



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

BOARD OF DIRECTORS
MEETING
May 1, 2024

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

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

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

Napa County Administration Building
Crystal Conference Room
1195 Third St., Suite 310
Napa, CA 94559

City of Palo Alto City Hall
Community Meeting Room
250 Hamilton Ave.
Palo Alto, CA 94301

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

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

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

THE FOLLOWING STREAMING OPTIONS WILL ALSO BE PROVIDED

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

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

Members of the public may participate remotely via Zoom at <https://bayareametro.zoom.us/j/89465089508>, or may join Zoom by phone by dialing (669) 900-6833 or (408) 638-0968. The Webinar ID for this meeting is: 894 6508 9508

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

The Board welcomes comments, including criticism, about the policies, procedures, programs, or services of the District, or of the acts or omissions of the Board. Speakers shall not use threatening, profane, or abusive language which disrupts, disturbs, or otherwise impedes the orderly conduct of a Board meeting. The District is committed to maintaining a workplace free of unlawful harassment and is mindful that District staff regularly attend Board meetings. Discriminatory statements or conduct that would potentially violate the Fair Employment and Housing Act – i.e., statements or conduct that is hostile, intimidating, oppressive, or abusive – is *per se* disruptive to a meeting and will not be tolerated.

BOARD OF DIRECTORS MEETING AGENDA

WEDNESDAY, MAY 1, 2024

10:00 AM

Chairperson, Davina Hurt

1. Call to Order - Roll Call

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

2. Pledge of Allegiance

3. Special Orders of the Day

CONSENT CALENDAR (Items 4 - 14)

The Consent Calendar consists of routine items that may be approved together as a group by one action of the Board. Any Board member or member of the public may request that an item be removed and considered separately.

4. Approval of the Draft Minutes of the Board of Directors Meeting of April 3, 2024

The Board of Directors will consider approving the draft minutes of the Board of Directors meeting of April 3, 2024.

5. Board Communications Received from April 3, 2024 to April 30, 2024

A copy of communications directed to the Board of Directors received by the Air District from April 3, 2024, through April 30, 2024, if any, will be distributed to the Board Members by way of email.

6. Notices of Violations Issued and Settlements in Excess of \$10,000 in the Month of March 2024

In accordance with Resolution No. 2012-08 the Board of Directors will receive a list of all Notices of Violations issued, and all settlements for amounts in excess of \$10,000, during the month of March 2024.

7. Transportation Fund for Clean Air 40% Fund Expenditure Plans for Fiscal Year Ending 2025

The Board of Directors will (i) consider approving the proposed allocation of the estimated new Transportation Fund for Clean Air (TFCA) revenue to each of the nine Administering Agencies for Fiscal Year Ending 2025 that will be funded by the 40% portion of the TFCA and (ii) consider authorizing the Executive Officer/APCO to enter into funding agreements with the Administering Agencies for these funds. Allocations are based on each county's proportionate share of vehicle registration fees collected and are passed through the Air District from the DMV to the Administering Agencies, to be used at their discretion within the bounds of the TFCA authorizing legislation.

8. Selection of Vehicle Buy Back Program Contractors

The Board of Directors will (i) consider approving contractors for the Air District's Vehicle Buy Back Program to provide vehicle dismantling services and direct mail services, and (ii) consider authorizing the Executive Officer/APCO to execute contracts with the vendors not to exceed a combined \$11.2 million per year. Over 90% of these funds will go to vehicle owners scrapping their 1998 and older vehicles (\$1,500 per vehicle). In 2023, nearly 80% of the vehicles scrapped were in the Air District's priority communities. The Vehicle Buy Back program remains highly popular among the public and is the most cost-effective incentive program at the Air District. In FYE 2025, it will be funded by the Transportation Fund for Clean Air, as approved by the Board in April, 2024.

9. Acceptance of Federal Highway Administration Funding

The Board of Directors will consider adopting a resolution accepting up to \$15 million from the Federal Highway Administration in Charging & Fueling Infrastructure program funding and authorizing the Executive Officer/APCO to expend those funds.

10. Authorization to Purchase Equipment from Sonoma Technology, Incorporated

The Board of Directors will consider authorizing the Executive Officer/APCO to procure an organic carbon/elemental carbon analyzer from Sonoma Technology, Incorporated (STI) for an amount not to exceed \$170,000, to be used for analyzing air monitoring and source-oriented samples.

11. Authorization to Execute a Contract Amendment with Kearns & West, Inc.

The Board of Directors will consider authorizing the Executive Officer/APCO to amend the contract with Kearns & West, Inc. for the Bay Air Center extending the term from June 30, 2024 to June 30, 2025, and increasing the maximum dollar amount of the contract by \$1,500,000, from \$1,013,000 to \$2,513,000 for services related to technical support for community organizations conducting air quality monitoring and data projects, and implementing the new refinery corridor particulate monitoring program.

12. Adoption of a Revised Reserves Policy

The Board of Directors will consider adopting a Revised Reserves Policy increasing economic contingency reserves to an allocation between a minimum of 25 percent and maximum of 35 percent of the General Fund Budget. The Finance and Administration Committee considered the Revised Reserves Policy on March 20, 2024 and recommended that the Board adopt the Revised Reserves Policy.

13. Report of the Finance and Administration Committee Meeting of April 17, 2024

The Board of Directors will receive a report of the Finance and Administration Committee meeting of April 17, 2024.

For the full Committee agenda packet and materials, click on the link below:
www.baaqmd.gov/bodagendas

14. Report of the Community Equity, Health and Justice Committee Special Meeting of April 22, 2024

The Board of Directors will receive a report of the Community Equity, Health and Justice Committee Special meeting of April 22, 2024.

For the full Committee agenda packet and materials, click on the link below:
www.baaqmd.gov/bodagendas

PUBLIC HEARING(S)

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

The Board of Directors will hold a public hearing to receive testimony on proposed amendments to the Air District's fee regulation, Regulation 3, that would apply beginning July 1, 2024. This will be the first of two public hearings before the Board considers adoption of the proposed amendments to Regulation 3; the second public hearing is scheduled for June 5, 2024. This item will be presented by Fred Tanaka, Manager, Engineering Division.

ACTION ITEM(S)

16. Community Emissions Reduction Plan for the Richmond, North Richmond, and San Pablo Path to Clean Air (PTCA) Area

The Board of Directors will consider adopting the PTCA Plan and approving the determination that adoption of the PTCA Plan is exempt from the California Environmental Quality Act (CEQA). This item will be presented by Diana Ruiz, Community Engagement Manager, and Wendy Goodfriend, Planning and Climate Protection Division Director.

17. Funding Community Benefits from Penalty Funds

The Board of Directors will consider adopting the Community Benefits Penalty Funds Policy. This policy is to allocate penalty funds for community benefits that would take effect upon adoption and be retroactive to the beginning of this fiscal year. This item will be presented by Greg Nudd, Deputy Executive Officer, Science and Policy.

18. State Legislative Bills Update

The Board of Directors will consider adopting the following position on a pending legislative bill, as recommended by staff.

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

This item will be presented by Alan Abbs, Legislative Officer.

OTHER BUSINESS

19. Public Comment on Non-Agenda Matters

Pursuant to Government Code Section 54954.3, members of the public who wish to speak on matters not on the agenda will be given an opportunity to address the Board of Directors. Members of the public will have two minutes each to address the Board, unless a different time limit is established by the Chair. The Board welcomes comments, including criticism, about the policies, procedures, programs, or services of the District, or of the acts or omissions of the Board. Speakers shall not use threatening, profane, or abusive language which disrupts, disturbs, or otherwise impedes the orderly conduct of a Board meeting. The District is committed to maintaining a workplace free of unlawful harassment and is mindful that District staff regularly attend Board meetings. Discriminatory statements or conduct that would potentially violate the Fair Employment and Housing Act – i.e., statements or conduct that is hostile, intimidating, oppressive, or abusive – is per se disruptive to a meeting and will not be tolerated.

20. Board Member Comments

Any member of the Board, or its staff, on his or her own initiative or in response to questions posed by the public, may: ask a question for clarification, make a brief announcement or report on his or her own activities, provide a reference to staff regarding factual information, request staff to report back at a subsequent meeting concerning any matter or take action to direct staff to place a matter of business on a future agenda. (Gov't Code § 54954.2)

21. Report of the Executive Officer/APCO

22. Chairperson's Report

23. Time and Place of Next Meeting

Wednesday, June 5, 2024, at 10:00 a.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Board of Directors members and members of the public will be able to either join in-person or via webcast.

24. Adjournment

The Board meeting shall be adjourned by the Board Chair.

CONTACT:

MANAGER, EXECUTIVE OPERATIONS
375 BEALE STREET, SAN FRANCISCO, CA 94105
vjohnson@baaqmd.gov

(415) 749-4941
FAX: (415) 928-8560
BAAQMD homepage:
www.baaqmd.gov

- Any writing relating to an open session item on this Agenda that is distributed to all, or a majority of all, members of the body to which this Agenda relates shall be made available at the Air District's offices at 375 Beale Street, Suite 600, San Francisco, CA 94105, at the time such writing is made available to all, or a majority of all, members of that body.

Accessibility and Non-Discrimination Policy

The Bay Area Air Quality Management District (Air District) does not discriminate on the basis of race, national origin, ethnic group identification, ancestry, religion, age, sex, sexual orientation, gender identity, gender expression, color, genetic information, medical condition, or mental or physical disability, or any other attribute or belief protected by law.

It is the Air District's policy to provide fair and equal access to the benefits of a program or activity administered by Air District. The Air District will not tolerate discrimination against any person(s) seeking to participate in, or receive the benefits of, any program or activity offered or conducted by the Air District. Members of the public who believe they or others were unlawfully denied full and equal access to an Air District program or activity may file a discrimination complaint under this policy. This non-discrimination policy also applies to other people or entities affiliated with Air District, including contractors or grantees that the Air District utilizes to provide benefits and services to members of the public.

Auxiliary aids and services including, for example, qualified interpreters and/or listening devices, to individuals who are deaf or hard of hearing, and to other individuals as necessary to ensure effective communication or an equal opportunity to participate fully in the benefits, activities, programs, and services will be provided by the Air District in a timely manner and in such a way as to protect the privacy and independence of the individual. Please contact the Non-Discrimination Coordinator identified below at least three days in advance of a meeting so that arrangements can be made accordingly.

If you believe discrimination has occurred with respect to an Air District program or activity, you may contact the Non-Discrimination Coordinator identified below or visit our website at www.baaqmd.gov/accessibility to learn how and where to file a complaint of discrimination.

Questions regarding this Policy should be directed to the Air District's Non-Discrimination Coordinator, Suma Peesapati, at (415) 749-4967 or by email at spesapati@baaqmd.gov.

**BAY AREA AIR QUALITY MANAGEMENT DISTRICT
375 BEALE STREET, SAN FRANCISCO, CA 94105
FOR QUESTIONS PLEASE CALL (415) 749-4941**

**EXECUTIVE OFFICE:
MONTHLY CALENDAR OF AIR DISTRICT MEETINGS**

MAY 2024

<u>TYPE OF MEETING</u>	<u>DAY</u>	<u>DATE</u>	<u>TIME</u>	<u>ROOM</u>
Board of Directors Budget Hearing	Wednesday	1	9:00 a.m.	1st Floor Board Room
Board of Directors Meeting	Wednesday	1	10:00 a.m.	1st Floor Board Room
Board of Directors Stationary Source Committee	Wednesday	8	10:00 a.m.	1st Floor, Temazcal Room
Board of Directors Community Equity, Health and Justice Committee	Wednesday	8	1:00 p.m.	1st Floor, Temazcal Room
Board of Directors Finance and Administration Committee	Wednesday	15	10:00 a.m.	1st Floor Board Room
Board of Directors Policy, Grants and Technology Committee	Wednesday	15	1:00 p.m.	1st Floor Board Room
Board of Directors Community Advisory Council Meeting	Thursday	16	6:00 p.m.	California State University East Bay Oakland Professional & Conference Center Trans Pacific Center 1000 Broadway, Suite 109 Oakland, CA 94607

MV 4/22/2024 – 6:51 p.m.

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BAY AREA AIR QUALITY MANAGEMENT DISTRICT
Memorandum

To: Chairperson Davina Hurt and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: May 1, 2024

Re: Approval of the Draft Minutes of the Board of Directors Meeting of April 3, 2024

RECOMMENDED ACTION

Approve the Draft Minutes of the Board of Directors Meeting of April 3, 2024.

BACKGROUND

None.

DISCUSSION

Attached for your review and approval are the Draft Minutes of the Board of Directors Meeting of April 3, 2024.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Marcy Hiratzka
Reviewed by: Vanessa Johnson

ATTACHMENTS:

1. Draft Minutes of the Board of Directors Meeting of April 3, 2024

Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105
(415) 749-5073

Board of Directors Regular Meeting
Wednesday, April 3, 2024

DRAFT MINUTES

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

CALL TO ORDER

1. **Opening Comments:** Board of Directors (Board) Chairperson, Davina Hurt, called the meeting to order at 10:01 a.m.

Roll Call:

Present, In-Person (Bay Area Metro Center, 375 Beale Street, 1st Floor Board Room, San Francisco, California, 94105): Chairperson Davina Hurt; Vice Chairperson Lynda Hopkins; and Directors Margaret Abe-Koga, Ken Carlson, Noelia Corzo, Juan González III, Sergio Lopez, Katie Rice, and Shamann Walton.

Present, In-Person Satellite Location: (Palo Alto City Hall, 250 Hamilton Ave., Palo Alto, California, 94301): Directors Ray Mueller and Vicki Veenker.

Present, In-Person Satellite Location: (Office of Santa Clara County Supervisor Otto Lee, 70 W Hedding St, East Wing, 10th Fl., San Jose, California, 95110): Director Otto Lee.

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

Present, In-Person Satellite Location: (Napa County Administration Building, 1195 Third Street, Suite 310, Crystal Conference Room, Napa, California, 94559): Director Joelle Gallagher.

Present, In-Person Satellite Location: (San Ramon City Hall, 7000 Bollinger Canyon Rd., 2nd Floor Community Conference Room, San Ramon, California, 94583): Director David Hudson.

Present, In-Person Satellite Location: (Offices of Husch Blackwell Strategies, 733 10th Street, NW, Suite 900, Washington, DC, 20001): Director John J. Bauters.

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

Absent: Directors David Haubert, Tyrone Jue, and Nate Miley.

2. **PLEDGE OF ALLEGIANCE**

3. **SPECIAL ORDERS OF THE DAY**

Chair Hurt welcomed the following new employees: Evelyn Romero, Assistant Air Quality Specialist II in Compliance & Enforcement; Benjamin Minkowski, Senior Staff Specialist in Finance; and Richard Chien, Advanced Projects Advisor in Planning and Climate Protection. Chair Hurt also announced that Aleah Zapf and Leif Halvorson were promoted to the role of Senior Air Quality Specialist in Compliance & Enforcement.

NOTED PRESENT: Director González was noted present at 10:05 a.m.; Directors Hannigan and Ross were noted present at 10:06 a.m.; and Director Mueller was noted present at 10:13 a.m.

CONSENT CALENDAR (ITEMS 4 – 17)

4. Approval of the Draft Minutes of the Board of Directors Meeting of March 6, 2024
5. Board Communications Received from March 6, 2024 through April 2, 2024
6. Notices of Violations Issued and Settlements in Excess of \$10,000 in the Month of February 2024
7. Quarterly Report of the Executive Office and Division Activities for the Months of October 2023 - December 2023
8. Public Hearing on Transportation Fund for Clean Air (TFCA) Projects Expenditures and Effectiveness for Fiscal Year Ending 2023
9. Authorization to Execute a Contract Amendment with Metropolitan Group, LLC
10. Authorization to Execute a Contract Amendment with Trinity Consultants for BioWatch Maintenance and Operations
11. Authorization to Execute IT Design Services Contracts with ePlus Technology, Inc. and CipherEx, Inc.
12. Report of the Advisory Council Meeting of March 1, 2024
13. Report of the Stationary Source Committee Meeting of March 13, 2024
14. Report of the Community Equity, Health, and Justice Committee Meeting of March 13, 2024
15. Report of the Finance and Administration Committee Meeting of March 20, 2024
16. Report of the Policy, Grants, and Technology Committee Meeting of March 20, 2024
17. Report of the Community Advisory Council Meeting of March 21, 2024

Public Comments

No requests received.

