



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 15

Amendments to Regulation 3, Fees

**Board of Directors Meeting
May 1, 2024**

**Fred Tanaka
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Presentation Outcome



Update the Board of Directors on proposed Regulation 3 (Fees) Amendments for Fiscal Year Ending (FYE) 2025.

Presentation Outline



- Cost Recovery Background
- Proposed Fee Amendments
- Impact of Proposed Amendments
- Small Business Considerations
- Air District Comparisons
- Budget and Rule Development Schedule
- Summary of Public Comments
- Questions

Requested Action



Receive testimony

Cost Recovery Background



- Air District has authority to assess fees to recover the reasonable costs from fee-based programs.
- Board of Directors set goals to improve cost recovery levels.

	FYE 2010	FYE 2011	FYE 2012	FYE 2013	FYE 2014	FYE 2015	FYE 2016	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022	FYE 2023
By Year	63.8%	66.9%	76.1%	80.2%	79.5%	83.1%	81.4%	81.2%	83.0%	84.7%	83.2%	83.8%	85.9%	92.3%
3-Year Average			68.8%	73.6%	78.7%	80.8%	81.4%	82.2%	81.9%	83.0%	83.6%	83.5%	84.3%	87.4%

- Other funding sources have historically been used to close the cost recovery gap.

Cost Recovery Background: Variables



Cost recovery is not a static target.

Cost Recovery Impacts – Revenue

- Fee and fee changes
- Facilities, sources, emissions and operational changes
- Number of notifications and applications processed

Cost Recovery Impacts – Expenses

- Fee-supported programs/rules
- Efficient use of resources
- Shifts in priorities
- Staffing levels

Cost Recovery Background: Fee-Recoverable Work



Example Activities Covered by Regulation 3 Fees

- Permitting programs
- Notification programs (asbestos, open burn)
- Compliance assistance/enforcement of permitted and registered facilities
- Source Testing at permitted facilities
- Rule development for regulated industries
- Emissions inventory from regulated industries
- Other (e.g., Regulation 11-18 Health Risk Assessments)

Example Activities Not Covered by Regulation 3 Fees

- AB617 Community Engagement & Outreach
- Ambient Air Monitoring
- Climate change work for non-permitted sources
- Communications
- Mobile sources
- Planning
- Rule development for non-permitted sources
- Strategic Incentives – “Grants” (e.g., wood-burning device replacement, Carl Moyer Program, vehicle buy-back)

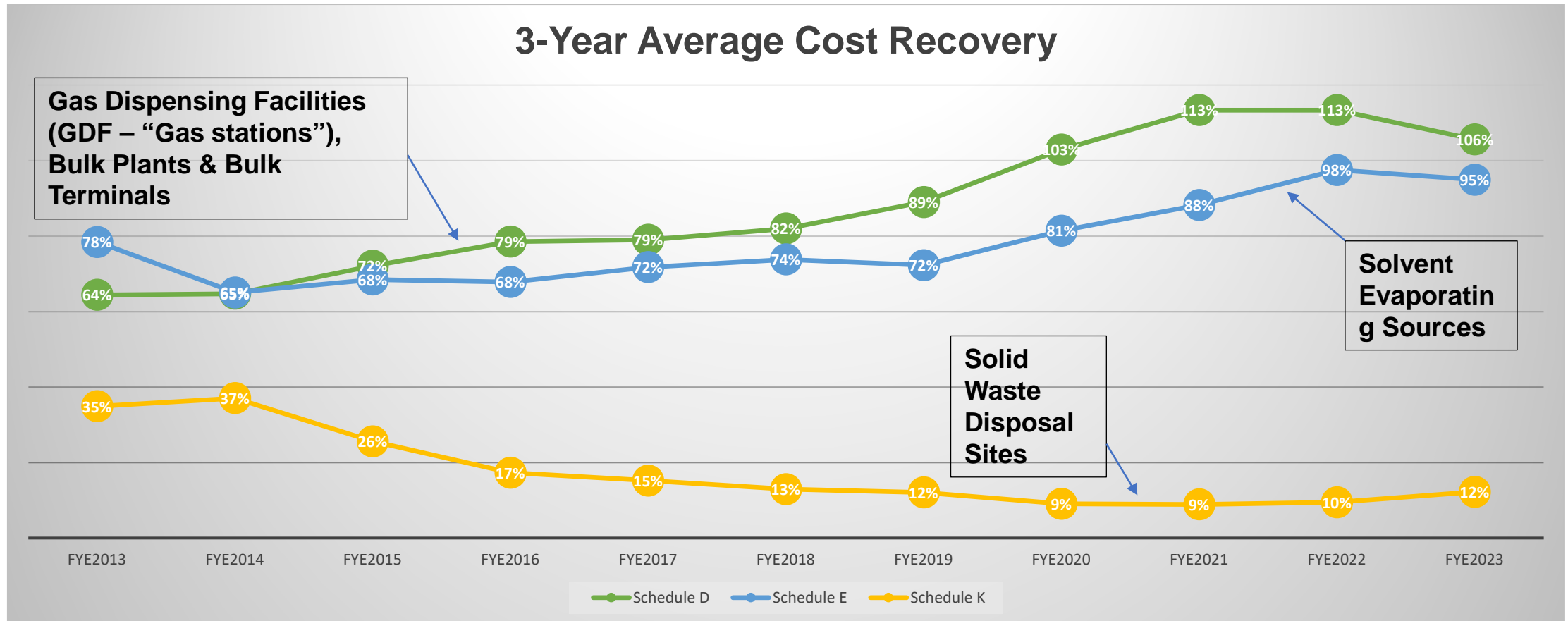
Cost Recovery Background: Limitations of Cost Recovery



Cost Recovery vs. Work Backlog

- Cost recovery analyzes past revenue and cost data.
- Cost recovery does not account for work backlog or level of service.
- Cost recovery does not account for required/future resource needs.
- A fee schedule's cost recovery rate does not reflect whether adequate resources exist or the effective use of those resources.

