fee regulation (Air District Regulation 3: Fees) under these authorities.

Staff has prepared proposed amendments to Air District Regulation 3 for Fiscal Year Ending (FYE) 2010 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 updated Cost Recovery Study indicates that a significant cost recovery gap exists. For the FYE 2008, fee revenue covered 55 percent of direct and indirect program costs, leaving a gap that was filled by county revenue derived from property taxes. Reducing the cost recovery gap has become a particularly important part of the Air District's budgetary needs, as county revenue is projected to decline over the next several years. The Air District will also continue to implement cost containment measures to address budgetary issues associated with the general economic downturn.

At the Board of Directors' meeting on April 15, 2009, staff presented proposed amendments to Air District Regulation 3: Fees, for the next fiscal year. No action was taken to adopt the fee amendments because under State law the adoption or revision of certain types of fees requires two public hearings separated by at least 30 days. Staff is recommending that the Board adopt the proposed fee amendments at the May 20, 2009 Board meeting with an effective date of July 1, 2009.

PROPOSED FEE AMENDMENTS

The fee proposal includes percentage increases for most existing fees. The increase for an individual fee schedule would be 3, 6, 9, 12, or 15 percent based on the magnitude of the

cost recovery gap for that schedule, with the exception of the fee schedule that covers refinery flares for which fees would be increased by 50 percent. Fee schedules without cost recovery gaps would not be increased. Fees that are administrative in nature would be increased by 6 percent.

Air District staff is proposing a new Indirect Source Review (ISR) fee schedule. The new schedule would recover Air District costs associated with an ISR Rule that the Air District has begun developing. The ISR Rule would address the adverse impacts of growth on local and regional air quality and on climate, and would apply to various development projects. The Rule would require that Air Quality Impact Assessment applications be submitted for Air District review and approval, and the proposed new fee schedule is structured to recover the costs of this review. The proposed fee schedule would also include an offsite emission reduction fee, but the details of this fee would be determined at a later date.

The attached final Staff Report contains additional details regarding the proposed amendments to Regulation 3 including the complete text of the proposed changes prepared in strikethrough (deletion of existing text) and underline (new text) format. Responses to comments received on the staff proposal are also provided.

BUDGET CONSIDERATION/FINANCIAL IMPACTS

The proposed fee amendments would increase fee revenue in FYE 2010 by approximately \$2.6 million from projected revenue levels in the FYE 2009 budget, representing an increase of 9.3 percent (6 percent on an inflation-adjusted basis). With these increased revenues, the District has prepared a balanced budget for FYE 2010 that does not require transfers from the Undesignated Reserve Fund.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Brian Bateman
Reviewed by: Jeffrey Mckay



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

FINAL STAFF REPORT

PROPOSED AMENDMENTS TO BAAQMD REGULATION 3: FEES

MAY 6, 2009

**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) 2010 (i.e., July 1, 2009 to June 30, 2010) 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 updated Cost Recovery Study indicates that a significant cost recovery gap exists. For the most recently completed fiscal year (FYE 2008), fee revenue covered just 55 percent of direct and indirect program costs.

Reducing the cost recovery gap has become a particularly important part of the District's budgetary needs as county revenue derived from property taxes (the District's primary source of general fund revenue used to fill the cost recovery gap) is projected to decline over the next several years. The District will also continue to implement cost containment measures to address budgetary issues associated with the general economic downturn.

The proposed fee amendments would increase fee revenue in FYE 2010 by approximately \$2.6 million from projected revenue levels in the FYE 2009 budget, representing an increase of 9.3 percent. For reference, the most recent annual increase in the Consumer Price Index (CPI) for the Bay Area (i.e., from Calendar Year 2007 to 2008) was 3.3 percent.

District staff is proposing amendments to existing fee schedules that are based on the magnitude of the cost recovery gap for each schedule. The fee schedule for refinery flares would be increased by 50 percent to provide more complete recovery of the District's costs of implementing and enforcing the District's rules for flare monitoring and control. Other fee schedules with large cost recovery gaps would be increased by 15 percent. Fee schedules with less significant cost recovery gaps would be increased by 12 percent, 9 percent, 6 percent, or 3 percent, based on the extent to which the schedule recovers the District's costs. Fee schedules with no cost recovery gaps would not be increased. Fees that are administrative in nature would be increased by 6 percent.

A new Indirect Source Review (ISR) fee schedule is proposed for the purpose of recovering District costs associated with an ISR Rule that the District intends to develop. The ISR Rule would address the adverse impacts of growth on local and regional air quality and climate change. The ISR Rule is expected to apply to various development projects and require that an application for an Air Quality Impact Assessment be submitted for District review and approval. The new ISR fee schedule would include an application filing fee and an application evaluation fee. The application evaluation fee would be based on the District's actual costs of evaluating the application, and the filing fee would be credited towards the evaluation fee. The new fee schedule would also include an offsite emission reduction fee, but the details of this fee would be determined at a later date.

The current \$200 court reporter fee for hearings before the District's Hearing Board would be changed to a fee to recover the actual court reporter appearance and transcript costs. Finally, the provision to charge back fees, which currently applies to permit applicants who file after the effective date of a permit requirement, would be amended to also apply to persons subject to equipment registration who file after the effective date of a registration requirement.

The proposed fee amendments would increase annual permit renewal fees for most small businesses that require District permits by \$15 to \$80. One exception to this is for retail gasoline dispensing facilities, most of which would have permit renewal fee increases of \$100 to \$300. The annual permit renewal fees for the five Bay Area refineries, the District's highest fee payers, would increase by an average of \$150,000.

2. BACKGROUND

State law authorizes the District to assess fees to generate revenue to recover the cost of District air pollution programs (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 and regulations affecting stationary sources of air pollution). The largest portion of District 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 (Assembly Bill [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, 46 percent of the District's general fund operating budget is derived from fees imposed in accordance with this regulation.

The District has analyzed 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*). This 1999 Cost Recovery Study indicated that fee revenue did not nearly offset the full costs of program activities associated with sources subject to fees as authorized by State law. Property tax revenue (and in some years, fund balances) had consistently been used to close this cost recovery gap.

The District Board of Directors adopted an across-the-board fee increase of 15 percent, the maximum allowed by State 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 (with the exception of FYE 2005 for which 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 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*). This 2005 Cost Recovery Study indicated that a significant cost recovery gap continued to exist.

For the three years following the completion of the 2005 Cost Recovery Study (i.e., FYE 2006, FYE 2007, and FYE 2008), the District adopted fee amendments that increased overall projected fee revenue by an average of about 7 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 for that schedule, with the schedules with the more significant cost recovery gaps receiving more significant fee increases.

For the current FYE 2009, the District adopted fee amendments using an approach that was similar to what was used for the three prior years, but that also included a new greenhouse gas (GHG) fee schedule. The GHG fee schedule recovers costs from stationary source activities related to the District's Climate Protection Program. Including the GHG fee schedule, the FYE 2009 fee amendments increased fee revenue by an estimated 13.9 percent from the prior fiscal year.

District staff has recently completed an updated analysis of cost recovery (*Bay Area Air Quality Management District 2009 Cost Recovery Study, March 2009*) using the methodology established by Stonefield Josephson, Inc. in their 2005 study. This 2009 Cost Recovery Study indicates that the cost recovery gap was \$21 million in FYE 2008, with fee revenue covering 55 percent of program costs. For FYE 2008, cost recovery was impacted significantly by expenditures on deferred maintenance related to the District's facilities and information systems. In addition, the cost of prefunding Other Post Employment Benefits (OPEB) was addressed for the first time in FYE 2008.

For FYE 2010, District staff has developed proposed amendments to Regulation 3 using an approach that is similar to what was used over the past four years. On an overall basis, it is estimated that the amendments would increase fee revenue by \$2.6 million in FYE 2010 from projected revenue levels in the current fiscal year budget, representing an increase of 9.3 percent. On an inflation-adjusted basis, the increase is 6 percent (the increase in the annual CPI for urban wage earners for the California Bay Area from calendar year 2007 to 2008, as reported by the California Department of Industrial Relations, Division on Labor Statistics and Research was 3.3 percent).

Reducing the cost recovery gap has become a particularly important part of the District's budgetary needs as county revenue derived from property taxes (the District's primary source of general fund revenue used to fill the cost recovery gap) is projected to decline by an estimated 10 percent over the next several years. The District will also continue to implement cost containment measures to address budgetary issues

associated with the general economic downturn. Nonetheless, staff has projected that fees will need to be increased by an average of 10 percent per year over the next several years in order to balance the budget in FYE 2012.

Projected fee revenue for FYE 2010 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 2010

Permit Fees	
New & Modified Permit Fees, Permit to Operate Renewal Fees, Title V Fees	\$26,161,000
Greenhouse Gas Fees	\$1,149,000
Other Fees	
AB 2588 Fees (includes State pass-through)	\$639,000
Asbestos, and Soil Excavation, Notification Fees	\$2,132,000
Registration Fees	\$250,000
Hearing Board Fees	\$36,000
Total	\$30,367,000

3. PROPOSED FEE AMENDMENTS FOR FYE 2010

3.1 OVERVIEW OF PROPOSED AMENDMENTS

The District's fee proposal for FYE 2010 includes percentage increases for most existing fees. The proposed increase for an individual fee schedule is based on the magnitude of the cost recovery gap for that schedule. The proposed amendments for existing fee schedules are as follows:

1. The following fee schedule would be increased by 50 percent:

Schedule G-5: Miscellaneous Sources

2. The following fee schedules 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 K: Solid Waste Disposal Sites
- Schedule M: Major Stationary Source Fees
- Schedule S: Naturally Occurring Asbestos Operations

3. The following fee schedules would be increased by 12 percent:

- Schedule G-1: Miscellaneous Sources
- Schedule P: Major Facility Review Fees

4. The following fee schedules would be increased by 9 percent:

- Schedule F: Miscellaneous Sources
- Schedule G-2: Miscellaneous Sources
- Schedule H: Semiconductor and Related Operations
- Schedule I: Dry Cleaners
- Schedule L: Asbestos Operations

5. The following fee schedule would be increased by 6 percent:

- Schedule B: Combustion of Fuels

6. The following fee schedules would be increased by 3 percent:

- Schedule N: Toxic Inventory Fees
- Schedule Q: Excavation of Contaminated Soil and Removal of Underground Storage Tanks
- Schedule T: Greenhouse Gas Fees

7. The following fee schedules would not be increased:

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

In addition to these percentage increases in existing fee schedules, a new Fee Schedule U: Indirect Source Review Fees, is proposed for FYE 2010. Schedule U would be structured to recover the actual costs of District review of ISR applications. The fees specified under Schedule U would not apply until after the District adopts an ISR Rule.

