



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
REGULAR MEETING
MAY 5, 2010

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 5, 2010
9:45 A.M.

BOARD ROOM
7TH FLOOR

CALL TO ORDER

Opening Comments
Roll Call
Pledge of Allegiance

Chairperson, Brad Wagenknecht
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.

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)

CONSENT CALENDAR (ITEMS 1 – 6)

Staff/Phone (415) 749-

1. Minutes of April 7, 2010 and Special Meeting April 14, 2010

L. Harper/5073

lharp@baaqmd.gov

2. Communications

J. Broadbent/5052

jbroadbent@baaqmd.gov

Information only.

3. Quarterly Report of Executive Office and Division Activities

J. Broadbent/5052

jbroadbent@baaqmd.gov

A summary of Board of Directors, Hearing Board and Advisory Council meeting activities for the first quarter is provided for information only. Also included, is a summary of the Executive Office and Division Activities for the months of January – March 2010.

4. Quarterly Report of Air Resource Board Representative - Honorable Ken Yeager

J. Broadbent/5052

jbroadbent@baaqmd.gov

5. Consider Establishing New Job Classification of Audit and Special Projects Manager with a Salary Set at Pay Range 148M

J. Broadbent/5052

jbroadbent@baaqmd.gov

The Board of Directors will consider establishing new job classification and salary range of an Audit and Special Projects Manager, effective upon Board of Directors approval.

6. Consider Reclassifying Positions

J. Broadbent/5052

jbroadbent@baaqmd.gov

The Board of Directors will consider reclassifying two positions, effective upon Board of Directors approval.

COMMITTEE REPORTS AND RECOMMENDATIONS

7. Report of the **Stationary Source Committee** Meeting of April 12, 2010

CHAIR: G. UILKEMA

J. Broadbent/5052

jbroadbent@baaqmd.gov

8. Report of the **Budget and Finance Committee** Meeting of April 28, 2010

CHAIR: C. DALY

J. Broadbent/5052

jbroadbent@baaqmd.gov

PUBLIC HEARING(S)

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

B. Bateman/4653

bbateman@baaqmd.gov

The Board of Directors will receive testimony on proposed amendments to District Regulation 3: Fees. The final public hearing and adoption of proposed amendments is set for June 16, 2010.

PRESENTATION

10. **UPDATE ON PROPOSED REVISIONS TO THE DISTRICT'S CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) GUIDELINES AND THRESHOLDS OF SIGNIFICANCE**

J. Broadbent/5052

jbroadbent@baaqmd.gov

The Committee will receive a report on the status of the update to the District's CEQA Guidelines and Thresholds of Significance.

CLOSED SESSION

11. EXISTING LITIGATION (*Government Code Section 54956.9(a)*)

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

- B) Andrea Gordon v. Bay Area AQMD, United States District Court, N.D. Cal., Case No. CV 08-8630 BZ

OPEN SESSION

OTHER BUSINESS

12. Report of the Executive Officer/APCO
13. Chairperson's Report
14. Time and Place of Next Meeting – 9:45 A.M. Wednesday, May 19, 2010 - 939 Ellis Street, San Francisco, CA 94109
15. Adjournment

CONTACT EXECUTIVE OFFICE - 939 ELLIS STREET SF, CA 94109

(415) 749-5130
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 2010

<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	5	9:45 a.m.	Board Room
Board of Directors Budget Hearing	Wednesday	5	Immediately Following Board of Directors Meeting	Board Room
Advisory Council Regular Meeting	Wednesday	12	9:00 a.m. – 11:00 a.m.	Board Room
Board of Directors Stationary Source Committee <i>(At the Call of the Chair)</i>	Thursday	13	9:30 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	19	9:45 a.m.	Board Room
Board of Directors Budget & Finance Committee <i>(At the Call of the Chair)</i>	Thursday	20	9:30 a.m.	4 th Floor Conf. Room
Joint Policy Committee	Friday	21	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	24	9:30 a.m.	4 th Floor Conf. Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	27	9:30 a.m.	4 th Floor Conf. Room

JUNE 2010

<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	2	9:45 a.m.	City of San Jose Chambers 200 East Santa Clara St. San Jose, CA 95113
Advisory Council Regular Meeting	Wednesday	9	9:00 a.m. – 12:00 a.m.	Board Room
Board of Directors Regular Meeting <i>(Meets 1st & 3rd Wednesday of each Month)</i>	Wednesday	16	9:45 a.m.	Board Room
Board of Directors Mobile Source Committee <i>(Meets 4th Thursday each Month)</i>	Thursday	24	9:30 a.m.	4 th Floor Conf. Room

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson, Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 27, 2010

Re: Board of Directors Draft Meeting Minutes

RECOMMENDED ACTION:

Approve attached draft minutes of the Board of Directors Regular Meeting of April 7, 2010 and Special Meeting of April 14, 2010.

DISCUSSION

Attached for your review and approval are the draft minutes of the Board of Directors Regular Meeting of April 7, 2010 and Special Meeting of April 14, 2010.

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
April 7, 2010

DRAFT MINUTES

CALL TO ORDER: Chairperson Brad Wagenknecht called the meeting to order at 9:45 a.m.

Roll Call: Chairperson Brad Wagenknecht; Vice Chairperson Tom Bates; Directors Harold Brown, Chris Daly, Susan Garner, Carole Groom, David Hudson, Jennifer Hosterman, Liz Kniss, Eric Mar, Nate Miley, Mark Ross, Pamela Torliatt, Gayle B. Uilkema, Ken Yeager, and Shirlee Zane

Absent: Secretary John Gioia; Directors Scott Haggerty, Ash Kalra, Carol Klatt, and James Sperring

PLEDGE OF ALLEGIANCE: Chairperson Wagenknecht led the Pledge of Allegiance.

Public Comments:

There were no public comments.

Board Member Comments:

There were no Board Member comments.

CONSENT CALENDAR (Items 1-5):

1. Minutes of March 17, 2010
2. Communications
3. District Personnel on Out-of-State Business Travel
4. Set a Public Hearing for May 5, 2010 and June 16, 2010 to Consider Testimony on Proposed Amendments to Air District Regulation 3: Fees
5. Set Public Hearings for May 5, 2010 and June 26, 2010 to Consider Testimony on the Proposed Air District Budget for Fiscal Year Ending 2011

Board Action: Director Torliatt made a motion to approve Consent Calendar Items 1 through 5; Director Brown seconded the motion; carried unanimously without opposition.

COMMITTEE REPORTS AND RECOMMENDATIONS:

6. **Report of the Budget and Finance Committee Meeting of March 24, 2010**
Chairperson Daly

The Budget and Finance Committee met on March 24, 2010 and approved the minutes of February 10, 2010.

The Committee reviewed and discussed the proposed Budget for Fiscal Year 2010/2011, discussed General Fund revenue sources and expenditures, financial challenges and the District's response to those challenges through a multi-faceted and multi-year approach. As a follow-up to the previous Committee meeting, information was presented regarding inspection statistics and the status of the San Mateo County investment pool.

The Committee then reviewed, by line item, consolidated revenue and transfers, general fund expenditures and consolidated expenditures, recognizing that the proposed budget is a balanced approach to fiscal challenges with the ability to support core functions and initiatives.

The Committee then received an update of the proposed fee amendments to Regulation 3: Fees, reviewed the District's cost recovery, noting that for FYE 2009 overall fee revenue covered 58% of costs.

The Committee reviewed District revenue sources, budget challenges and responses to budgeting, a breakdown of proposed fee increases, affected schedules, and other proposed fee amendments which would:

- Expand the definition of "small business";
- Create a new "green business" application fee discount;
- Create a new application fee discount for attendance at Industry Compliance Schools; and
- Move the temporary amnesty provision to Regulation 3 and extend the applicability to registrations.

The Committee discussed examples of fee increases on small businesses, permit fee comparisons, reviewed the public comment received verbally and in writing, and the Rule development schedule.

The next meeting of the Budget and Finance Committee is scheduled for April 28, 2010.

Board Action: Director Daly made a motion to approve the report and recommendations of the Budget and Finance Committee; Director Garner seconded the motion; carried unanimously without objection.

7. **Report of the Mobile Source Committee Meeting of March 25, 2010**
Vice Chairperson Groom

The Mobile Source Committee met on Thursday, March 25, 2010 and approved the minutes of the February 25, 2010 meeting.

The Committee was provided with a request to recommend acceptance of new funds available to the Lower-Emission School Bus Program from the California Goods Movement Bond. The Committee discussed the background of the Lower-Emission School Bus Program, installments of I-Bond funding for the program and budget considerations relating to timing and receipt of funds.

Based on that discussion the Committee recommends Board of Directors' acceptance of the 3rd and 4th installments of Lower Emission School Bus Program Bond funding from the California Goods Movement Bond in the amounts of \$2,462,351 and \$25,200 respectively.

The Committee then considered extension of contracts and additional allocation of Mobile Source Incentive Funds for the Vehicle Buy Back Program. The Committee reviewed program goals, the State Bureau of Automotive Repair (BAR) program, vehicle retirement trends and rates, and the emission reductions from the program.

Based on this review the Committee recommends that the Board of Directors authorize the Executive Officer/APCO to execute contract extensions for vehicle scrapping and direct mail services and recommends the allocation of an additional \$6.8 million in Mobile Source Incentive Funds; with \$1.2 million in MSIF funding to be included in this fiscal year's budget and \$5.6 million in FY 2010/11.

The Committee also received an informational report on the expenditure of incentive funds, current cycle funding, grants expenditures by equipment type, and emissions reductions benefits from projects executed in calendar year 2009. Additionally, staff updated the Committee on upcoming challenges for the 2010 calendar year.

The next meeting of the Mobile Source Committee is scheduled for Thursday, April 29, 2010 at 9:30 a.m.

Director Hudson questioned and confirmed that the use of LESB funding is restricted to school buses.

Board Action: Director Groom made a motion to approve the report and recommendations of the Mobile Source Committee; Director Hosterman seconded the motion; carried unanimously without objection.

8. **Report of the Public Outreach Committee Meeting of March 29, 2010**
Chairperson Ross

The Public Outreach Committee met on Monday, March 29, 2010 and approved the minutes of March 15, 2010.

The Committee considered contract extensions considered at the March 15, 2010 Committee meeting for advertising, media/public relations, public opinion research, and resource teams totaling \$2,275,000. The Committee reviewed contract funding sources, proposed reductions and increases to contract amounts, the functionality of resource teams, review of additional survey work, and evaluation processes.

The Committee recommends Board of Directors' approval of staff recommendations on contract extensions for the 2010/2011 Summer and Winter Spare the Air campaigns, the Smoking Vehicle Assistance Program, Grants and Incentives, and Resource Team Facilitation.

The next meeting of the Public Outreach Committee is at the Call of the Chair.

Board Action: Chairperson Ross made a motion to approve the report and recommendations of the Public Outreach Committee; Director Yeager seconded the motion; carried unanimously without objection.

9. **Report of the Legislative Committee Meeting of March 29, 2010**
Chairperson Garner

The Legislative Committee met on Monday, March 29, 2010 and approved the minutes of November 12, 2009 and January 21, 2010.

The Committee discussed new bills, and is recommending Board of Directors' approval of the positions listed in the table below, which was presented to Directors.

The Committee also recommends an "Oppose" position on any bill that would impose San Joaquin Valley AQMD's greenhouse gas thresholds of significance for CEQA statewide.

The next meeting of the Legislative Committee is at the call of the Chair.

BILL AND AUTHOR	SUBJECT	COMMITTEE RECOMMEND- ATION
AB 1672 Jeffries	Changes ARB Board from appointed to elected positions	Oppose
AB 1692 B. Berryhill	Puts penalty revenues collected by ARB (and other state environmental agencies) into the General Fund, instead of directly into ARB programs	Oppose
AB 1740 Jeffries	Eliminates the 500 vehicle cap on kit cars, and ends environmental and financial requirements for amnesty program for fraudulently registered kit cars	Oppose
AB 1863 Gaines	Extends current reduction in testing requirements for hospital's diesel backup generators	Support
AB 1949 Logue	Requires extensive new reports on environmental regulations 5 years after adoption or modification	Oppose
AB 2289 Eng	Allows major changes to smog check testing procedures	Support and seek amendments
AB 2311 Mendoza	Requires triennial review of ARB greenhouse gas fuel regulations, and delay to avoid impacts on fuel prices, small businesses, the economy etc.	Oppose
AB 2469 B. Berryhill	Establishes new dispute resolution process for businesses seeking relief from ARB's AB 32 regulations.	Oppose

AB 2565 Ammiano	Reduces CEQA paperwork for lead agencies by allowing increased internet use in CEQA process	Support
AB 2691 Hall	Prohibits AQMDs, cities, counties, or others from imposing GHG fees	Oppose
SB 942 Dutton	Requires repeal of regulations if analysis by State Auditor indicates costs outweigh benefits	Oppose
SB 960 Dutton	Requires ARB regulations to be analyzed by Office of Administrative Law for feasibility and costs	Oppose
SB 1114 Florez	Allows districts to create ERCs from marine and locomotive emission reduction projects that are partly public funded	Oppose
SB 1120 Dutton	Prohibits ARB from adopting AB 32 cap-and-trade program unless it is part of a required federal or regional program	Oppose
SB 1194 Hollingsworth	Prohibits air districts from banning installation of wood burning devices in new & existing residences	Oppose
SB 1263 Wyland	Eliminates AB 32	Oppose
SB 1299 Lowenthal	Requires DMV to assess feasibility of VMT fee	Support
SB 1340 Kehoe	Requires CEC to establish a program to reduce costs for in-home electric vehicle charging	Support and Seek Amendments
SB 1402 Dutton	Requires ARB to detail how each penalty amount was calculated, and takes penalty revenues away from ARB	Oppose
SB 1433 Leno	Ties air penalty ceilings to inflation	Co-Sponsor
AB 846 Torrico	Ties air penalty ceilings to inflation, requires calculation of economic advantage to violators	Oppose Unless Amended
SB 1445 DeSaulnier	Increases vehicle registration fees by \$1 to fund SB 375 implementation	Support and Seek Amendments
SBX8 57 Cox	Delays ARB on-road diesel regulation by 2 years	Oppose

Board Action: Director Garner made a motion to approve the report and recommendations of the Legislative Committee; Director Hosterman seconded the motion; carried unanimously without objection.

CLOSED SESSION:

The Board of Directors adjourned to Closed Session at 9:52 a.m.

10. **Conference with Legal Counsel - Significant Exposure to Litigation**
Pursuant to Government Code Section 54956.9(b), a need exists to meet in closed session to discuss two potential litigation matters against the District.

11. **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:
 1. **Duraflame, Inc. v. Bay Area AQMD**, Contra Costa County Superior Court, Case No. N09-0102

OPEN SESSION:

The Board of Directors reconvened the Regular Board Meeting at 10:01 a.m. District Counsel Brian Bunger reported that there was a personnel-related settlement regarding Item 10, and there was no reportable action taken regarding Item 11.

OTHER BUSINESS:

12. **Report of the Executive Officer/APCO**

Executive Officer/APCO, Jack Broadbent, referred to two handouts before Directors and said staff is extensively involved in efforts relating to the proposed CEQA guidelines update. He stated that 10 workshops, plus 2 public workshops, are scheduled to be held through the end of April in the nine Bay Area counties where District staff will review and explain how guidelines work. The meetings are publicly noticed in English and in other languages.

In addition, the District is hosting three public workshops to present the Draft Clean Air Plan, the Draft PEIR, and the Draft Socio-Economic Analysis. Staff will answer questions and receive public input and suggestions. These workshops will be held in Petaluma on April 6, 2010, Santa Clara on April 7, 2010 and in Oakland on April 8, 2010. He said the workshops are receiving good response from local news agencies and staff will be providing briefings to the Stationary Source, Mobile Source and Executive Committees.

Director Daly noted his attendance at the Board of Supervisors meeting on March 30th and requested and received an update from Mr. Hilken on the meeting held in San Francisco. It was reported that good discussion and participation occurred regarding the proposals.

Director Torliatt commended District staff in their efforts at the Petaluma public workshop, held on Tuesday, April 6, 2010.

Director Kniss requested and received an explanation and update relating to Community Risk Reduction Plans (CRRPs), and their relationships with the New Source Rule (NSR), development in

CARE communities, mitigation measures, CEQA, and EIRs, and Mr. Broadbent noted that the Board will consider and discuss all options at a future Board meeting.

Mr. Broadbent reported that the District will be receiving two awards in April; one from Breathe California recognizing the District's Wood Smoke Program, and one from the Climate Action Reserve for the District's Climate Protection Program.

13. **Chairperson's Report**

Chairperson Wagenknecht gave the following report:

- The vacancy on the Stationary Source Committee has been filled by Director Hudson;
- He suggested Directors calendar upcoming CEQA Guidelines Update public workshops;
- The April 21, 2010 Board Meeting is canceled;
- The next facility for discussion by the Stationary Source Committee meeting will be Pacific Steel Casting on April 12, 2010

14. **Time and Place of Next Meeting: Regular Meeting** - Wednesday, May 5, 2010, 9:45 a.m., 939 Ellis Street, San Francisco, CA 94109.

15 **Adjournment:** The Board of Directors Meeting adjourned at 10:18 a.m.

Lisa Harper
Clerk of the Boards

Port of Oakland
Port of Oakland, 530 Water Street
Oakland, CA 94607
Telephone (510) 627-1100

Board of Directors Special Meeting
April 14, 2010

DRAFT MINUTES

CALL TO ORDER: Chairperson Brad Wagenknecht called the meeting to order at 2:11 p.m.

Roll Call: Chairperson Brad Wagenknecht; Directors Chris Daly, Scott Haggerty, Jennifer Hosterman, David Hudson, Ash Kalra, Eric Mar, Mark Ross, and James Spring

Absent: Vice Chairperson Tom Bates; Secretary John Gioia; Directors Harold Brown, Dan Dunnigan, Susan Garner, Carole Groom, Carol Klatt, Liz Kniss, Nate Miley, Pamela Torliatt, Gayle Uilkema, Ken Yeager and Shirlee Zane

PUBLIC COMMENTS:

There were no public comments.

OPEN SESSION:

Jack Broadbent, APCO, provided introductory remarks and explained that the request to tour the Port of Oakland evolved out of the Mobile Source Committee and Maritime Sources and Ports Committee.

Victor Uno, President of the Oakland Board of Port Commissioners, thanked the Air District for its interest in the Port, introduced Port Commissioner Margaret Gordon and provided introductory remarks.

Omar R. Benjamin, Executive Director of the Port of Oakland, provided welcoming remarks and introduced Port of Oakland Staff.

Mr. Broadbent discussed the Air District's ongoing efforts at the Port of Oakland and introduced Damian Breen, Director of the Air District's Strategic Incentives Division. Mr. Breen provided an overview of grant investments at the Port of Oakland highlighting drayage trucks, harbor craft, shorepower and locomotives.

Director Spring asked and confirmed that the tons of emission reductions from the retrofitted trucks are measured by a formula set by the Air District.

Director Ross asked whether current economic impacts may influence the existing 2014 deadline for trucks. Mr. Broadbent explained that the drayage trucks at the Port are considered Off-Road Trucks

and that the California Air Resources Board (CARB) is holding a hearing on the On-Road Truck Rule. Depending on the status of the On-Road Truck hearing, CARB may move the existing Off-Road Truck retrofit deadline of 2014 to a later date that synchronizes with the On-Road Truck Rule deadline.

Director Hudson stated concerns about achieving compliance as the deadline to retrofit approaches and the condition of the economy worsens.

Port Commissioner Gordon expressed concern about recalcitrant trucks swapping cargo outside of the Port with compliant trucks.

Director Haggerty asked and confirmed that the NUMMI plant closure did not detrimentally impacts revenue at the Port. Mr. Benjamin explained that the Port's business has been more affected by the downward turn of the overall economy and not the local incident.

Jean Banker, Manager Administration/Finance Services, Maritime Operations at the Port of Oakland, provided a description of port facilities, maritime operations and harbor deepening project. Delphine Prevost, Senior Maritime Projects Administrator of the Port of Oakland, provided an overview of the outer harbor and shorepower efforts.

All attendees departed the Port of Oakland office and boarded a boat for a guided tour by the Port of Oakland staff. The boat returned to the Port of Oakland harbor where attendees disembarked the boat.