Cost Recovery Background: Sample of Fee Schedule Trends



Cost Recovery Background: Historical Strategies



Revenue from Fee Schedule (3-year average)	FYE 2018	FYE 2019 & 2020	FYE 2021 (Covid)	FYE 2022	FYE 2023	FYE 2024
110% or more of costs	-	-	-	-	-	-
100 to <110% of costs	-	-	-	-	+15%	CPI-W*
95 to < 100% of costs	CPI-W*	CPI-W*	-	CPI-W*	+15%	+15%
85 to < 95% of costs	+7%	+7%	-	+7%	+15%	+15%
75 to < 85% of costs	+8%	+8%	-	+8%	+15%	+15%
50 to < 75% of costs	+9%	+9%	-	+9%	+15%	+15%
Less than 50% of costs	+9%	+15%	-	+15%	+15%	+15%

* The annual Consumer Price Index for Bay Area Urban Wage Earners and Clerical Workers (CPI-W) increase.

Proposed Amendments: Cost Recovery



Revenue from Fee Schedule (3-year average)	Change in Fees	Fee Schedules
100 to <110% of costs	3.3% increase (CPI-W)	D, I, M*
Less than 100% of costs	15% increase	A, B, E, F, G1, G2, G3, G4, G5, H, K, P, S, V**, W

* Schedule M is not evaluated for cost recovery, but the proposed increase is based as a general fee.

**Marsh burning fees only

Proposed Amendments: Cost Recovery



Fee Schedules with 3.3% increase

Schedule D: Gasoline Transfer at GDFs & Bulk Plants and Bulk Terminals
Except the Risk Assessment Fee (RAF) for existing GDFs

Schedule I: Dry Cleaners (not registered machines & currently none are permitted)

Schedule M: Major Stationary Source Fees

Fee Schedules with 15% increase

Schedule A: Hearing Board Fees

Schedule B: Combustion of Fuels (E.g., permitted boilers, engines, heaters,)

Schedule E: Solvent Evaporating Sources (E.g., permitted graphic arts, painting, wipe cleaning)

Proposed Amendments: Cost Recovery (cont.)



Fee Schedules with 15% increase

Schedule F:	Misc. Sources (storage silos, abrasive blasting)
Schedule G-1:	Misc. Sources (e.g., glass manufacturing, soil remediation)
Schedule G-2:	Misc. Sources (e.g., asphaltic concrete, furnaces)
Schedule G-3:	Misc. Sources (e.g., metal melting, cracking units)
Schedule G-4:	Misc. Sources (e.g., cement kilns, sulfur removal & coking units)
Schedule G-5:	Misc. Sources (Refinery flares)
Schedule H:	Semiconductor and Related Operations
Schedule K:	Solid Waste Disposal Sites (e.g., Landfills)
Schedule P:	Major Facility Review Fees
Schedule S:	Naturally Occurring Asbestos Operations
Schedule V:	Open Burning – Marsh Management fees only
Schedule W:	Petroleum Refining Emissions Tracking Fees

Proposed Amendments: Cost Recovery (cont.)



Specific fees in Section 300 are proposed to be increased by 3.3% (CPI-W)

- Section 302: New and modified source filing fees
- Section 311: Emission Banking Fees
- Section 312: Regulation 2, Rule 9 Alternative Compliance Plan fee
- Section 330: Fee for Renewing an Authority to Construct
- Section 327: Permit to Operate renewal fees
- Section 337: Exemption Fee
- Section 341: Fee for Risk Reduction Plan
- Section 342: Fee for Facility-Wide Health Risk Assessment
- Section 343: Fees for Air Dispersion Modeling
- Section 345: Evaluation of Plans, Regulation 6
- Section 346: Request for a Petition, Regulation 8
- Section 347: Evaluation of Reports, Organic Waste Recovery Sites

Proposed Amendments: Schedules Not Being Increased



Fees and fee schedules that are not proposed for increase:

- Section 3-307: Transfers of Permits
- Schedule C: Stationary Storage Tanks of Organic Liquids Except the RAF
- Schedule L: Asbestos Operations
- Schedule N: Toxic Inventory Fees
- Schedule R: Equipment Registration Fees
- Schedule T: Greenhouse Gas Fees
- Schedule V: Open Burning except Marsh Management fees
- Schedule X: Major Stationary Source Community Air Monitoring Fees

Proposed Amendments: Obsolete Sections



The following section and schedule are proposed for deletion:

Proposal #1 – Subsection 320.1

The Toxic Inventory Fee for Small Businesses is no longer applicable.

Proposal #2 – Section 322 and Schedule Q

Excavation of Contaminated Soil and Removal of Underground Storage Tank Operation work is no longer performed by the Air District.

Proposal #3 – Section 335

The referenced Schedule U for Indirect Source Fees was deleted in 2023.

Proposed Amendments: Clarifying Language



Section 304.2 (Alteration: Schedule G Fees)

- Clarify that fees charged for alterations involving sources subject to Schedules G-3, G-4 and G-5. Current wording is clumsy.

Section 327 (Permit to Operate, Renewal Fees)

- Clarify language on proration applicability when new/modified sources are started up off schedule from the permit anniversary.

Proposed Amendments: Clarifying Language (cont.)



Section 327.5 (Permit to Operate, Renewal Fees) and Section 331 (Registration Fees)

- Clarify that there is no proration or refund of fees if a source or operation shuts down before the expiration date.