Staff is also proposing to increase the following administrative fees (that are not associated with fee schedules) by 6 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)

In addition to these percentage increases in existing fee schedules and administrative fees, staff is proposing the following miscellaneous amendments: (1) the current \$200 court reporter fee for hearings before the District's Hearing Board would be changed to a fee to recover actual court reporter appearance and transcript costs, and (2) the provision to charge back fees, which currently applies to permit applicants who file after the effective date of a permit requirement, would be amended to also apply to persons subject to equipment registration who file after the effective date of a registration requirement.

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 3-101: Description

The term "Indirect Source Review" has been added to this section because provisions for assessing fees for ISR are being established.

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

The proposed amendment for Section 3-302 is a 6 percent increase in the filing fee for permit applications (rounded to the nearest whole dollar), from \$318 to \$337.

- Section 3-303: Back Fees

The existing back fee provision in Section 3-303 applies only to equipment subject to permit requirements. If a permit application is submitted after the date that a permit is required for a particular source, this provision allows the District to collect fees prorated back to the effective date of the permit requirement (up to a limit of five years). The District has recently established equipment registration requirements for various smaller sources of air pollution. The proposed amendments to Section 3-303 would extend the back fee provision to also apply to equipment registrations. It should be noted that persons that fail to register sources with the District in a timely manner are subject to a

late fee of 10 percent under Section 3-405.4, and may also be subject to civil penalties.

- Section 3-309: Duplicate Permit

The proposed amendment for Section 3-309 is a 6 percent increase in the fee for a duplicate Permit to Operate (rounded to the nearest whole dollar), from \$65 to \$69 per permit.

- Section 3-311: Banking

The proposed amendment for Section 3-311 is a 6 percent increase in the filing fee for banking applications (rounded to the nearest whole dollar), from \$318 to \$337.

- 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 6 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 \$802 to \$850, and the maximum fee would be increased from to \$8,027 to \$8,509.

- Section 3-320: Toxic Inventory Fees

The maximum toxic inventory fee for a small business specified in Section 3-320.1 would be increased by 6 percent (rounded to the nearest whole dollar) from \$7,306 to \$7,744.

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

The processing fees for renewal of Permits to Operate specified in Sections 3-327.1 through 3-327.6 would be increased by 6 percent (rounded to the nearest whole dollar).

- 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, G-3, G-4, G-5, 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 6 percent from \$318 to \$337. The portion of the risk screening fee that is

based on the type of source involved would be increased by 6 percent for sources covered by Schedule B; by 9 percent for sources covered by Schedules F, G-2, H and I; by 12 percent for sources covered by Schedule G-1; by 15 percent for sources covered by Schedules D, E, and K; and by 50 percent for sources covered by Schedule G-5. 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 3-335: Indirect Source Review Fees

A new Section 3-335 has been added to indicate that applicants who must file an Air Quality Impact Assessment pursuant to District rules for a project that is deemed to be an indirect source shall pay a fee based on the new Schedule U: Indirect Source Review Fees. The District intends on establishing in an upcoming rulemaking the requirement to file an application for an Air Quality Impact Assessment for various development projects that are indirect sources of air pollution.

- Fee Schedules

The fees contained in each existing fee schedule in Regulation 3 would be increased by either 3 percent, 6 percent, 9 percent, 12 percent, 15 percent, or 50 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, Schedule G4: Miscellaneous Sources, and Schedule R: Equipment Registration Fees.

With the exceptions noted below, three-year average cost recovery figures (covering the period July 1, 2005 to June 30, 2008) were used to establish the percentage increase for each existing fee schedule based on the following criteria:

Table 2. Criteria for Determination of Fee Increases Based on Cost Recovery Data

Fee Revenue as a Percentage of Costs	Fee Increase
40 percent or less	15 percent
41 to 55 percent	12 percent
56 to 70 percent	9 percent
71 to 85 percent	6 percent
86 to 100 percent	3 percent
Greater than 100 percent	None

Schedule A: Hearing Board Fees

The \$200 Court Reporter fee in Section 18 of Schedule A would be changed to a fee that represents the actual Appearance and Transcript costs incurred for the Hearing Board Docket. This approach is considered more appropriate than a flat fee, and is currently used in Section 18 for Court Reporter fees for hearings that are solely dedicated to a single Docket in a given day. Court reporters currently require an Appearance Fee of about \$150. If transcripts are produced, an additional charge of about \$8 per page is incurred. A typical hearing produces about 50 pages of transcript, resulting in a Transcript Cost of about \$400. Therefore, the existing \$200 fee covers just over one-third of the typical cost of a court reporter's services.

It is important to note that the Hearing Board may excuse payment of the Court Reporter fee based on a finding of unreasonable hardship.

Schedule G-3: Miscellaneous Sources

The fee increase for Schedule G-3 was based on FYE 2008 revenue and activity data, rather than a three-year average. This was done because prior to FYE 2008, refinery flares (now in Schedule G-5) were included in Schedule G-3. The FYE 2008 activity data for Schedule G-3 is therefore most representative of the sources that are currently covered by that schedule.

Schedule G-5: Miscellaneous Sources

The fee increase for Schedule G-5 was based on FYE 2008 revenue and activity data, rather than a three-year average. This was done because District staff began specifically tracking activity data for Schedule G-5 in FYE 2008 after that schedule was initially adopted.

A 15 percent increase was initially proposed for Schedule G-5, but this proposal was revised to a 50 percent increase on March 24, 2009. The 50 percent increase is justified because existing fees collected under Schedule G-5 covers only a small fraction of the District's costs of regulating these sources (for FYE 2008, fee revenue from Schedule G-5 covered less than 30 percent of program activity costs). The revision was based in part on suggestions that District staff received from the Board of Directors' Budget and Finance Committee.

Schedule G-5 covers refinery flares that are subject to District Rule 12-11: Flare Monitoring at Petroleum Refineries, and Rule 12-12: Flares at Petroleum Refineries. District staff resources associated with refinery flares have increased sharply in recent years due to the adoption of Rules 12-11 and 12-12. Rule 12-11, adopted June 4, 2003, requires each refinery to submit a detailed monthly monitoring report to the District for each subject flare, and flare emissions data are posted on the District website. In addition, flow verification reports are required to be submitted for review 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. The initial FMPs were required to be submitted to the District by August 1, 2006. FMPs updates must be submitted 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. Finally, Rule 12-12 requires the refineries to submit reports to the District that provide detailed information regarding the cause of individual flaring events. The FMP process is considered to be one in which new opportunities to reduce flaring emissions are sought on an ongoing basis based on improvements in the design and operation of refinery process equipment.

For the annual period July 1, 2007 to June 30, 2008, the District's direct costs associated with refinery flares were \$867,500. These costs may decrease to some extent over the next several years if flaring events associated with the startup and shutdown of refinery process units is reduced.

Permit fee revenue collected under Schedule G-5 for the last fiscal year was \$305,000. Increasing the fees for refinery flares by 50 percent would increase overall annual permit fees for these sources to about \$442,000. 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 \$18,635.

With the proposed change to Schedule G-5, and the other proposed fee amendments, it is estimated that the annual permit renewal fees for the five Bay Area refineries would increase by 9.4 percent from the current fiscal year, with the largest increase for an individual facility being 11 percent.

Schedule I: Dry Cleaners

Fee revenue from Schedule I is less than 40 percent of program costs, which could justify a higher percentage fee increase than the 9 percent increase proposed. Permit fee revenue from dry cleaners has declined significantly in recent years as new Perc dry cleaners are prohibited, and non-Perc dry cleaners have qualified for permit exemptions. This revenue shortfall has been addressed by recent changes in District regulations that require permits for the largest non-Perc dry cleaners, and equipment registrations for smaller facilities. Considering that additional revenue will be derived from dry cleaners with these new requirements, staff believes that a 9 percent fee increase is appropriate for Schedule I.

Schedule M: Major Stationary Source Fees

The District cannot directly evaluate Schedule M (which is an emissions-based fee that applies to various types of sources) for cost recovery, but rather distributes the revenue from Schedule M into the appropriate source-specific permit fee schedules when

evaluating cost recovery for those schedules. A 15 percent increase for Schedule M is considered appropriate because revenue from this schedule has been reduced (on an inflation-adjusted basis) due to declining emissions, without a commensurate reduction in District activity costs.

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

Fee revenue for Schedule Q has been very low in recent years, as relatively few reports that trigger a fee under Rule 8-40 have been submitted to the District. Due to the low level of activity, invoices to collect these fees in many cases were not sent by District staff. Staff believes that a 3 percent increase in fees for Schedule Q is appropriate.

Schedule R: Equipment Registration Fees

The fees for Schedule R were added in 2007 and 2008, and most of these have not yet become effective. Because of this, no increases in registration fees under Schedule R are proposed for FYE 2010. The proposed revisions to Schedule R are limited to several minor grammatical improvements.