Board Comments

Chair Hurt gave an opportunity for the Board to discuss Item 8 (Public Hearing on Transportation Fund for Clean Air Projects Expenditures and Effectiveness for Fiscal Year Ending 2023), as it involved a public hearing that is legislative in nature. No Board members had comments regarding Item 8.

Board Action

Director González made a motion, seconded by Director Carlson, to **approve** Consent Calendar Items 4 – 17, inclusive; and the motion **carried** by the following vote of the Board:

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

ACTION ITEMS

18. STATE LEGISLATIVE BILLS UPDATE

Alan Abbs, Legislative Officer, gave the staff presentation *State Legislative Bills Update*, including: outcome; outline; requested action; Policy, Grants, and Technology Committee recommendation and recent updates; Assembly Bill (AB) 2958 (Calderon); Senate Bill (SB) 1298 (Cortese); and requested action.

Public Comments

Public comments were given by Tim McRae, Silicon Valley Leadership Group; and Matt Regan, Bay Area Council.

Board Comments

The Board and staff discussed reasons not to oppose the bill, and the Air District’s concerns about the bill; whether the Air District has analyzed environmental impacts of renewable alternatives versus diesel generators, battery production and anticipated demand, whether natural gas is favorable over diesel fuel, and clean energy transition costs; the desire to adopt the position of “Oppose Unless Amended” and what the associated amendments might be; health impacts of emergency backup diesel generators, especially in addition to pre-existing (non-backup) diesel generators; whether an Air District regulation should be developed to prevent diesel fuel usage for this type of application; what outcomes could be anticipated from environmental reviews of backup power sources, without the proposed exemption, and the roles of jurisdictions with land use authority and the California Energy Commission; whether other public agencies given their positions on SB 1298; whether there is an anticipated number of data center projects in the pipeline, or just a general trend expectation regarding the expansion of data center infrastructure; whether there would be enough time for the Board to discuss this issue again in May 2024, given legislative deadlines; and Bay Area geographic distribution of data centers and trends.

NOTED PRESENT: Director Corzo was noted present at 11:00 a.m.

Board Action

Director Gioia made a motion, seconded by Director Young, to **adopt** the position of OPPOSE UNLESS AMENDED for Senate Bill 1298 (Cortese), unless the following amendments noted in the bill text below in **bold** is accepted by the author:

SECTION 1. Section 25541 of the Public Resources Code is amended to read:

25541. The commission may exempt from this chapter ~~thermal~~ both of the following:

(a) Thermal powerplants with a generating capacity of up to 100 megawatts and modifications to existing generating facilities that do not add capacity in excess of 100 megawatts, if the commission finds that no substantial adverse impact on the environment or energy resources will result from the construction or operation of the proposed facility or from the modifications.

*(b) Thermal powerplants, **except for thermal powerplants using diesel generators**, with a generating capacity of up to 200 megawatts that are used solely as emergency backup generating facilities for a data center and that are not interconnected with the electrical transmission grid for purposes of exporting electricity, if the commission finds that no substantial adverse impact on the environment or energy resources will result from the construction or operation of the proposed data center.*

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

- AYES: Abe-Koga, Barnacle, Corzo, Gallagher, Gioia, González, Hannigan, Hopkins, Hurt, Lopez, Rice, Ross, Veenker, Walton, Young.
- NOES: Carlson, Hudson, Mueller.
- ABSTAIN: Bauters, Lee.
- ABSENT: Haubert, Jue, Miley.

Director Carlson made a motion, seconded by Director Gioia, to **adopt** the position of SUPPORT for Assembly Bill 2958 (Calderon); and the motion **carried** by the following vote of the Board:

- AYES: Abe-Koga, Barnacle, Bauters, Carlson, Corzo, Gallagher, Gioia, González, Hannigan, Hopkins, Hudson, Lee, Lopez, Rice, Ross, Veenker, Walton, Young.
- NOES: Mueller.
- ABSTAIN: Hurt.
- ABSENT: Haubert, Jue, Miley.

19. AIR DISTRICT BOARD MEMBER COMPENSATION POLICY DISCUSSION

Mr. Abbs gave the staff presentation *Air District Board Member Compensation Policy Discussion*, including: outcome; outline; requested action; AB 2522 (Carrillo); current statute (Health and Safety Code §40227); Recommended Action #1; Recommended Action #2; and recap of requested action.

Public Comments

No requests received.

Board Comments

The Board and staff discussed the differences between the current compensation structures of the Board members of the South Coast and Bay Area Air Quality Management Districts; whether the term “equity considerations” refers to pay disparity between county supervisors and city councilmembers; whether Board member compensation should be increased while Air District fees are being increased, and given the status of the anticipated 2024 California budget deficit; challenges with the “per day” model; the reason that Air District staff is seeking the Board’s input on the compensation of another air district’s Board; and whether the Board may change the Board member compensation policy in the Air District’s Administrative Code, should the bill be amended to include the Bay Area Air Quality Management District’s Board compensation, and be passed.

Board Action

Director Veenker made a motion, seconded by Director Walton, to do the following:

- a) **Approve** the Air District's participation in AB 2522 (Carrillo), to provide amendments to that bill that would align the Air District's board member compensation provisions in the Health and Safety Code with the bill's proposed amendments to the South Coast Air Quality Management District's board member compensation provisions.
- b) **Direct staff to** initiate a review of the Air District's Administrative Code provisions on Board Member compensation to evaluate equity considerations with respect to how Board members are compensated for their service on the Board of Directors.

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

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

20. UPDATES TO THE AIR DISTRICT'S INCIDENT RESPONSE PROGRAM

Dr. Meredith Bauer, Deputy Executive Officer of Engineering and Compliance, and Dr. Kate Hoag, Assistant Meteorology and Measurement Manager, gave the staff presentation *Updates to the Air District's Incident Response Program and Recommended Action to Fund Enhanced Monitoring*, including: outcome; outline; requested action; Incident Response Program scope; recap of Incident Response Ad Hoc Committee; improving coordination; improving communications; improving air monitoring: new program (Proposed Refinery Corridor Particulate Monitoring Program); additional monitoring measures to prioritize; future directions; and recommended action.

Public Comments

Public comments were given by Sara Theiss, Richmond resident; Jan Warren, Interfaith Climate Action Network of Contra Costa County; Kathy Kerridge, Benecia resident; Marilyn Bardet, Benecia resident; Ken Szutu, Citizen Air Monitoring Network of Vallejo; Heidi Taylor, Healthy Martinez: A Refinery Accountability Group; and Jan Callaghan, Rodeo Citizens Association.

Board Comments

The Board and staff discussed the Board and community's desire for more adequate incident monitoring; fenceline communities' appreciation for this program, and hope that it is effective; appreciation for the Board's Incident Response Ad Hoc Committee for its involvement in this program; and the fact that county warning and notification systems may be better suited to alert the public of incidents than the Air District.

Board Action

Director Gioia made a motion, seconded by Director Hannigan, to **approve** the the Incident Response, Coordination, and Communications Framework and **approve** the proposed Refinery Corridor Particulate Monitoring Program, using funding from budget reserves that were designated for enhanced incident response in the Fiscal Year Ending 2024 Board approved budget; the motion **carried** by the following vote of the Board:

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

OTHER BUSINESS (OUT OF ORDER)

21. PUBLIC COMMENT ON NON-AGENDA MATTERS (ITEM 22)

Public comments were given by Sara Theiss, Richmond resident.

22. BOARD MEMBER COMMENTS (ITEM 23)

Director Hudson requested that the Air District monitor the required electrification of Newport Beach’s Balboa Island Ferry fleet, which has been granted \$7.9 million. The California Air Resource Board (CARB) passed regulations that require the Ferry to renovate all three of its vessels with electric motors by 2026. For the past year, the ferry has applied for multiple sources of funding offered by grant programs through CARB, including the Advanced Technology Demonstration and Pilot Project Program, in order to accomplish electrification goals. The Ferry worked through the South Coast Air Quality Management District (SCAQMD) to submit the application.

Director Bauters announced that he will be departing from the Board, effective April 13, 2024, and he thanked the Board and staff for their work and support since he joined six years ago.

23. REPORT OF THE EXECUTIVE OFFICER / AIR POLLUTION CONTROL OFFICER (APCO) ITEM 24)

Dr. Philip M. Fine, Executive Officer/APCO, announced that Miram Torres, Senior Advanced Projects Advisor in the Executive Office, will be serving as Acting Deputy Executive Officer of Equity and Community Programs until that position is permanently filled (anticipated to occur in June 2024.) He also thanked Marcia Raymond, Assistant Counsel, for having taken on that role for several months, prior to Ms. Torres assuming the role.

24. CHAIRPERSON’S REPORT (ITEM 25)

Chair Hurt made the following announcements:

- On January 22, 2024, San Francisco Mayor London Breed reappointed herself and Tyrone Jue to serve another two-year term on the Air District’s Board, expiring January 22, 2026.

- City of Hayward Mayor, Mark Salinas, will join the Board, effective April 13, 2024, and will attend his first Board meeting on May 1, 2024.
- Young Black Climate Leaders is launching a funding opportunity that supports Black youth as leaders contributing to climate justice and innovation. Applications are available through April 5, 2024 at <https://www.climateinnovation.net/ybcl>
- Chair Hurt attended Acterra’s community-building event, “Promise to Our Planet,” on March 21, centered around a call to action for changemakers who play a part in reaching the positive tipping point in climate change.
- Chair Hurt attended the 3rd Annual California Climate Policy Summit in Sacramento on March 19, as a panelist regarding California Refineries: Obstacles and Challenges to Full Decommissioning.

25. TIME AND PLACE OF NEXT MEETING (ITEM 26)

Wednesday, May 1, 2024, at 10:00 a.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Board of Directors members and members of the public will be able to either join in-person or via webcast.

CLOSED SESSION (12:25 p.m.)

26. CONFERENCE WITH LEGAL COUNSEL RE ANTICIPATED LITIGATION (GOVERNMENT CODE SECTIONS 54956.9(a) AND (d)(2)) (ITEM 21)

Pursuant to Government Code sections 54956.9(a) and (d)(2), the Board of Directors met in Closed Session with Legal Counsel to discuss significant exposure to litigation regarding a claim of Environmental Democracy Project.

Reportable Action: Alexander Crockett, General Counsel, had nothing to report.

OPEN SESSION (12:44 p.m.)

At 12:44 p.m., the Board returned from Closed Session, but the remote teleconferencing location of 7000 Bollinger Canyon Rd., 2nd Floor Community Conference Room, San Ramon, California, 94583 was no longer open to the public, requiring adjournment of the meeting.

27. ADJOURNMENT

The meeting was adjourned at 12:57 p.m.

Marcy Hiratzka
Clerk of the Boards

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Davina Hurt and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: May 1, 2024

Re: Board Communications Received from April 3, 2024 to April 30, 2024

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

None.

DISCUSSION

Copies of communications directed to the Board of Directors received by the Air District from April 3, 2024, through April 30, 2024, if any, will be distributed to the Board Members by way of email.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Michelle Beteta
Reviewed by: Vanessa Johnson

ATTACHMENTS:

None

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Davina Hurt and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: May 1, 2024

Re: Notices of Violations Issued and Settlements in Excess of \$10,000 in the Month of
March 2024

RECOMMENDED ACTION

None; receive and file.

BACKGROUND

None.

DISCUSSION

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

BUDGET CONSIDERATION/FINANCIAL IMPACT

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

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Alexander G. Crockett

ATTACHMENTS:

1. Notices of Violations Issued and Settlements in Excess of \$10,000 in the Month of March 2024

NOTICES OF VIOLATION(S) ISSUED

The following Notice(s) of Violation(s) were issued in March 2024:

Alameda						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
Tesla, Inc.	A1438	Fremont	A63041A	3/7/24	2-6-307	Title V Requirement/Permit Condition Violation
Tesla, Inc.	A1438	Fremont	A63042A	3/7/24	2-6-307	Title V Requirement/Permit Condition Violation
Tesla, Inc.	A1438	Fremont	A63043A	3/7/24	2-6-307	Title V Requirement/Permit Condition Violation
Tesla, Inc.	A1438	Fremont	A63044A	3/7/24	2-6-307	Title V Requirement/Permit Condition Violation
Tesla, Inc.	A1438	Fremont	A63045A	3/14/24	2-6-307	Title V Requirement/Permit Condition Violation
Tesla, Inc.	E2881	Fremont	A63046A	3/21/24	2-1-307	Permit Requirement/Condition Violation
Tesla, Inc.	A1438	Fremont	A63048A	3/27/24	2-6-307	Title V Requirement/Permit Condition Violation
Vasco Road Landfill	A5095	Livermore	A59766A	3/28/24	2-6-307	Title V Requirement/Permit Condition Violation

Contra Costa						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
Chevron Products Company	A0010	Richmond	A56297A	3/21/24	8-8-315	Wastewater Collection and Separation Systems Violation
FTG Construction Materials, Inc	S756109	Antioch	A60764A	3/6/24	2-1-301	No Authority to Construct and No Permit to Operate
FTG Construction Materials, Inc.	S756109	Antioch	A60764B	3/6/24	2-1-302	No Authority to Construct and No Permit to Operate
Future Ford of Concord	C0352	Concord	A60693A	3/5/24	8-7-302.5	Gas Dispensing Facility Violation
Future Ford of Concord	S756447	Concord	A60694A	3/14/24	8-7-301.1	Gas Dispensing Facility Violation
Green Waste Recycle Yard	E4037	Richmond	A62691A	3/18/24	2-1-301	No Authority to Construct and No Permit to Operate
Green Waste Recycle Yard	E4037	Richmond	A62691B	3/18/24	2-1-302	No Authority to Construct and No Permit to Operate
Holland Brooks Builders Inc.	S757219	Concord	A62660A	3/29/24	11-2-401.5	Asbestos Violation
Martinez Refining Company LLC	A0011	Martinez	A58116A	3/27/24	8-5-305.5	Storage Tank Violation
Martinez Refining Company LLC	A0011	Martinez	A63158A	3/18/24	10	Code of Federal Regulation Violation
Oak Grove Shell	C9851	Concord	A60695A	3/19/24	8-7-301.5	Gas Dispensing Facility Violation
Oak Grove Shell	C9851	Concord	A60696A	3/28/24	8-7-301.5	Gas Dispensing Facility Violation
Phillips 66 Company - San Francisco Refinery	A0016	Rodeo	A61539A	3/18/24	2-6-307	Title V Requirement/Permit Condition Violation
Phillips 66 Company - San Francisco Refinery	A0016	Rodeo	A62214A	3/11/24	9-9-301.3	Turbine NOx or CO Violation

Phillips 66 Company - San Francisco Refinery	A0016	Rodeo	A62215A	3/11/24	9-9-301.3	Turbine NOx or CO Violation
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San Francisco						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
San Francisco International Airport	A1784	San Francisco	A62890A	3/12/24	2-6-307	Title V Requirement/Permit Condition Violation

San Mateo						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
Car Max #6080 - Colma	S700446	Colma	A62272A	3/7/24	2-1-307	Permit Requirement/Condition Violation
Cypress Amloc Land Co. Inc.	A1364	Colma	A60962A	3/14/24	8-34-301.1	Landfill Violation
Cyress Lawn Memorial Park	C9040	Colma	A62273A	3/21/24	8-7-301.2	Gas Dispensing Facility Violation

Santa Clara						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
City of Santa Clara	A3464	Santa Clara	A64208A	3/7/24	8-34-301.1	Landfill Violation
F & F Steel & Stairway Inc.	A5149	San Jose	A64209A	3/14/24	2-1-307	Permit Requirement/Condition Violation
Kirby Canyon Recycling and Disposal Facility	A1812	Morgan Hill	A59799A	3/20/24	8-34-301.1	Landfill Violation
Reco Gas and Minimart	C6186	San Jose	A63134A	3/26/24	2-1-307	Permit Requirement/Condition Violation

Spartan Station	C4239	San Jose	A62911A	3/25/24	2-1-307	Permit Requirement/Condition Violation
USA Touch Up Auto Body Inc.	E1834	San Jose	A64210A	3/28/24	2-1-307	Permit Requirement/Condition Violation
USA Touch Up Auto Body Inc.	E1834	San Jose	A64211A	3/28/24	2-1-307	Permit Requirement/Condition Violation

Solano						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
Valero Refining Company - California	B2626	Benicia	A57835A	3/20/24	8-5-304.4	Storage Tank Violation
Valero Refining Company - California	B2626	Benicia	A57836A	3/20/24	8-5-322.5	Storage Tank Violation
Valero Refining Company - California	B2626	Benicia	A57836B	3/20/24	8-5-320.5	Storage Tank Violation
Valero Refining Company - California	B2626	Benicia	A62805A	3/12/24	1-301	Public Nuisance Violation
Valero Refining Company - California	B2626	Benicia	A62806A	3/12/24	1-522.4	Continuous Emissions Monitor Violation

Sonoma						
Site Name	Site #	City	NOV #	Issuance Date	Regulation	Comment
Republic Services of Sonoma County, Inc.	A2254	Petaluma	A62480A	3/6/24	2-6-307	Title V Requirement/Permit Condition Violation

SETTLEMENTS FOR \$10,000 OR MORE REACHED

There were 4 settlements for \$10,000 or more completed in March 2024.