Schedule H – Semiconductor & Related Operations

- Clarify that if a specific solvent cleaning or coating operation is not defined, the minimum fee applies.

Proposed Amendments: Alignment of Risk Assessment Fees



Schedule C: Stationary Containers for the Storage of Organic Liquids

To align calculation for the RAF with the filing fee in Section 3-302, the base fee in Schedule C.2.a is proposed for a 3.3% increase.

Schedule D.A: Gasoline Transfer at Gasoline Dispensing Facilities (GDFs)

The RAF for existing GDFs is proposed for a 15% increase in Schedule D.A.4.b. This will improve alignment of the RAF fee already being charged to new GDFs for the same work.

Proposed Amendments: Cost Recovery Impact



- Estimated budget increased by \$4.7M compared to projected FYE 2023 revenues
- This strategy has a weighted fee schedule increase of **7.8 percent.**

Impact of Proposed Amendments: Petroleum Refineries



Annual Permit Fee Increase/Decrease (Fiscal Year Ending)							
	2023, % fee change		2023 Renewal fee	2024, % fee change		2024 Renewal fee	2025, Projected % fee change
	Predicted	Actual		Predicted	Actual		Proposed budget
Chevron	17.7	18	\$4.5 million	8.1	1.0	\$4.5 million	8.5
Martinez Refining Co.	17.8	37	\$5.5 million	8.9	4.7	\$5.7 million	7.9
Phillips 66	22.5	11	\$2.7 million	8.5	9.6	\$3.0 million	8.6
Tesoro	21.2	-26	\$1.9 million	-1.0	-21.6	\$1.6 million	9.1
Valero	12.9	8.1	\$2.9 million	9.4	12.2	\$3.4 million	9.0

Impact of Proposed Amendments: Small Business



Facility Type	Current renewal fee: Not OBC	Current renewal fee: OBC	Proposed renewal fee: Not OBC	Proposed renewal fee: OBC
Backup Engine* (Sch. B)	\$489	\$559	\$547 10.6%	\$626 10.6%
GDF “Gas station”** (Sch. Da)	\$2,692	\$3,079	\$2,781 3.2%	\$3,180 3.2%
Auto Body Shop* (Sch. E)	\$1,067	\$1,220	\$1,212 12.0%	\$1,386 12.0%
Coffee Roaster (Sch. F)	\$839	\$960	\$950 11.7%	\$1,087 11.7%

*Minimum fee – Permit fees are greater for larger engines.

**Common configuration with 6 islands with 3-triple product nozzles

Small Business Considerations



- Facility Size
 - Total fees paid influenced by number/size of equipment/sources and their throughput/capacity.
 - Small businesses typically pay little or no emission-based fees.
- Schedule R: Equipment Registration Fees
 - e.g., Dry cleaning machines, small combustion, mobile refinishing, small graphic arts operations.
 - No fee increase in 6 years.
- Other considerations
 - Discounts on certain application fees for small (50%) and green (10%) businesses.
 - Covid Relief of renewal late fees.
 - Discount if registered mobile refinishing operators took the industry compliance school.

Air District Comparisons: Renewal Fees for Petroleum Refineries



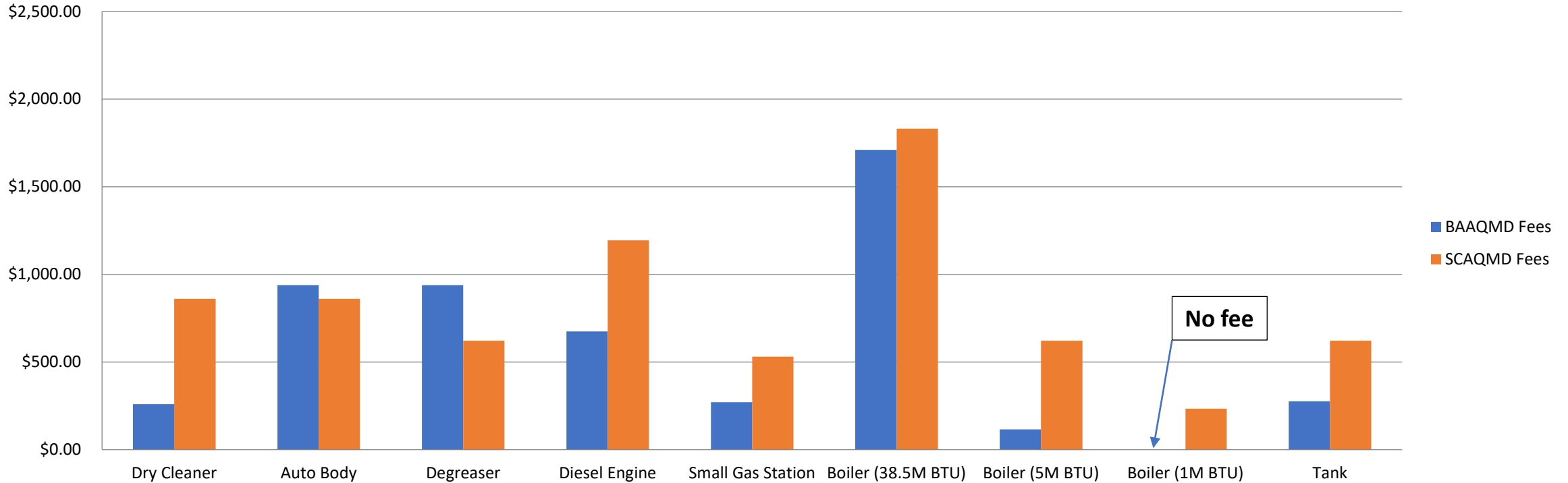
- Refinery facilities across the state differ in size and operations.
- South Coast AQMD charges fees for source test work, fence line and community monitoring, and 'Toxic Hot Spots' program separately.
 - Those fees are not reflected in their total below.
- In FYE 2022 for all refineries, the fees were:

Agency	Range of Permit Renewal Fees	# of Refineries
BAAQMD	\$1.6M to \$5.7M	5
SCAQMD	\$1.5M to \$4.6M	7

Air District Comparisons: Renewal Fees for Small Facilities



Small Facility Comparison of Renewal Fees (FYE 2023)

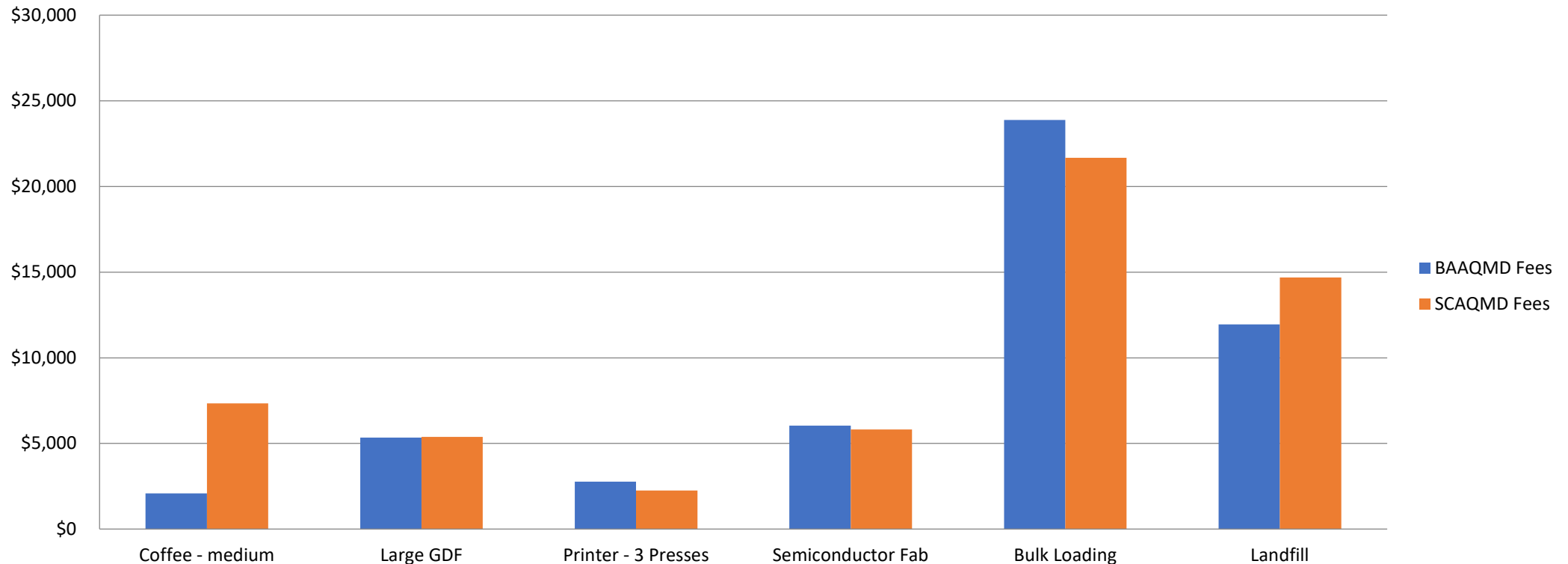


- Compare with South Coast AQMD.
- Single device/operation comparisons
- Minimum fees where applicable

Air District Comparisons: Renewal Fees for Medium Facilities



Medium Facility Comparison of Renewal Fees (FYE 2023)



- Normalized number of sources and throughput/capacity.
- Emissions are assumed equivalent.

Budget and Rule Development Schedule



Description	Date
Public workshop for Regulation 3 amendments	February 15, 2024
Written workshop comments on Regulation 3 due	March 18, 2024
Finance and Administration Committee briefing	March 20, 2024
Finance and Administration Committee briefing	April 17, 2024
First public hearing on budget & Regulation 3 to receive testimony	May 1, 2024
Written Public Hearing comments on Regulation 3 due	May 17, 2024
Second public hearing on budget and Regulation 3 to consider adoption	June 5, 2024
Budget and fee amendments effective, if adopted	July 1, 2024

Summary of Public Comments



Here is a summary of the comments received since the workshop:

- Concern for increasing fees at dry cleaning facilities.
- Permit costs are high for sub-slab depressurization systems that are gone in 1 to 3 months.
- Increasing fees at metal manufacturing facilities should parallel with an increase in transparency and level of service. (CA Metals Coalition).
- There should be no fee increases and the Air District should use resources more efficiently.
- Will fees eventually be reduced due to New Production System going live? (California Council for Environmental and Economic Balance, Resource Recovery Coalition of California).
- Consider suspending Schedule X fees until community monitors are installed (Western States Petroleum Association).
- Companies with May/June budgeting cannot budget for significant fee increases. (Phillips 66 Refinery – P66).
- A comment that some people may not have received workshop notice in the mail (P66).
- Request response to comments sooner than last year. (CCEEB, RRCC).

Feedback Requested/Prompt



Receive public testimony and Board comments.