Schedule T: Greenhouse Gas Fees

District staff began specifically tracking activity data for Schedule T in FYE 2009 after that schedule was initially adopted. Due to a lack of at least one full year of activity data for this schedule, a cost recovery analysis could not be completed. Staff believes that a 3 percent "cost of living adjustment" for Schedule T is appropriate because activity levels for the Climate Protection Program in the next fiscal year are expected to be at least as high as activity levels in the current fiscal year.

The focus of District efforts related to AB-32 implementation has shifted from the development of the Scoping Plan to the development and implementation of the Plan's measures. The majority of this work must be completed by December 31, 2010, with most regulations and other initiatives going into effect by January 1, 2012. This means that more than 20 Scoping Plan measures will need to be adopted by CARB in 2009 and 2010.

Air districts are expected to play a prominent role in the implementation and enforcement of many of the Scoping Plan's stationary source measures. On February 26, 2009, CARB adopted one of the initial Scoping Plan measures for stationary sources, which applies to semiconductor facilities. The new semiconductor rule establishes the air districts as being the primary agencies responsible for implementation and enforcement of the rule. Initial emissions reports are due to be submitted to the District in 2011, along with permit applications for any required emission control equipment.

It should be noted that CARB has begun development of an AB 32 Administrative Fee

regulation, and is expected to bring this regulation to their Board for consideration of adoption in the first half of 2009. These fees are intended to recover State agency costs associated with AB 32, and not air district costs. CARB has indicated that it may establish district fees within individual GHG regulations, but none have been established to date. District staff may propose adjustments to the fee rate in Schedule T in the future if upcoming CARB regulations result in an additional source of revenue to recover Climate Protection Program activity costs.

Schedule U: Indirect Source Review Fees

Schedule U was not included in the initial District fee proposal, but was added with a public notice issued on March 18, 2009.

The District has initiated development of an Indirect Source Review (ISR) Rule to address the adverse impacts of growth on local and regional air quality and climate change. District staff anticipates proposing an ISR Rule for consideration by the District's Board of Directors in 2010. The proposed ISR Rule is one of several elements of a more comprehensive approach to address health concerns in communities that are disproportionately impacted by poor air quality and to minimize the cumulative effects of land use decisions on local and regional air quality. This multifaceted approach will coordinate ongoing efforts at the District and develop and implement key enhancements to existing District programs. This will provide a cohesive strategy that will assist in the growth of the Bay Area while protecting public health and minimizing impacts on climate.

Indirect sources are development projects that generate or attract motor vehicle trips, and also may include other sources of emissions, such as fireplaces, home heating and cooling and landscape maintenance equipment, that indirectly cause air pollutant emissions that can adversely affect local and regional air quality. Health and Safety Code Section 40716 grants explicit authority to air districts to "...adopt and implement regulations to ...reduce or mitigate emissions from indirect and areawide sources of air pollution." The District currently implements various programs to reduce emissions from indirect sources, including: Transportation Fund for Clean Air grants for bicycle facilities, traffic calming, shuttles and other projects; promotion of air quality elements in local general plans; review and comment on CEQA documents; and cooperation with other regional agencies and stakeholder groups.

The Bay Area is not yet in attainment of state ozone standards, so the region must implement all feasible measures to reduce the precursor pollutants that form ozone: nitrogen oxides and volatile organic compounds. Further Study Measure FS-18 of the District's 2005 Ozone Strategy proposed additional evaluation of an ISR Rule to assist the region in meeting health based ambient air quality standards and requirements in the California Clean Air Act. In addition, air districts throughout the State are required to adopt all feasible measures as expeditiously as practicable. The San Joaquin Valley Unified APCD's Rule 9510 Indirect Source Regulation, was adopted in December 2005. Imperial County APCD also has adopted and is implementing an ISR rule.

The District ISR Rule would require that development projects above specified sizes prepare an Air Quality Impact Assessment for District review. Project impacts above certain thresholds would need to be mitigated through changes in the project design, and/or through the payment of offsite emission mitigation fees. The offsite emission mitigation fees would be used by the District to fund projects to reduce emissions in the Bay Area.

The District is proposing to add Schedule U for the purpose of assessing administrative and mitigation fees associated with implementation of the upcoming ISR Rule. The proposed fees are preliminary estimates and could be amended as the ISR Rule is developed. The proposed Schedule U includes an application filing fee of \$533 for residential projects, and \$796 for non-residential and mixed-use projects. These fees are based on estimated minimum staff resources (i.e., 8 hours and 12 hours for residential and non-residential projects, respectively) for reviewing an Air Quality Impact Assessment. The application evaluation fee is set to recover the District's actual costs of evaluating the application, and the filing fee would be credited towards the evaluation fee. The new fee schedule would also include an offsite emission reduction fee, but the details of this fee would be determined at a later date.

4. PROJECTED FEE REVENUE AND COSTS OF PROGRAM ACTIVITIES

With the proposed amendments, the District's total projected fee revenue for FYE 2010 is \$30.4 million. The 2009 Cost Recovery Study indicated that, for the last complete fiscal year analyzed (FYE 2008), the District's total regulatory program activity costs were \$46.3 million.

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. H&S Code section 42311(a) provides authority for an air district to collect permit fees to cover the costs of air district programs related to permitted stationary sources. H&S Code section 42311(f) further authorizes the District to assess additional permit fees to cover the costs of programs related to toxic air contaminants. H&S 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.

H&S 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 air district, to recover the costs of air district programs related to these sources. This section provides the authority for the District to collect asbestos fees (including fees for Naturally Occurring Asbestos operations), soil excavation reporting fees, registration fees for various types of regulated equipment, and the proposed fees for Indirect Source Review.

H&S Code section 44380(a) authorizes air districts to adopt a fee schedule that recovers the costs to the air district and the State of the Air Toxics Hot Spots Program (AB 2588). The section provides the authority for the District to collect toxic inventory fees under Schedule N.

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

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 2009 Cost Recovery Study, permit fee revenue after adoption of the proposed amendments would still be well below the District's direct and indirect program activity costs associated with air quality programs covering permitted sources. Similarly, Hearing Board fee revenue would 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 increase or decrease in air emissions as a result of the proposed 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 H&S 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 H&S Code specifies that an air district is required to perform an incremental cost analysis for a proposed rule, if the purpose of the rule is to meet the requirement for best available retrofit control technology or for a feasible measure. The proposed fee amendments are not considered 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 minor. Many small businesses operate only one or two permitted sources, and generally pay only the minimum permit renewal fees. Table 3 provides a summary of typical annual permit renewals fees projected for FYE 2010 for various sizes of dry cleaners, auto body shops, gasoline stations, and facilities with only diesel engine backup generators (BUGs), along with the estimated increase in renewal fees relative to the current FYE 2009.

Table 3. Projected Typical Annual Permit Renewal Fees for FYE 2010, and Increases in Renewal Fees Relative to FYE 2009

Facility Size →	Small		Medium		Large	
	Total Fee	Increase	Total Fee	Increase	Total Fee	Increase
Dry Cleaner	\$403	\$26	\$444	\$28	\$1,226	\$75
Auto Body Shop	\$330	\$38	\$330	\$38	\$656	\$75
Gasoline Station	\$850	\$104	\$1,632	\$203	\$2,415	\$302
Diesel BUG Facility	\$319	\$14	\$398	\$18	\$1,142	\$78

Table 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
- Med. Diesel BUG Facility: One 1500-HP diesel engine
- Large Diesel BUG Facility: Two 2000-HP diesel engines

For reference, District permit fees are generally well below that of the South Coast AQMD, the other major metropolitan air district in the state with a cost of living similar to that of the Bay Area. A comparison of permit renewal fees completed for the facility types given in Table 3 indicated that South Coast AQMD fees are approximately 40 percent higher than District fees, on average.

The annual permit renewal fees for the five Bay Area refineries, the District's highest fee

payers, would increase by an average of \$150,000. The largest of these facilities would see an increase in annual permit fees of about \$198,000.

District staff is sympathetic to businesses that are impacted by the current economic downturn, but feel that the additional fee revenue is needed to continue the District's core regulatory programs and other air quality initiatives. Even with these fee increases, overall District fee revenue will continue to fall well short of the point of full cost recovery. In general, District fee increases are expected to have a minor financial impact on businesses relative to other factors (e.g., the costs of property and labor).

6.3 ENVIRONMENTAL IMPACTS

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

Section 40727.2 of the H&S Code imposes requirements on the adoption, amendment, or repeal of air district regulations. It requires an air district to identify existing federal and air district air pollution control requirements for the equipment or source type affected by the proposed change in air district rules. The air district must then note any differences between these existing requirements and the requirements imposed by the proposed change. This fee proposal does not impose a new standard, make an existing standard more stringent, or impose new or more stringent administrative requirements. Therefore, section 40727.2 of the H&S Code does not apply.

6.4 STATUTORY FINDINGS

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

- Necessary to fund the District's efforts to attain and maintain federal and state air quality standards, and to reduce public exposure to toxic air contaminants;
- Authorized by H&S 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 H&S Code sections 42311, 42311.2, 41512.7, 42364, 44380 and 40 CFR Part 70.9.

7. RULE DEVELOPMENT PROCESS

On January 29, 2009, the District issued a notice for a public workshop to discuss with interested parties an initial proposal to increase District fees. Distribution of this notice included all District-permitted facilities, asbestos contractors, and a number of other potentially interested stakeholders. The notice was also posted on the District website.

A public workshop was held on February 23, 2009. Nine members of the public attended the workshop. On February 25, 2009, District staff provided a briefing on the proposed amendments to the District Board of Directors' Budget and Finance Committee. A Public Hearing Notice was issued on March 16, 2009.

Schedule U was not included in the initial District fee proposal, but was added with a public notice issued on March 18, 2009. This notice was posted on the District website and distributed to approximately 900 stakeholders including the executives of various Bay Area agencies, city and county planning staff, and non-governmental organizations.

On March 24, 2009, a notice was issued indicating that the District's fee proposal had been revised to include a 50 percent increase for Schedule G-5 (covering refinery flares), rather than the 15 percent increase initially proposed. That notice was posted on the District website and provided to the five Bay Area refineries, along with the Western States Petroleum Association and California Council for Environmental and Economic Balance.