Adjournment: The Board of Directors Special Meeting adjourned at 4:00 p.m.

Jennifer A. Chicconi
Manager, Executive Operations

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson, Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 26, 2010

Re: Board Communications Received from April 7, 2010 through May 4, 2010

RECOMMENDED ACTION:

Receive and file.

DISCUSSION

A list of Communications directed to the Board of Directors received by the Air District from April 7, 2010 through May 4, 2010, if any, will be at each Board member's place at the May 5, 2010 Regular Board meeting.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

To: Chairperson, Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 9, 2010

Re: Report of Division Activities for the Months of January 2010-March 2010

ADMINISTRATION AND HUMAN RESOURCES – J. COLBOURN, DIRECTOR

Budget Development for Fiscal Year 2010-11

The FYE 2010 Proposed Budget for FYE 2011 was mailed to the Board of Directors on March 12, and referred to the Budget and Finance Committee at the March 18 Board Meeting. A presentation to the Budget and Finance Committee was made on March 24.

Unclaimed Property Report

The District completed the final Unclaimed Property Report for 2006, and filed with the State Controller's Office, as required; the State notified the District that the report had been accepted.

Audit of 2008-09 Financial Statements

The audit firm of Gilbert and Associates completed the audit and issued their reports on February 3 of the District's 2008-09 financial statements. Separately the issued were the reports on compliance with the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, and *Government Auditing Standard*, and the **Management Letter**. These reports were presented by Peggy Vande Vooren, Shareholder of Gilbert and Associates at the February 10th Budget and Finance Committee meeting.

CA Goods Movement Receipt of Funds

The District received a total of \$7,376,327 from the California Air Resources Board. \$255,523 was received for administrative costs, \$4,085,804 for replacement projects, and \$3,035,000 for retrofit projects.

Human Resources Office

The Human Resources (HR) Office met with the Employees' Association to amend the Memorandum of Understanding that was ratified on March 17, 2010. The HR Office also coordinated fifteen recruitment exams including exams for Director of Technical Services, AQ Program Manager, Air Monitoring Manager, Environmental Planner, Senior Advanced Projects Advisor, Executive Secretary, Administrative Secretary, Legal Secretary, Secretary, Senior AQIS, Senior AQ Chemist, Supervising AQ Engineer, Supervising Planner, Administrative Analyst, and Engineering Intern. In addition, the HR Office conducted training sessions, including: Supervisory Skills, Training/Coaching Solutions, Nutrition Wright Loss, and the Leadership Development Program (which includes researching/arranging some LDP participants to attend off-site training programs). The HR Office continues to administer payroll, benefits, safety, and labor/employee relations.

COMPLIANCE AND ENFORCEMENT – K. WEE, DIRECTOR

Enforcement Program

The 2009-2010 Winter Spare the Air (WSTA) season ended February 28. For the season, the District declared 7 WSTA Alerts. Staff conducted inspection patrols during each WSTA Alert day and conducted visible emission inspection patrols an additional 59 days. Staff received 2,355 complaints, issued 310 warning letters (300 for curtailment, 10 for visible emissions) and issued 9 Notices of Violation (7 for curtailment, 2 for visible emissions). For the 1st quarter of 2010, there were 4 WSTA Alerts, 1320 complaints, 131 warning letters issued (124 for curtailment, 7 for visible emissions), and 6 Notices of Violation issued (4 for curtailment, 2 for visible emissions). Staff mailed final notification letters to 5 gasoline stations that had not made any efforts to comply with the April 1, 2009 State deadline for Phase II Enhanced Vapor Recovery (EVR).

Compliance Assurance Program

Staff continued implementation of the District's Mobile Source Compliance Plan and MOU with CARB. Working in partnership with CARB, in mid-January, staff conducted surveillance of Port of Oakland marine terminals during startup of their Radio Frequency Identification Database (RFID) system for truckers. On March 9 and 10, District and CARB staff with California Highway Patrol assistance, conducted data collection inspections at the Port of Oakland, Burlington Northern Santa Fe (BNSF) and Union Pacific (UPRR) Railroads. These efforts focused on verification of drayage truck California engine emission labels and vehicle information in CARB's Drayage Truck Rule (DTR) database. In addition to data collection on DTR compliance, staff provided recommendations to drivers to review and correct erroneous vehicle information in CARB's DTR database. Mobile Source inspectors attended CARB's Diesel Exhaust After-Treatment Devices course at Alameda College on January 13. This was an in-depth course about different types of diesel particulate facilities, their appropriate use and reliability issues, as well as common circumvention problems. For the Quarter, staff completed 665 truck inspections for the Goods Movement Program and 42 truck inspections for the Carl Moyer Program. On February 15, staff participated in the monthly Trucker Work Group meetings at the Port of Oakland. Staff attended the CAPCOA Vapor Recovery Subcommittee meeting on January 20 and 21 and learned of future Enhanced

future Enhanced Vapor Recovery rulemaking efforts by CARB. Monthly refinery flare monitoring data has been updated on the District Flares Webpage through December 2009.

Compliance Assistance Program

Staff mailed out three compliance assistance advisories regarding: 1) new requirements in Regulation 8-32: Wood Products Coatings; 2) prohibition on possession of specified automotive coatings in Regulation 8-45: Motor Vehicle and Mobile Equipment Coating Operations; and 3) third notice to facilities subject to phase-out of Perchloroethylene dry cleaning machines (Reg 11-16). Staff provided Spanish, Hindi and Chinese language translations for Drayage Truck Owners and operators at the Port of Oakland's Customer Service Center. Staff made a presentation to the Napa Valley Grape Growers Association to their Spanish-speaking audience regarding open burning compliance during their annual meeting in Napa. During the Quarter for the WSTA season, the District received over 278,000 calls to the 1-877-4NOBURN line (approximately 174,000 English; 104,000 Spanish). Staff mailed 120 Wood Smoke Informational/Outreach packets to residences throughout the Bay Area and approximately 270 packets to alleged wood burning/smoking residences.

Operations

First quarter In-Service Training was held on March 17, 24 and 30 including the following topics: Commercial Motor Vehicle/Sleeper Berth Idling, Landfills (Reg 8-34), Notice of Violation (NOV) Report writing Update, New Source Review of Toxic Air Contaminants (Reg 2-5), Wood Smoke (Reg 6-3), Polyester Resin Operations Update (Reg8-50), Small Business Incentives Program and Forward Looking Infrared (FLIR) Detectors. Inspectors attended CARB's visible emission evaluation certification in West Sacramento on February 24 and in Pleasanton on March 3 and 4. Some Inspectors also attended CARB's *night* visible emission evaluation certification in Long Beach and West Sacramento on January 20 and February 24, respectively.

(See Attachment for Activities by County)

ENGINEERING DIVISION – B. BATEMAN, DIRECTOR

Permit Systems Program

In the first quarter of 2010, 299 new permit applications were received: 202 standard New Source Review applications, 75 Gasoline Dispensing Facility applications, 15 Title V applications, and 7 Banking applications. During this period, the Division issued 133 Authorities to Construct and 426 Permits to Operate.

Engineering Division Permit Activity – 1st Quarter 2010			
Annual update packages started	1093	Permits to Operate issued (new and modified)	426
Annual update packages completed	1197	Exemptions	8
Total update pages entered	1043	Authorities to Construct denied	0
New applications received	299	New Companies added to Data Bank during the 1 st quarter 2010	78
Authorities to Construct issued	133		

Toxics Program

Staff presented proposed amendments to Regulation 2, Rule 5: New Source Review of Toxic Air Contaminants, to the Board of Directors on January 6, 2010. The Board adopted the amendments, which incorporate Age Sensitivity Factors and other revisions to the risk assessment guidelines (e.g., new and revised cancer potency factors and non-cancer reference exposure levels) that have been adopted by Cal/EPA’s Office of Environmental Health Hazard Assessment. The revised rule also includes tracking of increases and reductions of toxic air contaminants in areas identified as “Priority Communities” under the District’s CARE Program. A total of 74 Health Risk Screening Analyses were completed for new/modified permit applications in the first quarter of 2010.

Staff continued work on proposed amendments to Regulation 11, Rule 16: Perchloroethylene and Synthetic Solvent Dry Cleaning, which would accelerate the Perc phase-out schedule mandated by the state ATCM. Staff presented several options for an accelerated phase-out to the Board of Directors Stationary Source Committee in March. The committee directed staff to continue work in developing on option that would maintain the existing phase-out for machines at the age of 15 years, but that would move the final phase-out date up by three years to July 1, 2020. At the committee’s direction, staff will also develop financial assistance to the facilities that would incur loss-of-equity costs from this accelerated phase-out.

Staff continued work in assessing health risk from Lehigh Southwest Cement Company (Cupertino) and Sentinel Cremation Societies (Emeryville) for the Air Toxics Hot Spots Program. Staff also provided support for proposed revisions to the District's CEQA guidelines, and the development of a proposed rule for metal foundries and other metal melting operations.

Title V Program

Staff has prepared draft Title V renewal permits for the five Bay Area refineries. Staff met with representatives of EPA Region IX to discuss these draft permits. The District will be issuing these Title V renewal permits for public comment in the 2nd quarter of 2010.

Work continued on the Title V permit renewal for Lehigh Southwest Cement Company (Cupertino). The District will re-notice this permit for EPA and public review after it has incorporated upcoming amendments to an EPA rule that will result in significant reductions of mercury, hydrochloric acid and other pollutants.

The Title V permit renewal for NUMMI (Fremont) was issued for public comment. NUMMI is maintaining their air district permits despite their shutdown of operations on April 2, 2010.

Permit Evaluation Program

The District issued the final PSD Permit for the Russell City Energy Center (Hayward), a proposed 600-MW natural gas-fired power plant, on February 3, 2010. Several parties subsequently filed appeals on this permit action, which will be considered by EPA's Environmental Appeals Board. Staff is also working on an extension to this project's Authority to Construct.

The District issued a Preliminary Determination of Compliance (PDOC) for the Marsh Landing Generating Station (Antioch) on March 22, 2010. This power plant project consists of four simple cycle gas turbines with a combined output of 760-MW. The comment period for the PDOC ends on April 30.

Staff is also working on permit evaluations for several other large proposed power plants as follows: (1) Authority to Construct extension for the Los Esteros Critical Energy Facility (San Jose), an existing power plant that will be converting to a combined-cycle configuration with an output of 320-MW, (2) PDOC for the 550-MW Willow Pass Generating Station (Pittsburg), (3) PDOC for the 624-MW Oakley Generating Station (Oakley), and (4) PDOC for the 200-MW Mariposa Energy Project (northeast Alameda County). Staff provided a briefing on proposed Bay Area power plants to the Board of Directors Stationary Source Committee at their meeting on March 5.

Staff continued work to implement the CARB stationary diesel engine ATCM and the portable diesel engine ATCM. In addition to the normal workload, the District has received a number of permit applications to re-designate portable prime Tier 0 uncertified diesel engines to "low usage" or "emergency" classifications. These diesel engines, which are allowed to continue to operate in this limited capacity, will likely be replaced with the much cleaner Tier 4 engines when they become available.

Engineering Projects Program

Staff prepared and submitted the Federal Emission Offset Equivalence Demonstration 2010 Report to EPA.

Staff activities on the Production System Project included: (1) completed first drafts of 16 data forms for all device types in the permitting process, (2) continued to develop business rules, use cases and emission calculation methodology, (3) reviewed future and current data requirements for migration and development of the new data model, (4) attended a demonstration on the SJVAPCD Diesel Internal Combustion Engine Risk Screening Tool, and (5) prepared a proposal to temporarily redirect limited staff resources from other on-going programs to address the prioritized needs of the Business Process Improvement Program.

LEGAL DIVISION – B. BUNGER, DISTRICT COUNSEL

The District Counsel's Office received 115 violations reflected in Notices of Violation (NOVs) for processing.

Mutual Settlement Program staff initiated settlement discussions regarding civil penalties for 97 violations reflected in NOVs. In addition, 3 Final 30 Day Letter(s) were sent regarding civil penalties for 9 violations. Finally, settlement negotiations resulted in collection of \$40,975 in civil penalties for 39 violations.

The District Counsel's Office initiated settlement discussions regarding civil penalties for 72 violations. Settlement negotiations by counsel resulted in collection of \$67,050 in civil penalties for 15 violations.

(See Attachment for Penalties by County)

COMMUNICATIONS AND OUTREACH – L. FASANO

Communications

Winter Spare the Air (WSTA) – The WSTA Alert season ended on February 28, 2010. During that period, 7 Winter Spare the Air alerts were called.

At the close of the season, approximately 100,000 Bay Area residents signed up for email AirAlerts and 16,000 enrolled for phone alerts. Over the course of the season, nearly 400,000 calls were placed to the 877-4NOBURN line to check the daily burn status. Preliminary survey results indicate that 24% of Bay Area households reduced their wood burning because of the WSTA program and 70% support the Wood Burning Rule.

Heavy media coverage of the Christmas Day WSTA Alert resulted in numerous print, radio and TV interviews with most major Bay Area media outlets through mid January. The Communications Director also made appearances on KQED Radio's Forum program and Mornings on 2 with Pam Cook.

Media - Fifteen press releases were issued by the Air District during this period:

3/30/2010	Air District offers \$2 million for innovative projects to reduce vehicle emissions
3/30/2010	Air District releases draft Bay Area Clean Air Plan
3/29/2010	Air District approves first step toward Contra Costa power plant permit
3/16/2010	Air District marks completion of "Cool Roof" project at Las Juntas School
3/03/2010	Winter Spare the Air season ends
2/26/2010	Permissive burn period for Marsh Management opens
2/24/2010	Air District grants pave the way for Bay Area electric vehicles
2/04/2010	Air District approves landmark permit for Hayward power plant
1/25/2010	Air District offers commute solutions to Bay Area businesses
1/13/2010	Air District tightens air toxics regulation
1/12/2010	Air District to resubmit Lehigh permit renewal
1/09/2010	Third consecutive Winter Spare the Air Alert in effect for January 10
1/08/2010	Another Winter Spare the Air Alert in effect for Saturday, January 9
1/07/2010	Winter Spare the Air Alert in Effect for Friday, January 8
1/04/2010	Winter Spare the Air Alert in effect for Tuesday, January 5

Media - Staff responded to a number of media inquiries regarding;

Spare the Air alerts

CARB issuance of additional funding for the Port of Oakland Diesel Truck Retrofit

U.S. EPA decision to strengthen the eight-hour ozone standard

Adoption of the Toxics NSR rule amendment

District funding of the Broadway Shuttle in Oakland

Commute solutions workshop

Las Juntas Elementary School cool roof press event

CEQA guidelines update

Hayward Russell City power plant

Crematory complaints

New technology grants

Electric charging stations

Remote pollution sensing devices

Marsh Landing Power Plant

Port of Oakland truck retrofit program

Las Juntas Elementary School Press Event - March 16, the District and its project partners, the Martinez Unified School District and the County of Contra Costa, hosted a press conference to mark the completion of the "cool roof" retrofit and other energy efficiency upgrades at the Las Juntas Elementary School in Martinez. The event was videotaped by CCTV for broadcast. KCBS radio did interviews and ran a story and the Contra Costa Times ran a photo with caption. KTVU broadcast the story as a news item.

Port of Oakland OT 411 Center - The Communications and Outreach staff provided support to the Strategic Incentives Division with grants assistance to truckers at the Port of Oakland OT 411 Center on January 4. Staff also responded to media inquiries regarding the additional grant funding and conducted several on-camera interviews with both English language and Spanish language outlets.

Public Inquiries - Staff responded to hundreds of calls from the public, most regarding the WSTA Alerts and wood burning questions. Other calls dealt with the CEQA guidelines update, the Port truck retrofit program, and general air quality issues.

Smoking Vehicle Program - A new advertising campaign for the 1 (800) EXHAUST program launched March 4, 2010. The advertising is featured on billboards, bus ads, bus stops and online ads on sfgate.com.

Annual Report - Staff has begun work on the Air District 2009 Annual Report. Publication is expected in June 2010.

Training and Development - Public Information Officers participated in two training sessions in this reporting period:

- Social Media in Emergency Management
- National Incident Management Systems Public Information Officer Training
- The Art of Elevating Public Information

League of Women Voters - The February/March 2010 issue of the League of Women Voters' newsletter, the Bay Area Monitor, featured two articles on Air District-related topics: "Up in the Air: New Environmental Standards Yet to Be Determined," about the proposed CEQA guidelines and amendments to the Toxics New Source Review regulation, and "State Law Regulating Truck Emissions Kicks into Gear at Ports," which covered the port truck retrofit grant program.

League Day - The League of Women Voters held their annual League Day event in Oakland on January 30. The focus of League Day was SB 375, smart growth and climate change. Executive Officer Jack Broadbent and other regional leaders addressed these issues with the League assembly. Approximately 150 people attended.

CAPCOA Public Outreach Committee Meeting – The Communications and Outreach Director, Lisa Fasano, attended and chaired the first CAPCOA Public Outreach Committee Meeting for 2010 on February 17 and 18 in Santa Barbara. Agenda items included: Annual State of the Air Report Card Update by the ALA and Digital Media Marketing for Air Districts, among many others.

Community Outreach

West Oakland Measurement Study and Local Sampling Meeting – Staff met with Custom Alloy Scrap Sales (CASS) representatives, Global Community Monitoring (GCM) representatives, and interested community members to discuss the Air District's measurements and preliminary data around the CASS facility. GCM representatives also provided an update on their sampling findings. The community continues to raise concerns about the air quality around the CASS facility.

Regional Agency Partnerships

The Communications and Outreach Division Director participated in the January 15 meeting of the Regional Agency Climate Team, where strategies for collaboration among the regional agencies were discussed. Staff from ABAG, MTC, and BCDC were also present.

Staff met with the Transportation Authority of Marin to share program information and discuss opportunities for collaboration on carpooling projects in Marin.

Bayview Hunters Point Schools Air Filtration Project – Staff has met with the San Francisco Department of Public Works and the San Francisco Unified School District (SFUSD) and begun preliminary planning for an indoor air filtration project in Bayview Hunters Point. The project is modeled on school-based air filtration projects and a “Pilot Study of High Performance Air Filtration for Classroom Applications” conducted by the South Coast Air Quality Management District in Los Angeles.

Commute Solutions Workshop – The San Mateo County Resource Team hosted a Commute Solutions Workshop at the San Mateo Main Public Library on January 28. Director Groom provided the opening remarks. The workshop included three breakout sessions which included panel discussions on best practice models for employers, low cost and no cost solutions to commuting, and tax-free commuter benefits. Sal Castaneda, KTVU reporter served as the keynote speaker and addressed the attendees on the importance of addressing commuting needs throughout San Mateo County. Over 125 people participated in this workshop.

African American Community Health Equity Council of San Francisco – Staff met with the Environmental Health Steering Committee of the African American Health Equity Council of San Francisco (AACHEC) on February 1. The AACHEC council is committed to collaborating with the District in improving the air quality primarily in four areas of San Francisco; Bayview Hunters Point, Western Addition, Portrero Hill, and Visitation Valley. Staff requested that the Council provide input and comments on CEQA, CAP, CARE and our Air Filtration Project. The Council invited District staff to speak at an upcoming conference on African American health issues on March 17.

Metropolitan Transportation Commission (MTC) Partnerships - Staff attended a meeting with MTC regarding marketing strategies for Sustainable Communities. Staff also participated in the February 17 climate working group meeting of the Bay Area Climate Initiatives Program, coordinated by MTC staff. Staff from the District, MTC and the Association of Bay Area Governments prepared documents for a \$35 million competitive grants announcement. Funding categories will include \$30 million for innovate climate grants; \$3 million for youth education grants and \$2 million for Safe Routes to School creative grants.

Bayview Hunters Point Stop Lennar Action Movement Town Hall Meeting – Staff attended the February 18 Town Hall meeting hosted by SLAM. Wilma Subra, independent consultant to U.S. EPA’s Technical Services for Communities Program, presented comments on the Draft Environmental Impact Report on the Hunters Point Development Project. Approximately 100 community members attended.

San Jose Green Vision Resource Team –Air District staff hosted the February 25 meeting of the San Jose Green Vision Resource Team. The team is planning an energy conservation workshops for low income residents of San Jose. Two public workshops are planned for May 8 and May 15 and will focus on hands-on residential energy and water conservation demonstrations.