- 1) On March 7, 2024, the Air District reached a settlement with AAK USA Richmond for \$99,535, regarding the allegations contained in the following 5 Notices of Violations:

NOV #	Issuance Date	Occurrence Date	Regulation	Comments from Enforcement
A58799A	3/29/2022	1/1/2020	9-7-307	Boiler Emissions Violation
A58799B	3/29/2022	1/1/2020	9-7-506	Boiler Emissions Violation
A58800A	3/29/2022	1/1/2020	9-7-307	Boiler Emissions Violation
A61732A	7/5/2022	8/24/2021	2-1-307	Permit Requirement/Condition Violation
A61746A	2/16/2023	10/5/2022	2-1-307	Permit Requirement/Condition Violation
A61747A	2/16/2023	10/6/2022	2-1-307	Permit Requirement/Condition Violation

- 2) On March 11, 2024, the District reached settlement with City of Sunnyvale Water Pollution Control for \$30,000, regarding the allegations contained in the following 1 Notice of Violation:

NOV #	Issuance Date	Occurrence Date	Regulation	Comments from Enforcement
A58384A	7/16/2021	1/11/2021	8-34-301.4	Landfill Violation
A58384B	7/16/2021	1/11/2021	2-6-307	Title V Requirement/Condition Violation

- 3) On March 11, 2024, the District reached settlement with Los Gatos Memorial Park for \$30,000, regarding the allegations contained in the following 1 Notice of Violation:

NOV #	Issuance Date	Occurrence Date	Regulation	Comments from Enforcement
A61634A	9/29/2022	12/1/2020	2-1-307	Permit Requirement/Condition Violation

4) On March 15, 2024, the District reached settlement with Contra Costa County for \$15,000, regarding the allegations contained in the following 3 Notices of Violations:

NOV #	Issuance Date	Occurrence Date	Regulation	Comments from Enforcement
A60786A	7/27/2022	7/30/2020	2-1-307	Permit Requirement/Condition Violation
A60787A	7/27/2022	7/31/2020	2-1-307	Permit Requirement/Condition Violation
A60788A	7/27/2022	7/30/2020	2-1-307	Permit Requirement/Condition Violation

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Davina Hurt and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: May 1, 2024

Re: Transportation Fund for Clean Air 40% Fund Expenditure Plans for Fiscal Year
Ending 2025

RECOMMENDED ACTION

1. Approve the proposed allocation of the estimated new Transportation Fund for Clean Air (TFCA) revenue to each of the nine Administering Agencies for Fiscal Year Ending (FYE) 2025 that will be funded by the 40% portion of the TFCA, as listed in Column A of Table 1; and
2. Authorize the Executive Officer/APCO to enter into funding agreements with the Administering Agencies for TFCA revenues that will be paid for by the 40% portion of the TFCA to be programmed in FYE 2025 as listed in Column C of Table 1.

BACKGROUND

In 1991, the California State Legislature authorized the California Department of Motor Vehicles (DMV) to impose a \$4 surcharge on motor vehicles registered within the nine-county Bay Area to fund projects that reduce on-road motor vehicle emissions within the Air District's jurisdiction. The legislative requirements that enable the use of the funds are codified in California Health and Safety Code (HSC) Sections 44241 through 44242.

Forty percent (40%) of new TFCA revenue is passed through to the designated Administering Agency in each of the nine counties within the Air District's jurisdiction based on each county's proportionate share of vehicle registration fees collected. As these are pass-through funds, the county Administering Agencies have discretion over these funds within the bounds set by the TFCA authorizing legislation. The Air District's role is to calculate and pass through the funds, and later to coordinate an audit of funds expended. The Air District awards the remaining sixty percent (60%) to eligible projects and programs it implements directly (e.g., Spare the Air) and to the TFCA Regional Fund program.

Pursuant to HSC Section 44241, Administering Agencies must award TFCA funds to eligible projects within six months of the Air District Board of Directors’ approval of their expenditure plans. Annually, Administering Agencies submit expenditure plans to the Air District specifying the status of their prior-year funding that is available for reprogramming and interest accrued. The Board adopted the policies and cost-effectiveness criteria for expenditure of the TFCA 40% Fund for FYE 2025 on November 1, 2023.

DISCUSSION

The Air District received the proposed expenditure plans from all nine Administering Agencies. Table 1 shows the TFCA monies that are estimated to be available to the Administering Agencies in FYE 2025.

- Column A shows the new revenue projected to accrue from the DMV revenue from each county’s proportionate share of vehicle registration fees.
- Column B shows the reconciliation of the difference between prior-year estimate and actual revenue, and TFCA carry-over funds available for reprogramming as reported by Administering Agencies in their expenditure plans. Carry-over funds include TFCA monies from projects that were recently completed under budget and/or canceled, and any interest earned.
- Column C shows total amount of TFCA funds that are estimated to be available to Administering Agencies in FYE 2025 (sum of values in columns A and B).

	A	B	C
Administering Agency	Estimated New TFCA Revenue	Reconciliation & Reprogrammed TFCA Funds	Estimated Total FYE 2025 TFCA Funds
Alameda County Transportation Commission	\$1,953,500	\$1,251,212	\$3,204,712
Contra Costa Transportation Authority	\$1,555,700	\$285,590	\$1,841,290
Transportation Authority of Marin	\$353,300	\$19,487	\$372,787
Napa Valley Transportation Authority	\$200,700	\$5,466	\$206,166
San Francisco County Transportation Authority	\$708,500	(\$18,276)	\$690,224
San Mateo City/County Association of Governments	\$1,044,800	\$647,681	\$1,692,481

Santa Clara Valley Transportation Authority	\$2,437,700	\$122,613	\$2,560,313
Solano Transportation Authority	\$340,500	(\$11,722)	\$328,778
Sonoma County Transportation Authority	\$631,500	\$33,638	\$665,138
TOTAL	\$9,226,200	\$2,335,689	\$11,561,889

BUDGET CONSIDERATION/FINANCIAL IMPACT

TFCA revenue is generated from DMV registration fees collected and 40% of the TFCA funds are passed through to the Administering Agencies. Administrative costs for the Administering Agencies and the Air District are reimbursed by TFCA program revenue.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Hannah Cha
Reviewed by: Linda Hui, Minda Berbeco, and Karen Schkolnick

ATTACHMENTS:

None.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Davina Hurt and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: May 1, 2024

Re: Selection of Vehicle Buy Back Program Contractors

RECOMMENDED ACTION

The Board of Directors will consider:

1. Approving the selection of Environmental Engineering Studies, Inc. (EES) and Pick-N-Pull Auto Dismantlers (Pick-N-Pull) as the vehicle retirement contractors, and Lineage Connect as the direct mail service contractor for the Vehicle Buy Back Program (VBB); and
2. Authorizing the Executive Officer/APCO to execute contracts for a three-year term (evaluated annually), contingent upon available budgeted funds and contractor’s performance for:
 - a. Vehicle scrapping and related services with EES and Pick-N-Pull, for a combined total cost not to exceed \$11 million per year; and
 - b. Direct mail services with Lineage Connect, for a total cost not to exceed \$200,000 per year.

BACKGROUND

The Vehicle Buy Back (VBB) program is one of the Air District’s most cost-effective incentive programs for reducing air pollution emitted from mobile sources. This voluntary vehicle retirement program works by taking the oldest, most high-polluting vehicles permanently off Bay Area roads. For a vehicle to be eligible for the program, it must meet operability and registration requirements – including a passed smog check – to establish that the vehicle, if not scrapped, could continue to operate, and pollute. By providing vehicle owners with a financial incentive to scrap the vehicle before it would otherwise be retired, the program captures what would have been the remaining life of the vehicle as excess emissions.

Since beginning operation in 1996, the Air District’s VBB program has retired over 95,000 vehicles and reduced over 5,000 tons of reactive organic gas (ROG), over 4,300 tons of nitrogen oxide (NOx), and over 39 tons of particulate matter (PM). Currently, the VBB program offers \$1,200 to Bay Area vehicle owners to scrap their operable, registered model year 1998 or older motor vehicles.

The incentive paid to participants in the VBB program historically has been supported by funding sources including the Carl Moyer Program, Mobile Source Incentive Fund (MSIF), and Transportation Fund for Clean Air (TFCA). Participation rates have fluctuated over the years with a high of approximately 7,000 cars scrapped annually and a more recent low of just over 1,200. In 2012, the program was temporarily paused to not compete with the federal program, Cash for Clunkers. In the past few years, the participation rate has been hampered by limits in the Carl Moyer guidelines that have been used to determine model year eligibility and the amount of money that can be paid as an incentive to participants. Participation also varies by county proportional to the number of cars registered in that county, except San Francisco, Alameda and Santa Clara Counties, which all have slightly higher levels of participation.

To implement the program, the Air District contracts with vehicle dismantlers who conduct outreach, pay eligible participating vehicle owners at the time the vehicle is surrendered, and scrap (crush and recycle) vehicles. The Air District also contracts with a mail house that provides direct mail services to inform potentially eligible vehicle owners about the program. The mail house uses information from the California Department of Motor Vehicles' (DMV) database to contact the owners of older light-duty vehicles that may be eligible for the program. Based on the number of vehicles that are potentially eligible, up to 120,000 letters are mailed out each year. Mailings are conducted bi-monthly, with potentially eligible vehicle owners receiving notice of the program approximately three months prior to the expiration of their DMV registration. In addition, Air District staff also promote the program annually via radio and TV spots and social media ads such as Facebook and LinkedIn.

DISCUSSION

The Air District issued two Requests for Proposals (RFP): a non-competitive RFP on February 9, 2024, seeking vehicle retirement contractors, and a competitive RFP on December 8, 2023, seeking a direct mail service provider. Responses to the RFPs were due to the Air District on March 1, 2024, for the vehicle retirement contractors, and February 6, 2024, for the direct mail services.

Non-Competitive RFP for Vehicle Retirement Contractors

The RFP was sent to over 100 companies from a list of general contacts and to 34 California dismantlers. The RFP was also posted on the Air District's website. The Air District sought to contract with all vendors who met the basic eligibility requirements in order to provide the maximum coverage and opportunities for Bay Area residents to participate in this program. Therefore, this RFP was non-competitive, allowing for all eligible vendors to apply and participate. The Air District received two proposals in response to the RFP: one from Environmental Engineering Studies, Inc. (EES) and the other from Pick-N-Pull. Each of these companies is associated with multiple dismantling yards. Pick-N-Pull has seven dismantling yards in the following Bay Area cities: American Canyon, Fairfield, Newark, Oakland, Richmond, San Jose, Windsor. EES subcontracts with eight independent vehicle dismantlers in the Bay Area with dismantling yards in the following eight cities: East Palo Alto, Pittsburg, Richmond, San Francisco, San Leandro, Santa Clara, San Jose, and Santa Rosa.

A three-person panel of Air District staff was convened to review the responses and evaluate proposals using the seven criteria set forth in the RFP: past experience; resources available to assist prospective participants; geographic distribution of scrapping sites; overhead price; effectiveness of their advertising plan; understanding of the VBB program and responsiveness of the proposal; and whether the dismantler is a local or certified green business. The results of the Air District staff's scoring of the proposals are summarized in Table 1 below.

Table 1 – Scoring of Vehicle Retirement Contractor Proposals

Name	Total (100)	Experience (25)	Resources (25)	Coverage (10)	Price (20)	Advertising (5)	Compre- hension (10)	Local/ Green (5)
Pick-N-Pull	96.3	24	25	10	20	5	9.3	3
EES	85.7	22.3	21.7	9	16	3.7	10	3

EES scored lower primarily due to its higher overhead cost and fewer staff available to devote to the VBB program. Factors contributing to the higher overhead cost are: 1) record low scrap metal prices, 2) increased vehicle processing fees, and 3) fees it pays to its subcontractors (participating dismantling yards).

Both EES and Pick-N-Pull have experience successfully operating and providing dismantler services for the Air District's VBB program. To maximize the number of available locations and geographical distribution of vehicle buy-back sites in the Bay Area, staff recommends the approval of both EES and Pick-N-Pull as contractors for this program.

Direct mail service contractor RFP

Direct mail service for the VBB program involves mailing vehicle owners bi-monthly to inform them of the program in advance of the date their annual smog check is due. The RFP was sent to over 100 companies from a list of general contacts and to 14 direct mail service providers. It was also posted on the Air District website. The Air District received nine proposals in response to the RFP. One proposal was rejected based on their failure to submit their proposal in the required format.

The remaining eight proposals were reviewed and scored by a three-person panel. The panel evaluated the proposals using five criteria set forth in the RFP: expertise to complete the work, past experience, responsiveness of the proposal/approach, cost, and whether the company is a local or certified green business. Evaluation of costs involved a review of quotes for data management, letter and envelope production, and standard mail bulk-rate postage fees.

Lineage Connect’s proposal scored the highest (See Table 2). Although Lineage Connect is located in Kansas City, Missouri, it has the lowest cost, has previously worked with governmental agencies, and has demonstrated expertise and skills to successfully perform this work.

Table 2 – Scoring of Direct Mail Services Proposals

Name	Total* (100)	Expertise (30)	Experience (10)	Approach (10)	Cost (40)	Local/ Green (10)
Lineage Connect	87	27.7	9.3	10	40	0
Direct Mail Center	85.3	30	10	9	31.3	5
KP LLC	85	30	9.3	6.3	29.3	10
Pro Document Solutions	80.7	30	10	7.3	33.3	0
We Mail For You Inc	75.3	25.7	9	8	32.7	0
AFTS	68	19	5	8.7	35.3	0
Doxim	68	30	9.3	7.3	21.3	0
Advantage Mailing LLC	61	23.3	8	8.3	21.3	0

*Totals may vary due to rounding.

Program Enhancements

The VBB program currently offers participants \$1,200 to early-retire their 1998 and older light-duty cars and trucks. This is the maximum amount that is allowed by the Carl Moyer guidelines. On April 3, 2024, the Air District Board of Directors approved a recommendation to set a maximum cost-effectiveness limit of \$50,000/ton of emissions reduced for this program and increase the amount of TFCA funds up to \$11.36 million in FYE 2025. Based on these Board-adopted limits, the incentive amount may be raised to up to \$2,000/per vehicle and pending the Board’s approval of the new contracts with vehicle dismantlers would be effective July 1, 2024.

With this change, staff are anticipating an increase in participation. Staff will also be monitoring the results monthly and evaluating options for expanding the eligible model year to include newer vehicles and for adding motorcycles to the program. Alongside these changes, staff will work to broadcast the program more widely through television, radio, and social media and conventional advertising to increase participation.