On March 30, 2009, District staff provided an update on the proposed fee amendments to the District Board of Directors' Budget and Finance Committee. The Committee provided direction to staff to continue rule development efforts based on the current staff proposal.

A public hearing to accept testimony on the proposed amendments was held on April 15, 2009. A second public hearing has been scheduled for May 20, 2009, to consider adoption of the proposed amendments. If adopted, the amendments would be made effective on July 1, 2009.

Under H&S 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, Schedule S: Naturally Occurring Asbestos Operations, and the proposed Schedule U: Indirect Source Review Fees. The two public hearings previously described fulfill the requirements of H&S Code section 41512.5.

8. PUBLIC COMMENTS

As of the date of this report, six sets of written comments had been received by the District on the fee proposal as follows: (1) William J. Quinn of California Council for Environmental and Economic Balance (CCEEB), (2) Najmeddin Ravan of Emeryville Chevron, (3) David Schonbrunn of Transportation Solutions Defense and Education Fund (TRANSDEF), (4) Camille Kustin and Kathryn Phillips of Environmental Defense Fund (EDF), (5) Jenny Bard of American Lung Association (ALA), and (6) Irvin Dawid, a resident of Palo Alto. Several other comments were provided orally at the public workshop held on February 23 (at which nine members of the public attended), at the Public Hearing held on April 15, or separately to District staff. A summary of the comments received, and District staff responses to these comments, follows.

Emeryville Chevron Comments: The commenter indicates that when his gas station was built in 1999 the District required a “balance system”. He indicates that within five years an “EVR vacuum system” was required to be installed at a cost of \$18,000. He indicates that two years ago the State Water Resources Control Board set a requirement for “EVR Phase II”, and that the costs of meeting this requirement are \$60,000 or more. He indicates that funds for loans were depleted by the time that he had filled out the loan application. The commenter indicates that fee increases would be an undue burden on small businesses at the worst time possible. He indicates that fees should not be increased in this bad economy, and that budget shortages should be filled from the reserve account or by cutting staff salaries.

Response: The District acknowledges the difficulties that small businesses are having in the economic downturn but believes that the proposed fee increases are needed to maintain core regulatory programs. The fee revenue collected from gas stations currently covers only about one-third of the District’s regulatory program activity costs.

Under the staff proposal, the annual permit renewal fee for the Emeryville Chevron facility would be increased by \$203. The District does not believe that this fee increase should have a significant financial impact on this business.

The District respectfully disagrees with some of the commenter’s statements relative to the vapor recovery upgrades completed at his facility. When this station was rebuilt in 1999, an existing balance system was replaced with a Vacuum Assist system, but this was not a requirement of the District or CARB. A balance system was an option, and in fact this was the type of system that was specified in the original Authority to Construct issued by the District for the project. Had a balance system been installed, the \$18,000 upgrade that the commenter mentions (completed in 2006) could have been avoided.

The District agrees that the costs of complying with the CARB Enhanced Vapor Recovery (EVR) program (not the State Water Resources Control Board, which implements the underground storage tank program) have been significant for gas stations throughout California. The EVR program has also significantly increased the District’s costs of regulating gas stations, which are collectively a very significant source

of ozone precursor emissions in the Bay Area. The required upgraded vapor recovery equipment should significantly reduce emissions from these facilities and justify the resulting costs.

The District does not believe that reserve accounts should be used to balance the District's budget, unless other options are infeasible.

CCEEB Comments: The commenter indicates that he does not agree with the initial District fee proposal, which he characterizes as a "business-as-usual" approach. He indicates that extreme economic conditions are being faced throughout the economy, and that the proposed double-digit fee increases to most categories would have significant consequences to both small and large facilities. He indicates that the fee proposal would amount to well over \$100,000 annually for some of the largest Bay Area facilities. He indicates that California lost almost 500,000 jobs in the past year, and that struggling businesses are subject to fee increases at every level. He indicates that the District should take this universe of fees, and compliance costs, into account especially as AB 32 mandates roll out at the state level. The commenter suggests that the District set a goal to keep the District budget for the upcoming fiscal year below 2008/09 levels, and consider some limited use of reserve accounts. Finally, the commenter indicated that the proposed 50 percent increase in permit fees for refinery flares was too high, and questioned the legal authority for this increase.

Response: District staff is sympathetic to businesses that are impacted by the current economic downturn, but feel that the additional fee revenue is needed at this time as property tax revenue is expected to decline. Even with the proposed fee increases, overall fee revenue will continue to fall well short of the point of full cost recovery.

The proposed fee amendments are expected to increase annual permit renewal fees by more than \$100,000 for four Bay Area facilities, all of which are petroleum refineries. These facilities are not expected to suffer financial hardships from these fee increases.

Some facilities that have reduced production levels due to the economic downturn will likely see a reduction in their permit fees, even with the proposed increases in fee rates. This is the case for larger solvent users that fall under Fee Schedule E (e.g., the New United Motor Manufacturing, Inc. facility in Fremont), which pay fees based on reported solvent usage.

The 50 percent increase in permit fees for refinery flares is justified on a cost recovery basis. The District's costs of implementing and enforcing rules adopted for refinery flares are much higher than the existing permit fee revenue generated from these sources. The District interprets the 15 percent limit on permit fee increases in H&S Code section 41512.7 to apply in the aggregate to permit fees paid by a facility for renewal of their permits to operate or authorities to construct. Even with the 50 percent increase in fees for refinery flares, the permit fees for each affected facility will be increased by less than 15 percent per year.

TRANSDEF Comments: The commenter indicates that he strongly supports the adoption of an ISR Rule. He suggests, however, that the term “Indirect Source Mitigation Fee” be used rather than “Indirect Source Review”.

Response: The District does not believe that it is appropriate to name the new Fee Schedule U “Indirect Source Mitigation Fee”, because both application fees and mitigation fees are proposed. The term that the District has proposed to use for the mitigation fee is “Offsite Emission Reduction Fee”. This is similar to what the commenter proposes, but it is also believed to be more appropriate in that it correctly implies that the fee will be used for reducing emissions that are offsite (i.e., not a part of the proposed project).

EDF Comments: The commenters indicate that they support the proposed fee schedule. They suggest that all feasible onsite mitigation be required for a project before offsite mitigation is allowed.

Response: The proposed Fee Schedule U does not dictate the manner in which mitigation will be required under ISR – this will be determined in the upcoming ISR Rule. The District has noted the comments provided, and will consider them in the development of the ISR Rule.

ALA Comments: The commenter indicates that her organization supports the adoption of an ISR Rule and fee.

Response: The District looks forward to working with the ALA and other stakeholders in the development of an ISR Rule.

Irvin Dawid Comments: The commenter indicates that he supports the adoption of an ISR Rule and fee.

Response: The District looks forward to working with Mr. Dawid and other stakeholders in the development of an ISR Rule.

Other Comments: Two gas station owners (in addition to Mr. Ravan, who provided written comments that were previously summarized) complained about the EVR program and the high costs of several different types of equipment upgrades that have been required since the year 2000. These individuals indicated that permit fees should be reduced because of these EVR upgrade costs. Another commenter, an owner of an auto body shop, indicated that fees should not be increased during the economic downturn. Another commenter recommended that the District reduce costs rather than increase fees.

Response: The EVR program was established by CARB, and not the District. The program was adopted because existing vapor recovery equipment at gas stations was resulting in significant excess emissions. The EVR program is addressing this issue, albeit with increased costs to both the gas stations and the air districts. The cost

recovery analysis completed by the District indicates that the fee revenue received from gas stations covers only a small fraction of the District's costs of regulating these facilities. The District will reconsider the permit fees for gas stations in future years if program activity costs decline.

As was previously mentioned, the District is sympathetic to businesses that are impacted by the current economic downturn, but feel that additional fee revenue is needed to maintain core regulatory programs and other air quality initiatives. The District will continue to implement cost containment measures, and has included a number of these in the proposed FYE 2010 budget.



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

STAFF REPORT

PROPOSED AMENDMENTS TO BAAQMD REGULATION 3: FEES

MAY 12, 2008

APPENDIX A PROPOSED REGULATORY LANGUAGE

**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, renewal of permits, costs of environmental documentation, asbestos operations, air toxics inventories, equipment registrations, ~~and~~ soil excavation and underground tank removals, and indirect source review.

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

3-102 Deleted July 12, 1989

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

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

3-104 Deleted August 2, 1995

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

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

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

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

3-106 Deleted December 2, 1998

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

(Adopted June 7, 2000)

3-200 DEFINITIONS

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

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

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

(Amended February 20, 1985)

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

(Amended June 4, 1986)

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

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

(Amended June 4, 1986)

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

(Amended June 4, 1986)

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

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

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

3-208 Deleted June 4, 1986

3-209 Small Business: A business with no more than 10 employees and gross annual income of no more than \$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 PM₁₀ in an amount calculated by the APCO equal to or exceeding 50 tons per year.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3-225 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 PM₁₀: 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)

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

(Adopted May 21, 2008)

3-300 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 ~~\$348~~~~\$337~~, 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 ~~\$348~~~~\$337~~, 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 ~~\$348~~~~\$337~~ 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, G-4, or G-5 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, G-4, and G-5.
(Amended 5/19/82; 7/6/83; 6/4/86; 7/15/87; 6/6/90; 7/3/91; 6/15/94; 10/8/97; 7/1/98; 5/19/99; 6/7/00; 6/6/01, 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08)
- 3-303 Back Fees:** An applicant required to obtain a permit to operate existing equipment in accordance with District regulations shall pay back fees equal to the permit to operate fees and toxic surcharges given in the appropriate Schedule (B, C, D, E, F, H, I or K) prorated from the effective date of permit requirements. Where more than one of these schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules. The applicant shall also pay back fees equal to toxic inventory fees pursuant to Section 3-320 and Schedule N. The maximum back fee shall not exceed a total of five years' permit, toxic surcharge, and toxic inventory fees. An owner/operator required to register existing equipment in accordance with District regulations shall pay back fees equal to the annual renewal fee given in Schedule R prorated from the effective date of registration requirements, up to a maximum of five years.
(Amended 5/19/82; 7/6/83; 6/4/86; 7/15/87; 6/6/90; 7/3/91; 10/8/97; 6/15/05)
- 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_x, CO, SO₂, or PM₁₀ at any source or the emission of a toxic air contaminant above the trigger levels identified in Table 2-5-1
- 1.4 The condition change does not require a public notice.