San Francisco City Wide Revival – Staff shared information on air pollution impacts and the Air District’s policies to address those impacts with residents of the Bayview Hunters Point and Fillmore neighborhoods during a week-long health fair at Cornerstone Missionary Baptist Church in San Francisco. The Air District’s Communications Director spoke to the congregation about air pollution and public health during the revival on Tuesday, March 23. Approximately 1,000 people attended the event.

African American Community Health Equity Council Conference – Staff represented the Air District at the March 27 “Transforming Health in San Francisco’s Black Community: Moving from Sickness to Health.” Staff displayed information on particulate matter and wood burning, toxic pollution and new Air District efforts to control toxics via the CARE Program. Approximately 100 local health professionals, academics and community members attended the conference at the campus of the University of California San Francisco – Mission Bay.

Public Event Schedule

San Francisco County: Wednesday, January 20, 10:00 a.m. to 1:30 p.m., Transportation Fair, San Francisco Airport – United Airlines, Burlingame

San Mateo County: Thursday, January 28, 8:30 a.m. to 12:00 p.m., Commute Solutions Workshop San Mateo Public Library, 55 West 3rd Street, San Mateo.

San Francisco County: Saturday, March 27, 8:30 a.m. to 12:30 p.m., American Lung Association, Fight for Air Climb, 555 California Street, San Francisco

San Francisco County: Saturday, March 27, 8:00 a.m. to 5:00 p.m., San Francisco African American Community Health Equity Council, UCSF Mission Bay Campus, San Francisco

PLANNING DIVISION – H. HILKEN, DIRECTOR

Community Air Risk Evaluation (CARE) Program

Staff hosted a combined CARE Task Force and Cumulative Impact Work Group meeting to discuss Community Risk Reduction Plans. At the Task Force meeting, City of San Jose staff presented their future projected development plan for priority development areas. Members of the (ad hoc) Cumulative Impact Work Group will be merged into the CARE Task Force. Staff also participated in a kick-off meeting with San Jose staff to discuss development of a Community Risk Reduction Plan for San Jose. Staff assisted with developing technical support materials for the CEQA Guidelines update and participated in the first of the nine-county workshops on the proposed CEQA thresholds in San Francisco. Staff posted an RFP for development of detailed emissions inventory in support of CEQA and the Community Risk Reduction Plans. Staff completed and posted the West Oakland

the West Oakland Truck Survey. Staff met with the executives of the San Francisco African American Community Health Equity Council to discuss the District's direction in assessing the effects of multiple environmental stressors. Staff attended a CARB Symposium on Estimating Premature Deaths from Long-term Exposure to PM_{2.5}. The data collection phase of the West Oakland Measurement Study was completed; both summer and wintertime measurements phases are now complete. Laboratory analysis of metals from PM₁₀ measurements collected near the Custom Alloy Scrap Sales (CASS) facility from mid November 2009 through February 9, 2010, were received from the Desert Research Institute. Progress continued on the development of a toxic emissions inventory for future years 2015 and 2020.

Air Quality Planning Program

Staff released the draft Bay Area 2010 Clean Air Plan (CAP) and the Draft Program Environmental Impact Report on the CAP. Staff made presentations on the CAP to the MTC Planning Committee and to the Joint Policy Committee (JPC). Staff scheduled three public workshops on the CAP for early April.

Staff continued to develop resources and tools to assist local government staff in implementing the proposed CEQA Guidelines. Staff met with numerous local government staff and stakeholders to further refine the CEQA Guidelines to address their concerns. Staff scheduled ten local government and two public workshops for the CEQA Guidelines for mid to late-April.

Staff participated in the first meeting of the Climate Working Group, comprised of staff from MTC, ABAG, BCDC, JPC and Air District. The regional agency staffs are to develop the programs for the Innovative Grants and Evaluation components of the RTP Transportation and Climate Action Plan. Staff participated in weekly meetings of regional agency staff to discuss the development of the work plan for the SB 375 Sustainable Communities Strategy. Staff attended a joint meeting of the CAPCOA Climate Protection Committee on the Quantification of GHG Mitigation Strategies project with the Air Resources Board staff and U.C. Davis researchers to discuss and coordinate similar studies being conducted to quantify the efficiencies of various mitigation measures and land use/transportation policies. Staff participated in a meeting of JPC's Climate Bay Area focusing on information sharing among the regional's leading entities working on climate: Air District, ICLEI, Joint Venture Silicon Valley, Sustainable Silicon Valley, and Silicon Valley Leadership Group. Staff continued to work with Climate Protection Grant recipients to ensure proper reporting and tracking of progress in implementing funded projects, and to ensure appropriate documentation of deliverables.

Research and Modeling Program

Staff conducted analyses to assess the effectiveness of the wood burning rule for the winter 2009-2010 particulate matter (PM) season. Staff participated in several Central California Air Quality Study Technical and Policy Committee meetings and conference calls. Staff participated in several calls organized by ARB on emissions inventory development and setting the milestones of preparing the State Implementation Plan (SIP) for PM. Staff continued working on particulate matter data analysis and modeling to support the District's planning activities and the preparation of the SIP for PM. Staff continued working with Penn State University in evaluating and adopting for use a new

meteorological model, the Weather Research and Forecasting (WRF) model. Staff met with Camp Parks personnel to discuss the possibility of continuing meteorological monitoring at their facility. Staff assisted the Engineering Division with various permit modeling activities. Staff continued working on the multi-pollutant evaluation program. Staff responded to public requests for meteorological data and guidance on AERMOD applications. Staff continued to perform quality assurance/quality control of the 2009 aerometric data. Staff continued helping with the preparation of the 2010 Clean Air Plan. Staff presented a technical paper at a conference jointly organized by the American Meteorological Society and the Air and Waste Management Association.

Rule Development Program

Staff hosted a public workshop on proposed amendments to Regulation 9, Rule 10: Nitrogen Oxides and Carbon Monoxide from Boilers, Steam Generators and Process Heaters in Petroleum Refineries. Staff has received comments and continued discussions with refiners on potential amendments. Staff has initiated development of a proposed regulation for foundries and metal melting facilities, has visited a numerous facilities and has met with the California Metals Coalition, representing the industry, and a coalition of community environmental groups to discuss the rule development process. Staff toured Lehigh Southwest Cement and discussed the process to consider a regulation to reduce emissions from cement manufacturing, and toured a vacuum truck storage facility and contacted truck operators to discuss potential regulation of organic emissions from vacuum truck usage. Staff has contacted wood coating resin suppliers and formulators to develop a draft protocol for estimating formaldehyde emissions from these products. Staff is participating in the NARSTO/EPA Reactivity Implementation Working Group to discuss a reactivity basis for regulations.

Emission Inventory Program

Staff continued work on preparing the comprehensive 2008 base year emission inventory. Staff continued work on preparing the Small Ports Emissions Inventory and reviewed the draft report prepared by the consultants. Staff prepared the annual 2008 comprehensive point sources criteria, toxics and GHG emissions data report and submitted it to ARB. Staff assisted the CARE program in preparing the future years air toxics inventory. Staff presented the Bay Area GHG inventory to the Advisory Council. The California Climate Action Registry (CCAR) approved the District's 2008 GHG inventory. Staff responded to inquiries from local governments regarding preparation of GHG emission inventories. Staff presented an overview of Bay Area emissions trends to the Shell Refinery Community Advisory Council.

STRATEGIC INCENTIVES – D. BREEN, DIRECTOR

Goods Movement/Port Truck Program

The 2009/2010 Port Truck Program continued to implement projects at a very high rate. As of March 31:

- 718 retrofit devices had been installed; and
- District has entered into contracts with 22 truck dealers to carry out the port truck replacement program; 17 trucks have been replaced.

In January, the District transferred \$3 million from Goods Movement railroad projects and received an additional \$8 million from ARB for a total of \$11 million to continue to fund port truck retrofits and replacement projects for applicants that submitted applications prior to September 10, 2009, but were denied grants due to lack of funds. All Port Truck projects must be completed by April 30, 2010.

Transportation Fund for Clean Air (TFCA) Program

Twenty alternative-fuel vehicle and infrastructure projects were approved under the Regional Fund, for a total of approximately \$2.5 million. In addition, the District opened a call for Advanced Technology Demonstration projects, with \$2 million in available. More than 50% of the funds were awarded to projects that reduce emissions in highly impacted Bay Area communities.

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

Staff closed out Year 11 of the CMP, with \$21.97 million invested over the year in 101 projects, covering 239 engines. More than 75% of the funds were awarded to projects that reduce emissions in highly impacted Bay Area communities.

Outreach

Staff engaged in outreach and stakeholder engagement throughout the quarter. Highlights include the following:

- Provided staffing at the OT411 trailer to answer questions and help applicants participate in the Port Truck Program.
- Hosted a dealer workshop held by CALSTART on the Hybrid Vehicle Incentive program at the Air District's headquarters.
- Hosted two meetings of the TFCA Program Manager Work Group, in January and in March.
- As part of the Greenhouse Gas Reduction Grant Program, held an application workshop in Rodeo.
- Presented information on vehicle projects to representatives from northern California airports at San Francisco International Airport.
- Participated in a media event at Las Juntas Elementary School to recognize the installation of a Cool Roof and other recently implemented air quality improvement measures.
- Participated in agricultural seminars and presented information on the Agricultural equipment category of the CMP at the Sonoma County Farm Bureau and at the Napa County Farm Bureau.
- Participated in a Marine Seminar hosted by Northern American Marine Environmental Protection Association to discuss ocean going vessel regulations and funding opportunities.

TECHNICAL DIVISION – E. STEVENSON, DIRECTOR**Air Quality**

During the first three months of 2010, PM_{2.5} levels exceeded the 24-hour national standard on five days. Four of the five days occurred between January 5 and 8, when California was under a high-pressure system. The high-pressure pattern produced predominately-offshore flow at the surface and reduced atmospheric vertical mixing. In the North Bay Area, vertical mixing was further suppressed by the cool air and tule fog advection from the Central Valley, which strengthened the inversion. During the four-day episode, many monitoring sites recorded PM_{2.5} exceedances. The most exceedances were recorded at the San Rafael station, with four days of exceedances. The last PM_{2.5} exceedance was recorded on January 16 at Concord, while San Rafael equaled the standard that day.

The Winter Spare the Air Alert program began on November 1, 2009 and ended on February 28, 2010. This was the first winter with a District-wide burn ban on days when the 24-hour national PM_{2.5} standard was predicted to be exceeded. For the winter season, there were 7 days when burn bans were called. Based on reference and equivalent PM_{2.5} monitors, there were 9 days when PM_{2.5} concentrations were above the 24-hour national standard in the Bay Area this winter, compared to 13 days during the winter 2008-09.

Air Monitoring

Twenty-three air monitoring stations were operational from January through March 2010, with all equipment operating on routine, EPA-mandated schedules. The increased wintertime sampling schedule for PM_{2.5} began at designated stations on October 1, 2008 and ended on March 31, 2009. Ozone monitors at four satellite stations were shut down during the low ozone season on December 1, 2009, as allowed under a waiver granted by the EPA, and began operation starting April 1, 2010. Work on the fire-damaged San Pablo station is nearing completion.

Meteorology and Forecasting

The 4th quarter 2009 air quality data were quality assured and entered into the U.S. EPA Air Quality System (AQS) database. Staff continued to make daily air quality, Winter Spare the Air Alert, open burn, and marsh burn forecasts. The winter calibration of the BAAQMD meteorological system was completed. Staff attended the Air Monitoring Technical Advisory Committee (AMTAC) meeting in Sacramento.

Performance Evaluation

The Performance Evaluation Group conducted regular, mandated performance audits on 81 analyzers at 19 Air District monitoring stations. 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 audits.

Staff assisted Air Monitoring staff with the setup of the new Patterson Pass air monitoring station. One staff member was assigned to help Air Monitoring staff implement the new Data Acquisition System (DAS), which is used to process electronic signals from air monitoring instruments at Air District stations.

Laboratory

In addition to routine ongoing analyses, the laboratory analyzed three air samples from the March 13 fire at Piedmont Lumber, Walnut Creek, and three air samples from the March 10 fire at ECS Refining, Santa Clara for toxic compounds.

The laboratory also analyzed twelve source samples from the boiler at Hexion, Fremont for formaldehyde and methanol.

The laboratory participated with EPA and other laboratories around the country in a study to determine the stability of acrolein in sampling canisters.

Source Test

Ongoing Source Test activities during January, February, and March of 2010 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	1,783
Purchase Orders Issued	950
Checks/Credit Cards Processed	3,188
Contracts Completed	54
RFP's	2

Executive Office:

Meetings Attended	147
Board Meetings Held	4
Committee Meetings Held	13
Advisory Council Meetings Held	3
Hearing Board Meetings Held	0
Variances Received	0

Information Systems

New Installation Completed	11
PC Upgrades Completed	19
Service Calls Completed	988

Human Resources

Manager/Employee Consultation (Hrs.)	300
Management Projects (Hrs.)	300
Employee/Benefit Transaction	500
Training Sessions Conducted	5
Applications Processed	288
Exams Conducted	15
New Hires	1
Payroll Administration (Hrs.)	520
Safety Administration	130
Inquiries (voice/telephone/in-person)	5,500

Strategic Facility /Vehicle

Requests for Facility Services	387
Vehicle Request(s)/Maintenance	110

Compliance Assistance and Operations Program

Asbestos Plans Received	1,111
Coating and other Petitions Evaluated	10
Open Burn notifications Received	607
Prescribed Burn Plans Evaluated	1
Tank/Soil Removal Notifications Received	9
Compliance Assistance Inquiries Received	166
Green Business Reviews	44
Refinery Flare Notifications	16

Compliance Assurance Program

Industrial Inspections Conducted	1,572
Gas Station Inspections Conducted	538
Asbestos Inspections Conducted	360
Open Burning Inspections Conducted	66
PERP Inspections Conducted	26
Grants Inspections Conducted	1,231

Engineering Division:

Annual Update Packages Started	1,093
Annual Update Packages Completed	1,197
Total Update Pages Entered	1,043
New Applications Received	299
Authorities to Construct Issued	133
Permits to Operate Issued	426
Exemptions	8
Authorities to Construct Denied	0
New Companies added to Databank during the 1st Quarter 2010	78

Outreach & Incentives Division:

Presentations Made	5
Responses to Media Inquiries	135
Press Releases	15
General Requests for Information	875
Visitors	2

STATISTICS (continued)

Compliance and Enforcement Division:

Enforcement Program

Violations Resulting in Notices of Violation	140
Violations Resulting in Notice to Comply	80
New Hearing Board Cases Reviewed	0
Reportable Compliance Activity investigated	145
General Complaints investigated	798
Smoking vehicle complaints received	1,524
Woodsmoke complaints received	1,320

Technical Services:

1st Quarter 2010 Ambient Air Monitoring

Days Exceeding Nat'l 24-hour PM _{2.5} Std.....	5
Days Exceeding Nat'l 24-hour PM ₁₀ Std.....	0
Days Exceeding Nat'l 24-hour PM ₁₀ Std.....	1
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. 2010

Days Exceeding Nat'l 8-hour Ozone Std.....	8
Days Exceeding State 1-hour Ozone Std.....	11
Days Exceeding State 8-hour Ozone Std.....	13

Particulate Totals, Jan.-Dec. 2010

Days Exceeding Nat'l 24-hour PM _{2.5} Std.....	11
Days Exceeding the Nat'l 24-hour PM ₁₀ Std....	0
Days Exceeding State 24-hour PM ₁₀ Std.....	1

PM_{2.5} Winter Season Totals for 2009-2010

Days Exceeding Nat'l 24-hour PM _{2.5} Std.....	9
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1st Quarter 2010 Agricultural Burn Days

Jan.-Mar. Permissive Burn Days – North.....	76
Jan.-Mar. No-Burn Days – North.....	14
Jan.-Mar. Permissive Burn Days – South.....	76
Jan.-Mar. No-Burn Days – South.....	14
Jan.-Mar. Permissive Burn Days – Coastal.....	76
Jan.-Mar. No Burn Days – Coastal.....	14

Laboratory

Sample Analyzed.....	1,080
Laboratory Analyses.....	3

Technical Library

Titles Indexed/Cataloged	
Periodicals Received/Routed	

Source Test

Total Source Tests.....	179
Pending Source Tests.....	4
Violation Notices Recommended.....	17
Contractor Source Tests Reviewed.....	3,282

Continuous Emissions Monitoring (CEM)

Indicated Excess Emission Report Eval.....	34
Monthly CEM Reports Reviewed.....	147
Indicated Excesses from CEM.....	16

Ground Level Monitoring (GLM)

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

These facilities have received one or more Notices of Violations
Report period: January 1, 2010 – March 31, 2010

Alameda County

Status Date	Site #	Site Name	City	Regulation Title
10/19/2009	D0425	Alameda Valero	Alameda	Gasoline Dispensing Facilities
12/11/2009	A0123	Berkeley Asphalt Co	Berkeley	Particulate Matter & Visible Emissions
10/30/2009	D0718	Fremont Gasoline	Fremont	Gasoline Dispensing Facilities
05/29/2009	A0151	Hexion Specialty Chemicals, Inc	Fremont	Failure to Meet Permit Conditions, Nitrogen Oxides And Carbon Monoxide from Industrial, Institutional, and Commercial Boilers, Steam Generators, And Process Heaters
07/10/2009	C7564	A&M Gas Station	Hayward	Gasoline Dispensing Facilities
09/22/2009	C8930	ABE Petroleum - Olympic Oil	Hayward	Gasoline Dispensing Facilities
11/02/2009	U0489	Domingo Rodriguez	Hayward	Asbestos Demolition, Renovation and Manufacturing
08/20/2009	C0261	New Raja Enterprises, Inc #253791/ 76 Station	Hayward	Gasoline Dispensing Facilities
07/20/2009	D0375	Valero Refining Co SS#7217	Hayward	Gasoline Dispensing Facilities
10/16/2009	D0506	Winton Valero	Hayward	Gasoline Dispensing Facilities
10/06/2009	C9353	ConocoPhillips #2611128	Livermore	Gasoline Dispensing Facilities
10/19/2009	C9021	Fuller Cardlock	Livermore	Gasoline Dispensing Facilities
10/06/2009	C8260	Grafco Station	Livermore	Gasoline Dispensing Facilities
12/23/2009	A5095	Republic Services Vasco Road, LLC	Livermore	Failure to Meet Permit Conditions (Title V)
03/05/2009	D1641	Ruby Hill Commercial	Livermore	Permit to Operate, Failure to Meet Permit Conditions
08/24/2009	D1174	Sky Hopper Investments Inc	Livermore	Gasoline Dispensing Facilities
10/07/2009	C8281	Springtown Gasoline	Livermore	Gasoline Dispensing Facilities
10/26/2009	D0258	Vasco Valero Inc	Livermore	Gasoline Dispensing Facilities
07/10/2009	C0733	Chevron Stevenson	Newark	Gasoline Dispensing Facilities
08/25/2009	C8521	Newark Chevron	Newark	Authority to Construct, Permit to Operate
12/17/2009	A0062	A B & I Foundry	Oakland	Failure to Meet Permit Conditions (Title V)
11/18/2009	A0591	East Bay Municipal Utility District	Oakland	Failure to Meet Permit Conditions (Title V)
10/15/2009	D0302	Montclair Gas & Automotive	Oakland	Gasoline Dispensing Facilities
11/09/2009	B1894	Nautical Engineering Inc	Oakland	Surface Coating of Marine Vessels
11/24/2009	C0168	Portola Valley Shell	Oakland	Gasoline Dispensing Facilities
10/08/2009	C0488	Salvation Army	Oakland	Gasoline Dispensing Facilities
11/09/2009	C8424	Sealand Corporation	Oakland	Gasoline Dispensing Facilities
10/22/2009	C5460	Unocal #5781	Oakland	Gasoline Dispensing Facilities
07/23/2009	D0378	Valero Refining Co SS#7567	Pleasanton	Gasoline Dispensing Facilities
12/23/2009	C9073	Valley Crest Landscape	Pleasanton	Authority to Construct, Permit to Operate
10/14/2009	C8867	Bayview Shell #136019	San Leandro	Gasoline Dispensing Facilities
10/15/2009	B1929	Cultured Marble Products	San Leandro	Permit to Operate
11/17/2009	C8753	Paradiso Mechanical, Inc	San Leandro	Failure to Meet Permit Conditions