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AGENDA: 16

Path to Clean Air Richmond-North Richmond-San Pablo Community Emissions Reduction Plan

**Board of Directors Meeting
May 1, 2024**

**Diana Ruiz
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**Wendy Goodfriend
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Presentation Outcome



- Describe the Path to Clean Air (PTCA) and introduce the Community Steering Committee (CSC)
- Share the goals and purpose of the Community Emission Reduction Plan (PTCA Plan)
- Spotlight critical solutions developed in PTCA Plan
- Request for action

Presentation Outline



- Overview of the Path to Clean Air (PTCA)
- Goals of the PTCA Plan
- Turning Problems into Solutions
- Public Review and CSC Approval
- Compliance with CEQA
- Community Steering Committee Priorities and Insights
- Requested Action

Presentation Requested Action

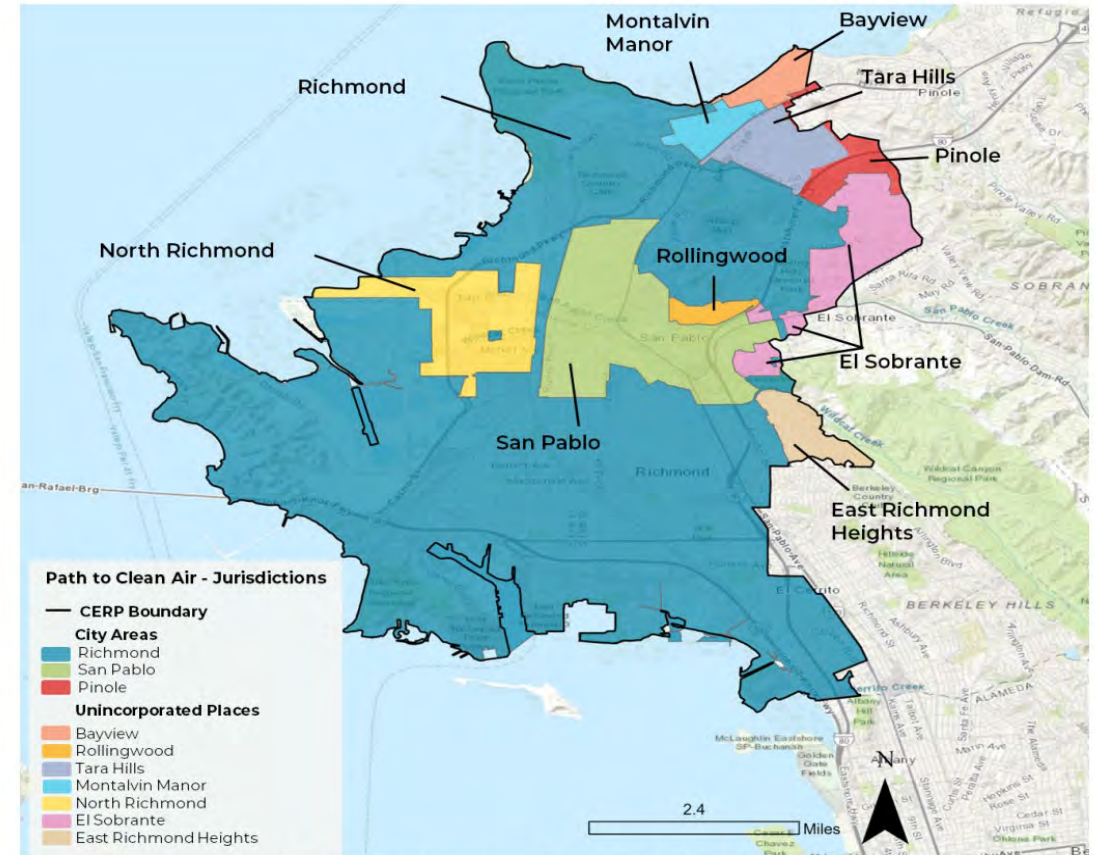


Recommend the Board of Directors (i) adopt the PTCA Plan and (ii) approve the determination that adoption of the PTCA Plan is exempt from the California Environmental Quality Act (CEQA).

Overview of the Path to Clean Air



- Includes areas of Richmond, North Richmond, San Pablo and unincorporated Contra Costa County.
- Area has major pollution sources and disproportionately high health burdens.
- Selected for AB 617 Community Air Monitoring Plan (CAMP) in 2018.
- Selected for AB 617 Community Emissions Reduction Plan (CERP) in 2020.



Community Emission Reduction Plan Boundary and Jurisdictions

Community Steering Committee



- Community Steering Committee (CSC) convened in 2021 to develop a CERP, also known as the PTCA Plan.
- Comprised of up to 27 individuals who work, live or grew up in the area, 3 non-voting government members, and 2 non-voting business/industry representatives.
- Governed by a CSC-adopted Charter.
- CSC members participated in monthly committee meetings, ad hoc subcommittees, writing and review teams, and helped center community voice in the PTCA Plan.



PTCA Plan Goals



Goal #1 Just Transition: In pursuit of our right to breathe clean air, promote environmental justice, and ensure the well-being of our residents and workers, our community-driven emissions reduction plan is rooted in Just Transition principles. This plan seeks to **address the consequences of historical racial disparities by developing more stringent air pollution policies that advance social healing and restoration.**

Goal #2 Health: In pursuit of reducing historically high rates of asthma, cancer, and other chronic health conditions, our plan seeks to **lower our community's disproportionate exposure to air pollution by reducing toxic emissions from local sources by 30-50% by 2035.**

PTCA Plan Goals (cont.)



Goal #3 Community Engagement: Through education and engagement, our plan aims to **empower our community by providing resources and tools** to promote understanding of air pollution and its impact on our health and environment.

Goal #4 Hold Government Accountable: Our goal is to hold our government accountable for implementing our plan, including its strategies and actions, to **protect our health and environment and effectively enforce regulations on high-polluting industries and other toxic sources of emissions** in our community.