306.2 Other Condition Changes: Applicant shall pay the filing, initial, and risk 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 ~~\$65~~\$69 per permit.

(Amended 5/19/99, 5/1/02; 5/21/03; 6/02/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08)

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 ~~\$348~~\$337 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 ~~\$348~~\$337.

(Amended 7/6/83; 6/4/86; 7/15/87; 7/3/91; 6/15/94; 7/1/98; 5/19/99; 6/7/00; 6/6/01, 5/1/02; 5/21/03; 6/02/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08)

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 ~~\$802~~\$850 for each source included in the alternative compliance plan, not to exceed ~~\$8,027~~\$8,509.

(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; 5/2/07; 5/21/08)

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 PM₁₀ shall pay a fee based on Schedule M. This fee is in addition to permit and other fees otherwise authorized to be collected from such facilities and shall be included as part of the annual permit renewal fees.

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

3-320 Toxic Inventory Fees: Any facility that emits one or more toxic air contaminants in quantities above a minimum threshold level shall pay an annual fee based on Schedule N. This fee will be in addition to permit to operate, toxic surcharge, and other fees otherwise authorized to be collected from such facilities.

320.1 An applicant who qualifies as a small business under Regulation 3-209 shall pay a Toxic Inventory Fee as set out in Schedule N up to a maximum fee of ~~\$7,306~~\$7,744 per year.

(Adopted 10/21/92; Amended 5/19/99; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07)

- 3-321 Deleted December 2, 1998**
- 3-322 Excavation of Contaminated Soil and Removal of Underground Storage Tank Operation Fees:** Persons submitting a written notification for a given site to conduct either excavation of contaminated soil or removal of underground storage tanks as required by Regulation 8, Rule 40, Section 401, 402, 403 or 405 shall pay a fee based on Schedule Q.
(Adopted 1/5/94; Amended 8/2/95; 5/21/03)
- 3-323 Pre-Certification Fees:** An applicant seeking to pre-certify a source, in accordance with Regulation 2, Rule 1, Section 415, shall pay the filing fee, initial fee and permit to operate fee given in the appropriate schedule.
(Adopted June 7, 1995)
- 3-324 Deleted June 7, 2000**
- 3-325 Deleted December 2, 1998**
- 3-326 Deleted December 2, 1998**
- 3-327 Permit to Operate, Renewal Fees:** After the expiration of the initial permit to operate, the permit to operate shall be renewed on an annual basis or other time period as approved by the APCO. The fee required for the renewal of a permit to operate is the permit to operate fee and toxic surcharge listed in Schedules B, C, D, E, F, H, I, and K, prorated for the period of coverage. When more than one of the schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules. This renewal fee is applicable to all sources required to obtain permits to operate in accordance with District regulations. The permit renewal invoice shall also specify any applicable major stationary source fees based on Schedule M, toxic inventory fees based on Schedule N, major facility review fees based on Schedule P, and greenhouse gas fees based on Schedule T. 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 ~~\$63~~\$67 for facilities with one permitted source, including gasoline dispensing facilities,
 - 327.2 ~~\$123~~\$130 for facilities with 2 to 5 permitted sources,
 - 327.3 ~~\$246~~\$261 for facilities with 6 to 10 permitted sources,
 - 327.4 ~~\$369~~\$391 for facilities with 11 to 15 permitted sources,
 - 327.5 ~~\$491~~\$520 for facilities with 16 to 20 permitted sources,
 - 327.6 ~~\$614~~\$651 for facilities with more than 20 permitted sources.
- (Adopted 6/7/00; Amended 6/2/04; 6/16/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08)*
- 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.

(Adopted June 6, 2007)

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.

(Adopted June 6, 2007)

3-333 Major Facility Review (MFR) and Synthetic Minor Application Fees: Any facility that applies for, or is required to undergo, an initial MFR permit, an amendment to an MFR permit, a minor or significant revision to an MFR permit, a reopening of an MFR permit, a renewal of an MFR permit, an initial synthetic minor operating permit, or a revision to a synthetic minor operating permit, shall pay the applicable fees set forth in Schedule P.

(Adopted May 21, 2008)

3-334 Greenhouse Gas Fees: Any permitted facility with greenhouse gas emissions shall pay a fee based on Schedule T. This fee is in addition to permit and other fees otherwise authorized to be collected from such facilities, and shall be included as part of the annual permit renewal fees.

(Adopted May 21, 2008)

3-335 Indirect Source Review Fees: Applicants that must file an Air Quality Impact Assessment pursuant to District rules for a project that is deemed to be an indirect source shall pay a fee based on Schedule U.

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 FEES¹**

Established by the Board of Directors December 7, 1977 Resolution No. 1046
(Code section references are to the California Health & Safety Code, unless otherwise indicated)

		Large Companies	Small Business	Third Party
1.	For each application for variance exceeding 90 days, in accordance with §42350, including applications on behalf of a class of applicants, which meet the requirements of the Hearing Board Rules for a valid and proper class action for variance Plus, for each hearing in addition to the first hearing necessary to dispose of said variance application in accordance with §42350, the additional sum of	<u>\$1993</u> <u>\$2292</u> <u>\$997</u> <u>\$1147</u>	<u>\$298</u> <u>\$343</u> <u>\$100</u> <u>\$115</u>	
2.	For each application for variance not exceeding 90 days, in accordance with §42350, including applications on behalf of a class of applicants, which meet the requirements of the Hearing Board Rules for a valid and proper class action for variance Plus, for each hearing in addition to the first hearing necessary to dispose of said variance application, in accordance with §42350, the additional sum of	<u>\$1197</u> <u>\$1377</u> <u>\$597</u> <u>\$687</u>	<u>\$298</u> <u>\$343</u> <u>\$100</u> <u>\$115</u>	
3.	For each application to modify a variance in accordance with §42356 ... Plus, for each hearing in addition to the first hearing on said application to modify a variance, in accordance with §42345, necessary to dispose of the application, the additional sum of.....	<u>\$795</u> <u>\$914</u> <u>\$597</u> <u>\$687</u>	<u>\$100</u> <u>\$115</u> <u>\$100</u> <u>\$115</u>	
4.	For each application to extend a variance, in accordance with §42357 .. Plus, for each hearing in addition to the first hearing on an application to extend a variance, in accordance with §42357, necessary to dispose of the application, the additional sum of.....	<u>\$795</u> <u>\$914</u> <u>\$597</u> <u>\$687</u>	<u>\$100</u> <u>\$115</u> <u>\$100</u> <u>\$115</u>	
5.	For each application to revoke a variance	<u>\$1197</u> <u>\$1377</u>	<u>\$100</u> <u>\$115</u>	
6.	For each application for approval of a Schedule of Increments of Progress in accordance with §41703.....	<u>\$795</u> <u>\$914</u>	<u>\$100</u> <u>\$115</u>	
7.	For each application for variance in accordance with §41703, which exceeds 90 days Plus, for each hearing in addition to the first hearing on said application for variance in accordance with §41703, the additional sum of	<u>\$1993</u> <u>\$2292</u> <u>\$997</u> <u>\$1147</u>	<u>\$298</u> <u>\$343</u> <u>\$100</u> <u>\$115</u>	
8.	For each application for variance in accordance with §41703, not to exceed 90 days Plus, for each hearing in addition to the hearing on said application for a variance in accordance with §41703, the additional sum of	<u>\$1197</u> <u>\$1377</u> <u>\$597</u> <u>\$687</u>	<u>\$298</u> <u>\$343</u> <u>\$100</u> <u>\$115</u>	

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		Large Companies	Small Business	Third Party
9.	For each Appeal (Permit, Banking, Title V).....	\$1993 \$2293 per hearing day	\$997 \$1147 per hearing day	\$997 \$1147 for entire appeal period
10.	For each application for intervention in accordance with Hearing Board Rules §§2.3, 3.6 & 4.6.....	\$997 \$1147	\$200 \$230	
11.	For each application to Modify or Terminate an abatement order	\$1993 \$2292 per hearing day	\$997 \$1147 per hearing day	
12.	For each application for an interim variance in accordance with §42351	\$997 \$1147	\$200 \$230	
13.	For each application for an emergency variance in accordance with §42359.5.....	\$497 \$572	\$100 \$115	
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	\$997 \$1147	\$298 \$343	\$298 \$343
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)	\$200 or cost per day if <u>Actual</u> <u>Appearance</u> and <u>Transcript</u> <u>costs per</u> hearing solely dedicated to one Docket	\$0	\$200 or cost per day if <u>Actual</u> <u>Appearance</u> and <u>Transcript</u> <u>costs per</u> 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; 5/2/07; 5/21/08)

**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 \$1.91 <u>\$2.20</u> 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 \$9.50 <u>\$10.93</u> 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:

$$\text{Fee} = (\text{Opacity}^* \text{ equivalent} - 20) \times \text{number of days allowed in variance} \times \text{~~\$2.13~~ \$2.45}$$

For each source with opacity emissions in excess of forty percent (40%) (where the source is in violation of Regulation 6 and California Health and Safety Code Section 41701), the fee is calculated as follows:

$$\text{Fee} = (\text{Opacity}^* \text{ equivalent} - 40) \times \text{number of days allowed by variance} \times \text{~~\$2.13~~ \$2.45}$$

* Where "Opacity" equals maximum opacity of emissions in percent (not decimal equivalent) allowed by the variance. Where the emissions are darker than the degree of darkness equivalent to the allowed Ringelmann number, the percentage equivalent of the excess degree of darkness shall be used as "opacity."