These facilities have received one or more Notices of Violations
Report period: January 1, 2010 – March 31, 2010
continued

Alameda County continued

Status Date	Site #	Site Name	City	Regulation Title
8/24/2009	C9033	Raintree Carwash	San Leandro	Gasoline Dispensing Facilities
12/2/2009	C9080	Cal Gas	San Lorenzo	Gasoline Dispensing Facilities
10/28/2009	A0802	CEMEX Construction Materials Pacific, LLC	Sunol	Authority to Construct, Permit to Operate
1/22/2010	A0595	Mission Valley Rock Co	Sunol	Failure to Meet Permit Conditions
9/29/2009	C0268	City of Union City Maint Facility	Union City	Failure to Meet Permit Conditions

Contra Costa County

Status Date	Site #	Site Name	City	Regulation Title
10/01/2009	D0500	Antioch Valero	Antioch	Gasoline Dispensing Facilities
02/04/2010	A3981	GWF Power Systems,LP (Site 4)	Antioch	Failure to Meet Permit Conditions
9/23/2009	C9147	Hillcrest Fuel-Mart/Valero	Antioch	Gasoline Dispensing Facilities
9/23/2009	D0212	Gateway Gas & Mart	Bethel Island	Gasoline Dispensing Facilities
10/27/2009	C8893	Byron Mini Mart	Byron	Gasoline Dispensing Facilities
02/02/2010	C7695	All Star Gasoline	Concord	Gasoline Dispensing Facilities
07/13/2009	C9966	Golden State Carpet - Attn: Shay Henson	Concord	Gasoline Dispensing Facilities
10/01/2009	C9677	Nonstop Investment Inc	Concord	Gasoline Dispensing Facilities
02/02/2010	C8939	R & R Auto Service	El Cerrito	Gasoline Dispensing Facilities
09/16/2009	D1083	GAWFCO USA	Lafayette	Gasoline Dispensing Facilities
10/01/2009	C9730	Martinez Gas and Carwash	Martinez	Gasoline Dispensing Facilities
02/18/2010	A0011	Shell Martinez Refinery	Martinez	Standards of Performance for New Stationary Sources, Equipment Leaks, Storage of Organic Liquids, Sulfur Dioxide,
02/11/2010	B2758	Tesoro Refining and Marketing Company	Martinez	Continuous Emission Monitoring and Recordkeeping Procedures, Failure to Meet Permit Conditions (Title V), Equipment Leaks, Episodic Releases From Pressure Relief Devices at Petroleum Refineries and Chemical Plants, Wastewater (Oil-Water) Separators
05/20/2009	D0504	American Gas	Moraga	Failure to Meet Permit Conditions

These facilities have received one or more Notices of Violations
Report period: January 1, 2010 – March 31, 2010
continued

Contra Costa County continued

Status Date	Site #	Site Name	City	Regulation Title
12/16/2009	A5543	Hernandez Collision and Towing	Pittsburg	Permit to Operate
09/29/2009	D0138	Pacific Gas & Market	Pittsburg	Gasoline Dispensing Facilities
04/30/2009	T9368	Primo Facchini/Klute Demo & Excavation	Pittsburg	Asbestos Demolition, Renovation and Manufacturing
01/06/2010	A2371	USS-POSCO Industries	Pittsburg	Failure to Meet Permit Conditions (Title V)
10/07/2009	A0010	Chevron Products Company	Richmond	Standards of Performance for New Stationary Sources, Parametric Monitoring and Recordkeeping Procedures, Nitrogen Oxides and Carbon Monoxide from Boilers, Steam Generators And Process Heaters in Petroleum
11/18/2009	T9596	John Brosman	Richmond	Open Burning
11/19/2009	A0093	Safeway Stores Inc, Bakery Plant	Richmond	Parametric Monitoring and Recordkeeping Procedures
12/1/2009	A1840	West Contra Costa County Landfill	Richmond	Failure to Meet Permit Conditions (Title V)
10/16/2009	A0016	ConocoPhillips - San Francisco Refinery	Rodeo	Standards of Performance for New Stationary Sources, Flare Monitoring at Petroleum Refineries, Failure to Meet Permit Conditions (Title V), Equipment Leaks, Storage of Organic Liquids
02/02/2010	C8371	San Ramon Bedrock	San Ramon	Gasoline Dispensing Facilities
11/17/2009	D0400	Valero Refining Co SS#7974	San Ramon	Gasoline Dispensing Facilities
07/13/2009	C7093	City of Walnut Creek	Walnut Creek	Gasoline Dispensing Facilities
10/05/2009	D0526	Oak Grove Valero	Walnut Creek	Gasoline Dispensing Facilities

Marin County

Status Date	Site #	Site Name	City	Regulation Title
11/18/2009	C9547	Econo Gas	Larkspur	Gasoline Dispensing Facilities
11/23/2009	C9946	Skywalker Properties Attn: L Bouc	Nicasio	Gasoline Dispensing Facilities
11/23/2009	C8435	A & A Gas	Novato	Gasoline Dispensing Facilities

Napa County

Status Date	Site #	Site Name	City	Regulation Title
01/08/2010	U0207	Mann, Ron	Napa	Open Burning

These facilities have received one or more Notices of Violations
Report period: January 1, 2010 – March 31, 2010
continued

San Francisco County

Status Date	Site #	Site Name	City	Regulation Title
10/29/2009	C9167	San Francisco Fire Department Station 5	San Francisco	Gasoline Dispensing Facilities
10/06/2009	C6643	San Francisco Water Department	San Francisco	Gasoline Dispensing Facilities

San Mateo County

Status Date	Site #	Site Name	City	Regulation Title
11/03/2009	A4021	SFPP, LP	Brisbane	Storage of Organic Liquids
12/03/2009	T9358	Costa Loma	Half Moon Bay	Permit to Operate
07/27/2009	C7699	Half Moon Bay Alliance	Half Moon Bay	Gasoline Dispensing Facilities
07/24/2009	C2977	Skyline Chevron	Millbrae	Gasoline Dispensing Facilities
12/07/2009	C5943	Neighborhood Mart #2	Montara	Gasoline Dispensing Facilities
07/21/2009	D0503	Progressive Operating Co. LP	San Bruno	Gasoline Dispensing Facilities
06/03/2009	C8817	San Mateo Auto Services	San Mateo	Gasoline Dispensing Facilities
07/14/2009	C8500	South San Francisco Unified School District	South San Francisco	Gasoline Dispensing Facilities

Santa Clara County

Status Date	Site #	Site Name	City	Regulation Title
11/18/2009	C0486	Beacon Gas Station	Cupertino	Gasoline Dispensing Facilities
12/01/2009	C3435	De Anza Carwash Inc	Cupertino	Authority to Construct, Permit to Operate
11/23/2009	C7757	Foothill ARCO	Cupertino	Gasoline Dispensing Facilities
12/17/2009	A0017	Lehigh Southwest Cement Company	Cupertino	Failure to Meet Permit Conditions (Title V)
09/29/2009	C5250	Unocal #5428 - Attn: Mary Tran	Cupertino	Gasoline Dispensing Facilities
11/05/2009	C9249	Los Gatos Union 76	Los Gatos	Gasoline Dispensing Facilities
11/05/2009	C9221	Tosco Northwest Company	Los Gatos	Gasoline Dispensing Facilities
09/16/2009	D0457	Unocal #6397	Milpitas	Gasoline Dispensing Facilities
10/02/2009	C0823	Pump N Go	Morgan Hill	Gasoline Dispensing Facilities
10/02/2009	C7891	Unocal #6169	Morgan Hill	Gasoline Dispensing Facilities
11/18/2009	C6997	Houtan Petroleum #255661	Mountain View	Gasoline Dispensing Facilities
11/4/2009	C9734	Palo Alto Unified School District	Palo Alto	Gasoline Dispensing Facilities
11/03/2009	C8931	Blossom Hill Gasoline	San Jose	Gasoline Dispensing Facilities
07/14/2009	D0901	Cal Gas & Diesel	San Jose	Gasoline Dispensing Facilities
11/17/2009	C5313	Calgas	San Jose	Gasoline Dispensing Facilities
10/29/2009	C9522	Capitol Beacon	San Jose	Gasoline Dispensing Facilities
11/17/2009	C0402	City Gas	San Jose	Gasoline Dispensing Facilities
07/08/2009	C9093	County of Santa Clara - Parks Rec	San Jose	Gasoline Dispensing Facilities

These facilities have received one or more Notices of Violations
Report period: January 1, 2010 – March 31, 2010
continued

Santa Clara County continued

Status Date	Site #	Site Name	City	Regulation Title
07/09/2009	C8317	County of Santa Clara West Yard Division	San Jose	Gasoline Dispensing Facilities
07/21/2009	C9905	DE ANZA/U S GAS	San Jose	Gasoline Dispensing Facilities
10/14/2009	C6637	East Side Union High School District	San Jose	Gasoline Dispensing Facilities
08/11/2009	D0493	Foxworthy Gas	San Jose	Gasoline Dispensing Facilities
09/21/2009	C0060	Gas Depot at Winchester	San Jose	Gasoline Dispensing Facilities
08/24/2009	B1670	Gas Recovery Systems, Inc	San Jose	Failure to Meet Permit Conditions (Title V)
10/01/2009	D0385	Johnny's Fuel	San Jose	Authority to Construct, Permit to Operate
10/20/2009	D0888	Kwikserv (BMZ Investment Inc)	San Jose	Gasoline Dispensing Facilities
11/03/2009	C9500	Meridian Chevron Auto Service	San Jose	Gasoline Dispensing Facilities
07/21/2009	C9930	Moorpark Valero - Attn: Jerome Hoa Tran	San Jose	Gasoline Dispensing Facilities
10/06/2009	C0541	Petro America	San Jose	Gasoline Dispensing Facilities
09/15/2009	C4184	San Jose International Airport	San Jose	Gasoline Dispensing Facilities
11/05/2009	C0112	San Jose USD	San Jose	Gasoline Dispensing Facilities
11/17/2009	D0525	Tully Valero	San Jose	Gasoline Dispensing Facilities
11/04/2009	C5339	San Martin Gas & Mart	San Martin	Gasoline Dispensing Facilities
11/03/2009	D0520	KT Valero Gas	Santa Clara	Gasoline Dispensing Facilities
02/02/2010	D0379	Valero Refining Co SS#7624	Santa Clara	Gasoline Dispensing Facilities
10/20/2009	B1411	Westak Inc	Sunnyvale	Failure to Meet Permit Conditions

Solano County

Status Date	Site #	Site Name	City	Regulation Title
02/10/2010	A0901	Valero Benicia Asphalt Plant	Benicia	Failure to Meet Permit Conditions (Title V)
12/16/2009	B2626	Valero Refining Company - California	Benicia	Public Nuisance, Continuous Emission Monitoring and Recordkeeping Procedures, Parametric Monitoring and Recordkeeping Procedures, Failure to Meet Permit Conditions (Title V), Particulate Matter & Visible Emissions, Storage of Organic Liquids
01/28/2010	A1404	Fairfield-Suisun Sewer District	Fairfield	Failure to Meet Permit Conditions
01/25/2010	U0218	Vintage Production California, LLC	Rio Vista	Natural Gas and Crude Oil Production Facilities

These facilities have received one or more Notices of Violations
Report period: January 1, 2010 – March 31, 2010
continued

Sonoma County

Status Date	Site #	Site Name	City	Regulation Title
11/19/2009	T9573	Fulton Processors, Inc.	Fulton	Open Burning
11/18/2009	C8355	Kenwood Gas	Kenwood	Gasoline Dispensing Facilities
11/18/2009	A8463	Koller's Town & Country Cleaners	Petaluma	Perc & Synthetic Solvent Dry Cleaning Operations
07/08/2009	D0198	Metron Super Gas	Petaluma	Gasoline Dispensing Facilities
02/05/2010	T9786	Mr. Paul Lewis	Petaluma	Open Burning
08/17/2009	A2254	Sonoma County Department of Public Works	Petaluma	Solid Waste Disposal Sites
07/13/2009	C0191	Rohnert Park Tesoro	Rohnert Park	Authority to Construct, Permit to Operate
07/07/2009	C6184	ARCO Facility #04936	Santa Rosa	Gasoline Dispensing Facilities
07/08/2009	C9879	Beacon on 4th	Santa Rosa	Authority to Construct, Permit to Operate
12/21/2009	T9777	Carlos Gray	Santa Rosa	Wood-burning Devices
12/08/2009	T9565	Dooyes, Jason	Santa Rosa	Open Burning
12/21/2009	T6063	Lisa MacKenzie / Scot Unterseher	Santa Rosa	Wood-burning Devices
02/10/2010	U0211	Nelson, Gary	Santa Rosa	Open Burning
11/10/2009	A2157	Syar Industries Inc	Santa Rosa	Failure to Meet Permit Conditions
03/18/2010	U0578	Calvi, Gene	Sebastopol	Open Burning
03/19/2010	U0579	Carpenter, Stan	Sebastopol	Open Burning
12/08/2009	N8159	Paul Hobbs Winery	Sebastopol	Open Burning
12/09/2009	T9571	Smith, Guy	Sebastopol	Open Burning

Out of Area Counties

Status Date	Site #	Site Name	City	Regulation Title
01/28/2010	T9674	Hi-Temp Coating Technology	Acton	Architectural Coatings
09/10/2009	T8054	Johnson Tank	Sacramento	Gasoline Dispensing Facilities
03/11/2010	F4406	Williams Tank Lines/Mike Stewart	Stockton	Gasoline Bulk Terminals and Gasoline Delivery Vehicles

Closed Notice of Violations with Penalties by County January 2010 – March 2010

Alameda

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
7-11 Store #33163	C0995	Dublin	\$1,500	2
Chevron #352035 - CTV Enterprises Inc	C8961	Livermore	\$775	1
City Of Livermore	C8677	Livermore	\$500	1
Raintree Carwash	C9033	San Leandro	\$1,000	1
Sid's Collision and Glass Repair	B2588	Oakland	\$350	1
Valero Refining Co SS#7217	D0375	Hayward	\$975	1

Total Violations Closed: 7

Contra Costa

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
C & H Sugar Company, Inc	B1911	Crockett	\$1,500	1
Danville Valero Service Center	C9380	Danville	\$250	1
Golden Rain Foundation	C8663	Walnut Creek	\$500	1
R & R Auto Service	C8939	El Cerrito	\$650	1
San Ramon Bedrock	C8371	San Ramon	\$700	1
Shell Martinez Refinery	A0011	Martinez	\$65,000	12
Unocal #2705704	C9610	Pittsburg	\$1,000	1

Total Violations Closed: 18

**Closed Notice of Violations with Penalties by County
January 2010 – March 2010
continued**

Marin

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Fairfax French Cleaners	B0674	Novato	\$500	1
Skywalker Properties Attn: L Bouc	C9946	Nicasio	\$750	1

Total Violations Closed: 2

San Mateo

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Beach House at Gazos Creek	C9882	Pescadero	\$550	1
Granite Rock	A0068	Redwood City	\$2,000	1
Half Moon Bay Alliance	C7699	Half Moon Bay	\$775	1
Moss Beach Chevron	C6680	Moss Beach	\$550	1
Pacifica Alliance	C9787	Pacifica	\$775	1
Pescadero Alliance	C7662	Pescadero	\$550	1
Skyline Chevron	C2977	Millbrae	\$775	1

Total Violations Closed: 7

Closed Notice of Violations with Penalties by County
January 2010 – March 2010
continued

Santa Clara

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
All Tropical Palms	T7735	Gilroy	\$500	1
Amberwood Gardens	B8825	San Jose	\$750	2
Animal Memorial Service	B7130	Gilroy	\$2,000	1
Beacon 552	C8730	Santa Clara	\$700	1
Micrel Semiconductor Inc	B0751	San Jose	\$3,000	3
Valero Refining Co SS#7624	D0379	Santa Clara	\$700	1

Total Violations Closed: 9

Solano

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Fast & Easy Mart	C9662	Benicia	\$1,500	4

Total Violations Closed: 4

**Closed Notice of Violations with Penalties by County
January 2010 – March 2010
continued**

Sonoma

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
Corby Auto Body	B0635	Santa Rosa	\$1,250	1
Fulton Processors, Inc.	T9576	Fulton	\$1,200	1
Maaco Auto Painting & Bodyworks	A1709	Santa Rosa	\$1,000	1
Paul Hobbs Winery	T9570	Sebastopol	\$1,000	1
Syar Industries Inc	A2157	Santa Rosa	\$2,500	1

Total Violations Closed: 5

District Wide

Site Name	Site Occurrence	City	Penalty Amount	# of Violations Closed
KAG West, LLC	B1956	West Sacramento	\$5,000	1
KAG West, LLC	A4021	West Sacramento	\$5,000	1

Total Violations Closed: 2

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



Linda S. Adams
Secretary for
Environmental Protection

Air Resources Board

Mary D. Nichols, Chairman
1001 I Street • P.O. Box 2815
Sacramento, California 95812 • www.arb.ca.gov



Arnold Schwarzenegger
Governor

TO: Members of the Board of Directors

FROM: Honorable Ken Yeager 
Board Member

DATE: April 1, 2010

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

The list below summarizes my activities as an Air Resources Board member from January 1 through March 31, 2010:

January Activities

28th Air Resources Board Meeting, Sacramento

February Activities

18th Air Resources Board Staff Briefing

25th Air Resources Board Meeting, Sacramento

March Activities

18th Air Resources Board Staff Briefings

25th Air Resources Board Meeting, Sacramento

Attachments: Public Agendas

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.

California Environmental Protection Agency

LOCATION:

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

PUBLIC MEETING AGENDA**January 28, 2010****Webcast****[Electronic Board Book](#)**

This facility is accessible by public transit. For transit information, call:

(916) 321-BUSS, website <http://www.sacrt.com/>
(This facility is accessible to persons with disabilities.)

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

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

January 28, 2010**9:00 a.m.**

**Agenda
Item # Agenda Topic**

10-1-1 Report to the Board on the Air Resources Board's Program Priorities for 2010

Executive Officer James Goldstene will brief the Board on major program priorities for 2010.

[Staff Presentation](#)

10-1-2 Public Hearing to Consider the Adoption of Proposed Amendments to the Regulations Applicable to Portable Diesel Engines and Diesel Engines Used in Off-Road and On-Road Vehicles

Staff will present to the Board amendments to extend the deadline for the removal of certain uncertified portable engines for one year. In addition, staff will present amendments to make two-engine water well drilling rigs subject to the Off-Road Regulation instead of the Portable Engine Air Toxic Control Measure (ATCM) and In Use On-Road Diesel Vehicle Regulation. Revisions are also proposed to provide additional clarity and enforceability to the Statewide Portable Equipment Registration Program Regulation and Portable Engine ATCM.

[More Information](#) [Staff Presentation](#)

10-1-3 Public Hearing to Consider Amendments to the Verification Procedure, Warranty and In-Use Compliance Requirements for In-Use Strategies to Control Emissions from Diesel Engines

Staff will present to the Board proposed changes to the Verification Procedure (Procedure), which is used by staff to evaluate diesel retrofits through emissions, durability, and field testing. The Procedure is ARB's key tool for ensuring that diesel retrofits used by fleet owners are an effective means for reducing emissions from existing diesel vehicles and engines. Staff's proposed changes are intended to further the objectives of the verification program and to strengthen the protections and remedies for the system purchasers. The changes will improve the process of matching retrofits with their intended vehicles, strengthen ARB's ability to quickly and effectively address systems with high warranty claim rates, provide additional information to fleets on the maintenance and appropriate use of their diesel retrofits, and provide better information to staff regarding durability performance.

[More Information](#) [Staff Presentation](#)

10-1-5 Public Meeting to Provide California's Plan for Adapting to Climate Change

Staff from the California Natural Resources Agency will provide an overview for the Board of the 2009 California Climate Adaptation Strategy. California is experiencing significant climate change impacts, including shifting precipitation patterns, increasing ambient temperatures, sea level rise, increasing severity and duration of wildfires, earlier melting of the snow pack, and effects on habitats and biodiversity. Some impacts of climate change can no longer be avoided. To prepare, the California Natural Resources Agency has developed, in cooperation and partnership with multiple State agencies, a first-of-a-kind multi-sector strategy to help guide California's efforts.