Staff will also be working over the coming year with CARB to make updates to the Carl Moyer Guidelines, with the hope of being able to later shift costs back to Carl Moyer and/or MSIF.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The costs associated with the FYE 2025 VBB program in the amount of up to \$11 million for dismantling services by EES and Pick-N-Pull, and up to \$200,000 for mail services by Lineage Connect, are included in the Air District's FYE 2025 budget. Future service costs will be budgeted appropriately in the ordinary course of the Air District's annual budget process.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Jason Newman
Reviewed by: Minda Berbeco and Linda Hui

ATTACHMENTS:

1. Original Executed Contract No. 2020.121: Environmental Engineering Studies, Inc.
2. Contract No. 2020.121 - Amendment 4: Environmental Engineering Studies, Inc.
3. Original Executed Contract No. 2020.120: Pick n Pull Auto Dismantlers
4. Contract No. 2020.120 - Amendment 4: Pick n Pull Auto Dismantlers
5. Original Executed Contract No. 2020.119: Direct Mail Center, Inc.
6. Contract No. 2020.119 - Amendment 3: Direct Mail Center, Inc.
7. Draft Proposed Contract No. 2024.069: Pick n Pull Auto Dismantlers
8. Draft Proposed Contract No. 2024.071: Environmental Engineering Studies, Inc.
9. Draft Proposed Contract No. 2024.074: Lineage Connect

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

PROFESSIONAL SERVICES CONTRACT

CONTRACT NO. 2020.121

1. **PARTIES** – The parties to this Contract (“Contract”) are the Bay Area Air Quality Management District (“DISTRICT”) whose address is 375 Beale Street, Suite 600, San Francisco, CA 94105, and **Environmental Engineering Studies, Inc.** (“CONTRACTOR”) whose address is 310 Via Vera Cruz, Suite 203, San Marcos, CA 92078.

2. **RECITALS**
 - A. DISTRICT is the local agency with primary responsibility for regulating stationary source air pollution in the Bay Area Air Quality Management District in the State of California. DISTRICT is authorized to enter into this Contract under California Health and Safety Code Section 40701. DISTRICT desires to contract with CONTRACTOR for services described in the Scope of Work, attached hereto as Attachment A and made a part hereof by this reference. DISTRICT is entering into this Contract based on CONTRACTOR’s stated qualifications to perform the services.
 - B. CONTRACTOR has been selected as one of two contractors authorized to scrap vehicles under the DISTRICT’s Vehicle Buy Back (VBB) Program beginning fiscal year 2021. The DISTRICT’s Board of Directors has authorized DISTRICT to spend up to \$7 million to scrap vehicles using funds from the Carl Moyer Program, Mobile Source Incentive Fund, and Transportation Fund for Clean Air.
 - C. DISTRICT has not allocated specific amounts separately to each contractor and will expend funds for scrapping as invoices are received under this Contract and under contracts with other authorized VBB contractors.
 - D. All parties to this Contract have had the opportunity to have this contract reviewed by their attorney.

3. **PERFORMANCE REQUIREMENTS**
 - A. CONTRACTOR is authorized to do business in the State of California. CONTRACTOR attests that it is in good tax standing with federal and state tax authorities.
 - B. CONTRACTOR agrees to obtain any and all required licenses, permits, and all other appropriate legal authorizations from all applicable federal, state and local jurisdictions and pay all applicable fees.
 - C. CONTRACTOR shall comply with all laws and regulations that apply to its performance under this Contract, including any requirements to disclose potential conflicts of interest under DISTRICT’s Conflict of Interest Code.
 - D. CONTRACTOR shall not engage in any performance of work during the term of this contract that is in direct or indirect conflict with duties and responsibilities set forth in the Scope of Work.
 - E. CONTRACTOR shall exercise the degree of skill and care customarily required by accepted professional practices and procedures.
 - F. CONTRACTOR shall ensure that any subcontractors, employees and agents performing under this Contract comply with the performance standards set forth in paragraph D

above.

4. TERM – The term of this Contract is from July 1, 2020 to June 30, 2021, unless further extended by amendment of this Contract in writing, or terminated earlier. CONTRACTOR shall not submit any invoice for services performed under this Contract until the Contract is fully executed.

5. TERMINATION

A. The DISTRICT may terminate this Contract at any time, at will, and without specifying any reason, by notifying CONTRACTOR in writing. The notice of termination shall specify the effective date of termination, which shall be no less than thirty (30) calendar days from the date of delivery of the notice of termination, and shall be delivered in accordance with the provisions of section 10 below. Immediately upon receipt of the notice of termination, CONTRACTOR shall cease all work under this Contract, except such work as is specified in the notice of termination. CONTRACTOR shall deliver a final invoice for all remaining work performed but not billed, including any work specified in the termination notice, on or before ten (10) business days following the termination date.

B. Either party may terminate this Contract for breach by the other party.

i) Failure to perform any agreement or obligation contained in this Contract or failure to perform the services in a satisfactory manner shall constitute a breach of the Contract.

ii) The non-breaching party may terminate the Contract by delivery of a written notice of breach. The notice of breach shall specify the date of termination, which shall be no earlier than ten (10) business days from delivery of the notice of breach. In the alternative, at its sole discretion, the non-breaching party may require the breaching party to cure the breach. The notice of breach shall specify the nature of the breach and the date by which such breach must be cured.

iii) If CONTRACTOR fails to perform any obligation under this Contract, DISTRICT at its sole discretion, may perform, or cause the performance, of the obligation itself. In that event, DISTRICT shall deduct the costs to perform such obligation and any other costs to cure the breach from the payment otherwise due to CONTRACTOR for work performed under this Contract. DISTRICT's performance hereunder shall not be deemed a waiver or release of any obligation of, or default by, CONTRACTOR under this Contract.

iv) The notice of breach shall be provided in accordance with the notice requirements set forth in section 10.

v) The non-breaching party reserves all rights under law and equity to enforce this Contract and recover any damages.

6. INSURANCE

A. CONTRACTOR shall maintain the following insurance:

i) Workers' compensation and employers' liability insurance as required by California law or other applicable statutory requirements.

ii) Occurrence-based commercial general liability insurance or equivalent form with a limit of not less than one million dollars (\$1,000,000) each occurrence. Such insurance shall include DISTRICT and its officers, agents, and employees as additional insureds and shall be primary with respect to any insurance maintained by DISTRICT.

iii) Business automobile liability insurance or equivalent form with a limit of not less than

one million dollars (\$1,000,000) each accident. Such insurance shall include coverage for owned, hired, and non-owned vehicles. If CONTRACTOR is a sole proprietor, CONTRACTOR may meet this insurance requirement with personal automobile liability insurance carrying a business use endorsement or by demonstrating to the satisfaction of DISTRICT that business use is covered under the CONTRACTOR's personal automobile liability insurance. A CONTRACTOR using only rental vehicles in performing work under this Contract may meet this insurance requirement by purchasing automobile liability insurance in the required coverage amount from the rental agency.

- B. All insurance shall be placed with insurers acceptable to DISTRICT.
- C. Prior to commencement of work under this Contract, CONTRACTOR shall furnish properly-executed certificates of insurance for all required insurance. Upon request by DISTRICT, CONTRACTOR shall provide a complete copy of any required insurance policy. CONTRACTOR shall notify DISTRICT in writing thirty (30) days prior to cancellation or modification of any required insurance policy. Any such modifications are subject to pre-approval by DISTRICT.
- D. If CONTRACTOR fails to maintain the required insurance coverage set forth above, DISTRICT reserves the right either to purchase such additional insurance and to deduct the cost thereof from any payments owed to CONTRACTOR or to terminate this Contract for breach.

7. INDEMNIFICATION

- A. CONTRACTOR agrees to indemnify, defend, and hold harmless DISTRICT, its officers, employees, agents, representatives, and successors-in-interest against any and all liability, demands, claims, costs, losses, damages, recoveries, settlements, and expenses (including reasonable attorney fees) that DISTRICT, its officers, employees, agents, representatives, and successors-in-interest may incur or be required to pay arising from the death or injury of any person or persons (including employees of CONTRACTOR), or from destruction of or damage to any property or properties, caused by or connected with the performance of this Contract by CONTRACTOR, its employees, subcontractors, or agents.

8. PAYMENT

- A. DISTRICT shall pay CONTRACTOR for services in accordance with the terms set forth in the Cost Schedule, which is attached hereto as Attachment B and incorporated herein by this reference.
- B. CONTRACTOR shall submit invoice(s) to DISTRICT for services performed. Each invoice shall specify the total cost of the services for which the invoice is submitted, shall reference tasks shown in the Scope of Work, the hours associated with same, or percentage completion thereof, and the amount of charge claimed, and, as appropriate, shall list any charges for equipment, material, supplies, travel, and subcontractors' services.
- C. DISTRICT's payment of invoices shall be subject to the following limitations and requirements:
 - i) Each invoice, including supporting documentation, shall be prepared on CONTRACTOR's letterhead; shall list DISTRICT's contract number, the period covered by the invoice, and the CONTRACTOR's Social Security Number or Federal Employer Identification Number; and shall be submitted to: Bay Area Air Quality Management District, 375 Beale Street, Suite 600, San Francisco, CA 94105, Attn: Mae Go, or via e-

mail to mgo@baaqmd.gov.

ii) DISTRICT shall not pay interest, fees, handling charges, or the cost of money on the Contract.

iii) DISTRICT shall pay CONTRACTOR within thirty (30) calendar days after approval by DISTRICT of an itemized invoice.

D. The total amount for which DISTRICT may be held liable for the performance of services specified in this Contract shall not exceed the sum derived by multiplying the number of vehicles scrapped under this Contract by the per vehicle price specified in Attachment B.

9. DISPUTE RESOLUTION – A party that disputes a notice of breach must first seek mediation to resolve the dispute in accordance with the provisions set forth below.

A. Upon receipt of a notice of breach of contract, the party may submit a demand for mediation to resolve whether or not a breach occurred. The party must state the basis of the dispute and deliver the demand within ten (10) business days of the date of receipt of the notice of breach.

B. The mediation shall take place at DISTRICT’s office at 375 Beale Street, Suite 600, San Francisco, or at such other place as may be mutually agreed upon by the parties and the mediator.

C. The parties shall make good faith efforts to hold the mediation within thirty (30) days after receipt of the demand for mediation.

D. Each party shall bear its own mediation costs.

E. In the event the parties are unable to resolve the dispute, either party may file an action in a court of competent jurisdiction to enforce the Contract.

F. Maximum recovery under this section shall be limited to the sum derived by multiplying the number of vehicles scrapped under this Contract by the per vehicle price specified in Attachment B. The mediation costs shall not reduce the maximum amount recoverable under this section.

10. NOTICES – All notices that are required under this Contract shall be provided in the manner set forth herein, unless specified otherwise. Notice to a party shall be delivered to the attention of the person listed below, or to such other person or persons as may hereafter be designated by that party in writing. Notice shall be in writing sent by e-mail, facsimile, or regular first class mail. In the case of e-mail and facsimile communications, valid notice shall be deemed to have been delivered upon sending, provided the sender obtained an electronic confirmation of delivery. E-mail and facsimile communications shall be deemed to have been received on the date of such transmission, provided such date was a business day and delivered prior to 4:00 p.m. PST. Otherwise, receipt of e-mail and facsimile communications shall be deemed to have occurred on the following business day. In the case of regular mail notice, notice shall be deemed to have been delivered on the mailing date and received five (5) business days after the date of mailing.

DISTRICT: Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105
Attn: Damian Breen

CONTRACTOR: Environmental Engineering Studies, Inc.

310 Via Vera Cruz, Suite 203
San Marcos, CA 92078
Attn: Antoine Assioun

11. ADDITIONAL PROVISIONS – All attachment(s) to this Contract are expressly incorporated herein by this reference and made a part hereof as though fully set forth. Future revisions to Appendix A, Vehicle Functional and Equipment Eligibility Inspection Form, Appendix B, Emission-Drive Train Related Parts List, and Appendix C, Quality Control Check List, adopted by the California Air Resources Board under the Voluntary Accelerated Vehicle Retirement regulations, California Code of Regulations, Title 13, Section 2601 et seq., shall supersede the Attachments C, D, and E in this Contract.
12. EMPLOYEES OF CONTRACTOR
- A. CONTRACTOR shall be responsible for the cost of regular pay to its employees, as well as cost of vacation, vacation replacements, sick leave, severance pay, and pay for legal holidays.
 - B. CONTRACTOR, its officers, employees, agents, or representatives shall not be considered employees or agents of DISTRICT, nor shall CONTRACTOR, its officers, employees, agents, or representatives be entitled to or eligible to participate in any benefits, privileges, or plans, given or extended by DISTRICT to its employees.
13. CONFIDENTIALITY – In order to carry out the purposes of this Contract, CONTRACTOR may require access to certain of DISTRICT’s confidential information (including information or data that identifies or describes an individual; trade secrets; inventions; confidential know-how; confidential business information; and other information that DISTRICT considers confidential) (collectively, “Confidential Information”). It is expressly understood and agreed that DISTRICT may designate in a conspicuous manner Confidential Information that CONTRACTOR obtains from DISTRICT, and CONTRACTOR agrees to:
- A. Observe complete confidentiality with respect to such information, including without limitation, agreeing not to disclose or otherwise permit access to such information by any other person or entity in any manner whatsoever, except that such disclosure or access shall be permitted to employees of CONTRACTOR requiring access in fulfillment of the services provided under this Contract.
 - B. Ensure that CONTRACTOR’s officers, employees, agents, representatives, and independent contractors are informed of the confidential nature of such information and to assure by agreement or otherwise that they are prohibited from copying or revealing, for any purpose whatsoever, the contents of such information or any part thereof, or from taking any action otherwise prohibited under this section.
 - C. Not use such information or any part thereof in the performance of services to others or for the benefit of others in any form whatsoever whether gratuitously or for valuable consideration, except as permitted under this Contract.
 - D. Notify DISTRICT promptly and in writing of the circumstances surrounding any possession, use, or knowledge of such information or any part thereof by any person or entity other than those authorized by this section. Take at CONTRACTOR’s expense, but at DISTRICT’s option and in any event under DISTRICT’s control, any legal action necessary to prevent unauthorized use of such information by any third party or entity which has gained access to such information at least in part due to the fault of CONTRACTOR.

- E. Take any and all other actions necessary or desirable to assure such continued confidentiality and protection of such information during the term of this Contract and following expiration or termination of the Contract.
- F. Prevent access to such materials by a person or entity not authorized under this Contract.
- G. Establish specific procedures in order to fulfill the obligations of this section.

14. INTELLECTUAL PROPERTY RIGHTS – Title and full ownership rights to all intellectual property developed under this Contract shall at all times remain with DISTRICT, unless otherwise agreed to in writing.

15. PUBLICATION

- A. DISTRICT shall approve in writing any report or other document prepared by CONTRACTOR in connection with performance under this Contract prior to dissemination or publication of such report or document to a third party. DISTRICT may waive in writing its requirement for prior approval.
- B. Until approved by DISTRICT, any report or other document prepared by CONTRACTOR shall include on each page a conspicuous header, footer, or watermark stating “DRAFT – Not Reviewed or Approved by BAAQMD,” unless DISTRICT has waived its requirement for prior approval pursuant to paragraph A of this section.
- C. Information, data, documents, or reports developed by CONTRACTOR for DISTRICT, pursuant to this Contract, shall be part of DISTRICT’s public record, unless otherwise indicated. CONTRACTOR may use or publish, at its own expense, such information, provided DISTRICT approves use of such information in advance. The following acknowledgment of support and disclaimer must appear in each publication of materials, whether copyrighted or not, based upon or developed under this Contract.

“This report was prepared as a result of work sponsored, paid for, in whole or in part, by the Bay Area Air Quality Management District (District). The opinions, findings, conclusions, and recommendations are those of the author and do not necessarily represent the views of the District. The District, its officers, employees, contractors, and subcontractors make no warranty, expressed or implied, and assume no legal liability for the information in this report.”

- D. CONTRACTOR shall inform its officers, employees, and subcontractors involved in the performance of this Contract of the restrictions contained herein and shall require compliance with the above.