(Adopted 6/7/00; Amended 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08)

**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: ~~\$39.95~~\$42.35 per MM BTU/HOUR
 - a. The minimum fee per source is: ~~\$213~~\$226
 - b. The maximum fee per source is: ~~\$74,545~~\$79,018

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: ~~\$318~~\$337 plus ~~\$39.95~~\$42.35 per MM BTU/hr
 - b. Minimum RSF for first TAC source: ~~\$531~~\$563
 - c. RSF for each additional TAC source: ~~\$39.95~~\$42.35 per MM BTU/Hr *
 - d. Minimum RSF per additional TAC source: ~~\$213~~\$226 *
 - e. Maximum RSF per source is: ~~\$74,545~~\$79,018
 - * 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: ~~\$19.97~~\$21.17 per MM BTU/HOUR
 - a. The minimum fee per source is: ~~\$152~~\$161
 - b. The maximum fee per source is: ~~\$37,272~~\$39,508

4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

5. ROUNDING: Fees for each source will be rounded to the nearest dollar. The fee for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.

6. Applicants for an authority to construct and permit to operate a project, which burns municipal waste or refuse-derived fuel, shall pay in addition to all required fees, an additional fee to cover the costs incurred by the State Department of Health Services, and/or a qualified contractor designated by the State Department of Health Services, in reviewing a risk assessment as required under H&S Code Section 42315. The fee shall be transmitted by the District to the Department of Health Services and/or the qualified contractor upon completion of the review and submission of comments in writing to the District.

7. A surcharge equal to 100% of all required initial and permit to operate fees shall be charged for sources permitted to burn one or more of the following fuels: coke, coal, wood, tires, black liquor, and municipal solid waste.

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

(Amended 6/5/85; 6/4/86; 3/4/87; 6/6/90; 7/3/91; 6/15/94; 10/8/97; 7/1/98; 7/1/98; 5/19/99; 6/7/00; 6/6/01, 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08)

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: ~~\$348~~\$337 plus 0.165 cents per gallon
 - b. Minimum RSF for first TAC source: ~~\$482~~\$519
 - 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; 5/2/07)*

**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: ~~\$144.30~~\$165.95 per single product nozzle (spn)
~~\$144.30~~\$165.95 per product for each multi-product nozzle (mpn)
 2. PERMIT TO OPERATE FEE: ~~\$55.27~~\$63.56 per single product nozzle (spn)
~~\$55.27~~\$63.56 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:

$$\frac{\$199.57}{\cancel{\$229.51}} \times \{[(mpn_{proposed})(products\ per\ nozzle) + spn_{proposed}] - [(mpn_{existing})(products\ per\ nozzle) + spn_{existing}]\}$$

mpn = multi-product nozzles
spn = single product nozzles

The above formula includes a toxic surcharge.

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

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

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

4. RISK SCREENING FEE (RSF) of ~~\$348~~\$337 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: ~~\$1,896~~\$2,180 per single product loading arm
~~\$1,896~~\$2,180 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: ~~\$2,214~~\$2,517
 - b. RSF for each additional TAC source: ~~\$1,896~~\$2,180 *

* 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: ~~\$529~~\$608 per single product loading arm
~~\$529~~\$608 per product for multi-product arms

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

*(Amended 2/20/85; 6/5/85; 6/4/86; 7/3/91; 6/15/94; 10/8/97; 7/1/98; 5/19/99;
6/7/00; 6/6/01, 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08)*

**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: ~~\$347~~\$365
 - b. If usage is not more than 1,000 gallons/year: ~~\$347~~\$365
 - c. If usage is more than 1,000 gallons/year: ~~\$638~~\$734 per 1,000 gallons
 - d. The maximum fee per source is: ~~\$25,379~~\$29,186

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: ~~\$348~~\$337 plus initial fee
 - b. Minimum RSF for first TAC source: ~~\$635~~\$702
 - c. RSF for each additional TAC source: equal to initial fee *
 - d. Minimum RSF per additional TAC source: ~~\$347~~\$365 *
 - e. Maximum RSF per source is: ~~\$25,379~~\$29,186

* 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: ~~\$229~~\$263
 - b. If usage is not more than 1,000 gallons/year: ~~\$229~~\$263
 - c. If usage is more than 1,000 gallons/year: ~~\$347~~\$365 per 1,000 gallons
 - d. The maximum fee per source is: ~~\$42,688~~\$44,591

4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

5. Fees for each source will be rounded to the nearest dollar. The fee for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.

(Amended 5/19/82; 10/17/84; 6/5/85; 6/4/86; 10/8/87; 7/3/91; 6/15/94; 7/1/98; 5/19/99; 6/7/00; 6/6/01, 5/1/02, 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08)

**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: ~~\$304~~\$328

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: ~~\$619~~\$665
 - b. RSF for each additional TAC source: ~~\$304~~\$328 *
 - * 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: ~~\$217~~\$237

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: ~~\$1,803~~\$2,019

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: ~~\$2,121~~\$2,356
 - b. RSF for each additional TAC source: ~~\$1,803~~\$2,019 *
 - * 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: ~~\$900~~\$1,008

4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

G-2. FEES FOR SCHEDULE G-2, For each source in a G-2 classification, fees are:

1. INITIAL FEE: ~~\$2,618~~\$2,854

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: ~~\$2,936~~\$3,191
 - b. RSF for each additional TAC source: ~~\$2,618~~\$2,854 *
 - * 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: ~~\$1,308~~\$1,426

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: ~~\$16,883~~ \$16,902
 - 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: ~~\$47,653~~ \$47,672
 - 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~~ \$37,272
- 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: ~~\$25,166~~ \$37,609
 - b. RSF for each additional TAC source: ~~\$24,848~~ \$37,272 *
 - * 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~~ \$18,635
- 4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

(Amended 5/19/82; 6/5/85; 6/4/86; 6/6/90; 7/3/91; 6/15/94; 10/8/97; 7/1/98; 5/19/99; 6/7/00; 6/6/01, 5/1/02, 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08)

SCHEDULE G-1
(Adopted June 18, 1980)

Equipment or Process Description	Materials Processed or Produced
Asphalt Roofing Manufacturing – Asphalt Dipping	Asphalt Roofing or Related Materials
Calcining Kilns, excluding those processing cement, lime, or coke (see G-4 for cement, lime, or coke Calcining Kilns)	Any Materials except cement, lime, or coke
Chemical Manufacturing, Inorganic – Processing Units with a Capacity of 1000 Gallons/Hour or more	Any Inorganic Materials
Chemical Manufacturing, Inorganic – Processing Units with a Capacity of 5 Tons/Hour or more	Any Inorganic Materials
Chemical Manufacturing, Inorganic – Reactors with a Capacity of 1000 Gallons or more	Any Inorganic Materials
Chemical Manufacturing, Organic - Latex Dipping	Any latex materials
Chemical Manufacturing, Organic – Processing Units with a Capacity of 1000 Gallons/Hour or more	Any Organic Materials
Chemical Manufacturing, Organic – Processing Units with a Capacity of 5 Tons/Hour or more	Any Organic Materials
Chemical Manufacturing, Organic – Reactors with a Capacity of 1000 Gallons or more	Any Organic Materials
Compost Operations – Windrows, Static Piles, Aerated Static Piles, In-Vessel, or similar methods	Any waste materials such as yard waste, food waste, agricultural waste, mixed green waste, bio-solids, animal manures, etc.
Crushers	Any minerals or mineral products such as rock, aggregate, cement, concrete, or glass; waste products such as building or road construction debris; and any wood, wood waste, green waste; or similar materials
Electroplating Equipment	Hexavalent Decorative Chrome with permitted capacity greater than 500,000 amp-hours per year or Hard Chrome
Foil Manufacturing – Any Converting or Rolling Lines	Any Metal or Alloy Foils
Galvanizing Equipment	Any

Equipment or Process Description	Materials Processed or Produced
Glass Manufacturing – Batching Processes including storage and weigh hoppers or bins, conveyors, and elevators	Any Dry Materials
Glass Manufacturing – Mixers	Any Dry Materials
Glass Manufacturing – Molten Glass Holding Tanks	Any molten glass
Grinders	Any minerals or mineral products such as rock, aggregate, cement, concrete, or glass; waste products such as building or road construction debris; and any wood, wood waste, green waste; or similar materials
Incinerators – Crematory	Human and/or animal remains
Incinerators – Flares	Any waste gases
Incinerators – Other (see G-2 for hazardous or municipal solid waste incinerators, see G-3 for medical or infectious waste incinerators)	Any Materials except hazardous wastes, municipal solid waste, medical or infectious waste
Incinerators – Pathological Waste (see G-3 for medical or infectious waste incinerators)	Pathological waste only
Loading and/or Unloading Operations – Bulk Plants and Bulk Terminals, excluding those loading gasoline or gasohol (see Schedule D for Bulk Plants and Terminals loading gasoline or gasohol)	Any Organic Materials except gasoline or gasohol
Petroleum Refining – Alkylation Units	Any Hydrocarbons
Petroleum Refining – Asphalt Oxidizers	Any Hydrocarbons
Petroleum Refining – Benzene Saturation Units/Plants	Any Hydrocarbons
Petroleum Refining – Catalytic Reforming Units	Any Hydrocarbons
Petroleum Refining – Chemical Treating Units including alkane, naphthenic acid, and naptha merox treating, or similar processes	Any Hydrocarbons
Petroleum Refining – Converting Units including Dimersol Plants, Hydrocarbon Splitters, or similar processes	Any Hydrocarbons
Petroleum Refining – Distillation Units, excluding crude oil units with capacity > 1000 barrels/hour (see G-3 for > 1000 barrels/hour crude distillation units)	Any Hydrocarbons
Petroleum Refining – Hydrogen Manufacturing	Hydrogen or Any Hydrocarbons