Turning Problems into Solutions



Strategies addressing community concerns:

- Fuel refining, support facilities, storage, and distribution
- Mobile sources
- Commercial and industrial sources near communities
- Marine and rail
- Public health and reducing exposures



Cross-cutting strategies:

- Compliance and enforcement
- Land use
- Urban greening
- Properly resourced CERP



Fuel Refining Solutions



Fuel Refining, Support Facilities, Storage, and Distribution Strategies

1. Move Towards a Just Transition.
2. Reduce Persistent Flaring and Improve Incident Response.
3. Hold Chevron and Other Emitters Accountable for Reducing Pollution and Negative Public Health Impacts from their Operations.
4. Reduce Exposure and Public Health Impacts from Toxic Air Contaminants Emitted by the Fuel Refining sector.
5. Reduce Exposure and Public Health Impacts from Particulate Matter and Other CAPs Emitted by the Fuel Refining sector.

Fuel Refining Proposed Rules & Rule Related Actions



Update rules to reduce emissions and exposure from all fuel refining sources feasible, thoroughly engaging the public and CSC in the process:

- Strengthen Flaring Rules 12-11 and 12-12.
- Amend Rule 11-18 to improve stringency, efficiency, transparency, and public engagement.
- Evaluate targeted source-category specific rules.
- Develop regulations using the PM_{2.5} Local Risk Methodology.
- Evaluate NO_x BARCT for combustion sources.
- Evaluate controls to reduce SO_x emissions.

Mobile Source Solutions



Vehicles & Trucks, Streets & Freeways, Logistics & Warehouses Strategies

1. Truck-Attracting Businesses.
2. Prioritize Air Quality Benefits of Traffic Calming and Other Safety Improvements on Local Streets and Freeways.
3. Multi-Jurisdictional Truck Management Plan (TMP).
4. Equitable Street Sweeping.
5. Support Transitions to Clean Fleets.
6. Public Transit and Active Transportation.

Commercial & Industrial Solutions



Commercial & Industrial Sources Near Communities Strategies

1. Control Fugitive Dust.
2. Utilize Permitting to Address Commercial and Industrial Sources Near Community.
3. Reduce Exposure from Food Preparation.
4. Address Community Concerns and Impacts from Large Industrial Sources.
5. Address Community Concerns and Impacts from Commercial and Smaller Industrial Facilities.

Marine & Rail Solutions



Marine & Rail Strategies

Reduce cancer and chronic health risk from:

1. Rail Operations and Facilities
2. Ocean Going Vessel Operations
3. Commercial Harbor Craft
4. Cargo Handling Equipment
5. Cumulative Impact Facilities and Operations

Public Health Solutions



Public Health & Reducing Exposures Strategies

1. Increase Health Resilience and Improve Social Determinants of Health.
2. Reduce Air Pollution at Home.
3. Promote Healthy Food Access.
4. Promote Resilience Centers.
5. Pollution and Public Health Education, Outreach, Accountability, and Health Data Tracking.
6. More Complete Health Risk Data and HRAs, Including Pollutant Interactions.

Other Proposed Rules & Rule Related Actions



- Change permitting rule(s) to increase accessibility, incorporate EJ principles and strengthen community protections
- Evaluate opportunities to strengthen emissions and operational requirements, improve monitoring, recordkeeping and reporting for enforceability related to:
 - Autobody Shops
 - Metal Recycling
 - Sources of Fugitive Dust
 - Back Up Generators (BUGs)
 - Wood Burning
 - Indirect or Magnet Sources
 - Restaurants

PTCA Plan Public Review



- Public comment period on the Draft PTCA Plan opened on December 13, 2023 and concluded on January 19, 2024.
- A total of 48 public comments were received, covering 223 specific topics.
- Summary of comments and responses by theme was posted to the PTCA webpages on along with:
 - A list of all commenters (name/affiliation)
 - A spreadsheet of each comment with a brief response
 - A compilation of all comment received (with individual commenter's email, address, phone numbers redacted)

Community Steering Committee Approval and CEHJ Recommendation



- At the March 25, 2024, CSC meeting the committee voted unanimously to approve the Draft Final PTCA Plan, confirming the plan was ready to move to the CEHJ Committee for consideration.
- On April 22, 2024, the CEHJ Committee unanimously voted to recommend to the Board of Directors that the Board (i) adopt the Draft Final PTCA Plan and (ii) approve the determination that adoption of the Draft Final PTCA Plan is exempt from the California Environmental Quality Act (CEQA).

Implementation and Reporting



- Chapter 9 of the PTCA Plan discusses the approach to implementation and reporting.
- The Air District and the CSC will co-develop an annual Implementation Plan that will prioritize strategies and actions and identify resource needs in advance of Air District budget planning.
- An annual report will be completed with input from the CSC and made available to the public each year in October describing progress made on strategies and actions.

Compliance with CEQA



- Legal staff with support from outside counsel determined the PTCA Plan is exempt from CEQA
- Discussion regarding this determination is included in the PTCA Plan in *Appendix I: Applicability Analysis for California Environmental Quality Act*

Recommended Action



Recommend the Board of Directors (i) adopt the PTCA Plan and (ii) approve the determination that adoption of the PTCA Plan is exempt from the California Environmental Quality Act (CEQA).



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AGENDA: 17

Funding Community Benefits from Penalty Funds

Board of Directors Meeting
May 1, 2024

Greg Nudd
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Potential Presentation Outcomes



- The Board of Directors will consider the recommendation by the Finance & Administration Committee to adopt a policy to automatically allocate some penalty funds for community benefits.