[More Information](#) [Staff Presentation](#)

10-1-6 Public Meeting to Update the Board on the Climate Champions Program

Staff will present to the Board an overview of the California Climate Champions program and the range of activities

undertaken by the Champions that have raised awareness about climate change, and the steps they have taken to mitigate its impacts.

More Information Staff Presentation

10-1-7 Public Meeting to Provide an Overview of the Greenhouse Gas Cap-and-Trade Program

Staff will present to the Board an overview of the preliminary draft regulation for California's greenhouse gas cap-and-trade program, which was released to the public on November 24, 2009. The final draft regulation is scheduled to be heard by the Board in October 2010.

More Information Staff Presentation

10-1-9 Public Meeting to Update the Board on ARB's Enforcement Program

Staff will present an update to the Board on progress made to address concerns and issues presented at the October 12, 2009, workshop and during Board meeting open comment periods.

More Information Staff Presentation

CLOSED SESSION - LITIGATION

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

Central Valley Chrysler-Jeep, Inc. et al. v. Goldstene, U.S. Court of Appeals, Ninth Circuit, on appeal from U.S. District Court (E.D. Cal. Fresno), Case No. 08 17378.

Fresno Dodge, Inc. et al. v. California Air Resources Board et al., Superior Court of California (Fresno County), Case No. 04CE CG03498.

General Motors Corp. et al. v. California Air Resources Board et al., Superior Court of California (Fresno County), Case No. 05CE CG02787.

Green Mountain Chrysler-Plymouth-Dodge-Jeep, et al. v. Crombie, 508 F.Supp.2d 295, U.S. District Court Vermont (2007), appeal to U.S. Court of Appeals, Second Circuit, Case Nos. 07-4342-cv(L) and 07-4360-cv(CON).

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Rocky Mountain Farmers Union, et al. v. Goldstene, U.S. District Court (E.D. Cal. Fresno), Case No. 1:09-cv-02234-LJO-DLB.

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

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

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

LOCATION:

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

PUBLIC MEETING AGENDA**February 25, 2010****Webcast****[Electronic Board Book](#)**

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

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

February 25, 2010**9:00 a.m.****CONSENT CALENDAR:**

All items on the consent calendar will be voted on by the Board immediately after the start of the public meeting. Any item may be removed from the consent calendar by a Board member or by someone in the audience who would like to speak on that item. The following items are on the consent calendar:

Consent**Item # Agenda Topic****10-2-1 Public Meeting to Consider 11 Research Proposals**

1. "Behavioral Strategies to Bridge the Gap Between Potential and Actual Savings in Commercial Buildings," University of California, Davis, \$134,981, Proposal No. 2685-266. [Proposed Resolution with Attachment](#)
2. "Quantifying the Effect of Local Government Actions on VMT," University of California, Davis, \$125,000, Proposal No. 2692-266. [Proposed Resolution with Attachment](#)
3. "Measuring the Climate Impact of Residential Buildings: GreenPoint Rated Climate Calculator Version 2," University of California, Berkeley, \$100,000, Proposal No. 2693-266. [Proposed Resolution with Attachment](#)
4. "Are There Any Counteracting Effects that Reduce the Global Warming Benefits Attributed to Diesel and Other Black Carbon Controls," University of California, San Diego, \$114,751, Proposal No. 2690-266. [Proposed Resolution with Attachment](#)
5. "Improving Regional VOC Emission Estimates Using An Airborne PTRMS EDDY Flux Measurement System," University of California, Berkeley, \$400,000, Proposal No. 2698-266. [Proposed Resolution with Attachment](#)
6. "Mobile Platform III: Characterizing Spatially Inhomogeneous Non-Criteria Pollutants in the Los Angeles Air Basin," University of California, Los Angeles, \$290,000, Proposal No. 2697-266. [Proposed Resolution with Attachment](#)
7. "On-road Measurement of Emissions from Heavy-Duty Diesel Trucks: Impacts of Fleet Turnover and ARB's Truck and Bus Rule," University of California, Berkeley, \$300,000, Proposal No. 2696-266. [Proposed Resolution with Attachment](#)
8. "Peripheral Blood Gene Expressions in Subjects with Coronary Artery Disease and Exposure to Particulate Air Pollutant Components and Size Fractions," University of California, Irvine, \$274,931, Proposal No. 2699-266. [Proposed Resolution with Attachment](#)
9. "Modeling Optimal Transition Pathways to a Low Carbon Economy in California: Impacts of Advanced Vehicles and Fuels on the Energy System," University of California, Davis, \$278,356, Proposal No. 2700-266.

Proposed Resolution with Attachment

10. "Inverse Modeling to Verify California's Greenhouse Gas Emissions Inventory." California State University, Hayward, \$150,000. Proposal No. 2695-266. Proposed Resolution with Attachment

11. "In-Duct Air Cleaning Devices: Ozone Emissions and Test Methodology." University of Missouri, \$325,000. Proposal No. 2701-266. Proposed Resolution with Attachment

More Information Staff Presentation

10-2-10 **Public Meeting to Consider Approval of the Coachella Valley PM10 Redesignation Request and Maintenance Plan**

Staff will present to the Board for approval the Coachella Valley PM10 Redesignation Request and Maintenance Plan. The Coachella Valley has attained the 24-hour PM10 National Ambient Air Quality Standard by the required 2006 attainment date.

More Information Proposed Resolution

DISCUSSION ITEMS:

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

Agenda
Item # Agenda Topic

10-2-7 **Report to the Board on the Office of the Ombudsman**

Staff will present an overview of the Office of the Ombudsman to the Board.

More Information Staff Presentation

10-2-8 **Report to the Board on Federal Climate Activities**

Staff will present an overview and update on current initiatives by federal agencies and proposals in Congress to develop and implement programs to reduce greenhouse gas emissions.

Staff Presentation

10-2-2 **Notice of Public Hearing to Consider Adoption of a Proposed Regulation for Reducing Sulfur Hexafluoride Emissions from Gas Insulated Switchgear**

Staff will present to the Board a proposed regulation for the reduction of sulfur hexafluoride emissions from gas insulated switchgear.

More Information Staff Presentation

10-2-3 **Notice of Public Hearing to Consider Proposed Amendments to New Passenger Motor Vehicle Greenhouse Gas Emission Standards for Model Years 2012-2016 to Permit Compliance Based on Federal Greenhouse Gas Emission Standards**

Staff will present amendments to California's regulations to control greenhouse gas emissions from new light-duty vehicles, to allow manufacturers to demonstrate compliance in the 2012 through 2016 model years based on compliance with the national greenhouse gas regulations.

More Information Staff Presentation

10-2-4 **Public Meeting to Provide an Overview of the Role of Offsets in the Greenhouse Gas Cap-and-Trade Program**

Staff will present to the Board an overview of the role of offsets in the greenhouse gas cap-and-trade program as described in the preliminary draft regulation for a California greenhouse gas cap-and-trade program, which was released on November 24, 2009.

More Information Staff Presentation

10-2-9 **Notice of Public Meeting to Consider a Process for Adoption of Greenhouse Gas Accounting Protocols for Compliance Purposes, Including Withdrawal of Board Adoption of Voluntary Protocols**

The Board will consider a resolution describing a process for consideration of greenhouse gas emission reduction protocols for compliance purposes to support the development of a cap-and-trade regulation. The process includes environmental review for protocols to be used for compliance purposes and withdrawal of Board adoption of voluntary protocols.

More Information Staff Presentation

10-2-5 **Report to the Board on Additional Staff Recommendations to Provide Further Locomotive and Railyard Emissions and Risk Reductions**

In response to the Board's direction at the September 25, 2009 Board meeting, staff will present an update in efforts to provide further reductions in emissions and from high risk railyards.

More Information Staff Presentation

10-2-6 **Public Meeting to Present the 2009 Haagen-Smit Clean Air Award**

The 2009 Haagen-Smit Clean Air Award recipients will be announced and highlighted. The Air Resources Board annually presents the award to esteemed persons in the air quality community -- scientists, legislators, professors,

activists, business leaders, and others who have made significant contributions toward improving air quality and public health.

More Information Staff Presentation

CLOSED SESSION - LITIGATION

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

Central Valley Chrysler-Jeep, Inc. et al. v. Goldstene, U.S. Court of Appeals, Ninth Circuit, on appeal from U.S. District Court (E.D. Cal. Fresno), Case No. 08 17378.

Fresno Dodge, Inc. et al. v. California Air Resources Board et al., Superior Court of California (Fresno County), Case No. 04CE CG03498.

General Motors Corp. et al. v. California Air Resources Board et al., Superior Court of California (Fresno County), Case No. 05CE CG02787.

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National Petroleum & Refiners Association, et al. v. Goldstene, et al., U.S. District Court (E.D. Cal. Fresno) Case No. 1:10-cv-00163-AWI-GSA.

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IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE CLERK OF THE BOARD

1001 I Street, 23rd Floor, Sacramento, CA 95814, (916) 322-5594

ARB Homepage: <http://www.arb.ca.gov>

To request a special accommodation or language needs for any of the following:

- An interpreter to be available at the hearing.
- Have documents available in an alternate format (i.e. Braille, Large print) or another language.
- A disability-related reasonable accommodation.

Please contact the Clerk of the Board at (916) 322-5594 or by facsimile at (916) 322-3928 as soon as possible, but no later than 10 business days before the scheduled Board hearing. TTY/TDD/Speech to Speech users may dial 711 for the California Relay Service.

LOCATION:



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

PUBLIC MEETING AGENDA

March 25, 2010

[Webcast](#)

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**TO SUBMIT WRITTEN COMMENTS
ON AN AGENDA ITEM IN ADVANCE
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March 25, 2010

9:00 a.m.

CONSENT CALENDAR:

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Consent Item #

Agenda Topic

10-3-1

Public Meeting to Consider a Research Proposal

"Identifying Determinants of Very Low Energy Consumption Rates Observed in Some California Households," University of California, Davis, \$94,911, Proposal No. 2694-267. [Proposed Resolution](#)

10-3-2

Public Hearing to Consider Proposed Amendments to the Area Designations for State Ambient Air Quality Standards

Staff will present to the Board a routine annual update to the State area designations. Based on a review of air quality data for 2006-2008, staff is proposing several changes to the State area designations for ozone, nitrogen dioxide, lead, and PM 2.5, as well as minor changes to designation criteria language.

[More Information](#) [Proposed Resolution with Attachment](#)

10-3-8 Public Meeting to Consider Approval of the South Coast Air Basin PM10 Redesignation Request, Maintenance Plan, and Transportation Conformity Budgets

Staff will present to the Board for approval the South Coast Air Basin PM10 redesignation request, maintenance plan, and transportation conformity budgets. The South Coast has attained the 24-hour PM10 National Ambient Air Quality Standard by the required 2006 attainment date.

More Information Proposed Resolution

DISCUSSION ITEMS:

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

Agenda Item # Agenda Topic

10-3-3 Public Meeting to Update the Board on Proposition 1B: Goods Movement Emission Reduction Program Guidelines

Staff will present to the Board proposed updates to the Program Guidelines that lay out the eligible equipment and project funding levels for the next installment of \$500 million to reduce diesel emissions and health impacts from freight movement along California's four priority trade corridors.

More Information Staff Presentation

10-3-4 Public Meeting to Consider Near-Term Revisions to the Lower-Emission School Bus Program Guidelines and the Carl Moyer Incentive Program Guidelines

Staff will propose to the Board near-term revisions to the lower-emission school bus program and Carl Moyer Program guidelines to address recent legislative directives as well as stakeholder feedback received during implementation of the programs. Staff will also discuss revisions to the tiered transaction concept in the on-road portion of the Carl Moyer Program and request that the Board direct staff to pursue the development of this concept under the public process for approval by the Executive Officer.

More Information Staff Presentation

10-3-6 Update the Board on Assembly Bill 32 Economic Analysis

Staff will present to the Board the updated economic analysis of the impacts of Assembly Bill 32.

More Information Staff Presentation Staff Guest P. Bernstein Staff Guest Professor Goulder

10-3-7 Presentation of the Economic and Allocation Advisory Committee Report on Allocating Emissions Allowances under California's Cap-and-Trade Program

Staff and an Economic and Allocation Advisory Committee (EAAC) member will present to the Board the EAAC recommendations.

More Information Staff Presentation

CLOSED SESSION – LITIGATION

The Board will hold a closed session, as authorized by Government Code section 11126(e), to confer with, and receive advice from, its

legal counsel regarding the following pending or potential litigation:

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BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 27, 2010

Re: Consider Establishing New Job Classification of Audit and Special Projects
Manager

RECOMMENDATION:

Approve establishing the new job classification of Audit and Special Projects Manager with an annual salary range starting at \$108,700 and ending at \$132,125 (Salary Range 148M).

BACKGROUND

The Administrative Services Division has a need for an Audit and Special Projects Manager classification. The Board of Directors' approval of the new job classification and the attached draft job description is needed in order for the classification to be added to the classification system.

DISCUSSION

The Audit and Special Projects Manager classification will plan, develop, implement, organize, and coordinate the activities related to the District's financial audit programs. This classification will also provide substantive analysis in the development of both long term financial strategy and short term tactics for advancing District programs and initiatives.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

There is no financial impact beyond that already contemplated in the FY 2010-11 budget. This recommendation will not increase FTEs.

Respectfully Submitted,

Jack P. Broadbent
Executive Officer/APCO

Reviewed by: Jack M. Colbourn, Division Director

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 28, 2010

Re: Consider Reclassifying Positions

RECOMMENDATION:

Approve reclassifying two positions.

DISCUSSION

The District plans to amend its Classification Plan by reclassifying two positions. One position will be reclassified from a represented Secretary position to a represented Administrative Secretary position and another position will be reclassified from a represented position (to be determined) to an Information Systems Manager position. The Employees' Association has agreed to reclassifying one represented position to an Information Systems Manager position. The Information Systems Manager job classification is an existing classification in the Classification Plan.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

There is no financial impact or increase in FTE.

Respectfully Submitted,

Jack P. Broadbent
Executive Officer/APCO

Reviewed by: Jack M. Colbourn, Division Director

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 28, 2010

Re: Report of the Stationary Source Committee Meeting of April 12, 2010

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

The Stationary Source Committee met on Monday, April 12, 2010 and considered and received the following reports and updates:

- A) Status Report on Pacific Steel Casting Company (PSC)
- B) Proposed Metal Melting Rule
- C) Proposed Stationary Source Measures in Draft Bay Area Clean Air Plan

Attached are the staff reports presented to the Stationary Source Committee for your review.

Chairperson Gayle Uilkema 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: Jennifer Chicconi

Attachment(s)

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Uilkema and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 5, 2010

Re: Status Report on Pacific Steel Casting Company

RECOMMENDED ACTION:

Receive and file.

BACKGROUND

The Stationary Source Committee has requested periodic status updates on selected Bay Area facilities. Pacific Steel Casting Company (PSC), located at Gilman and Second Streets in Berkeley, is one of four largest surviving steel foundries in the country and is the subject of this report.

DISCUSSION

The operations at PSC have a long history of generating public odor complaints and regulatory actions by the District. Staff has prepared the attached facility Fact Sheet that provides background information, regulatory history, a summary of public comments/issues, and a facility status update. Staff will brief the committee with a status report that provides:

- Background information,
- An update on air monitoring,
- Descriptions of recent improvement projects,
- Information on the Odor Management Plan,
- An update on air pollution complaints, and
- The next steps.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

PACIFIC STEEL CASTING COMPANY
(PSC) Site #A0703
1333 Second Street
Berkeley, CA 94710

FACT SHEET

April 2010

Background

Pacific Steel Casting Company (PSC) is located at Gilman and Second Street near Highway 80, in Berkeley. PSC produces steel parts for a variety of uses including bridges, truck parts, agricultural equipment, valves for sanitary sewers, public water systems, and the oil and gas industry. The company was founded in 1934 and produces custom castings ranging in various sizes at its three plants. Plant 1 began operations in the 1930's, Plant 2 began operations in 1975 and Plant 3 began operations in 1981.

All three plants at PSC use recycled scrap steel and other metals to manufacture steel parts by:

1. creating a mold, which consists of sand bound together in a specific shape (the sand is mixed with binder material for this purpose),
2. melting the metal in an electric arc furnace,
3. pouring the molten metal into the cavity of the mold, and waiting for the metal to cool and harden,
4. removing the cast component by shakeout of the sand mold, and
5. various finishing steps which can include grinding and heat treating of steel parts.

Regulatory History

The regulatory history of PSC's three steel foundry plants is summarized as follows:

- From 1981 to 1991, the District took numerous enforcement actions to resolve odor problems, including obtaining an Order of Abatement in December 1984. In 1985, PSC installed odor abatement equipment (carbon adsorption units) in Plant 1 and in Plant 2 in 1991.
- From 1991 until November 2000, odor complaints dropped off significantly and no public nuisance Notice of Violations (NOVs) were issued. The District Hearing Board removed the Order of Abatement
- In 2005, odor complaints began to increase, apparently as a result of increased foundry production in Plant 3, and PSC was issued six public nuisances odor violations.

Pacific Steel Casting Company Fact Sheet

April 2010

- In December of 2005, the District entered into a settlement agreement with PSC and the facility committed to install a carbon adsorption unit at Plant 3, and to prepare an Odor Management Plan to address odorous emissions from the facility. On October 15, 2006, PSC completed the installation of the Plant 3 carbon adsorption unit.
- The increase in Plant 3 production levels also resulted in the requirement for PSC to prepare a facility-wide Health Risk assessment (HRA) under the requirement of the State Air Toxic Hot Spots Program. In April 2005, the District notified PSC of this requirement.
- On October 3, 2008, the District approved PSC's Odor Management Plan (OMP), the last requirement of PSC's 2005 Settlement Agreement with the District. Portions of the OMP have been designated by PSC as trade secret under state law. This issue has been subject to extensive litigation and as a result a redacted version was released in February 2010 as approved by the litigants.
- The District approved PSC's final HRA on November 24, 2008. The maximum health risks are below levels that require mandatory risk reduction measures under District policies and procedures. However, public notification of health risks is required, and PSC has conducted the required quarterly mailing of notices of health risk. The notification area includes nearby businesses and one live/work complex which the HRA indicates have risks above notification thresholds.

Public Comments/Issues

Community members have expressed a variety of concerns over odors and health effects from PSC's emissions. In response to the community concerns, the District has:

- held and participated in community meetings in West Berkeley to discuss issues,
- installed a comprehensive air monitoring station located near the intersection 6th Street and Camelia Street in Berkeley, which became operational on December 12, 2007, and
- initiated a process to explore revisions to the Air District's air pollution complaint policies from community suggestions.

Facility Status

The current facility status is summarized as follows:

- District inspection staff continues to conduct frequent compliance inspections of PSC. Air pollution complaints from the public have decreased since the installation of the carbon adsorption unit at Plant. 3. The District continues to respond and investigate the public's air pollution complaints.

- Within the last two years, PSC has implemented emission reduction projects, which PSC identified in the HRA as “Future Controlled Conditions.” These projects included improved capture and control systems at Plants #1 and #3, carbon abatement at Plant #3 and new resin binders at Plant #3. As evaluated in the HRA, these projects have collectively reduced cancer risks for the maximally exposed individual.
- On April 14, 2009, District staff completed a summary and analysis of the 2008 West Berkeley Air Monitoring Station data. For the year 2008, the Summary and Analysis indicates that West Berkeley air quality met all of the applicable State and National Ambient Air Quality Standards, with the exception of the 24-hour national PM_{2.5} standard and the annual State PM standards, similar to most other Bay Area locations.
- Average concentrations of manganese at the West Berkeley monitoring site were higher than other monitoring sites, most likely due to the proximity of the PSC facility. The observed manganese concentrations were, however, well below the revised Reference Exposure Levels adopted by the Office of Environmental Health Hazard Assessment on December 19, 2008.
- A comprehensive data review and analysis is underway for the 2009 data. Preliminary data indicates that 2009 levels of manganese and other metals attributable to PSC were slightly lower than the 2008 levels.
- From the monitored levels of toxic air contaminants, District staff calculated cancer risks associated with lifetime exposure at the West Berkeley site not to be elevated above typical levels observed in the Bay Area. The toxic air contaminants that contribute most to cancer risk at the West Berkeley site are diesel PM, benzene, 1,3-butadiene. This is consistent with other monitoring sites. These pollutants are emitted primarily from mobile sources.
- District staff made revisions to PSC’s Synthetic Minor Operating Permit (SMOP) that will provide additional limits and monitoring to ensure that the emissions of regulated air pollutants from all three plants do not exceed Major Facility thresholds. The proposed SMOP is being reviewed by PSC for further comments.
- For the year 2009, production significantly decreased at all PSC plants. At the beginning of 2010, there are signs of a production increase.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Uilkema and Members
of the Stationary Source Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 1, 2010

Re: Proposed Stationary Source Measures in Draft Bay Area 2010 Clean Air Plan

RECOMMENDED ACTION:

Receive and File.