Equipment or Process Description	Materials Processed or Produced
Petroleum Refining – Hydrotreating or Hydrofining	Any Hydrocarbons
Petroleum Refining – Isomerization	Any Hydrocarbons
Petroleum Refining – MTBE Process Units/Plants	Any Hydrocarbons
Petroleum Refining – Sludge Converter	Any Petroleum Waste Materials
Petroleum Refining – Solvent Extraction	Any Hydrocarbons
Petroleum Refining – Sour Water Stripping	Any Petroleum Process or Waste Water
Petroleum Refining – Storage (enclosed)	Petroleum Coke or Coke Products
Petroleum Refining – Waste Gas Flares (not subject to Regulation 12, Rule 11)	Any Petroleum Refining Gases
Petroleum Refining – Miscellaneous Other Process Units	Any Hydrocarbons
Remediation Operations, Groundwater – Strippers	Contaminated Groundwater
Remediation Operations, Soil - Any Equipment	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)

Equipment or Process Description	Materials Processed or Produced
Asphalt Roofing Manufacturing – Asphalt Blowing	Asphalt Roofing or Related Materials
Asphaltic Concrete Manufacturing – Aggregate Dryers	Any Dry Materials
Asphaltic Concrete Manufacturing – Batch Mixers	Any Asphaltic Concrete Products
Asphaltic Concrete Manufacturing – Drum Mixers	Any Asphaltic Concrete Products
Asphaltic Concrete Manufacturing – Other Mixers and/or Dryers	Any Dry Materials or Asphaltic Concrete Products
Concrete or Cement Batching Operations – Mixers	Any cement, concrete, or stone products or similar materials
Furnaces – Electric	Any Mineral or Mineral Product
Furnaces – Electric Induction	Any Mineral or Mineral Product
Furnaces – Glass Manufacturing	Soda Lime only
Furnaces – Reverberatory	Any Ores, Minerals, Metals, Alloys, or Related Materials
Incinerators – Hazardous Waste including any unit required to have a RCRA permit	Any Liquid or Solid Hazardous Wastes
Incinerators – Solid Waste, excluding units burning human/animal remains or pathological waste exclusively (see G-1 for Crematory and Pathological Waste Incinerators)	Any Solid Waste including Sewage Sludge (except human/animal remains or pathological waste)
Metal Rolling Lines, excluding foil rolling lines (see G-1 for Foil Rolling Lines)	Any Metals or Alloys
Petroleum Refining – Stockpiles (open)	Petroleum Coke or coke products only
Petroleum Refining, Wastewater Treatment – Oil-Water Separators	Wastewater from petroleum refineries only
Petroleum Refining, Wastewater Treatment – Strippers including air strippers, nitrogen strippers, dissolved air flotation units, or similar equipment	Wastewater from petroleum refineries only
Petroleum Refining, Wastewater Treatment – Storage Ponds	Wastewater from petroleum refineries only
Pickling Lines or Tanks	Any Metals or Alloys
Sulfate Pulping Operations – All Units	Any
Sulfite Pulping Operations – All Units	Any

(Amended June 7, 2000)

SCHEDULE G-3
(Adopted June 18, 1980)

Equipment or Process Description	Materials Processed or Produced
Furnaces – Electric Arc	Any Metals or Alloys
Furnaces – Electric Induction	Any Metals or Alloys
Incinerators – Medical Waste, excluding units burning pathological waste exclusively (see G-1 for Pathological Waste Incinerators)	Any Medical or Infectious Wastes
Loading and/or Unloading Operations – Marine Berths	Any Organic Materials
Petroleum Refining – Cracking Units including hydrocrackers and excluding thermal or fluid catalytic crackers (see G-4 for Thermal Crackers and Catalytic Crackers)	Any Hydrocarbons
Petroleum Refining – Distillation Units (crude oils) including any unit with a capacity greater than 1000 barrels/hour (see G-1 for other distillation units)	Any Petroleum Crude Oils
Phosphoric Acid Manufacturing – All Units (by any process)	Phosphoric Acid

(Amended 5/19/82; Amended and renumbered 6/6/90; Amended 6/7/00; 6/15/05; 5/2/07)

SCHEDULE G-4
(Adopted June 6, 1990)

Equipment or Process Description	Materials Processed or Produced
Acid Regeneration Units	Sulfuric or Hydrochloric Acid only
Annealing Lines (continuous only)	Metals and Alloys
Calcining Kilns (see G-1 for Calcining Kilns processing other materials)	Cement, Lime, or Coke only
Fluidized Bed Combustors	Solid Fuels only
Nitric Acid Manufacturing – Any Ammonia Oxidation Processes	Ammonia or Ammonia Compounds
Petroleum Refining - Coking Units including fluid cokers, delayed cokers, flexicokers, and coke kilns	Petroleum Coke and Coke Products
Petroleum Refining - Cracking Units including fluid catalytic crackers and thermal crackers and excluding hydrocrackers (see G-3 for Hydrocracking Units)	Any Hydrocarbons
Petroleum Refining - Sulfur Removal including any Claus process or any other process requiring caustic reactants	Any Petroleum Refining Gas
Sulfuric Acid Manufacturing – Any Chamber or Contact Process	Any Solid, Liquid or Gaseous Fuels Containing Sulfur

(Amended June 7, 2000)

SCHEDULE G-5

Equipment or Process Description	Materials Processed or Produced
Petroleum Refinery Flares (subject to Regulation 12, Rule 11)	Any Petroleum Vent Gas (as defined in section 12-11-210 and section 12-12-213)

(Adopted May 2, 2007)

**SCHEDULE H
SEMICONDUCTOR AND RELATED OPERATIONS
(Adopted May 19, 1982)**

All of the equipment within a semiconductor fabrication area will be grouped together and considered one source. The fee shall be as indicated:

1. INITIAL FEE:
 - a. The minimum fee per source is: ~~\$293~~\$319
 - b. The maximum fee per source is: ~~\$23,394~~\$25,499

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: ~~\$293~~\$319
 - ii. If gross throughput is more than 3,000 gallons/year: ~~\$197~~\$215 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: ~~\$293~~\$319
 - ii. If gross throughput is more than 1,000 gallons/year: ~~\$588~~\$641 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: ~~\$348~~\$337 plus initial fee
 - b. Minimum RSF for first TAC source: ~~\$611~~\$656
 - c. RSF for each additional TAC source: equal to initial fee *
 - d. Minimum RSF per additional TAC source: ~~\$293~~\$319 *
 - e. Maximum RSF per source is: ~~\$23,394~~\$25,499

* 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: ~~\$241~~\$230
 - b. The maximum fee per source is: ~~\$11,695~~\$12,748

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: ~~\$211~~\$230
- ii. If gross throughput is more than 3,000 gallons/year: ~~\$99~~\$108 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: ~~\$211~~\$230
- ii. If gross throughput is more than 1,000 gallons/year: ~~\$293~~\$319 per 1,000 gallon

4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

5. The fee for each source will be rounded to the whole dollar. Fees for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.

*(Amended 1/9/85; 6/5/85; 6/4/86; 7/3/91; 6/15/94; 10/8/97; 7/1/98; 5/19/99; 10/20/99;
6/7/00; 6/6/01, 5/1/02, 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08)*

**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: ~~\$304~~\$328
 - b. If the washing or drying capacity exceeds 100 pounds: ~~\$304~~\$328 plus
For that portion of the capacity exceeding 100 pounds: ~~\$8.97~~\$9.78 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: ~~\$304~~\$337 plus initial fee
 - b. Minimum RSF for first TAC source: ~~\$619~~\$665
 - c. RSF for each additional TAC source: equal to initial fee *
 - d. Minimum RSF per additional TAC source: ~~\$304~~\$328 *

* 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: ~~\$217~~\$237
 - b. If the washing or drying capacity exceeds 100 pounds: ~~\$217~~\$237 plus
For that portion of the capacity exceeding 100 pounds: ~~\$4.50~~\$4.91 per pound

4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

5. Fees for each source will be rounded to the nearest dollar. The fee for sources will be rounded up to the nearest dollar for 51 cents and above, and amounts 50 cents and lower will be rounded down to the nearest dollar.

(Amended 10/17/84; 6/5/85; 6/4/86; 7/3/91; 6/15/94; 10/8/97; 7/1/98; 5/19/99; 6/7/00; 6/6/01, 5/1/02, 5/21/03; 6/02/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08)

**SCHEDULE K
SOLID WASTE DISPOSAL SITES
(Adopted July 15, 1987)**

1. INITIAL FEE:
 - a. Inactive or Closed Solid Waste Disposal Sites ~~\$1,902~~\$2,187
 - b. Active Solid Waste Disposal Sites ~~\$3,803~~\$4,373

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: ~~\$318~~\$337 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

3. PERMIT TO OPERATE FEE:
 - a. Inactive or Closed Solid Waste Disposal Sites ~~\$950~~\$1,093
 - b. Active Solid Waste Disposal Sites ~~\$1,902~~\$2,187

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) ~~\$1,143~~\$1,314
 - b. Inactive Site Questionnaire evaluation as required by Health & Safety Code Section 41805.5(b) ~~\$573~~\$659
 - 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) ~~\$573~~\$659
 - d. Evaluation of Initial or Amended Design Capacity Reports as required by Regulation 8, Rule 34, Section 405 ~~\$421~~\$484
 - e. Evaluation of Initial or Periodic NMOC Emission Rate Reports as required by Regulation 8, Rule 34, Sections 406 or 407 ~~\$1,205~~\$1,386
 - f. Evaluation of Closure Report as required by Regulation 8, Rule 34, Section 409 ~~\$421~~\$484
 - g. Evaluation of Annual Report as required by Regulation 8, Rule 34, Section 411 ~~\$1,055~~\$1,213