Presentation Outline



- Information about penalties
- Penalty allocation proposal
- Mitigating budget risk
- Recommendations from community representatives
- Recommended action

About Penalties



- The Air District collects penalties from facilities that violate our regulations.
- In the past five years, these funds have varied from \$700k to \$4.2M per year.
- Penalty collections for this fiscal year are almost \$22M.
- In the current fiscal year, \$3M of penalty fund revenue was budgeted to partially fund our enforcement program consisting of 77 full time employees with a total direct costs of roughly \$16M per year.

About Penalties (cont.)



- Most individual penalty packages are between \$10-\$50k (58%).
- But most of the penalty dollars collected are from a few large penalty packages exceeding \$1M.
- Penalties > \$1M are paid primarily by petroleum refineries and related industry. Over 90% of the penalties collected in recent years are from this sector.

Proposed Policy



- Allocate as much of penalty funds as possible to community benefits, while ensuring the Air District recovers appropriate costs.
- Focus on providing benefits to the community impacted by the air quality violation, but also address the needs of communities that may not have large industrial sources.
- Details in attached document entitled “**Funding Community Benefits from Penalty Funds.**”

Community Benefit Project Examples



Examples of projects that were identified for possible funding from penalty money from Richmond-North Richmond-San Pablo Community Emissions Reduction Plan:

- Reduce particulate matter and other toxic air pollution from food cooking operations.
- Urban greening projects.
- Expand accessibility to programs like Black Infant Health and CalAIM.
- Expand asthma programs in schools.
- Home retrofits for asthma patients.

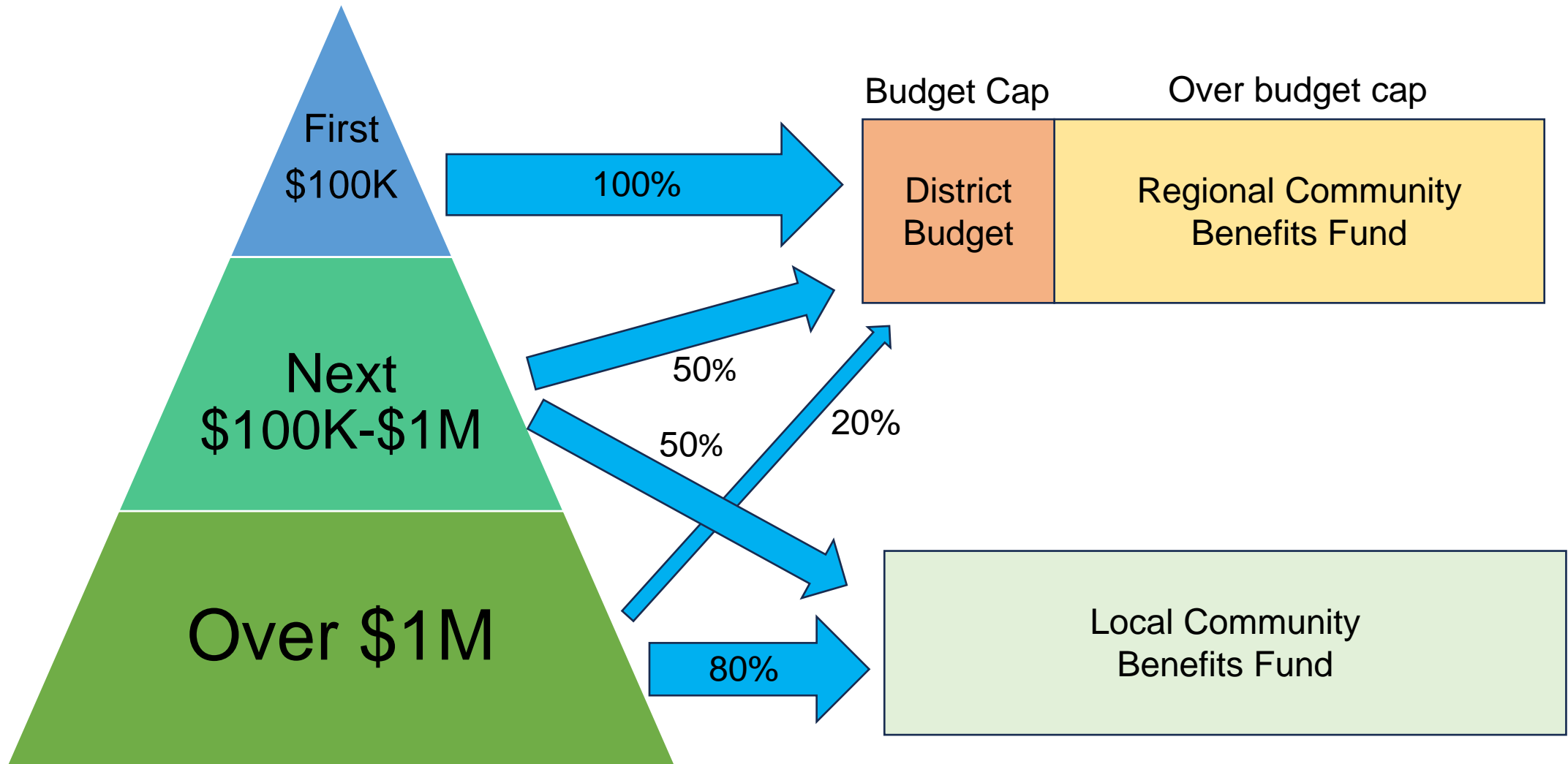
Penalty Allocation Proposal



Lower Break Point	Upper Break Point	% to Local Benefit Fund	% to Air District or Regional Benefit Fund
\$0	\$100,000		100%
\$100,000	\$1 million	50%	50%
\$1 million		80%	20%

- The first \$100,000 of each penalty payment would go to offset the Air District's expenses in enforcing regulations. **After the budget cap is met those funds would go into a regional benefit fund.**
- Between \$100,000 and \$1M, 50% of the penalties would go to a fund to benefit the community impacted by the violation. The balance would go Air District's general fund or the regional benefit fund (after the budget cap has been met).
- Above \$1M, 80% of the penalties would be reserved for local benefits programs, with 20% to the Air District's general fund or the regional benefit fund (after the budget cap has been met)

Penalty Allocation Proposal (cont.)