16. NON-DISCRIMINATION – In the performance of this Contract, CONTRACTOR shall not discriminate in its recruitment, hiring, promotion, demotion, and termination practices on the basis of race, religious creed, color, national origin, ancestry, sex, age, marital status, sexual orientation, medical condition, or physical or mental disability and shall comply with the provisions of the California Fair Employment & Housing Act (Government Code Section 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, Executive Order No. 11246 (30 Federal Register 12319), and all administrative rules and regulations issued pursuant to said Acts and Order. CONTRACTOR shall also require each subcontractor performing work in connection with this Contract to comply with this section and shall include in each contract with such subcontractor provisions to accomplish the

requirements of this section.

17. PROPERTY AND SECURITY – Without limiting CONTRACTOR’S obligations with regard to security, CONTRACTOR shall comply with all the rules and regulations established by DISTRICT for access to and activity in and around DISTRICT’s premises.
18. ASSIGNMENT – No party shall assign, sell, license, or otherwise transfer any rights or obligations under this Contract to a third party without the prior written consent of the other party, and any attempt to do so shall be void upon inception.
19. WAIVER – No waiver of a breach, of failure of any condition, or of any right or remedy contained in or granted by the provisions of this Contract shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies. Further, the failure of a party to enforce performance by the other party of any term, covenant, or condition of this Contract, and the failure of a party to exercise any rights or remedies hereunder, shall not be deemed a waiver or relinquishment by that party to enforce future performance of any such terms, covenants, or conditions, or to exercise any future rights or remedies.
20. ATTORNEYS’ FEES – In the event any action is filed in connection with the enforcement or interpretation of this Contract, each party shall bear its own attorneys’ fees and costs.
21. FORCE MAJEURE – Neither DISTRICT nor CONTRACTOR shall be liable for or deemed to be in default for any delay or failure in performance under this Contract or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, judicial orders, governmental controls, regulations or restrictions, inability to obtain labor or materials or reasonable substitutes for labor or materials necessary for performance of the services, or other causes, except financial, that are beyond the reasonable control of DISTRICT or CONTRACTOR, for a period of time equal to the period of such force majeure event, provided that the party failing to perform notifies the other party within fifteen calendar days of discovery of the force majeure event, and provided further that that party takes all reasonable action to mitigate the damages resulting from the failure to perform. Notwithstanding the above, if the cause of the force majeure event is due to party’s own action or inaction, then such cause shall not excuse that party from performance under this Contract.
22. SEVERABILITY – If a court of competent jurisdiction holds any provision of this Contract to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them will not be affected.
23. HEADINGS – Headings on the sections and paragraphs of this Contract are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Contract.
24. COUNTERPARTS/FACSIMILES/SCANS – This Contract may be executed and delivered in any

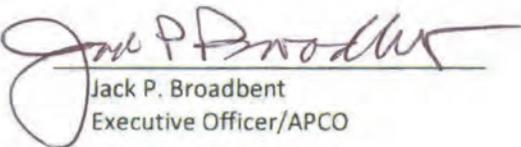
number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same contract. The parties may rely upon a facsimile copy or scanned copy of any party's signature as an original for all purposes.

- 25. GOVERNING LAW – Any dispute that arises under or relates to this Contract shall be governed by California law, excluding any laws that direct the application of another jurisdiction's laws. Venue for resolution of any dispute that arises under or relates to this Contract, including mediation, shall be San Francisco, California.
- 26. ENTIRE CONTRACT AND MODIFICATION – This Contract represents the final, complete, and exclusive statement of the agreement between the parties related to CONTRACTOR providing services to DISTRICT and supersedes all prior and contemporaneous understandings and agreements of the parties. No party has been induced to enter into this Contract by, nor is any party relying upon, any representation or warranty outside those expressly set forth herein. This Contract may only be amended by mutual agreement of the parties in writing and signed by both parties.
- 27. SURVIVAL OF TERMS – The provisions of sections 7 (Indemnification), 13 (Confidentiality), 14 (Intellectual Property Rights), and 15 (Publication) shall survive the expiration or termination of this Contract.

IN WITNESS WHEREOF, the parties to this Contract have caused this Contract to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

ENVIRONMENTAL ENGINEERING
STUDIES, INC.

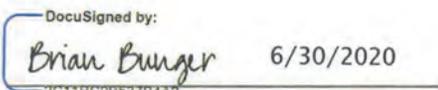
By: 
Jack P. Broadbent
Executive Officer/APCO

By: 
Antoine Assioun
Project Manager

Date: 7/1/20

Date: 6-26-2020

Approved as to form:
District Counsel

By:  6/30/2020
Brian C. Bunger
District Counsel

ATTACHMENT A

SCOPE OF WORK

The Scope of Work outlined in this section complies with the Voluntary Accelerated Light-Duty Vehicle Retirement (VAVR) Regulations adopted by the California Air Resources Board (ARB). Light-duty vehicle retirement projects are subject to the requirements of the Voluntary Accelerated Vehicle Retirement Regulation (VAVR Regulation), Cal. Code Regs., tit. 13, § 2601 et seq. Light and medium-duty vehicle projects funded through Assembly Bill (AB) 923 (2004) are authorized by Health and Safety Code Section 44229 (b)(4). CONTRACTOR's VAVR projects must be in compliance with all the applicable guidelines adopted by ARB. The ARB Carl Moyer Program Guidelines chapter on VAVR constitutes ARB's adopted guidelines for light-duty projects.

CONTRACTOR will solicit, purchase, and scrap eligible vehicles in compliance with the following requirements and procedures, and in compliance with the VAVR Regulations. DISTRICT will not reimburse CONTRACTOR for the purchase of a vehicle, or the overhead costs associated with that purchase, if such vehicle fails to meet the following requirements:

A. Vehicle Eligibility Requirements

1. Participation shall be entirely voluntary for vehicle owners.
2. The vehicle must meet the following criteria:
 - a. 1997 model year or older diesel or gasoline-powered passenger car or light-duty truck up to 10,000 pounds gross vehicle weight or less.
3. The vehicle must be currently registered with the California Department of Motor Vehicles (DMV) as an operating vehicle and must have been registered for at least 24 consecutive months prior to the date of the sale to CONTRACTOR as well as be registered to an address, or addresses, within the DISTRICT's jurisdiction. Smog Checks must be performed as required by DMV in order for the vehicle to be considered registered.
 - a. A vehicle may also be eligible if the owner of the vehicle placed the vehicle into planned non-operational status per Vehicle Code sections 4604 et seq., for up to two months during the 24-month registration period and occurring at least three months immediately prior to its sale to CONTRACTOR.
 - b. A vehicle may also be eligible if the registration has lapsed for a period of less than 181 days during the previous 24 months and all appropriate registration fees and late penalties have been paid to DMV, provided that the vehicle is registered for at least 90 days immediately prior to its sale date to CONTRACTOR.
4. The vehicle shall be driven to the CONTRACTOR's purchase site to be retired under its own power.
5. Vehicles whose emission control systems have been tampered with as defined in Cal Code Regs., tit. 16, § 3340.41.5. are not eligible until such tampering has been completely corrected.
6. The vehicle shall not be operating under a Smog Check repair cost waiver or economic hardship extension, as referenced in Cal Code Regs., tit. 13, § 2603 (a)(4).
7. If a vehicle volunteered for retirement is within 60 days of its next required Smog Check inspection, the vehicle shall pass the inspection without receiving a repair cost waiver or

economic hardship extension prior to acceptance by CONTRACTOR.

8. If a vehicle volunteered for retirement is within 61-90 days of its next required Smog Check inspection, CONTRACTOR shall verify that the vehicle has not failed a Smog Check inspection during this time frame.
9. Owners of vehicles requiring Smog Check inspections pursuant to Cal Code Regs, tit. 13, § 2603(a)(5) shall be required to submit documentation issued by a Bureau of Automotive Repair (BAR) licensed Smog Check technician demonstrating compliance with Section 2603(a)(5) to the person performing the functional and equipment eligibility inspection.

B. Vehicle Functional and Equipment Eligibility Inspection

CONTRACTOR will only scrap vehicles that meet the following requirements. The vehicle function and equipment eligibility inspection must be performed by an ARB-approved inspector and conducted on-site at CONTRACTOR's yard.

1. The vehicle must have been driven to the inspection site under its own power. If CONTRACTOR has knowledge that a vehicle was towed or pushed for any portion of the trip to the inspection site, then CONTRACTOR shall not approve the vehicle for eligibility.
2. The vehicle shall pass functional and equipment eligibility inspections as specified in the VAVR Regulation. The vehicle functional and equipment eligibility inspection form is attached hereto as Attachment C.
3. Upon satisfactory completion of the inspection, CONTRACTOR will issue a certificate of functional and equipment eligibility.
4. Vehicles failing the requirements pursuant to Sections B.1 and B.3 may be retested by CONTRACTOR for compliance with these requirements and issued a certificate of functional and equipment eligibility provided the vehicle has traveled a minimum of 50 miles subsequent to the failure determination. Vehicles with inoperable vehicle odometers must have the odometer fixed prior to conducting this test. Vehicles failing the requirements pursuant to Section B.2 may be retested by CONTRACTOR for compliance with these requirements and issued a certificate of functional and equipment eligibility at any time after modifications have been made to the vehicle.

C. Offering Vehicles/Parts to the Public

1. There is a minimum waiting period of ten (10) days between the day CONTRACTOR provides a description of a vehicle to the DISTRICT and the day a DMV Registration 42 form (Notice to Dismantler) is transmitted to the DMV for the vehicle. During the 10-day waiting period, with the vehicle owner's permission, CONTRACTOR will submit to the DISTRICT a description of the vehicle in accordance with Section C.1(a) below, and the date when the vehicle is scheduled to be delivered for final sale to the VBB Program. During the 10-day waiting period, if any person contacts CONTRACTOR and indicates an interest in purchasing the vehicle, CONTRACTOR shall hold the vehicle for a minimum of an additional seven (7) days. During this extended 7-day waiting period, CONTRACTOR shall arrange for the interested party to examine the vehicle and, if appropriate, negotiate the sale of the vehicle or any of its parts. Notwithstanding the foregoing, **nothing in this section places CONTRACTOR under any obligation to hold the vehicle for an interested party that has missed two or more prior appointments to examine any vehicle, or to sell the vehicle or any of its parts if a mutually acceptable price cannot be negotiated.**
 - a. CONTRACTOR will submit to the DISTRICT, on a weekly basis, a description of the vehicles offered for sale into the VBB Program as described in Section C.1(a)(i). The

DISTRICT will, in turn, make this information available to an appropriate segment of the public. The intent is to allow interested third parties, including car collector enthusiasts and those interested in affordable transportation, an opportunity to examine the vehicle and to negotiate with CONTRACTOR to purchase the vehicle or any of its parts according to Section E, before it is otherwise sold to the VBB Program, should the vehicle be delivered as scheduled.

- i. The description of the vehicle must include, at a minimum, the vehicle make, model, model year, and first eight characters of the Vehicle Identification Number (VIN). In addition, the description of the vehicle must include, date vehicle owner contacted CONTRACTOR, date vehicle is expected to be purchased, date the vehicle will be dismantled, and location the vehicle will be stored. No information identifying the owner will be permitted. When the DISTRICT makes this information available to the public, the DISTRICT will emphasize that while a vehicle is scheduled for delivery, there is no guarantee that the vehicle will actually be delivered.
 - ii. The vehicle owner is free to accept or reject any resulting contact or purchase offer and shall be informed by CONTRACTOR explicitly and prominently of such right.
 - iii. Nothing in this section places CONTRACTOR under any obligation to provide space or facilities for such third-party contacts, inspections, or negotiations to take place.
2. Entire vehicles and/or parts may be sold prior to entry into the VBB Program; however, no compensation with VBB Program funds shall be granted for any vehicle resold to the public in this manner according to Section E.

D. Vehicle Buy Back Program Contractor Requirements

1. CONTRACTOR must either be an auto dismantler, licensed according to the requirements of the California Vehicle Code, other business codes, and the regulations of the DMV, for the purpose of vehicle disposal after purchase, or have a binding agreement with a duly authorized auto dismantler, for the purpose of vehicle disposal after purchase.
2. At least thirty (30) days prior to commencing operations as a VBB Program contractor, CONTRACTOR shall provide the DISTRICT, in writing, information demonstrating the ability to comply with all provisions of the VAVR Regulations. This information must include CONTRACTOR's name and business address; licensed auto dismantler name and business address; anticipated initiation date and duration of vehicle retirement operation; a written statement from the auto dismantler (for each program location) under penalty of perjury certifying compliance with local air quality regulations, water conservation regulations, state, county, and city energy and hazardous materials response regulations, and local water agency soil, surface, and ground water contamination regulations; and any other information requested in applicable DISTRICT rules.
3. CONTRACTOR is required to perform the vehicle functional and equipment eligibility inspection specified in Section B on-site at CONTRACTOR's locations.
4. CONTRACTOR shall verify that the vehicle meets the vehicle registration eligibility and functional test requirements. The vehicle registration eligibility will be determined by DMV registration records.
5. At time of final sale of a vehicle to CONTRACTOR, CONTRACTOR must verify that the person

delivering the vehicle for sale is the legal owner or an authorized representative of the legal owner, properly empowered to complete the sale.

6. A vehicle purchased as part of the VBB Program must be permanently destroyed by CONTRACTOR, or CONTRACTOR's duly contracted dismantler, within ninety (90) days of the date it is sold to CONTRACTOR, and may not be resold to the public or put into operation in any way, except such a vehicle may be briefly operated for purposes related to the disposal of the vehicle as part of the normal disposal procedures.
7. The vehicle will be considered destroyed when it has been crushed or shredded or otherwise rendered permanently and irreversibly incapable of functioning as originally intended, and when all appropriate records maintained by the DMV have been updated to reflect that the vehicle has been acquired by a licensed auto dismantler for the purposes of dismantling.
8. All vehicles must be confined in a holding area separate from other vehicles procured by CONTRACTOR until they are permanently destroyed.
9. All activities associated with retiring vehicles, including, but not limited to, the disposal of vehicle fluids and vehicle components, must comply with all applicable laws and regulations including, but not limited to, local water conservation regulations, state, county, and city energy and hazardous materials response regulations, and local water agency soil, surface, and ground water contamination regulations.
10. CONTRACTOR will purchase eligible vehicles at a price established by the contract between CONTRACTOR and DISTRICT.
11. CONTRACTOR will distribute a DISTRICT-designed questionnaire to all vehicle sellers, obtain the seller's completed questionnaire, and provide response data onto an electronic spreadsheet form to DISTRICT.
12. CONTRACTOR must cooperate with any inspections of the facilities, and review of the CONTRACTOR's operation of the VBB program as requested by the DISTRICT or ARB. These inspections can include audits of the required program documentation, and financial records.
13. CONTRACTOR shall be responsible for training its staff at each of its participating VBB program locations to ensure that staff demonstrate knowledge of the VBB program in order to effectively and efficiently complete all steps needed to process VBB purchases.