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; 5/2/07; 5/21/08)

**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: ~~\$104~~\$110 for amounts 100 to 500 square feet or linear feet.
~~\$374~~\$408 for amounts 501 square feet or linear feet to 1000 square feet or linear feet.
~~\$544~~\$593 for amounts 1001 square feet or liner feet to 2000 square feet or linear feet.
~~\$748~~\$815 for amounts greater than 2000 square feet or linear feet.
 - b. Cancellation: ~~\$49~~\$53 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: ~~\$288~~\$314 for amounts 100 to 159 square feet or 100 to 259 linear feet or 35 cubic feet
~~\$416~~\$453 for amounts 160 square feet or 260 linear feet to 500 square or linear feet or greater than 35 cubic feet.
~~\$605~~\$659 for amounts 501 square feet or linear feet to 1000 square feet or linear feet.
~~\$892~~\$972 for amounts 1001 square feet or liner feet to 2500 square feet or linear feet.
~~\$1,272~~\$1,386 for amounts 2501 square feet or linear feet to 5000 square feet or linear feet.
~~\$1,746~~\$1,903 for amounts 5001 square feet or linear feet to 10000 square feet or linear feet.
~~\$2,224~~\$2,421 for amounts greater than 10000 square feet or linear feet.
 - b. Cancellation: ~~\$137~~\$149 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: ~~\$49~~\$53
 - b. Cancellation: ~~\$49~~\$53 (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: ~~\$205~~\$223
 - b. Cancellation: ~~\$137~~\$149 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: ~~\$340~~\$371

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: ~~\$205~~\$223
 - b. Cancellation: ~~\$137~~\$149 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; 6/6/07; 5/21/08)

**SCHEDULE M
MAJOR STATIONARY SOURCE FEES**
(Adopted June 6, 1990)

For each major stationary source emitting 50 tons per year or more of Organic Compounds, Sulfur Oxides, Nitrogen Oxides, and/or PM₁₀, the fee shall be based on the following:

- | | | |
|----|-------------------|--|
| 1. | Organic Compounds | \$87.63 <u>\$100.77</u> per ton |
| 2. | Sulfur Oxides | \$87.63 <u>\$100.77</u> per ton |
| 3. | Nitrogen Oxides | \$87.63 <u>\$100.77</u> per ton |
| 4. | PM ₁₀ | \$87.63 <u>\$100.77</u> per ton |

Emissions calculated by the APCO shall be based on the data reported for the most recent 12-month period prior to billing. In calculating the fee amount, emissions of Organic Compounds, Sulfur Oxides, Nitrogen Oxides, or PM₁₀, if occurring in an amount less than 50 tons per year, shall not be counted.

(Amended 7/3/91; 6/15/94; 7/1/98; 5/9/99; 6/7/00; 6/6/01, 5/1/02, 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08)

**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_i = amount of substance i emitted by facility in lbs/year

Q_i = $URF * 10^5$, if i is a carcinogen; or

Q_i = $[REL_C]^{-1}$, 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; 5/2/07)

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 ~~\$325~~\$364 per source

b. MFR EMISSIONS FEE~~\$12.80~~\$14.34 per ton of regulated air pollutants emitted

Each MFR facility and each synthetic minor facility shall pay an annual monitoring fee (1c below) for each pollutant measured by a District-approved continuous emission monitor or a District-approved parametric emission monitoring system.

c. MFR/SYNTHETIC MINOR MONITORING FEES~~\$3,251~~\$3,641 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~~\$453~~\$507 per application

b. SYNTHETIC MINOR INITIAL PERMIT FEE ~~\$317~~\$355 per source

c. SYNTHETIC MINOR REVISION FEE~~\$317~~\$355 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~~\$453~~\$507 per application

b. MFR INITIAL PERMIT FEE ~~\$438~~\$491 per source

c. MFR ADMINISTRATIVE AMENDMENT FEE~~\$129~~\$144 per application

d. MFR MINOR REVISION FEE~~\$643~~\$720 per source modified

e. MFR SIGNIFICANT REVISION FEE~~\$1,199~~\$1,343 per source modified

f. MFR REOPENING FEE~~\$393~~\$440 per source modified

g. MFR RENEWAL FEE ~~\$191~~\$214 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~~\$676~~\$757 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 FEECost of Public Hearing not to exceed \$8,746
 - b. NOTICE OF PUBLIC HEARING FEECost 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 ~~\$77~~\$86 per source, not to exceed ~~\$7,605~~\$8,518

(Amended 6/15/94; 10/8/97; 7/1/98; 5/19/99; 6/7/00; 6/6/01, 5/1/02, 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08)

**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: ~~\$130~~\$134

(Amended 7/19/00; 8/1/01, 6/5/02, 7/2/03; 6/2/04; 6/6/07; 5/21/08)

**SCHEDULE R
EQUIPMENT REGISTRATION FEES**

1. Persons operating commercial cooking equipment ~~that~~who are required to register equipment as required by District rules are subject to the following fees:
 - a. Conveyorized Charbroiler REGISTRATION FEE: \$360 per facility
 - b. Conveyorized Charbroiler ANNUAL RENEWAL FEE: \$100 per facility
 - c. Under-fired Charbroiler REGISTRATION FEE: \$360 per facility
 - d. Under-fired Charbroiler ANNUAL RENEWAL FEE: \$100 per facility

2. Persons operating non-halogenated dry cleaning equipment ~~that~~who are required to register equipment as required by District rules are subject to the following fees:
 - a. Dry Cleaning Machine REGISTRATION FEE: \$180
 - b. Dry Cleaning Machine ANNUAL RENEWAL FEE: \$125

3. Persons operating diesel engines ~~that~~who are required to register equipment as required by District or State rules are subject to the following fees:
 - a. Diesel Engine REGISTRATION FEE: \$120
 - b. Diesel Engine ANNUAL RENEWAL FEE: \$80

4. Persons operating boilers, steam generators and process heaters ~~that~~who are required to register equipment by District Regulation 9-7-404 are subject to the following fees:
 - a. Each facility operating a boiler, steam generator or process heater subject to Regulation 9-7-404 ONE-TIME REGISTRATION FEE \$425 per facility
 - b. Each boiler, steam generator or process heater subject to Regulation 9-7-404, after the first ONE-TIME REGISTRATION FEE \$50 per device

5. Persons owning or operating graphic arts operations ~~that~~who are required to register equipment by District Regulation 8-20-408 are subject to the following fees:
 - a. REGISTRATION FEE: \$215
 - b. ANNUAL RENEWAL FEE: \$135

6. Persons owning or operating mobile refinishing operations ~~that~~who are required to register by District Regulation 8-45-4 are subject to the following fees:
 - a. REGISTRATION FEE \$100
 - b. ANNUAL RENEWAL FEE \$60

(Adopted 7/6/07; Amended 12/5/07; 5/21/08; 7/30/08; 11/19/08; 12/3/08)

**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): ~~\$232~~\$267

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: ~~\$2,060~~\$2,369

(Adopted 6/6/07; Amended 5/21/08)

**SCHEDULE T
GREENHOUSE GAS FEES**

For each permitted facility emitting greenhouse gases, the fee shall be based on the following:

1. Carbon Dioxide Equivalent (CDE) Emissions \$0.044\$0.045 per metric ton

Emissions calculated by the APCO shall be based on the data reported for the most recent 12-month period prior to billing. The annual emissions of each greenhouse gas (GHG) listed below shall be determined by the APCO for each permitted (i.e., non-exempt) source. For each emitted GHG, the CDE emissions shall be determined by multiplying the annual GHG emissions by the applicable Global Warming Potential (GWP) value. The GHG fee for each facility shall be based on the sum of the CDE emissions for all GHGs emitted by the facility, except that no fee shall be assessed for emissions of biogenic carbon dioxide.

Direct Global Warming Potential Relative to Carbon Dioxide*

GHG	GWP**
Carbon Dioxide	1
Methane	21
Nitrous Oxide	310
HCFC-22	1,500
HCFC-123	90
HCFC-124	470
HCFC-142b	1,800
HFC-23	11,700
HFC-32	650
HFC-125	2,800
HFC-134a	1,300
HFC-143a	3,800
HFC-152a	140
HFC-227ea	2,900
HFC-236fa	6,300
HFC-43-1-mee	1,300
PFC-14	6,500
PFC-116	9,200
PFC-218	7,000
PFC-318	8,700
PFC-3-1-10	7,000
PFC-5-1-14	7,400
Sulfur Hexafluoride	23,900

* Source: Intergovernmental Panel on Climate Change (Second Assessment Report: Climate Change 1995).

** GWPs compare the integrated radiative forcing over a specified period (i.e., 100 years) from a unit mass pulse emission to compare the potential climate change associated with emissions of different GHGs.

(Adopted May 21, 2008)

SCHEDULE U
INDIRECT SOURCE REVIEW FEES

The applicant for any project deemed an indirect source pursuant to District rules shall be subject to the following fees:

1. APPLICATION FILING FEE

When an applicant files an Air Quality Impact Assessment as required by District rules, the applicant shall pay a non-refundable Application Filing Fee as follows:

- | | |
|--|-------|
| a. Residential project: | \$533 |
| b. Non-residential or mixed use project: | \$796 |

2. APPLICATION EVALUATION FEE

Every applicant who files an Air Quality Impact Assessment as required by District rules shall pay an evaluation fee for the review of an air quality analysis and the determination of Offsite Emission Reduction Fees necessary for off-site emission reductions. The Application Evaluation fee will be calculated using the actual staff hours expended and the prevailing weighted labor rate. The Application Filing fee, which assumes eight hours of staff time for residential projects and twelve hours of staff time for non-residential and mixed use projects, shall be credited towards the actual Application Evaluation Fee.

3. OFFSITE EMISSION REDUCTION FEE

(To be determined)