BACKGROUND

District staff released the Draft Bay Area 2010 Clean Air Plan (CAP) and a Draft Program Environmental Impact Report on the CAP for public review and comment on March 12, 2010. A socio-economic analysis of the CAP is also being prepared. The purpose of the 2010 CAP is twofold: (1) update the Bay Area's state ozone plan to comply with the California Health & Safety Code, and (2) provide a comprehensive, multi-pollutant plan to improve Bay Area air quality, protect public health, and protect the climate.

The Health & Safety Code requires air districts to revise their plans for attaining state ozone standards on a triennial basis. Ozone plan updates must contain "all feasible control measures" to attain state ozone standards as expeditiously as practicable and reduce transport to neighboring air basins.

In its role as a multi-pollutant plan, the 2010 CAP addresses four types of pollutants: ground-level ozone and its precursors (reactive organic compounds and nitrogen oxides); particulate matter and its precursors; air toxics; and greenhouse gases. In emphasizing the importance of protecting public health, the CAP describes progress in improving Bay Area air quality in recent decades, analyzes the health impacts associated with past and present levels of air pollution in the region, and discusses which pollutants pose the greatest hazard to public health.

DISCUSSION

The heart of the CAP is an integrated control strategy featuring 55 control measures in five categories, including:

- 18 measures to reduce emissions from stationary and area sources (SSM);
- 10 mobile source measures (MSM) that reduce emissions by accelerating the replacement of older, dirtier vehicles and equipment and promoting the use of the cleanest, most fuel-efficient vehicles and equipment;
- 17 transportation control measures (TCM) to reduce vehicle trips, vehicle use, vehicle miles traveled, vehicle idling, or traffic congestion for the purpose of reducing motor vehicle emissions;

- 6 land use and local impact measures (LUM) designed to promote mixed-use, compact development to reduce motor vehicle travel and emissions and to ensure a focused growth pattern that protects people from exposure to air pollution from stationary and mobile sources of emissions; and
- 4 energy and climate measures (ECM) to promote energy efficiency and renewable energy and to mitigate urban heat island effects, in order to reduce emissions of greenhouse gases and protect the climate.

The control strategy seeks to maximize co-benefits from control measures that reduce ozone precursors, and proposes additional measures that specifically focus on reducing particulate matter, air toxics, and greenhouse gases.

Staff will present information on the 18 Stationary Source Measures in the CAP. SSMs go through the District's rule development process, which includes extensive opportunities for public review and comment, and are subsequently proposed for adoption at a public hearing before the Board of Directors as new or amended regulations.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

Staff and consultant work on the 2010 CAP was included in the FYE 09 and FYE 10 budgets.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Dan Belik
Reviewed by: Henry Hilken

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Brad Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 29, 2010

Re: Report of the Budget & Finance Committee Meeting of April 28, 2010

RECOMMENDED ACTION

The Committee recommends Board of Directors' approval of the following items:

- A) Fiscal Year 2010/2011 Proposed Air District Budget; and
- B) Authorizing the Executive Officer/APCO to enter into a capital lease agreement for Server, Network, and Telephone systems for an annual sum of \$368,000 over a six year term as is currently detailed in the District Fiscal Year Ending (FYE) 2010 Information Systems budget and in the proposed budget for FYE 2011.

BACKGROUND

The Budget & Finance Committee met on Wednesday, April 28, 2010. The Committee received the following reports and recommendations:

- A) 3rd Quarter Financial Report And Review of Financial Trends;
- B) Continued Discussion of Fiscal Year 2010/2011 Proposed Air District Budget and consideration to recommend adoption of the proposed FYE 2010/2011 Budget;
- C) Update on Proposed Amendments to Regulation 3: Fees;
- D) Authorization to Enter into a Capital Lease Agreement

Attached are the staff reports presented in the Budget and Finance Committee packet.

Chairperson Chris Daly will give an oral report of the meeting.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

- A) None.
- B) The proposed consolidated budget for FY 2009/2010 is \$109,552,356.
- C) None

- D) Staff's recommendation is a six year contract with an annual cost of \$368,000. The first two years are provided for within the FYE 2010 and proposed FYE 2011 budgets.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Lisa Harper
Approved by: Jennifer Chicconi

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Daly and Members of the
Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 13, 2010

Re: Third Quarter Financial Report – Fiscal Year 2009-10

RECOMMENDED ACTION:

Informational report. Receive and file.

DISCUSSION

GENERAL FUND BUDGET: STATEMENT OF REVENUE

Comparison of Budget to Actual Revenue

- County receipts totaled \$ 11,783,473 (59%) of budgeted revenue.
- Permit Fee receipts were \$19,418,865 (80%) of budgeted revenue.
- Title V Permit Fees were \$2,601,521 (81%) of budgeted revenue.
- Asbestos Fees were \$1,224,153 (57%) of budgeted revenue.
- Toxic Inventory Fees were \$607,814 (95%) of budgeted revenue.
- Penalties and Settlements were \$480,695 (19%) of budgeted revenue.
- Miscellaneous Revenue receipts were \$53,060 (11%) of budgeted revenue.
- Interest Revenue was \$189,655 which totaled 27% of budgeted revenue.

GENERAL FUND BUDGET: STATEMENT OF EXPENDITURES

Comparison of Budget to Actual Expenditures

- Salaries and Benefits were \$30,734,178 (70%) of budgeted expenditures.
- Operational Services and Supplies were \$9,961,576 (44%) of budgeted expenditures.
- Capital Outlay was \$3,519,150 (57%) of budgeted expenditures.

INVESTMENT BALANCES

Cash and Investments in County Treasury:

General Fund	\$23,376,017
TFCA	\$49,538,317
MSIF	\$31,777,981
Carl Moyer	\$16,832,522
CA Goods Movement	\$15,049,248
	<u>\$136,574,085</u>

Investments Held as:

Fixed Income Investments	37% of total investment pool
Short Term Investments	63% of total investment pool

FUND BALANCES

	<u>6/30/2008</u>	<u>6/30/2009</u>	<u>6/30/2010</u>
	<u>Audited</u>	<u>Audited</u>	<u>Projected</u>
Imprest Cash	\$ 500	\$ 500	\$ -
Building and Facilities	1,731,690	1,731,690	4,731,690
PERS Funding	2,700,000	2,300,000	1,900,000
Radio Replacement	75,000	75,000	75,000
Production System	2,800,000	-	-
Capital Equipment	130,425	130,425	2,130,425
Contingencies	400,000	400,000	-
Post Employment Benefits	-	-	2,000,000
Worker's Compensation	1,000,000	1,000,000	1,000,000
Economic Uncertainties	8,755,437	9,277,570	1,727,570
TOTAL SPECIAL RESERVES	<u>\$ 17,593,052</u>	<u>\$ 14,915,185</u>	<u>\$ 13,564,685</u>
UNDESIGNATED	<u>6,358,308</u>	<u>411,797</u>	<u>411,797</u>
TOTAL FUND BALANCES	<u>\$ 23,951,360</u>	<u>\$ 15,326,982</u>	<u>\$ 13,976,482</u>

BUDGET CONSIDERATION/FINANCIAL IMPACT:

No impact on Fiscal Year 2009/2010 budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Linda J. Serdahl, CPA, CFE
Reviewed by: Jack M. Colbourn

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Daly and Members of the
Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 13, 2010

Re: Continued Discussion of Fiscal Year Ending (FYE) 2011 Proposed District Budget
and Consideration to Recommend Adoption

RECOMMENDED ACTION:

Consider recommending Board of Directors adoption of the proposed FYE 2010/2011 Budget.

BACKGROUND:

As directed by Chairperson Wagenknecht at the March 17, 2010 regular Board of Directors meeting, the proposed FYE 2011 Budget document was reviewed by the Budget and Finance Committee at its March 24, 2010 meeting.

DISCUSSION:

Staff presented the proposed budget for Fiscal Year 2010/2011 at the March 24, 2010 Budget and Finance Committee meeting. The proposed budget is balanced with General Fund Revenues and Transfers-In from Designated Reserves totaling \$62.4 million. Proposed General Fund Expenditures are \$62.4 million. Proposed Capital Expenditures are \$2.4 million. With the inclusion of Grant and Program Distributions, the consolidated budget is balanced at \$109.6 million. The proposed budget includes no increase in FTE.

Staff published, prior to March 30th, a notice to the general public that the first of two public hearings on the budget will be conducted on May 5, 2010 and that the second hearing will be conducted on June 16, 2010.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

The proposed consolidated budget for FY 2009/2010 is \$109,552,356.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Linda J. Serdahl, CPA, CFE

Reviewed by: Jack M. Colbourn

Attachment: (1)

FYE 2010/2011 Proposed Budget

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Daly and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 19, 2010

Re: Update on Proposed Amendments to Regulation 3: Fees

RECOMMENDED ACTION:

None. This item is for information only.

BACKGROUND

At the March 24, 2010 Budget and Finance Committee meeting, staff provided an update on proposed fee amendments for the upcoming Fiscal Year Ending (FYE) 2011. The staff proposal is to increase all fees by 5%, with the exception of Fee Schedule P: Major Facility Review Fees, which would be increased by 10%. Fee Schedule P applies to a relatively small number of larger facilities that are subject to Title V or Synthetic Minor Operating permit requirements. Updated cost recovery analyses indicate that revenue collected under Fee Schedule P recovers less than 50 percent of the District's costs associated with corresponding program activities. The staff proposal also includes several additional miscellaneous amendments.

At the upcoming April 28, 2010 meeting, staff will provide the Committee with an update on rule development activities for Regulation 3, including a summary of public comments received.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Brian Bateman
Reviewed by: Jeffrey Mckay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Daly and Members
of the Budget and Finance Committee

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 15, 2010

Re: Authorization to Enter into a Capital Lease Agreement

RECOMMENDED ACTION:

Consider recommending that the Board of Directors authorize the Executive Officer/APCO to enter into a capital lease agreement for Server, Network, and Telephone systems for an annual sum of \$368,000 over a six year term as is currently detailed in the District Fiscal Year Ending (FYE) 2010 Information Systems budget and in the proposed budget for FYE 2011.

DISCUSSION

Yearly expenditures for maintenance and piecemeal upgrades to the District's computer server, computer network, and telephone systems have varied substantially between \$80,000 and \$800,000 per year over the last ten years, and these smaller purchases create bifurcated systems that cannot operate efficiently together. A capital lease initiated in the current year will allow for a consistent six year technology planning cycle with a predictable yearly expenditure and upgrade path.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

Staff's recommendation is a six year contract with an annual cost of \$368,000. The first two years are provided for within the FYE 2010 and proposed FYE 2011 budgets.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: John Chiladakis
Reviewed by: Jeffrey McKay

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 26, 2010

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

RECOMMENDED ACTION:

No action is necessary at this time. A public hearing has been set for June 16, 2010 to consider adoption of the proposed fee amendments and approval of filing of a Notice of Exemption from the California Environmental Quality Act.

BACKGROUND

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

Staff has prepared proposed amendments to District Regulation 3 for Fiscal Year Ending (FYE) 2011 that would increase revenue to enable the District to continue to effectively implement and enforce regulatory programs for stationary sources of air pollution. A recently updated Cost Recovery Study indicates that a significant cost recovery gap exists. For FYE 2009, fee revenue covered 58 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 District's budgetary needs, as county revenue is projected to remain flat or 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.

PROPOSED FEE AMENDMENTS

Staff is proposing to increase all fees by 5 percent, with the exception of Fee Schedule P: Major Facility Review Fees, which would be increased by 10 percent. Schedule P applies to larger facilities required to have Title V Operating Permits. Existing fee revenue for Schedule P recovers less than 50 percent of associated program activity costs. With the 10 percent increase in Schedule P fees, the annual permit renewal fees for Title V facilities would increase by an estimated 5.3 to 8.0 percent, depending on the facility's specific permitted equipment and air emissions.

The following additional amendments are proposed: (1) provide a discount on permit application and/or registration fees, by an amount deemed appropriate by the Air Pollution Control Officer, for businesses that attend a District-sponsored Industry Compliance School, (2) revise the definition of “small business” by increasing the gross annual income limit from \$600,000 to \$750,000 so that more businesses qualify for a small business discount on permit application fees and hearing board fees, (3) establish a new 10 percent discount on permit application fees for businesses that have been certified under the Bay Area Green Business Program, and (4) establish a provision in Regulation 3 that allows the APCO to declare an amnesty period, during which the District may waive all or part of the penalty fees for sources that are currently operating without valid Permits to Operate and/or equipment registrations.

The attached draft 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 to date are also provided.

Under Health and Safety Code section 41512.5, the adoption or revision of fees for non-permitted sources requires two public hearings that are held at least 30 days apart from one another. The first public hearing, at which the Board will accept testimony on the fee proposal, has been set for May 5, 2010. The second public hearing, at which staff requests the Board consider adoption of the proposed fee amendments, has been set for June 16, 2010. The fee amendments, if adopted, would be made effective on July 1, 2010.

BUDGET CONSIDERATION/FINANCIAL IMPACTS:

The proposed fee amendments would increase fee revenue in FYE 2011 by approximately 5.5 percent, or \$1.6 million, from the fee revenue expected without the amendments. It should be noted, however, that the fee amendments would increase revenue by only 1.5 percent, or \$445,000, from fee revenue projected in the FYE 2010 budget (fee revenue in FYE 2010 is expected to fall short of projections due to the prolonged economic downturn). Even with these fee increases, the District will likely need to make modest use of its reserve funds in FYE 2011.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Brian Bateman
Reviewed by: Jeffrey Mckay



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

DRAFT STAFF REPORT

PROPOSED AMENDMENTS TO BAAQMD REGULATION 3: FEES

APRIL 21, 2010

1. EXECUTIVE SUMMARY

District staff has prepared proposed amendments to District Regulation 3: Fees, for Fiscal Year Ending (FYE) 2011 (i.e., July 1, 2010 to June 30, 2011) that would increase revenue to enable the District to continue to effectively implement and enforce regulatory programs for stationary sources of air pollution. A recently updated Cost Recovery Study indicates that a significant cost recovery gap exists. For the most recently completed fiscal year (FYE 2009), fee revenue covered just 58 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 remain flat or 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. Even with the proposed fee increases and cost containment measures, the District will likely need to make modest use of its reserves in FYE 2011.

The proposed fee amendments would increase fee revenue in FYE 2011 by approximately 5.5 percent, or \$1.6 million, from fee revenue expected without the amendments. It should be noted, however, that the fee amendments would increase revenue by only 1.5 percent, or \$445,000, from fee revenue projected in the FYE 2010 budget. Actual fee revenue in FYE 2010 is expected to fall short of projections due to the prolonged economic downturn.

District staff is proposing to increase all fees by 5 percent, with the exception of Fee Schedule P: Major Facility Review Fees, which would be increased by 10 percent. Schedule P applies to larger facilities required to have either Title V or Synthetic Minor Operating Permits. Existing fee revenue for Schedule P recovers less than 50 percent of associated program activity costs. With the 10 percent increase in Schedule P fees, the annual permit renewal fees for Title V facilities would increase by an estimated average of 6.4 percent.

The following additional amendments are proposed: (1) Provide a discount on permit application and/or registration fees, by an amount deemed appropriate by the Air Pollution Control Officer, for businesses that attend a District-sponsored Industry Compliance School, (2) revise the definition of "small business" by increasing the gross annual income limit from \$600,000 to \$750,000 so that more businesses qualify for a small business discount on permit application fees and hearing board fees, (3) establish a new 10 percent discount on permit application fees for businesses that have been certified under the Bay Area Green Business Program, and (4) establish a provision in Regulation 3 that allows the Air Pollution Control Officer to declare an amnesty period, during which the District may waive all or part of the penalty fees for sources that are currently operating without valid Permits to Operate and/or equipment registrations.

The proposed fee amendments would increase annual permit renewal fees for most small businesses that require District permits by under \$50. The annual permit renewal fees for the five Bay Area refineries, the District's highest fee payers, would increase by an estimated average of \$98,000.

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 reasonable 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). For FYE 2010, 48 percent of the District's general fund operating budget is derived from fees imposed in accordance with this regulation.

The District has analyzed whether fees result in the collection of a sufficient and appropriate amount of revenue in comparison to the costs of related program activities. In 1999, a comprehensive review of the 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 five years following the completion of the 2005 Cost Recovery Study (i.e., FYE 2006 through FYE 2010), the District adopted fee amendments that increased overall projected fee revenue by an average of 8.9 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. In FYE 2009, the District's fee amendments also included a new greenhouse gas (GHG) fee schedule. The GHG fee schedule recovers costs from stationary source activities related to the District's Climate Protection Program.

District staff has recently completed an updated analysis of cost recovery (*Bay Area Air Quality Management District 2010 Cost Recovery Study, March 2010*) using the methodology established by Stonefield Josephson, Inc. in their 2005 study. This 2010 Cost Recovery Study indicates that the cost recovery gap was \$19 million in FYE 2009, with fee revenue covering 58 percent of program costs.

3. PROPOSED FEE AMENDMENTS FOR FYE 2010

3.1 OVERVIEW OF PROPOSED AMENDMENTS

For FYE 2011, District staff has developed proposed amendments to Regulation 3 that would increase fee revenue by approximately 5.5 percent, or \$1.6 million, from fee revenue expected without the amendments. It should be noted, however, that the fee amendments would increase revenue by only 1.5 percent, or \$445,000, from fee revenue projected in the FYE 2010 budget. Fee revenue in FYE 2010 is expected to fall short of projections due to the prolonged economic downturn.

The staff proposal would increase all fees by 5 percent with the exception of Fee Schedule P: Major Facility Review Fees, which would be increased by 10 percent. Schedule P applies to larger, more complex, facilities that are required to have Title V or Synthetic Minor Operating Permits. The 2010 Cost Recovery Study indicates that Schedule P revenue recovered just 46 percent of the associated program activity costs, representing a deficit of about \$1.5 million.

Schedule P is one of a number of fee schedules that a Title V facility is subject to upon annual permit renewal. Based on the staff proposal, the overall permit renewal fees for Title V facilities are expected to increase by an average of 6.4 percent (over a range of 5.3 to 8.0 percent, depending on the specific permitted equipment and emissions at the facility).

Title V facilities generate substantial additional work for District staff relative to non-Title V facilities. Staff must issue, revise, and renew, detailed federal operating permits and Statements of Basis for Title V facilities. Nearly all Title V permit actions also require public noticing and comment periods, and some result in public meetings and/or hearings. Title V facilities are also subject to more stringent reporting requirements than

other facilities, resulting in additional compliance reports that need to be reviewed.

District staff's proposed fee increases for FYE 2011 are lower, and more uniform, than the fee increases that have been adopted over the last 5 years. The fee increases will not be adequate, even with implementation of cost containment measures, to produce a balanced District budget for FYE 2011, and modest use of reserve accounts will likely be needed. More significant fee increases are not believed to be appropriate at this time given the current economic downturn.

The following additional amendments are proposed: (1) Provide a discount on permit application and/or registration fees, by an amount deemed appropriate by the Air Pollution Control Officer (APCO), for businesses that attend a District-sponsored Industry Compliance School, (2) revise the definition of "small business" by increasing the gross annual income limit from \$600,000 to \$750,000 so that more businesses qualify for a small business discount on permit application fees and hearing board fees, (3) establish a new 10 percent discount on permit application fees for businesses that have been certified under the Bay Area Green Business Program, and (4) establish a provision in Regulation 3 that allows the APCO to declare an amnesty period, during which the District may waive all or part of the penalty fees for sources that are currently operating without valid Permits to Operate and/or equipment registrations.