E. Parts Recycling and Resale

1. On vehicles used for parts recycling and resale, parts recycling and resale is limited to non-emission-related and non-drivetrain parts per the List of Emission-Drivetrain Related Parts List, attached hereto as Attachment D. Parts recycling and resale is at the sole discretion of CONTRACTOR, subject to the limitations included herein.
2. After the 10-day waiting period (and the additional 7-day waiting period if an appointment for inspection is made) and prior to offering non-emission and non-drivetrain parts for resale, the engine, emission-related parts, transmission, and drivetrain parts must be removed from the vehicle and destroyed by CONTRACTOR.
 - a. For the purpose of this regulation, a part will be considered destroyed when it has been punched, crushed, shredded, or otherwise rendered permanently and irreversibly incapable of functioning as originally intended.
 - b. A "Quality Control Checklist" with a list of emission-related and drivetrain parts that has check boxes for recording the status of parts, i.e., "removed" and "destroyed" is attached hereto as Attachment E.
 - i. CONTRACTOR must complete the checklist by adding check marks in the appropriate columns as the emission-related and drivetrain parts are

- removed and destroyed.
 - ii. For a part that appears on the checklist but is not in the original design of the vehicle, CONTRACTOR must enter "N/A" for "not applicable" in lieu of a check mark.
 - c. After all emission-related and drivetrain parts are removed and destroyed, a quality control inspector (designated by DISTRICT) must perform an inspection of the non-emission-related and non-drivetrain parts, as well as the vehicle body.
 - d. Upon verification by the quality control inspector that no emission-related parts or drivetrain parts have been exchanged with the non-emission-related, and non-drivetrain parts, the quality control inspector must sign the checklist.
 - e. After the quality control inspector signs the check list, CONTRACTOR may place the remaining non-emission parts, non-drivetrain parts and vehicle body in the yard to be available for sale to the public.
3. If CONTRACTOR does not recover parts from a vehicle, the entire vehicle must be crushed by CONTRACTOR within ninety (90) days of sale to the VBB Program.
- a. No parts may be removed, for sale or reuse, from any crushed retired vehicle that has been sold to the VBB Program. The only allowable use for any crushed retired vehicle is as a source of scrap metal and other scrap material.
 - b. CONTRACTOR may separate ferrous and non-ferrous metals from a crushed retired vehicle to sell as a source of scrap metal only.
 - c. CONTRACTOR may sell tires and batteries from a crushed retired vehicle to an intermediary tire/battery recycler only. All facilities generating or receiving waste tires must use the services of a registered tire hauler/recycler. Battery recyclers must be registered and licensed to handle batteries.
4. No compensation with VBB Program funds shall be granted for any vehicle from which emission related or drivetrain parts have been sold.
5. All activities associated with retiring vehicles for the VBB Program, including but not limited to the disposal of vehicle fluids and vehicle components, shall comply with all applicable laws and regulations including, but not limited to, local water conservation regulations, state, county, and city energy and hazardous materials response regulations, and local water agency soil, surface, and ground water contamination regulations.
6. CONTRACTOR will be subject to audits performed by the DISTRICT and its representatives.

F. Advertising

- 1. CONTRACTOR is encouraged to advertise for or otherwise attract voluntary sellers of vehicles meeting the eligibility requirements specified above. CONTRACTOR will submit to DISTRICT for approval a plan for implementing the advertising campaign within thirty (30) days of signing this contract. The DISTRICT will audit CONTRACTOR at the completion of the contract to verify that CONTRACTOR implemented the advertising campaign as specified in the contract.
- 2. CONTRACTOR will use the DISTRICT's approved logo on any printed material for public distribution. All uses of the DISTRICT's logo must be pre-approved for use by DISTRICT staff.
- 3. CONTRACTOR will credit the DISTRICT as the funding source for the scrapping program in any related articles, news releases, or other publicity materials. All advertising materials, information packages, and any other materials provided to media, to the public, or to vehicle sellers require prior approval by DISTRICT.
- 4. Any advertising conducted by CONTRACTOR for the purpose of recruiting vehicle owners to

sell their vehicles into the VBB Program shall contain clear and prominent language stating that participation in the VBB Program is completely voluntary; and shall not contain any language stating or implying that the VBB Program is anything but voluntary for the vehicle seller or that the VBB Program is affiliated with or is operated by the State of California.

5. Any contracts or agreements between a vehicle seller and CONTRACTOR relating to the sale of a vehicle to the VBB Program shall not contain any language stating that the VBB Program is anything but voluntary for the vehicle seller or that the VBB Program is affiliated with or is operated by the State of California.

G. Records, Auditing, and Enforcement

1. The following requirements for records, auditing, and enforcement shall be met:
 - a. CONTRACTOR shall be responsible for maintaining and storing the following information for each vehicle removed from operation for the VBB Program:
 - i. Vehicle Identification Number (VIN)
 - ii. Vehicle license plate number
 - iii. Vehicle make and model year
 - iv. Vehicle odometer reading
 - v. Name, address and phone number of legal owner selling vehicle to the contractor
 - vi. Name, address and phone number of registered owner if different from Section G.1(a)(v)
 - vii. Name and business address of inspector conducting the vehicle's eligibility inspection, if CONTRACTOR contracts with an ARB-approved inspection entity to perform the vehicle functional and equipment eligibility inspection
 - viii. Date of purchase of vehicle by CONTRACTOR
 - ix. Date of vehicle retirement
 - x. Reproduction of California Certificate of Title and registration, as signed-off by seller at time of final sale to the VBB Program
 - xi. Reproduction of the applicable certificate of functional and equipment eligibility
 - xii. Reproduction of the applicable Report of Vehicle to be Dismantled and Notice of Acquisition (DMV Registration 42 form)
 - xiii. Reproduction of written documentation from the DMV verifying that a vehicle meets the requirements of Section A.3
 - xiv. If applicable, reproduction of documentation issued pursuant to Section A.9
 - xv. Any other pertinent data requested by the DISTRICT (e.g. VBB Program survey)
 - b. Upon request of the DISTRICT, the data contained in records required in Section G.1(a)(i) through Section G.1(a)(xv) shall be transmitted to the DISTRICT in an electronic database format, in addition to paper copies. The electronic format will be provided by the DISTRICT.
 - c. CONTRACTOR will maintain copies, either electronic or paper, of the information listed in Section G.1(a)(i) through Section G.1(a)(xv) for a minimum period of five (5) years, and shall make those records available to DISTRICT upon request within 30 days.
 - d. The DISTRICT may conduct announced and unannounced audits and on-site inspections of the CONTRACTOR's operations to ensure operations are being

conducted according to all applicable rules and regulations. DISTRICT shall notify any noncompliant contractor of the nature of the violation and shall initiate any enforcement or remedial action necessary.

- i. CONTRACTOR and their subcontractors shall allow DISTRICT to conduct announced and unannounced audits and inspections and shall cooperate fully in such situations.
 - ii. Violation of any provision of any applicable regulation, including falsification of any information or data, shall constitute a citable violation making the violator subject to all applicable penalties specified in the California Health and Safety Code. In addition, violation of any provision of §2603 of the VAVR Regulation, 13 Cal. Code Regs., tit. 13, by CONTRACTOR or its subcontractors may result in the issuance of a Notice of Violation(s).
2. CONTRACTOR will handle all DMV paperwork associated with the purchase, dismantling, and scrapping of vehicles.
3. CONTRACTOR will provide to DISTRICT, on a weekly basis, a description of the vehicles offered for sale into the VBB Program. The description of the vehicle must include the date vehicle owner contacted the VBB program, date the vehicle will be dismantled, vehicle make, vehicle model, model year, the first eight characters of the VIN, name of dismantler, location of dismantling facility, and dismantler's phone number. No information identifying the owner will be permitted.
4. CONTRACTOR will provide monthly invoice reports to the DISTRICT on the status of the scrapping program. The reports shall be printed on CONTRACTOR's letterhead, shall list the contract number, the period covered by the invoice, CONTRACTOR's Social Security Number or Federal Employer Identification Number, and include the monthly and cumulative number of vehicles purchased.

ATTACHMENT B

COST SCHEDULE

- A. Per Vehicle Payment.** DISTRICT will pay CONTRACTOR an amount of **\$1,300** per vehicle scrapped, up to a total maximum amount of \$7 million under the VBB Program.

- B. Price Breakdown.** The rate above is based on reimbursing CONTRACTOR for the \$1,200.00 purchase price of each vehicle, plus \$100 for overhead for the VBB Program.

ATTACHMENT C



VEHICLE FUNCTIONAL AND EQUIPMENT ELIGIBILITY INSPECTION FORM

Legal Owner: _____ Phone Number: _____
 Address: _____ City: _____ Zip: _____
 VIN: _____ License Plate Number: _____
 Make: _____ Model: _____
 Model Year: _____ Odometer Reading: _____

A. VEHICLE QUALIFICATION (* Vehicle is not qualified for the VAVR program.)

- Vehicle within 61-90 days of next scheduled Smog Check: yes no 2602(c)
- If yes, vehicle failed next scheduled Smog Check: yes* no
- Vehicle registered in District for at least 24 months: yes no* 2603(a)(2)
- Vehicle on BAR repair cost waiver yes* no 2603(a)(4)
- Vehicle on BAR economic hardship extension yes* no 2603(a)(4)
- Vehicle within 60 days of next scheduled Smog Check: yes no 2603(a)(5)
- If yes, vehicle passed next scheduled Smog Check: yes no*
- The vehicle has been tampered with: yes* no 2603(a)(7)
- The vehicle has been driven to the inspection site yes no* 2603(b)(1)

EQUIPMENT ELIGIBILITY

The following shall be present and in place: 2603(b)(2)

- | | | | |
|--|---|--------------------------------|---|
| All doors | <input type="checkbox"/> yes <input type="checkbox"/> no* | Hood | <input type="checkbox"/> yes <input type="checkbox"/> no* |
| Dashboard | <input type="checkbox"/> yes <input type="checkbox"/> no* | Driver's seat | <input type="checkbox"/> yes <input type="checkbox"/> no* |
| One bumper | <input type="checkbox"/> yes <input type="checkbox"/> no* | All side and/or quarter panels | <input type="checkbox"/> yes <input type="checkbox"/> no* |
| Exhaust system | <input type="checkbox"/> yes <input type="checkbox"/> no* | One headlight | <input type="checkbox"/> yes <input type="checkbox"/> no* |
| One taillight | <input type="checkbox"/> yes <input type="checkbox"/> no* | One brake light | <input type="checkbox"/> yes <input type="checkbox"/> no* |
| One side window | <input type="checkbox"/> yes <input type="checkbox"/> no* | Interior pedals operational | <input type="checkbox"/> yes <input type="checkbox"/> no* |
| Windshield | <input type="checkbox"/> yes <input type="checkbox"/> no* | | |
| Drivability affected by body, steering, or suspension damage | <input type="checkbox"/> yes* <input type="checkbox"/> no | | |

FUNCTIONAL ELIGIBILITY

The following shall be completed: 2603(b)(3)

- Vehicle starts using keyed ignition yes no*
- Vehicle starts without the use of starting fluids or external battery yes no*
- Vehicle driven forward for a minimum of 25 feet yes no*
- Vehicle driven in reverse for a minimum of 25 feet yes no*

* Vehicle is not eligible for the VAVR program.

INSPECTOR CERTIFICATION: (Check correct boxes.) I certify that this vehicle has (passed not passed) both the functional and equipment eligibility inspections and (is is not) eligible for acceptance into the VAVR program pursuant to California Code of Regulations, Title 13, Sections 2602 and 2603.

Printed Name: _____ Date: _____

Signed: _____

The following should be completed if the vehicle is eligible for acceptance into a VAVR program.

OWNER ACCEPTANCE: I accept receipt of this CERTIFICATION of eligibility into the VAVR program. I agree not to alter the vehicle's equipment or functionality from that presented to the inspector. I agree to maintain the vehicle's condition and registration until the vehicle is retired. In accordance with Title 13, CCR, Chapter 13, Article 1, Section 2605, the vehicle will be listed and available for interested parties to purchase from the dismantler for a minimum of 10 days. If the vehicle is purchased by a third party it will not be included in the VAVR program.

Printed Name: _____ Date: _____

Signed: _____ Driver's License #: _____

ATTACHMENT D

EMISSION-DRIVETRAIN RELATED PARTS LIST

The following list of components are examples of emission related parts as shown in California Code of Regulations Title 13, Division 3, Chapter 13, Article 1, Appendix B.

I. Carburetion and Air Induction System

A. Air Induction System:

1. Temperature sensor elements
2. Vacuum motor for air control
3. Hot air duct & stove
4. Air filter housing & element
5. Turbocharger or supercharger
6. Intercooler

B. Emission Calibrated Carburetors:

1. Metering jets
2. Metering rods
3. Needle and seat
4. Power valve
5. Float circuit
6. Vacuum break
7. Choke mechanism
8. Throttle-control solenoid
9. Deceleration valve
10. Dashpot
11. Idle stop solenoid, anti-dieseling assembly
12. Accelerating pump
13. Altitude compensator

C. Mechanical Fuel Injection:

1. Pressure regulator
2. Fuel injection pump
3. Fuel injector
4. Throttle-position compensator
5. Engine speed compensator
6. Engine temperature compensator
7. Altitude cut-off valve
8. Deceleration cut-off valve
9. Cold-start valve

D. Continuous Fuel Injection:

1. Fuel pump
2. Pressure accumulator
3. Fuel filter
4. Fuel distributor
5. Fuel injections
6. Air-flow sensor
7. Throttle-position compensator
8. Warm-running compensator
9. Pneumatic overrun compensator
10. Cold-start valve

E. Electronic Fuel Injection:

1. Pressure regulator
2. Fuel distribution manifold

- 3. Fuel injectors
- 4. Electronic control unit
- 5. Engine speed sensor
- 6. Engine temperature sensor
- 7. Throttle-position sensor
- 8. Altitude/manifold-pressure sensor
- 9. Cold-start valve
- F. Air Fuel Ratio Control:
 - 1. Frequency valve
 - 2. Oxygen sensor
 - 3. Electronic control unit
- G. Intake Manifold

II. Ignition System

- A. Distributor;
 - 1. Cam
 - 2. Points
 - 3. Rotor
 - 4. Condenser
 - 5. Distributor cap
 - 6. Breaker plate
 - 7. Electronic components (breakerless or electronic system)
- B. Spark Advance/Retard System:
 - 1. Centrifugal advance mechanism:
 - a. Weights
 - b. Springs
 - 2. Vacuum advance unit
 - 3. Transmission controlled spark system:
 - a. Vacuum solenoid
 - b. Transmission switch
 - c. Temperature switches
 - d. Time delay
 - e. CEC valve
 - f. Reversing relay
 - 4. Electronic spark control system:
 - a. Computer circuitry
 - b. Speed sensor
 - c. Temperature switches
 - d. Vacuum switching valve
 - 5. Orifice spark advance control system:
 - a. Vacuum bypass valve
 - b. OSAC (orifice spark advance control) valve
 - c. Temperature control switch
 - d. Distributor vacuum control valve
 - 6. Speed controlled spark system:
 - a. Vacuum solenoid
 - b. Speed sensor and control switch
 - c. Thermal vacuum switch
- C. Spark Plugs
- D. Ignition Coil
- E. Ignition Wires

III. Mechanical Components

- A. Valve trains:
 - 1. Intake valves
 - 2. Exhaust valves
 - 3. Valve guides
 - 4. Valve springs
 - 5. Valve seats
 - 6. Camshaft
- B. Combustion Chamber:
 - 1. Cylinder head or rotor housing¹
 - 2. Piston or rotor¹

IV. Evaporative Control System

- A. Vapor Storage Canister and Filter
- B. Vapor Liquid Separator
- C. Filler Cap
- D. Fuel Tank
- E. Canister Purge Valve

V. Positive Crankcase Ventilation System

- A. PCV Valve
- B. Oil Filler Cap
- C. Manifold PCV Connection Assembly

VI. Exhaust Gas Recirculation System

- A. EGR Valve:
 - 1. Valve body and carburetor spacer
 - 2. Internal passages and exhaust gas orifice
- B. Driving Mode Sensors:
 - 1. Speed sensor
 - 2. Solenoid vacuum valve
 - 3. Electronic amplifier
 - 4. Temperature-controlled vacuum valve
 - 5. Vacuum reducing valve
 - 6. EGR coolant override valve
 - 7. Backpressure transducer
 - 8. Vacuum amplifier
 - 9. Delay valves

VII. Air Injection System

- A. Air Supply Assembly:
 - 1. Pump
 - 2. Pressure relief valve
 - 3. Pressure-setting plug
 - 4. Pulsed air system
- B. Distribution Assembly:
 - 1. Diverter, relief, bypass, or gulp valve
 - 2. Check or anti-backfire valve
 - 3. Deceleration control part
 - 4. Flow control valve
 - 5. Distribution manifold
 - 6. Air switching valve