Mitigating Budget Risk



- Penalty Collections vary from year-to-year, but are expected to be higher than in prior years due to enhanced and prioritized enforcement by the Air District.
- FYE 2024 budget assumes \$3M in penalty collections with actual collections near \$22M year-to-date.
- Proposed FYE 2025 budget assumes \$4M in penalty collections
- The proposed policy would automatically allocate some funding for local benefits for any penalty package over \$100,000, potentially creating some budget risk.

Mitigating Budget Risk (cont.)



- Proposal: Set the Fiscal Year Penalty Budget Cap to account for any shortfalls in the previous two years.
- Fiscal Year Penalty Budget Assumption = general revenue for penalties assumed in the budget.
 - FYE 2024 - \$3M
 - FYE 2025 - \$4M (proposed)
- Fiscal Year Penalty Budget Cap = Fiscal Year Budget Assumption + any recent shortfalls

Community Advisory Council Recommendations:



- Recommend that the Air District Board of Directors create a policy in collaboration with the Community Advisory Council that automatically sets aside a portion of penalties for regional and local benefits.
- Recommend that the Air District Board of Directors have the Community Advisory Council conduct an annual periodic review of the program after one year to ensure that the policy is effective and equitable.
- Recommend that the Air District Board of Directors ensure, with the collaboration of the Community Advisory Council, that there is the creation of a plan for community outreach and oversight of any local or regional benefit fund spending programs.

Community Advisory Council Recommendations (cont.):



- Recommend that the Board of Directors set a policy in collaboration with the Community Advisory Council that automatically allocates a portion of penalties for local (80%) and regional (20%) community benefits.

Richmond-North Richmond-San Pablo CSC Recommendations:



- Create a policy that automatically directs 90% to a Local Benefit Fund for the most impacted community and 10% to a regional benefit fund.
- When the source and impact are within an AB617 designated community, the Community Steering Committee would have local oversight of the Local Benefit Fund.
- When the source and impact are **not** within an AB617 designated community, work with the Community Advisory Council (CAC) to identify community based organizations that would have local oversight of the Local Benefit Fund.

Richmond-North Richmond-San Pablo CSC Recommendations (cont.):



- Work in collaboration with the Community Advisory Council to create a regional policy to oversee and distribute the regional funds.
- All policies and funds will include an annual review and amendment process to the program to ensure the policy's effectiveness, equity, and environmental justice principles are being met.
- All policies and funds will have an equitable and transparent implementation plan to improve air quality and public health for impacted communities.

Partial Results for FYE 2024



- For the fiscal year ending 2024 including the \$20M Chevron penalty, the proposed 80/20 split would have the following results:
 - Air District budget cap of \$3,000,000 met
 - Local benefit fund for Richmond area: \$16,250,000
 - Regional benefit fund: \$2,658,650
 - Local benefit fund for Pleasanton: \$64,000

Recommendation



The Executive Officer/APCO requests that the Board of Directors:

Adopt the policy to allocate penalty money to community benefits as described in the attached policy document entitled “Funding Community Benefits from Penalty Funds” Including the requirement to report back to the Board on the effectiveness of the policy.



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AGENDA: 18

State Legislative Bills Update

**Board of Directors Meeting
May 1, 2024**

**Alan Abbs
Legislative Officer
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Presentation Outcome



- The Board of Directors (Board) will consider adopting a position on a pending legislative bill, as recommended by staff.
- Note – typically, staff presents recommendations on pending legislative bills to the Policy, Grants, and Technology Committee (Committee) for the Committee’s consideration to recommend to the Board that the Board take positions on high-priority bills where appropriate. However, as there was no Committee meeting in April due to lack of quorum, staff is presenting their recommendation on a pending legislative bill directly to the Board for the Board’s consideration.

Presentation Outline



Staff will present a recommendation to the Board for the following pending legislative bill:

- **Assembly Bill (AB) 2851 (Bonta)** - Metal shredding facilities: fence-line air quality monitoring.

Presentation Requested Action



Support

- AB 2851 (Bonta) - Metal shredding facilities: fence-line air quality monitoring.

Action Item: AB 2851 (Bonta)



Metal shredding facilities: fence-line air quality monitoring.

If passed, AB 2851 would require the Department of Toxic Substances Control (DTSC), in consultation with affected air districts, to develop requirements for facility-wide fenceline air quality monitoring at metal shredding facilities. If the monitoring required indicates a potential adverse impact on air quality or public health, the local health department will issue a community notification to the public. DTSC shall oversee and enforce the implementation of the facility-wide fenceline air quality monitoring requirements developed on or before December 31, 2025.

Action Item: AB 2851 (Bonta) (cont.)



Metal shredding facilities: fence-line air quality monitoring.

- Double-referred to the Assembly Environmental Safety and Toxic Materials Committee and the Assembly Natural Resources Committee.
 - Environmental Safety and Toxic Materials – Passed (Vote: 5-2)
 - Natural Resources – Passed (Vote: 8-2)
- Next Step: Assembly Appropriations Committee

Staff Recommendation: Support

Recap: Presentation Requested Action



Support

- AB 2851 (Bonta) - Metal shredding facilities: fence-line air quality monitoring.



Questions / Discussion