Projected fee revenue for FYE 2011 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 2011

Permit Fees	
New & Modified Permit Fees, Permit to Operate Renewal Fees, Title V Fees	\$27,724,000
Other Fees	
AB 2588 Fees (includes State pass-through)	\$676,000
Asbestos, and Soil Excavation, Notification Fees	\$1,582,000
Registration Fees (includes an estimated \$350,000 in PERP fees from CARB)	\$800,000
Hearing Board Fees	\$22,000
Total	\$30,804,000

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.

- Index Section 3-240: Biogenic Carbon Dioxide

The term “Biogenic Carbon Dioxide” was added as Section 3-240 in 2008, but was inadvertently omitted from the Regulation’s index. The proposed amendments would add this section to the index.

- Section 3-209: Small Business

The definition of “Small Business” would be modified to increase the gross annual income limit from \$600,000 to \$750,000. This would increase the number of facilities that are eligible for Small Business Discounts on permit applications under Section 3-302.1 (discount of 50 percent), and Hearing Board fees under Schedule A (discount of 50 percent or more, depending on the applicable fee).

The \$750,000 limit was chosen based on the U.S. Small Business Administration (SBA) size standards. The SBA provides size standards by industry type, however, while the District provides one threshold across all industries. The \$750,000 value is the lowest size standard provided by the SBA, and it is believed to be appropriate for use in Regulation 3.

- Section 3-241: Green Business

The term “Green Business” would be added to the definitions under Section 3-241. A new Green Business Discount is proposed to be added as Section 3-302.6.

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

Permit application filing fees would be increased by 5 percent (rounded to the nearest whole dollar), from \$337 to \$354.

A new provision is proposed that would allow the APCO to reduce the permit fees for new and modified sources by an amount deemed appropriate if the owner or operator of the source attends an Industry Compliance School sponsored by the District. (A similar provision is proposed to be added in Section 3-331 for registration fees). The District has recently completed a pilot program for mobile coaters that provided a “credit” to affected businesses for attending a school held by staff (that provided information about regulatory requirements) and registering their operations with the District. Based on the success of this pilot program, District staff believes that this concept should be applied

to other categories of sources (e.g., small printers and boilers). Staff is proposing to establish this credit on a case-by-case basis for each source category based on consideration of the amount that would provide an adequate financial incentive for attending the school, while not significantly impacting fee revenue.

A new Section 3-302.6 is also proposed that would create a Green Business Discount on permit application fees for facilities that have been certified under the Bay Area Green Business Program. The Association of Bay Area Governments (ABAG) coordinates this Program, which is implemented by Green Business Coordinators in each of the nine Bay Area counties. The regional and local programs are funded by Bay Area counties and their partners, including cities, regional and state agencies, utilities, special districts and nonprofit organizations. The counties collaborate to develop regional standards that businesses must meet to qualify. These include complying with relevant regulations and implementing a specified number of measures to conserve energy and water, and prevent waste and pollution. More than 1,800 businesses and public agencies have been certified under the Program since 1997.

The Green Business Discount will be provided on permit applications for businesses that have already been certified under the Program. Since compliance with applicable environmental regulations, including obtaining necessary permits, is needed to be certified, the new fee discount would not be available to businesses that are applying for their initial District permits prior to certification. Any subsequent permit applications for new and modified sources from a certified Green Business, however, would be eligible for the discount.

A discount of 10 percent is considered appropriate for the Green Business Discount. Some Green Businesses may also qualify for the 50 percent Small Business Discount, resulting in a total discount of 60 percent on filing fees, initial fees, and risk screening fees.

- Section 3-309: Duplicate Permit

The proposed amendment for Section 3-309 is a 5 percent increase (rounded to the nearest whole dollar) in the fee for a duplicate Permit to Operate, from \$69 to \$72 per permit.

- Section 3-311: Banking

The proposed amendment for Section 3-311 is a 5 percent increase in the filing fee for banking applications (rounded to the nearest whole dollar), from \$337 to \$354.

- 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 the proposed 5 percent increase in Permit to Operate renewal fees for sources in Schedules B, C, D, E, F, G-1, G-2, G-3, G-4, G-5, H, I, and K.

The proposed amendment for Section 3-312.2 is a 5 percent increase in the annual fee (rounded to the nearest whole dollar) for a facility that elects to use an Alternative Compliance Plan (ACP) contained in Regulation 2, Rule 9: Interchangeable Emission Reduction Credits. The fee for each source included in the ACP would be increased from \$850 to \$893, and the maximum fee would be increased from to \$8,509 to \$8,934.

- Section 3-318: Public Notice Fees, Schools

The proposed amendment for Section 3-318 is a 5 percent increase in the fee (rounded to the nearest whole dollar) for the preparation and distribution of public notices required under Health and Safety Code Section 42301.6(b) for new/modified sources that would be located in proximity to a school site. The existing fee of \$2000, which is collected up-front before notification is initiated, would be increased from \$2000 to \$2100. It should be noted that, under Section 3-318.3, any portion of this fee that is not used for preparation and distribution of public notices is refunded to the applicant.

- 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 5 percent (rounded to the nearest whole dollar) from \$7,774 to \$8,131.

- 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 5 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 5 percent from \$337 to \$354. The portion of the risk screening fee that is based on the type of source involved would also be increased by 5 percent.

- Section 3-331: Registration Fees

A new provision has been added that would allow the APCO to reduce registration fees by an amount deemed appropriate if the owner or operator of the source attends an Industry Compliance School sponsored by the District. A similar provision is proposed for permit fees, as was previously described.

- Section 3-417: Temporary Amnesty for Unpermitted and Unregistered Sources

A new Section 3-417 is proposed that allows the APCO to declare an amnesty period, during which the District may waive all or part of the penalty fees for sources that are currently operating without valid Permits to Operate and/or equipment registrations. A similar provision already exists in the District's permit rule under Section 2-1-416: Temporary Amnesty for Unpermitted Sources. Regulation 3 is believed to be the more appropriate place in the District's regulations for this provision, and Section 2-1-416 will be considered for deletion during upcoming amendments to Regulation 2, Rule 1. The new Section 3-417 also updates terms to be consistent with Regulation 3, and extends the applicability of amnesty to include equipment registrations.

- Fee Schedules

All fees contained in each existing fee schedule in Regulation 3 would be increased by 5 percent, except for Schedule P, which would be increased by 10 percent.

Fees for Schedule N: Toxic Inventory Fees, are calculated by a formula that includes the fee revenue that is to be collected for District purposes, as well as the fee revenue that is to be passed through to the State to recover State agency costs related to the Air Toxics Hot Spots Program. The District portion of variable F_T , the total amount of fees to be collected, used to calculate fees for Schedule N is proposed to be increased by 5 percent. This change does not require any modifications to the language of Schedule N.

In addition, Schedule N is being updated to use Cancer Potency Factors instead of Unit Risk Factors. Cal/EPA's Office of Health Hazard Assessment has revised the method of calculating cancer risk, using Cancer Potency Factors (based on dosage) instead of Unit Risk Factors (based on concentrations). The change has been made revenue neutral by incorporating a new normalizing coefficient (28.6) that was derived considering appropriate unit conversions as follows.

$$\text{URF (m}^3/\mu\text{g)} = \text{CPF (kg-day/mg)} * (20 \text{ m}^3/\text{day}) / (70 \text{ kg}) (1000 \mu\text{g/mg})$$

$$\text{URF} = 2.86 \text{ E-4 CPF}$$

$$100,000 * \text{URF} = 28.6 * \text{CPF}$$

Revised Schedule N also clarifies that fees are based on Cancer Potency Factors and non-cancer chronic Reference Exposure Levels for the inhalation pathway only. This is not a change in practice; the formerly used Unit Risk Factors were exclusively used for inhalation exposure.

4. PROJECTED FEE REVENUE AND COSTS OF PROGRAM ACTIVITIES

With the proposed amendments, the District's projected fee revenue for permitted

sources for FYE 2011 is \$27.7 million. The 2010 Cost Recovery Study indicated that, for FYE 2009, the District's program activity costs for permitted sources were \$41.3 million.

With the proposed amendments, the District's projected fee revenue for non-permitted sources for FYE 2011 is \$3.1 million (this includes revenue from Schedule A: Hearing Board Fees, Schedule L: Asbestos Operations, Schedule N: Toxic Inventory Fees, Schedule Q: Excavation of Contaminated Soil and Removal of Underground Storage Tanks, Schedule R: Equipment Registration Fees, Schedule S: Naturally Occurring Asbestos Operations, and Schedule U: Indirect Source Review Fees, and \$350,000 in estimated fee revenue that the District expects to receive from CARB under their Portable Equipment Registration Program (PERP). The 2010 Cost Recovery Study indicated that, for FYE 2009, the District's program activity costs for non-permitted sources subject to fees were \$4.1 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. California Health and Safety Code (H&S Code) section 42311(a) provides authority for an air district to collect permit fees to cover the costs of air district programs related to permitted stationary sources. H&S Code section 42311(f) further authorizes the 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 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. These sections provide 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 2010 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, fee revenue for non-permitted areawide sources would be below the District's costs of programs related to these sources. Toxic Inventory fee revenue would be below the District's costs of implementing the AB 2588 program. Hearing Board fee revenue would be below the District's program activity costs associated with Hearing Board activities related to variances and permit appeals. (Note that fee revenue has not been projected for FYE 2011 for Schedule U: Indirect Source Review Fees. This fee schedule will not be effective until the adoption of a District Indirect Source Review rule, which is not expected to occur until near the end of FYE 2011). Fee increases for authorities to construct and permits to operate would be less than 15 percent per year.

6. ASSOCIATED IMPACTS AND OTHER RULE DEVELOPMENT REQUIREMENTS

6.1 EMISSIONS IMPACTS

There will be no direct 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 financial impact of the proposed fee amendments on small businesses is expected to be minor. Many small businesses operate only one or two permitted sources, and generally pay only the minimum permit renewal fees. Increases in annual permit renewal fees for most small businesses (e.g., dry cleaners, auto body shops, and office buildings with a backup generator) would be less than \$50, with the exception of gas stations, which would increase by an average of about \$100.

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 recently completed by District staff for 12 different categories of sources indicated that South Coast AQMD fees are approximately 2.6 times higher than District fees, on average.

The annual permit renewal fees for Title V facilities would increase by an estimated 5.3 to 8.0 percent, with the average increase being 6.4 percent. Due to the significant differences in size and complexity of these facilities, annual permit fee increases for Title V facilities would cover a considerable range, from about \$100 to \$135,000. The annual permit renewal fees for the five Bay Area refineries, the District's highest fee payers, would increase by an estimated average of 5.8 percent, or \$98,000.

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, and cost containment measures, the District will likely need to draw on its reserve accounts in FYE 2011 to cover expenses). 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;
- Are authorized by H&S Code sections 42311, 42311.2, 41512.7, 42364, 44380 and 40 CFR Part 70.9;
- Are clear, in that the amendments are written so that the meaning can be understood by the affected parties;
- Are consistent with other District rules, and not in conflict with any state or federal law;
- Are not duplicative of other statutes, rules or regulations; and
- Reference H&S Code sections 42311, 42311.2, 41512.7, 42364, 44380 and 40 CFR Part 70.9.

7. RULE DEVELOPMENT PROCESS

On January 29, 2010, 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 and registered 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 22, 2010. Fifteen members of the public attended the workshop. On March 24, 2010, 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 April 2, 2010.

A public hearing to accept testimony on the proposed amendments has been scheduled for May 5, 2010. A second public hearing has been scheduled for June 16, 2010, to consider adoption of the proposed amendments. If adopted, the amendments would be made effective on July 1, 2010.

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 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, two sets of written comments have been received by the District on the fee proposal as follows: (1) William J. Quinn of California Council for Environmental and Economic Balance (CCEEB), and (2) Guy Bjerke of the Western States Petroleum Association (WSPA). Three additional comments were provided

orally, either at the public workshop or by telephone call. These included the owners of two auto body shops and one dry cleaner. A summary of the comments received, and District staff responses to these comments, follows.

CCEEB Comments: The commenter indicates that his organization does not support the fee proposal, and does not understand the justification for the 10 percent fee increase for Title V facilities. He indicates that all businesses are in a very difficult economic period, not simply small businesses. He indicates that his organization can support limiting fee increases to 5 percent for all categories.

Response: District staff acknowledges the difficulties that many businesses are having in the economic downturn, but believe that the proposed fee increases are needed to maintain core regulatory programs.

It is important to note that the proposed 10 percent increase in fees under Schedule P will not result in a 10 percent increase in annual permit renewal fees for any Title V facility. Schedule P is one of a number of District fee schedules that apply to Title V facilities. The staff proposal would increase annual permit fees for Title V facilities by an average of 6.4 percent.

The reason that staff has proposed a 10 percent increase in Schedule P Title V fees, rather than the 5 percent increase proposed for all other fees, is that Schedule P is under-collecting by a substantial amount relative to the point of full cost recovery. The 2010 Cost Recovery Study indicates that fee revenue from Schedule P covered just 46 percent of the associated program activity costs, representing a deficit of about \$1.5 million. The staff proposal will increase fee revenue from the schedule by approximately \$300,000.

WSPA Comments: The commenter indicates that he is concerned about the fundamental unfairness of the District's fee structure and how the fees the District charges appear to remain disconnected from the level of service provided to the fee-paying customer. He indicates that WSPA members have reported that, over the past five years, their District fees have increased by an average of 70 percent while at the same time District staff time devoted to their issues has not. The commenter urges the District to establish a real nexus between fees charged and the services provided, and make a similar commitment to containing costs.

Response: Existing permit fee revenue falls well short of recovering the District's program activity costs. Fee increases that have been adopted over the past five years have been needed due to increases in program costs resulting from inflation and other factors, and to reduce the cost recovery gap so that a greater percentage of the District's county property tax revenue can be used for other initiatives and programs that improve air quality but that do not have a dedicated funding source. It is therefore not reasonable to expect that the "level-of-service" provided by District staff will increase in proportion to fee increases.

The District has implemented a number of measures to contain costs, including reducing expenditures on services and supplies, and maintaining vacant staff positions. The District has also implemented projects to increase the efficiency of operations. One major project that has been underway for several years, and that is scheduled to be implemented in the next fiscal year, is the Production System project. This project is expected to further increase efficiencies of operations, and result in reductions in permit evaluation time periods.

Additional Comments: Two auto body shop owners, and one dry cleaner owner, indicated that fees should not be increased because of the economic downturn. All three commenters indicated that their income had been significantly reduced due to business conditions.

Response: District staff is sympathetic to businesses that are impacted by the current economic downturn, but feel that fee increases are needed to continue the District's core regulatory programs and other air quality initiatives. Even with these fee increases, and cost containment measures, the District will likely need to draw on its reserve accounts in FYE 2011 to cover expenses. In general, District fee increases are expected to have a minor financial impact on businesses relative to other factors. The increase in annual permit fees for many small businesses would be less than \$50.



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

DRAFT STAFF REPORT

PROPOSED AMENDMENTS TO BAAQMD REGULATION 3: FEES

APRIL 21, 2010

APPENDIX A PROPOSED REGULATORY LANGUAGE

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FEES**

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- SCHEDULE U INDIRECT SOURCE REVIEW FEES

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, 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; 5/20/09)

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~~\$750,000 that is not an affiliate of a non-small business.
- (Amended 6/4/86; 6/6/90; 6/7/00; 6/15/05)
- 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)

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

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 ~~\$337~~\$354, 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 ~~\$337~~^{\$354}, 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. The APCO may reduce the fees for new and modified sources by an amount deemed appropriate if the owner or operator of the source attends an Industry Compliance School sponsored by the District.

302.1 Small Business Discount: If an applicant qualifies as a small business and the source falls under schedules B, C, D (excluding gasoline dispensing facilities), E, F, H, I or K, the filing fee, initial fee, and risk 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 ~~\$337~~^{\$354} 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.

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

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

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

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

3-304 Alteration: 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 ~~\$69~~\$72 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; 5/20/09)

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 ~~\$337~~\$354 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 ~~\$337~~\$354.
(Amended 7/6/83; 6/4/86; 7/15/87; 7/3/91; 6/15/94; 7/1/98; 5/19/99; 6/7/00; 6/6/01, 5/1/02; 5/21/03; 6/02/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09)
- 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 ~~\$850~~\$893 for each source included in the alternative compliance plan, not to exceed ~~\$8,500~~\$8,934.
(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; 5/20/09)
- 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~~\$2100 per application, and
- 318.2 The District's cost exceeding ~~\$2000~~\$2100 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 ~~\$7,744~~\$8,131 per year.

(Adopted 10/21/92; Amended 5/19/99; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/20/09)

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 ~~\$67~~\$70 for facilities with one permitted source, including gasoline dispensing facilities,

327.2 ~~\$130~~\$137 for facilities with 2 to 5 permitted sources,

327.3 ~~\$264~~\$274 for facilities with 6 to 10 permitted sources,

327.4 ~~\$394~~\$411 for facilities with 11 to 15 permitted sources,

327.5 ~~\$520~~\$546 for facilities with 16 to 20 permitted sources,

327.6 ~~\$654~~\$684 for facilities with more than 20 permitted sources.

(Adopted 6/7/00; Amended 6/2/04; 6/16/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09)

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. The APCO may reduce registration fees by an amount deemed appropriate if the owner or operator of the equipment attends an Industry Compliance School sponsored by the District.

(Adopted June 6, 2007)

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.

(Adopted May 20, 2009)

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)
- 3-417 Temporary Amnesty for Unpermitted and Unregistered Sources:** The APCO has the authority to declare an amnesty period, during which the District may waive all or part of the

back fees and/or late fees for sources that are currently operating without valid Permits to Operate and/or equipment registrations.