¹ Rotary (Wankel) engines only

- C. Temperature sensor

VIII. Catalyst, Thermal Reactor, and Exhaust System

A. Catalytic Converter:

1. Constricted fuel filler neck
2. Catalyst beads (pellet-type converter)
3. Ceramic support and monolith coating (monolith-type converter)
4. Converter body and internal supports
5. Exhaust manifold

B. Thermal Reactor:

1. Reactor casing and lining
2. Exhaust manifold and exhaust port liner

C. Exhaust System:

1. Manifold
2. Exhaust port liners
3. Double walled portion of exhaust system
4. Heat riser valve and control assembly

IX. Miscellaneous Items Used in Above Systems

1. Hoses, clamps, and pipers
2. Pulleys, belts, and idlers

X. Computer Controls

1. Electronic Control Unit (ECU)
2. Computer-coded engine operating parameter (including computer chips)
3. All sensors and actuators associated with the ECU

XI. Drive Train Parts (added to Emission-Related Parts List

1. Engine
2. Drive mechanism
3. Transmission
4. Differential
5. Axles
6. Brakes

ATTACHMENT E

QUALITY CONTROL CHECKLIST

**Emission-Related and Drivetrain Parts
Removal and Destruction - Quality Control Check List**

Date _____
 Dismantler _____
 Address _____
 Quality Control Inspector _____
 Vehicle Make _____
 Vehicle Model _____
 Vehicle Year _____
 Vehicle License Number _____
 Vehicle Odometer Mileage _____

Category	Emission-Related/Drivetrain Part	Part Removed	Part Destroyed
Air Induction System	Temperature sensor elements		
	Vacuum motor for air control		
	Hot air duct & stove		
	Air filter housing & element		
	Turbocharger or supercharger		
	Intercooler		
Emission Calibrated Carburetors	Metering jets		
	Metering rods		
	Needle and seat		
	Power valve		
	Float circuit		
	Vacuum break		
	Choke mechanism		
	Throttle-control solenoid		
	Deceleration valve		
Emission Calibrated Carburetors (continued)	Dashpot		
	Idle stop solenoid, anti-dieseling assembly		
	Accelerating pump		
	Altitude compensator		
Mechanical Fuel Injection:	Pressure regulator		
	Fuel injection pump		
	Fuel injector		
	Throttle-position compensator		
	Engine speed compensator		
	Engine temperature compensator		
	Altitude cut-off valve		
	Deceleration cut-off valve		
	Cold-start valve		
Continuous Fuel Injection:	Fuel pump		
	Pressure accumulator		
	Fuel filter		
	Fuel distributor		
	Fuel injections		
	Air-flow sensor		
	Throttle-position compensator		
	Warm-running compensator		
	Pneumatic overrun compensator		
	Cold-start valve		
Electronic Fuel Injection:	Pressure regulator		
	Fuel distribution manifold		

Category	Emission-Related/Drivetrain Part	Part Removed	Part Destroyed
	Fuel injectors		
	Electronic control unit		
	Engine speed sensor		
	Engine temperature sensor		
	Throttle-position sensor		
	Altitude/manifold-pressure sensor		
Electronic Fuel Injection:	Cold-start valve		
Air Fuel Ratio Control:	Frequency valve		
	Oxygen sensor		
Air Fuel Ratio Control:	Electronic control unit		
Intake Manifold	Intake Manifold Assembly		
Distributor	Cam		
	Points		
	Rotor		
	Condenser		
	Distributor cap		
	Breaker plate		
	Electronic components (breakerless or electronic system)		
Spark Advance/ Retard System	Centrifugal advance mechanism: weights and springs		
	Vacuum advance unit		
	Transmission controlled spark system: vacuum solenoid, transmission switch, temperature switches, time delay, CEC valve, reversing relay		
	Electronic spark control system: computer circuitry, speed sensor, temperature switches, vacuum switching valve		
	Orifice spark advance control system: vacuum bypass valve, orifice spark advance control valve, temperature control switch, distributor vacuum control switch		
Spark Advance/ Retard System (continued)	Speed controlled spark system: vacuum solenoid, speed sensor and control switch, thermal vacuum switch		
Spark Plugs	Spark Plugs		
Ignition Coil	Ignition Coil		
Ignition Wires	Ignition Wires		
Drivetrain	Engine		
	Flywheel		
	Bell Housing		
	Drive Shaft		
	Transmission		
	Differentials		
	Axles		
	Brakes		
Mechanical Components	Intake valves		
	Exhaust valves		
	Valve guides		
	Valve springs		
	Valve seats		
	Camshaft		
	Cylinder head or rotor housing		
	Piston or rotor		
Evaporative Control System	Vapor Storage Canister and Filter		
	Vapor Liquid Separator		

Category	Emission-Related/Drivetrain Part	Part Removed	Part Destroyed
	Filler Cap		
	Fuel Tank		
	Canister Purge Valve		
Positive Crankcase Ventilation System	PCV Valve		
	Oil Filler Cap		
	Manifold PCV Connection Assembly		
Exhaust Gas Recirculation System	EGR Valve: valve body and carburetor spacer,		
	EGR Valve: internal passages and exhaust gas orifice		
Driving Mode Sensors	Speed sensor		
	Solenoid vacuum valve		
	Electronic amplifier		
	Temperature-controlled vacuum valve		
	Vacuum reducing valve		
	EGR coolant override valve		
	Backpressure transducer		
	Vacuum amplifier		
Air Injection System	Delay valves		
	Pump		
	Pressure-relief valve		
	Pressure-setting plug		
	Pulsed air system		
	Diverter		
	Relief, bypass, or gulp valve		
	Check or anti-backfire valve		
	Deceleration control part		
	Flow control valve		
	Distribution manifold		
	Air switching valve		
Catalytic Converter/Thermal Reactor/exhaust	Temperature sensor		
	Constricted fuel filler neck		
	Catalyst beads (pellet-type converter),		
	Ceramic support and monolith coating (monolith-type converter),		
	Converter body and internal supports,		
	Exhaust manifold		
	Reactor casing and lining		
	Exhaust manifold and exhaust port liner		
	Manifold		
	Exhaust port liners		
	Double walled portion of exhaust system		
Miscellaneous Items Used in Above Systems	Heat riser valve and control assembly		
	Hoses, clamps, and pipers		
Computer Controls	Pulleys, belts, and idlers		
	Electronic Control Unit (ECU)		
	Computer-coded engine operating parameter (including computer chips)		
	All sensors and actuators associated with the ECU		

Quality Control Inspector Final Verification All Emission-Related and Drivetrain Parts Removed and Destroyed

Quality Control Inspector Signature: _____
 Date: _____

AMENDMENT NO. 4 TO
BAY AREA AIR QUALITY MANAGEMENT DISTRICT
CONTRACT NO. 2020.121

This amendment to the above-entitled contract (“Contract Amendment”) is dated, for reference purposes only, June 12, 2023, and consists of 4 pages.

RECITALS:

1. The Bay Area Air Quality Management District (“DISTRICT”) and **Environmental Engineering Studies, Inc.** (“CONTRACTOR”) (hereinafter referred to as the “PARTIES”) entered into the above-entitled contract to solicit, purchase, and scrap eligible vehicles in compliance with the California Air Resources Board’s Voluntary Accelerated Light-Duty Vehicle Retirement Enterprises regulations (Cal. Code Regs., tit. 13, §§ 2600 et seq.) (the “Contract”), which Contract was executed on behalf of CONTRACTOR on June 26, 2020, and on behalf of DISTRICT on July 1, 2020.
2. The PARTIES entered into Amendment No. 1 to the Contract, dated April 20, 2021, for reference purposes only, to amend the term of the Contract.
3. The PARTIES entered into Amendment No. 2 to the Contract, dated June 9, 2022, for reference purposes only, to amend the term and Cost Schedule, including the total cost, of the Contract.
4. The PARTIES entered into Amendment No. 3 to the Contract, dated July 6, 2022, for reference purposes only, to amend the Scope of Work of the Contract.
5. DISTRICT entered into the Contract based on approval by DISTRICT’s Board of Directors to spend up to \$7 million per fiscal year to scrap cars using funds from the Carl Moyer Program, Mobile Source Incentive Fund, and Transportation Fund for Clean Air beginning fiscal year 2020-2021. The Board of Directors authorized DISTRICT’s Executive Officer/Air Pollution Control Officer to execute contracts to scrap cars using these funds for the 2020-2021 fiscal year, and also to renew the contracts for up to an additional three years based on contractor performance.
6. DISTRICT entered into Amendment No. 2 based on approval by DISTRICT’s Board of Directors on June 1, 2022 to spend up to an additional \$5 million per fiscal year, for a total of \$12 million per fiscal year, to scrap cars using funds from the Mobile Source Incentive Fund and/or Transportation Fund for Clean Air, beginning fiscal year 2023-2024. The Board of Directors authorized DISTRICT’s Executive Officer/Air Pollution

Control Officer to execute amendments to contracts to scrap cars using these funds for the 2023-2024 fiscal year.

7. DISTRICT seeks to enter into Amendment No. 4 based on prior approval by DISTRICT's Board of Directors on June 1, 2022 to spend \$12 million to scrap cars using funds from the Mobile Source Incentive Fund and/or Transportation Fund for Clean Air, beginning fiscal year 2023-2024.
8. The PARTIES seek to amend the term to the Contract because DISTRICT seeks to have CONTRACTOR continue to provide the services prescribed in the Contract beyond the original termination date, as authorized by DISTRICT's Board of Directors, and CONTRACTOR desires to provide those services.
9. In accordance with Section 26 of the Contract, DISTRICT and CONTRACTOR desire to amend the above-entitled Contract as follows:

TERMS AND CONDITIONS OF CONTRACT AMENDMENT:

1. By this Contract Amendment, DISTRICT and CONTRACTOR amend Section 4, "Term." The term of the Contract shall be extended so that the termination date of the Contract is now July 1, 2024.
2. By this Contract Amendment, DISTRICT and CONTRACTOR replace Attachment B-1, Cost Schedule, with the attached "Attachment B-2, Cost Schedule" and agree that all references in the Contract to Attachment B-1 shall be deemed to refer to Attachment B-2, Cost Schedule.
3. DISTRICT and CONTRACTOR agree that all other terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the PARTIES have caused this Contract Amendment to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

ENVIRONMENTAL ENGINEERING
STUDIES, INC.

By: DocuSigned by:
Philip Fine _____
7314B577922A46A...
Philip M. Fine
Executive Officer/APCO

By:  _____
Antoine Assioun
Project Manager

Date: 6/26/2023

Date: 6-12-23

Approved as to form:
District Counsel

By: DocuSigned by:
Alexander Crockett 6/25/2023
6DC7110552B5451...
Alexander G. Crockett
District Counsel

ATTACHMENT B-2

COST SCHEDULE

- A. Per Vehicle Payment.** DISTRICT will pay CONTRACTOR an amount of \$1,300 per vehicle scrapped, up to a total maximum amount of \$6 million under the Vehicle Buy Back (“VBB”) Program.
- B. Price Breakdown.** The rate above is based on reimbursing CONTRACTOR for the \$1,200.00 purchase price of each vehicle, plus \$100 for overhead for the VBB Program.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

PROFESSIONAL SERVICES CONTRACT

CONTRACT NO. 2020.120

1. PARTIES – The parties to this Contract (“Contract”) are the Bay Area Air Quality Management District (“DISTRICT”) whose address is 375 Beale Street, Suite 600, San Francisco, CA 94105, and **Pick-n-Pull Auto Dismantlers** (“CONTRACTOR”) whose address is 10850 Gold Center Drive, Suite 325, Rancho Cordova, CA 95670.

2. RECITALS
 - A. DISTRICT is the local agency with primary responsibility for regulating stationary source air pollution in the Bay Area Air Quality Management District in the State of California. DISTRICT is authorized to enter into this Contract under California Health and Safety Code Section 40701. DISTRICT desires to contract with CONTRACTOR for services described in the Scope of Work, attached hereto as Attachment A and made a part hereof by this reference. DISTRICT is entering into this Contract based on CONTRACTOR’s stated qualifications to perform the services.
 - B. CONTRACTOR has been selected as one of two contractors authorized to scrap vehicles under the DISTRICT’s Vehicle Buy Back (VBB) Program beginning fiscal year 2021. The DISTRICT’s Board of Directors has authorized DISTRICT to spend up to \$7 million to scrap vehicles using funds from the Carl Moyer Program, Mobile Source Incentive Fund, and Transportation Fund for Clean Air.
 - C. DISTRICT has not allocated specific amounts separately to each contractor and will expend funds for scrapping as invoices are received under this Contract and under contracts with other authorized VBB contractors.
 - D. All parties to this Contract have had the opportunity to have this contract reviewed by their attorney.

3. PERFORMANCE REQUIREMENTS
 - A. CONTRACTOR is authorized to do business in the State of California. CONTRACTOR attests that it is in good tax standing with federal and state tax authorities.
 - B. CONTRACTOR agrees to obtain any and all required licenses, permits, and all other appropriate legal authorizations from all applicable federal, state and local jurisdictions and pay all applicable fees.
 - C. CONTRACTOR shall comply with all laws and regulations that apply to its performance under this Contract, including any requirements to disclose potential conflicts of interest under DISTRICT’s Conflict of Interest Code.
 - D. CONTRACTOR shall not engage in any performance of work during the term of this contract that is in direct or indirect conflict with duties and responsibilities set forth in the Scope of Work.
 - E. CONTRACTOR shall exercise the degree of skill and care customarily required by accepted professional practices and procedures.
 - F. CONTRACTOR shall ensure that any subcontractors, employees and agents performing under this Contract comply with the performance standards set forth in paragraph D

above.

4. TERM – The term of this Contract is from July 1, 2020 to June 30, 2021, unless further extended by amendment of this Contract in writing, or terminated earlier. CONTRACTOR shall not submit any invoice for services performed under this Contract until the Contract is fully executed.
5. TERMINATION
 - A. The DISTRICT may terminate this Contract at any time, at will, and without specifying any reason, by notifying CONTRACTOR in writing. The notice of termination shall specify the effective date of termination, which shall be no less than thirty (30) calendar days from the date of delivery of the notice of termination, and shall be delivered in accordance with the provisions of section 10 below. Immediately upon receipt of the notice of termination, CONTRACTOR shall cease all work under this Contract, except such work as is specified in the notice of termination. CONTRACTOR shall deliver a final invoice for all remaining work performed but not billed, including any work specified in the termination notice, on or before ten (10) business days following the termination date.
 - B. Either party may terminate this Contract for breach by the other party.
 - i) Failure to perform any agreement or obligation contained in this Contract or failure to perform the services in a satisfactory manner shall constitute a breach of the Contract.
 - ii) The non-breaching party may terminate the Contract by delivery of a written notice of breach. The notice of breach shall specify the date of termination, which shall be no earlier than ten (10) business days from delivery of the notice of breach. In the alternative, at its sole discretion, the non-breaching party may require the breaching party to cure the breach. The notice of breach shall specify the nature of the breach and the date by which such breach must be cured.
 - iii) If CONTRACTOR fails to perform any obligation under this Contract, DISTRICT at its sole discretion, may perform, or cause the performance, of the obligation itself. In that event, DISTRICT shall deduct the costs to perform such obligation and any other costs to cure the breach from the payment otherwise due to CONTRACTOR for work performed under this Contract. DISTRICT's performance hereunder shall not be deemed a waiver or release of any obligation of, or default by, CONTRACTOR under this Contract.
 - iv) The notice of breach shall be provided in accordance with the notice requirements set forth in section 10.
 - v) The non-breaching party reserves all rights under law and equity to enforce this Contract and recover any damages.
6. INSURANCE
 - A. CONTRACTOR shall maintain the following insurance:
 - i) Workers' compensation and employers' liability insurance as required by California law or other applicable statutory requirements.
 - ii) Occurrence-based commercial general liability insurance or equivalent form with a limit of not less than one million dollars (\$1,000,000) each occurrence. Such insurance shall include DISTRICT and its officers, agents, and employees as additional insureds and shall be primary with respect to any insurance maintained by DISTRICT.
 - iii) Business automobile liability insurance or equivalent form with a limit of not less than

one million dollars (\$1,000,000) each accident. Such insurance shall include coverage for owned, hired, and non-owned vehicles. If CONTRACTOR is a sole proprietor, CONTRACTOR may meet this insurance requirement with personal automobile liability insurance carrying a business use endorsement or by demonstrating to the satisfaction of DISTRICT that business use is covered under the CONTRACTOR's personal automobile liability insurance. A CONTRACTOR using only rental vehicles in performing work under this Contract may meet this insurance requirement by purchasing automobile liability insurance in the required coverage amount from the rental agency.