**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>\$2292</u> <u>\$2407</u> <u>\$1147</u> <u>\$1204</u>	<u>\$343</u> <u>\$360</u> <u>\$115</u> <u>\$121</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>\$1377</u> <u>\$1446</u> <u>\$687</u> <u>\$721</u>	<u>\$343</u> <u>\$360</u> <u>\$115</u> <u>\$121</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>\$914</u> <u>\$960</u> <u>\$687</u> <u>\$721</u>	<u>\$115</u> <u>\$121</u> <u>\$115</u> <u>\$121</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>\$914</u> <u>\$960</u> <u>\$687</u> <u>\$721</u>	<u>\$115</u> <u>\$121</u> <u>\$115</u> <u>\$121</u>	
5.	For each application to revoke a variance	<u>\$1377</u> <u>\$1446</u>	<u>\$115</u> <u>\$121</u>	
6.	For each application for approval of a Schedule of Increments of Progress in accordance with §41703.....	<u>\$914</u> <u>\$960</u>	<u>\$115</u> <u>\$121</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>\$2292</u> <u>\$2407</u> <u>\$1147</u> <u>\$1204</u>	<u>\$343</u> <u>\$360</u> <u>\$115</u> <u>\$121</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>\$1377</u> <u>\$1446</u> <u>\$687</u> <u>\$721</u>	<u>\$343</u> <u>\$360</u> <u>\$115</u> <u>\$121</u>	

DRAFT AMENDMENTS – March 9, 2010

		Large Companies	Small Business	Third Party
9.	For each Appeal (Permit, Banking, Title V).....	\$2293 <u>\$2407</u> per hearing day	\$1147 <u>\$1204</u> per hearing day	\$1147 <u>\$1204</u> for entire appeal period
10.	For each application for intervention in accordance with Hearing Board Rules §§2.3, 3.6 & 4.6.....	\$1147 <u>\$1204</u>	\$230 <u>\$242</u>	
11.	For each application to Modify or Terminate an abatement order	\$2292 <u>\$2407</u> per hearing day	\$1147 <u>\$1204</u> per hearing day	
12.	For each application for an interim variance in accordance with §42351	\$1147 <u>\$1204</u>	\$230 <u>\$242</u>	
13.	For each application for an emergency variance in accordance with §42359.5.....	\$572 <u>\$601</u>	\$115 <u>\$121</u>	
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	\$1147 <u>\$1204</u>	\$343 <u>\$360</u>	\$343 <u>\$360</u>
17.	For each published Notice of Public Hearing	Cost of Publication	\$0	\$0
18.	Court Reporter Fee (to be paid only if Court Reporter required for hearing)	Actual Appearance and Transcript costs per hearing solely dedicated to one Docket	\$0	Actual Appearance and Transcript costs per hearing solely dedicated to one Docket

NOTE 1 Any 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; 5/20/09)

**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 \$2.20 <u>\$2.31</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 \$10.93 <u>\$11.47</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:

$$\text{Fee} = (\text{Opacity}^* \text{ equivalent} - 20) \times \text{number of days allowed in variance} \times \text{~~\$2.45~~\$2.57}$$

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:

$$\text{Fee} = (\text{Opacity}^* \text{ equivalent} - 40) \times \text{number of days allowed by variance} \times \text{~~\$2.45~~\$2.57}$$

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

(Adopted 6/7/00; Amended 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09)

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: ~~\$42.35~~\$44.46 per MM BTU/HOUR
 - a. The minimum fee per source is: ~~\$226~~\$237
 - b. The maximum fee per source is: ~~\$79,018~~\$82,969

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: ~~\$337~~\$354 plus ~~\$42.35~~\$44.46 per MM BTU/hr
 - b. Minimum RSF for first TAC source: ~~\$563~~\$591
 - c. RSF for each additional TAC source: ~~\$42.35~~\$44.46 per MM BTU/Hr *
 - d. Minimum RSF per additional TAC source: ~~\$226~~\$237 *
 - e. Maximum RSF per source is: ~~\$79,018~~\$82,969
 - * 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: ~~\$21.17~~\$22.23 per MM BTU/HOUR
 - a. The minimum fee per source is: ~~\$161~~\$169
 - b. The maximum fee per source is: ~~\$39,508~~\$41,483

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

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

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

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

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

(Amended 6/5/85; 6/4/86; 3/4/87; 6/6/90; 7/3/91; 6/15/94; 10/8/97; 7/1/98; 7/1/98; 5/19/99; 6/7/00; 6/6/01, 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09)

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~~0.173 cents per gallon
 - a. The minimum fee per source is: ~~\$182~~\$191
 - b. The maximum fee per source is: ~~\$24,806~~\$26,046

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: ~~\$337~~\$354 plus 0-~~165~~0.173 cents per gallon
 - b. Minimum RSF for first TAC source: ~~\$519~~\$545
 - c. RSF for each additional TAC source: 0-~~165~~0.173 cents per gallon *
 - d. Minimum RSF per additional TAC source: ~~\$182~~\$191 *
 - e. Maximum RSF per source is: ~~\$24,806~~\$26,046
 - * 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~~0.087 cents per gallon
 - a. The minimum fee per source is: ~~\$130~~\$137
 - b. The maximum fee per source is: ~~\$12,403~~\$13,023

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

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

(Amended 2/20/85; 6/5/85; 6/4/86; 7/3/91; 6/15/94; 7/1/98; 5/19/99; 6/7/00;
 6/6/01, 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/20/09)

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: ~~\$165.95~~\$174.25 per single product nozzle (spn)
~~\$165.95~~\$174.25 per product for each multi-product nozzle (mpn)
2. PERMIT TO OPERATE FEE: ~~\$63.56~~\$66.74 per single product nozzle (spn)
~~\$63.56~~\$66.74 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:

$$\frac{\$229.51}{\$240.99} \times \left\{ \left[(mpn_{\text{proposed}})(\text{products per nozzle}) + spn_{\text{proposed}} \right] - \left[(mpn_{\text{existing}})(\text{products per nozzle}) + spn_{\text{existing}} \right] \right\}$$

mpn = multi-product nozzles
spn = single product nozzles

The above formula includes a toxic surcharge.

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

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

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

4. RISK SCREENING FEE (RSF) of ~~\$337~~\$354 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: ~~\$2,180~~\$2,289 per single product loading arm
~~\$2,180~~\$2,289 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: ~~\$2,517~~\$2,643
- b. RSF for each additional TAC source: ~~\$2,180~~\$2,289 *

* 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: ~~\$608~~\$638 per single product loading arm
~~\$608~~\$638 per product for multi-product arms

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

(Amended 2/20/85; 6/5/85; 6/4/86; 7/3/91; 6/15/94; 10/8/97; 7/1/98; 5/19/99; 6/7/00;
6/6/01, 5/1/02; 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09)

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: ~~\$365~~\$383
 - b. If usage is not more than 1,000 gallons/year: ~~\$365~~\$383
 - c. If usage is more than 1,000 gallons/year: ~~\$734~~\$771 per 1,000 gallons
 - d. The maximum fee per source is: ~~\$29,186~~\$30,645

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: ~~\$337~~\$354 plus initial fee
 - b. Minimum RSF for first TAC source: ~~\$702~~\$737
 - c. RSF for each additional TAC source: equal to initial fee *
 - d. Minimum RSF per additional TAC source: ~~\$365~~\$383 *
 - e. Maximum RSF per source is: ~~\$29,186~~\$30,645

* 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: ~~\$263~~\$276
 - b. If usage is not more than 1,000 gallons/year: ~~\$263~~\$276
 - c. If usage is more than 1,000 gallons/year: ~~\$365~~\$383 per 1,000 gallons
 - d. The maximum fee per source is: ~~\$14,591~~\$15,321

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

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

(Amended 5/19/82; 10/17/84; 6/5/85; 6/4/86; 10/8/87; 7/3/91; 6/15/94; 7/1/98; 5/19/99; 6/7/00; 6/6/01, 5/1/02, 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09)

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: ~~\$328~~\$344

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: ~~\$665~~\$698
 - b. RSF for each additional TAC source: ~~\$328~~\$344 *
 - * 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: ~~\$237~~\$249

4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1. 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: ~~\$2,019~~\$2,120

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: ~~\$2,356~~\$2,474
 - b. RSF for each additional TAC source: ~~\$2,019~~\$2,120 *
 - * 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: ~~\$1,008~~\$1,058

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

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

1. INITIAL FEE: ~~\$2,854~~\$2,997

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: ~~\$3,191~~\$3,351
 - b. RSF for each additional TAC source: ~~\$2,854~~\$2,997 *
 - * 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: ~~\$1,426~~\$1,497

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.

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G-3. FEES FOR SCHEDULE G-3, For each source in a G-3 classification, fees are:

1. INITIAL FEE: ~~\$16,565~~\$17,393
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: ~~\$16,902~~\$17,747
 - b. RSF for each additional TAC source: ~~\$16,565~~\$17,393 *
 - * 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~~\$8,696
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~~\$49,702
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: ~~\$47,672~~\$50,056
 - b. RSF for each additional TAC source: ~~\$47,335~~\$49,702 *
 - * 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~~\$24,850
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: ~~\$37,272~~\$39,136
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: ~~\$37,609~~\$39,489
 - b. RSF for each additional TAC source: ~~\$37,272~~\$39,136 *
 - * 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: ~~\$18,635~~\$19,567
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

(Amended 5/19/82; 6/5/85; 6/4/86; 6/6/90; 7/3/91; 6/15/94; 10/8/97; 7/1/98; 5/19/99; 6/7/00
6/6/01, 5/1/02, 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09)

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: ~~\$319~~\$335
 - b. The maximum fee per source is: ~~\$25,499~~\$26,774

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: ~~\$319~~\$335
 - ii. If gross throughput is more than 3,000 gallons/year: ~~\$245~~\$226 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: ~~\$319~~\$335
 - ii. If gross throughput is more than 1,000 gallons/year: ~~\$641~~\$673 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: ~~\$337~~\$354 plus initial fee
 - b. Minimum RSF for first TAC source: ~~\$656~~\$689
 - c. RSF for each additional TAC source: equal to initial fee *
 - d. Minimum RSF per additional TAC source: ~~\$319~~\$335 *
 - e. Maximum RSF per source is: ~~\$25,499~~\$26,774

* 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: ~~\$230~~\$242
 - b. The maximum fee per source is: ~~\$12,748~~\$13,385

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: ~~\$230~~\$242
- ii. If gross throughput is more than 3,000 gallons/year: ~~\$408~~\$113 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: ~~\$230~~\$242
- ii. If gross throughput is more than 1,000 gallons/year: ~~\$349~~\$335 per 1,000 gallon

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

(Amended 1/9/85; 6/5/85; 6/4/86; 7/3/91; 6/15/94; 10/8/97; 7/1/98; 5/19/99; 10/20/99; 6/7/00; 6/6/01, 5/1/02, 5/21/03; 6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09)

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: ~~\$328~~\$344
 - b. If the washing or drying capacity exceeds 100 pounds: ~~\$328~~\$344 plus
For that portion of the capacity exceeding 100 pounds: ~~\$9.78~~\$10.27 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: ~~\$337~~\$354 plus initial fee
 - b. Minimum RSF for first TAC source: ~~\$665~~\$698
 - c. RSF for each additional TAC source: equal to initial fee *
 - d. Minimum RSF per additional TAC source: ~~\$328~~\$344 *

* 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: ~~\$237~~\$249
 - b. If the washing or drying capacity exceeds 100 pounds: ~~\$237~~\$249 plus
For that portion of the capacity exceeding 100 pounds: ~~\$4.94~~\$5.16 per pound

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

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

(Amended 10/17/84; 6/5/85; 6/4/86; 7/3/91; 6/15/94; 10/8/97; 7/1/98; 5/19/99; 6/7/00;
6/6/01, 5/1/02, 5/21/03; 6/02/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09)

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

1. INITIAL FEE:
 - a. Inactive or Closed Solid Waste Disposal Sites ~~\$2,187~~\$2,296
 - b. Active Solid Waste Disposal Sites ~~\$4,373~~\$4,592

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: ~~\$337~~\$354 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 ~~\$1,093~~\$1,148
 - b. Active Solid Waste Disposal Sites ~~\$2,187~~\$2,296

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) ~~\$1,314~~\$1,380
 - b. Inactive Site Questionnaire evaluation as required by Health & Safety Code Section 41805.5(b) ~~\$659~~\$692
 - 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) ~~\$659~~\$692
 - d. Evaluation of Initial or Amended Design Capacity Reports as required by Regulation 8, Rule 34, Section 405 ~~\$484~~\$508
 - e. Evaluation of Initial or Periodic NMOC Emission Rate Reports as required by Regulation 8, Rule 34, Sections 406 or 407 ~~\$1,386~~\$1,455
 - f. Evaluation of Closure Report as required by Regulation 8, Rule 34, Section 409 ~~\$484~~\$508
 - g. Evaluation of Annual Report as required by Regulation 8, Rule 34, Section 411 ~~\$1,213~~\$1,274

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; 5/20/09)

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: ~~\$110~~\$116 for amounts 100 to 500 square feet or linear feet.
~~\$408~~\$428 for amounts 501 square feet or linear feet to 1000 square feet or linear feet.
~~\$593~~\$623 for amounts 1001 square feet or liner feet to 2000 square feet or linear feet.
~~\$810~~\$856 for amounts greater than 2000 square feet or linear feet.
 - b. Cancellation: ~~\$53~~\$56 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: ~~\$314~~\$330 for amounts 100 to 159 square feet or 100 to 259 linear feet or 35 cubic feet
~~\$453~~\$476 for amounts 160 square feet or 260 linear feet to 500 square or linear feet or greater than 35 cubic feet.
~~\$659~~\$692 for amounts 501 square feet or linear feet to 1000 square feet or linear feet.
~~\$972~~\$1,021 for amounts 1001 square feet or liner feet to 2500 square feet or linear feet.
~~\$1,386~~\$1,455 for amounts 2501 square feet or linear feet to 5000 square feet or linear feet.
~~\$1,903~~\$1,998 for amounts 5001 square feet or linear feet to 10000 square feet or linear feet.
~~\$2,421~~\$2,542 for amounts greater than 10000 square feet or linear feet.
 - b. Cancellation: ~~\$149~~\$156 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: ~~\$53~~\$56
 - b. Cancellation: ~~\$53~~\$56 (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: ~~\$223~~\$234
 - b. Cancellation: ~~\$149~~\$156 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: ~~\$371~~\$390

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: ~~\$223~~\$234
 - b. Cancellation: ~~\$149~~\$156 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; 5/20/09)

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 | \$100.77 <u>\$105.81</u> per ton |
| 2. | Sulfur Oxides | \$100.77 <u>\$105.81</u> per ton |
| 3. | Nitrogen Oxides | \$100.77 <u>\$105.81</u> per ton |
| 4. | PM ₁₀ | \$100.77 <u>\$105.81</u> per ton |

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

(Amended 7/3/91; 6/15/94; 7/1/98; 5/9/99; 6/7/00; 6/6/01, 5/1/02, 5/21/03; 6/2/04;
6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09)

**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)~~ inhalation cancer potency factor (CPF, in kilogram-day/milligram) for the substance times ~~28.6 one hundred thousand (in cubic meters/microgram)~~ if the emission is a carcinogen, or by the reciprocal of the inhalation 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~~ CPF and REL as listed in Table 2-5-1]:

w_j = Facility Weighted Emission = $\sum_{i=1}^n E_i * Q_i$ where

n = number of toxic substances emitted by facility

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

Q_i = $\frac{28.6 * CPF_{URF} * 10^5}{[REL_c]}$, 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 ~~\$364~~\$400 per source
- b. MFR EMISSIONS FEE..... ~~\$14.34~~\$15.77 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 ~~\$3,641~~\$4,005 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 ~~\$507~~\$558 per application
- b. SYNTHETIC MINOR INITIAL PERMIT FEE ~~\$355~~\$391 per source
- c. SYNTHETIC MINOR REVISION FEE..... ~~\$355~~\$391 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 ~~\$507~~\$558 per application
- b. MFR INITIAL PERMIT FEE ~~\$491~~\$540 per source
- c. MFR ADMINISTRATIVE AMENDMENT FEE ~~\$144~~\$158 per application
- d. MFR MINOR REVISION FEE ~~\$720~~\$792 per source modified
- e. MFR SIGNIFICANT REVISION FEE ~~\$1,343~~\$1,477 per source modified
- f. MFR REOPENING FEE ~~\$440~~\$484 per source modified
- g. MFR RENEWAL FEE ~~\$214~~\$235 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 ~~\$757~~\$833 per shielded source or group of sources

4. MFR PUBLIC NOTICE FEES

Each facility that is required to undergo a public notice related to any permit action pursuant to Regulation 2-6 shall pay the following fee upon receipt of a District invoice.

MFR PUBLIC NOTICE FEE Cost of Publication

5. MFR PUBLIC HEARING FEES

If a public hearing is required for any MFR permit action, the facility shall pay the following fees upon receipt of a District invoice.

a. MFR PUBLIC HEARING FEE Cost of Public Hearing not to exceed ~~\$8,746~~\$9,621

b. NOTICE OF PUBLIC HEARING FEE Cost of distributing Notice of Public Hearing

6. POTENTIAL TO EMIT DEMONSTRATION FEE

Each facility that makes a potential to emit demonstration under Regulation 2-6-312 in order to avoid the requirement for an MFR permit shall pay the following fee:

a. PTE DEMONSTRATION FEE ~~\$86~~\$95 per source, not to exceed ~~\$8,518~~\$9,370

(Amended 6/15/94; 10/8/97; 7/1/98; 5/19/99; 6/7/00; 6/6/01, 5/1/02, 5/21/03;
6/2/04; 6/15/05; 6/7/06; 5/2/07; 5/21/08; 5/20/09)

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: ~~\$134~~\$141

(Amended 7/19/00; 8/1/01, 6/5/02, 7/2/03; 6/2/04; 6/6/07; 5/21/08; 5/20/09)

**SCHEDULE R
EQUIPMENT REGISTRATION FEES**

1. Persons operating commercial cooking equipment who are required to register equipment as required by District rules are subject to the following fees:
 - a. Conveyorized Charbroiler REGISTRATION FEE: ~~\$360~~\$378 per facility
 - b. Conveyorized Charbroiler ANNUAL RENEWAL FEE: ~~\$100~~\$105 per facility
 - c. Under-fired Charbroiler REGISTRATION FEE: ~~\$360~~\$378 per facility
 - d. Under-fired Charbroiler ANNUAL RENEWAL FEE: ~~\$100~~\$105 per facility

 2. Persons operating non-halogenated dry cleaning equipment who are required to register equipment as required by District rules are subject to the following fees:
 - a. Dry Cleaning Machine REGISTRATION FEE: ~~\$180~~\$189
 - b. Dry Cleaning Machine ANNUAL RENEWAL FEE: ~~\$125~~\$131

 3. Persons operating diesel engines who are required to register equipment as required by District or State rules are subject to the following fees:
 - a. Diesel Engine REGISTRATION FEE: ~~\$120~~\$126
 - b. Diesel Engine ANNUAL RENEWAL FEE: ~~\$80~~\$84

 4. Persons operating boilers, steam generators and process heaters who are required to register equipment by District Regulation 9-7-404 are subject to the following fees:
 - a. Each facility operating a boiler, steam generator or process heater subject to Regulation 9-7-404 ONE-TIME REGISTRATION FEE ~~\$425~~\$446 per facility
 - b. Each boiler, steam generator or process heater subject to Regulation 9-7-404, after the first ONE-TIME REGISTRATION FEE ~~\$50~~\$53 per device

 5. Persons owning or operating graphic arts operations who are required to register equipment by District Regulation 8-20-408 are subject to the following fees:
 - a. REGISTRATION FEE: ~~\$215~~\$226
 - b. ANNUAL RENEWAL FEE: ~~\$135~~\$142

 6. Persons owning or operating mobile refinishing operations who are required to register by District Regulation 8-45-4 are subject to the following fees:
 - a. REGISTRATION FEE ~~\$100~~\$105
 - b. ANNUAL RENEWAL FEE ~~\$60~~\$63
- (Adopted 7/6/07; Amended 12/5/07; 5/21/08; 7/30/08; 11/19/08; 12/3/08; 5/20/09)

**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): ~~\$267~~\$280

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: ~~\$2,369~~\$2,487

(Adopted 6/6/07; Amended 5/21/08; 5/20/09)

**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 ~~\$0.045~~\$0.048 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 5/21/08; Amended 5/20/09)

**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 <u>\$560</u> |
| b. Non-residential or mixed use project: | \$796 <u>\$836</u> |

2. APPLICATION EVALUATION FEE

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

3. OFFSITE EMISSION REDUCTION FEE

(To be determined)

(Adopted May 20, 2009)

BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Wagenknecht and Members
of the Board of Directors

From: Jack P. Broadbent
Executive Officer/APCO

Date: April 26, 2010

Re: Update on Proposed Revisions to the District's CEQA Guidelines

RECOMMENDED ACTION:

None, for information only.

BACKGROUND

The BAAQMD CEQA Guidelines provide guidance to local lead agencies conducting air quality analyses pursuant to the California Environmental Quality Act (CEQA). Staff is updating and revising the Guidelines.

DISCUSSION

The CEQA Guidelines recommend air quality significance thresholds for local agencies to use when preparing impact analyses under CEQA and provide guidance on the District's recommended analytical methodologies and mitigation measures. Staff has reviewed, and revised as necessary, existing thresholds of significance, and developed new significance thresholds for local air quality impacts and for greenhouse gas emissions from projects subject to CEQA. Staff also has updated analytical methodologies and mitigation measures recommended in the Guidelines.

Staff hosted public workshops for the Guidelines update in February, April and September 2009. Public hearings on the proposed significance thresholds were held by the Board of Directors on November 18 and December 2, 2009, and the Board further discussed the matter at the January 6, 2010 meeting.

At the January 6 meeting, the Board of Directors directed staff to conduct additional outreach to local agency staff in each of the nine Bay Area counties to improve understanding of the proposed Guidelines update and to address issues local staff may have. Staff has since met extensively with city, county and regional agency staff, local officials, and interested stakeholders. In April 2010, staff held local agency staff workshops in each county and additional public workshops.

Staff also has developed a variety of technical support tools to assist local staff in understanding and implementing the Guidelines. Staff will host training sessions on the computer models and other analytical tools that have been developed to implement the Guidelines in May.

Staff is planning to bring the proposed CEQA thresholds back to the Board of Directors for their consideration on June 2, 2010.

Staff will provide the Board of Directors with an update on the outreach conducted, comments received and staff responses, technical support to be provided to local staff, and the status of the recommended thresholds of significance and CEQA Guidelines.

BUDGET CONSIDERATION/FINANCIAL IMPACT:

Funding for consultant services to assist with the CEQA Guidelines update is included in the approved FY 2009/2010 Air District budget.

Respectfully submitted,

Jack P. Broadbent
Executive Officer/APCO

Prepared by: Greg Tholen
Reviewed by: Henry Hilken