- B. All insurance shall be placed with insurers acceptable to DISTRICT.
- C. Prior to commencement of work under this Contract, CONTRACTOR shall furnish properly-executed certificates of insurance for all required insurance. Upon request by DISTRICT, CONTRACTOR shall provide a complete copy of any required insurance policy. CONTRACTOR shall notify DISTRICT in writing thirty (30) days prior to cancellation or modification of any required insurance policy. Any such modifications are subject to pre-approval by DISTRICT.
- D. If CONTRACTOR fails to maintain the required insurance coverage set forth above, DISTRICT reserves the right either to purchase such additional insurance and to deduct the cost thereof from any payments owed to CONTRACTOR or to terminate this Contract for breach.

7. INDEMNIFICATION

- A. CONTRACTOR agrees to indemnify, defend, and hold harmless DISTRICT, its officers, employees, agents, representatives, and successors-in-interest against any and all liability, demands, claims, costs, losses, damages, recoveries, settlements, and expenses (including reasonable attorney fees) that DISTRICT, its officers, employees, agents, representatives, and successors-in-interest may incur or be required to pay arising from the death or injury of any person or persons (including employees of CONTRACTOR), or from destruction of or damage to any property or properties, caused by or connected with the performance of this Contract by CONTRACTOR, its employees, subcontractors, or agents.

8. PAYMENT

- A. DISTRICT shall pay CONTRACTOR for services in accordance with the terms set forth in the Cost Schedule, which is attached hereto as Attachment B and incorporated herein by this reference.
- B. CONTRACTOR shall submit invoice(s) to DISTRICT for services performed. Each invoice shall specify the total cost of the services for which the invoice is submitted, shall reference tasks shown in the Scope of Work, the hours associated with same, or percentage completion thereof, and the amount of charge claimed, and, as appropriate, shall list any charges for equipment, material, supplies, travel, and subcontractors' services.
- C. DISTRICT's payment of invoices shall be subject to the following limitations and requirements:
 - i) Each invoice, including supporting documentation, shall be prepared on CONTRACTOR's letterhead; shall list DISTRICT's contract number, the period covered by the invoice, and the CONTRACTOR's Social Security Number or Federal Employer Identification Number; and shall be submitted to: Bay Area Air Quality Management District, 375 Beale Street, Suite 600, San Francisco, CA 94105, Attn: Mae Go, or via e-

mail to mgo@baaqmd.gov.

- ii) DISTRICT shall not pay interest, fees, handling charges, or the cost of money on the Contract.
- iii) DISTRICT shall pay CONTRACTOR within thirty (30) calendar days after approval by DISTRICT of an itemized invoice.

D. The total amount for which DISTRICT may be held liable for the performance of services specified in this Contract shall not exceed the sum derived by multiplying the number of vehicles scrapped under this Contract by the per vehicle price specified in Attachment B.

9. DISPUTE RESOLUTION – A party that disputes a notice of breach must first seek mediation to resolve the dispute in accordance with the provisions set forth below.

A. Upon receipt of a notice of breach of contract, the party may submit a demand for mediation to resolve whether or not a breach occurred. The party must state the basis of the dispute and deliver the demand within ten (10) business days of the date of receipt of the notice of breach.

B. The mediation shall take place at DISTRICT’s office at 375 Beale Street, Suite 600, San Francisco, or at such other place as may be mutually agreed upon by the parties and the mediator.

C. The parties shall make good faith efforts to hold the mediation within thirty (30) days after receipt of the demand for mediation.

D. Each party shall bear its own mediation costs.

E. In the event the parties are unable to resolve the dispute, either party may file an action in a court of competent jurisdiction to enforce the Contract.

F. Maximum recovery under this section shall be limited to the sum derived by multiplying the number of vehicles scrapped under this Contract by the per vehicle price specified in Attachment B. The mediation costs shall not reduce the maximum amount recoverable under this section.

10. NOTICES – All notices that are required under this Contract shall be provided in the manner set forth herein, unless specified otherwise. Notice to a party shall be delivered to the attention of the person listed below, or to such other person or persons as may hereafter be designated by that party in writing. Notice shall be in writing sent by e-mail, facsimile, or regular first class mail. In the case of e-mail and facsimile communications, valid notice shall be deemed to have been delivered upon sending, provided the sender obtained an electronic confirmation of delivery. E-mail and facsimile communications shall be deemed to have been received on the date of such transmission, provided such date was a business day and delivered prior to 4:00 p.m. PST. Otherwise, receipt of e-mail and facsimile communications shall be deemed to have occurred on the following business day. In the case of regular mail notice, notice shall be deemed to have been delivered on the mailing date and received five (5) business days after the date of mailing.

DISTRICT: Bay Area Air Quality Management District
 375 Beale Street, Suite 600
 San Francisco, CA 94105
 Attn: Damian Breen

CONTRACTOR: Pick-n-Pull Auto Dismantlers

10850 Gold Center Drive, Suite 325
Rancho Cordova, CA 95670
Attn: Ronald Terry

11. ADDITIONAL PROVISIONS – All attachment(s) to this Contract are expressly incorporated herein by this reference and made a part hereof as though fully set forth. Future revisions to Appendix A, Vehicle Functional and Equipment Eligibility Inspection Form, Appendix B, Emission-Drive Train Related Parts List, and Appendix C, Quality Control Check List, adopted by the California Air Resources Board under the Voluntary Accelerated Vehicle Retirement regulations, California Code of Regulations, Title 13, Section 2601 et seq., shall supersede Attachments C, D, and E in this Contract.

12. EMPLOYEES OF CONTRACTOR
 - A. CONTRACTOR shall be responsible for the cost of regular pay to its employees, as well as cost of vacation, vacation replacements, sick leave, severance pay, and pay for legal holidays.
 - B. CONTRACTOR, its officers, employees, agents, or representatives shall not be considered employees or agents of DISTRICT, nor shall CONTRACTOR, its officers, employees, agents, or representatives be entitled to or eligible to participate in any benefits, privileges, or plans, given or extended by DISTRICT to its employees.

13. CONFIDENTIALITY – In order to carry out the purposes of this Contract, CONTRACTOR may require access to certain of DISTRICT’s confidential information (including information or data that identifies or describes an individual; trade secrets; inventions; confidential know-how; confidential business information; and other information that DISTRICT considers confidential) (collectively, “Confidential Information”). It is expressly understood and agreed that DISTRICT may designate in a conspicuous manner Confidential Information that CONTRACTOR obtains from DISTRICT, and CONTRACTOR agrees to:
 - A. Observe complete confidentiality with respect to such information, including without limitation, agreeing not to disclose or otherwise permit access to such information by any other person or entity in any manner whatsoever, except that such disclosure or access shall be permitted to employees of CONTRACTOR requiring access in fulfillment of the services provided under this Contract.
 - B. Ensure that CONTRACTOR’s officers, employees, agents, representatives, and independent contractors are informed of the confidential nature of such information and to assure by agreement or otherwise that they are prohibited from copying or revealing, for any purpose whatsoever, the contents of such information or any part thereof, or from taking any action otherwise prohibited under this section.
 - C. Not use such information or any part thereof in the performance of services to others or for the benefit of others in any form whatsoever whether gratuitously or for valuable consideration, except as permitted under this Contract.
 - D. Notify DISTRICT promptly and in writing of the circumstances surrounding any possession, use, or knowledge of such information or any part thereof by any person or entity other than those authorized by this section. Take at CONTRACTOR’s expense, but at DISTRICT’s option and in any event under DISTRICT’s control, any legal action necessary to prevent unauthorized use of such information by any third party or entity which has gained access to such information at least in part due to the fault of CONTRACTOR.

- E. Take any and all other actions necessary or desirable to assure such continued confidentiality and protection of such information during the term of this Contract and following expiration or termination of the Contract.
 - F. Prevent access to such materials by a person or entity not authorized under this Contract.
 - G. Establish specific procedures in order to fulfill the obligations of this section.
14. INTELLECTUAL PROPERTY RIGHTS – Title and full ownership rights to all intellectual property developed under this Contract shall at all times remain with DISTRICT, unless otherwise agreed to in writing.
15. PUBLICATION
- A. DISTRICT shall approve in writing any report or other document prepared by CONTRACTOR in connection with performance under this Contract prior to dissemination or publication of such report or document to a third party. DISTRICT may waive in writing its requirement for prior approval.
 - B. Until approved by DISTRICT, any report or other document prepared by CONTRACTOR shall include on each page a conspicuous header, footer, or watermark stating “DRAFT – Not Reviewed or Approved by BAAQMD,” unless DISTRICT has waived its requirement for prior approval pursuant to paragraph A of this section.
 - C. Information, data, documents, or reports developed by CONTRACTOR for DISTRICT, pursuant to this Contract, shall be part of DISTRICT’s public record, unless otherwise indicated. CONTRACTOR may use or publish, at its own expense, such information, provided DISTRICT approves use of such information in advance. The following acknowledgment of support and disclaimer must appear in each publication of materials, whether copyrighted or not, based upon or developed under this Contract.

“This report was prepared as a result of work sponsored, paid for, in whole or in part, by the Bay Area Air Quality Management District (District). The opinions, findings, conclusions, and recommendations are those of the author and do not necessarily represent the views of the District. The District, its officers, employees, contractors, and subcontractors make no warranty, expressed or implied, and assume no legal liability for the information in this report.”
 - D. CONTRACTOR shall inform its officers, employees, and subcontractors involved in the performance of this Contract of the restrictions contained herein and shall require compliance with the above.
16. NON-DISCRIMINATION – In the performance of this Contract, CONTRACTOR shall not discriminate in its recruitment, hiring, promotion, demotion, and termination practices on the basis of race, religious creed, color, national origin, ancestry, sex, age, marital status, sexual orientation, medical condition, or physical or mental disability and shall comply with the provisions of the California Fair Employment & Housing Act (Government Code Section 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, Executive Order No. 11246 (30 Federal Register 12319), and all administrative rules and regulations issued pursuant to said Acts and Order. CONTRACTOR shall also require each subcontractor performing work in connection with this Contract to comply with this section and shall include in each contract with such subcontractor provisions to accomplish the

requirements of this section.

17. PROPERTY AND SECURITY – Without limiting CONTRACTOR’S obligations with regard to security, CONTRACTOR shall comply with all the rules and regulations established by DISTRICT for access to and activity in and around DISTRICT’s premises.
18. ASSIGNMENT – No party shall assign, sell, license, or otherwise transfer any rights or obligations under this Contract to a third party without the prior written consent of the other party, and any attempt to do so shall be void upon inception.
19. WAIVER – No waiver of a breach, of failure of any condition, or of any right or remedy contained in or granted by the provisions of this Contract shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies. Further, the failure of a party to enforce performance by the other party of any term, covenant, or condition of this Contract, and the failure of a party to exercise any rights or remedies hereunder, shall not be deemed a waiver or relinquishment by that party to enforce future performance of any such terms, covenants, or conditions, or to exercise any future rights or remedies.
20. ATTORNEYS’ FEES – In the event any action is filed in connection with the enforcement or interpretation of this Contract, each party shall bear its own attorneys’ fees and costs.
21. FORCE MAJEURE – Neither DISTRICT nor CONTRACTOR shall be liable for or deemed to be in default for any delay or failure in performance under this Contract or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, judicial orders, governmental controls, regulations or restrictions, inability to obtain labor or materials or reasonable substitutes for labor or materials necessary for performance of the services, or other causes, except financial, that are beyond the reasonable control of DISTRICT or CONTRACTOR, for a period of time equal to the period of such force majeure event, provided that the party failing to perform notifies the other party within fifteen calendar days of discovery of the force majeure event, and provided further that that party takes all reasonable action to mitigate the damages resulting from the failure to perform. Notwithstanding the above, if the cause of the force majeure event is due to party’s own action or inaction, then such cause shall not excuse that party from performance under this Contract.
22. SEVERABILITY – If a court of competent jurisdiction holds any provision of this Contract to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them will not be affected.
23. HEADINGS – Headings on the sections and paragraphs of this Contract are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Contract.
24. COUNTERPARTS/FACSIMILES/SCANS – This Contract may be executed and delivered in any

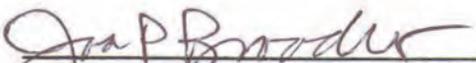
number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same contract. The parties may rely upon a facsimile copy or scanned copy of any party's signature as an original for all purposes.

25. GOVERNING LAW – Any dispute that arises under or relates to this Contract shall be governed by California law, excluding any laws that direct the application of another jurisdiction's laws. Venue for resolution of any dispute that arises under or relates to this Contract, including mediation, shall be San Francisco, California.
26. ENTIRE CONTRACT AND MODIFICATION – This Contract represents the final, complete, and exclusive statement of the agreement between the parties related to CONTRACTOR providing services to DISTRICT and supersedes all prior and contemporaneous understandings and agreements of the parties. No party has been induced to enter into this Contract by, nor is any party relying upon, any representation or warranty outside those expressly set forth herein. This Contract may only be amended by mutual agreement of the parties in writing and signed by both parties.
27. SURVIVAL OF TERMS – The provisions of sections 7 (Indemnification), 13 (Confidentiality), 14 (Intellectual Property Rights), and 15 (Publication) shall survive the expiration or termination of this Contract.

IN WITNESS WHEREOF, the parties to this Contract have caused this Contract to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

PICK-N-PULL AUTO DISMANTLERS

By: 
Jack P. Broadbent
Executive Officer/APCO

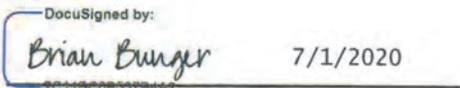
By: 
Mark Carnesecca
VP of Vehicle Purchasing



Date: 7/1/20

Date: 6/30/2020

Approved as to form:
District Counsel

By:  7/1/2020
Brian C. Bunger
District Counsel

ATTACHMENT A

SCOPE OF WORK

The Scope of Work outlined in this section complies with the Voluntary Accelerated Light-Duty Vehicle Retirement (VAVR) Regulations adopted by the California Air Resources Board (ARB). Light-duty vehicle retirement projects are subject to the requirements of the Voluntary Accelerated Vehicle Retirement Regulation (VAVR Regulation), Cal. Code Regs., tit. 13, § 2601 et seq. Light and medium-duty vehicle projects funded through Assembly Bill (AB) 923 (2004) are authorized by Health and Safety Code Section 44229 (b)(4). CONTRACTOR's VAVR projects must be in compliance with all the applicable guidelines adopted by ARB. The ARB Carl Moyer Program Guidelines chapter on VAVR constitutes ARB's adopted guidelines for light-duty projects.

CONTRACTOR will solicit, purchase, and scrap eligible vehicles in compliance with the following requirements and procedures, and in compliance with the VAVR Regulations. DISTRICT will not reimburse CONTRACTOR for the purchase of a vehicle, or the overhead costs associated with that purchase, if such vehicle fails to meet the following requirements:

A. Vehicle Eligibility Requirements

1. Participation shall be entirely voluntary for vehicle owners.
2. The vehicle must meet the following criteria:
 - a. 1997 model year or older diesel or gasoline-powered passenger car or light-duty truck up to 10,000 pounds gross vehicle weight or less.
3. The vehicle must be currently registered with the California Department of Motor Vehicles (DMV) as an operating vehicle and must have been registered for at least 24 consecutive months prior to the date of the sale to CONTRACTOR as well as be registered to an address, or addresses, within the DISTRICT's jurisdiction. Smog Checks must be performed as required by DMV in order for the vehicle to be considered registered.
 - a. A vehicle may also be eligible if the owner of the vehicle placed the vehicle into planned non-operational status per Vehicle Code sections 4604 et seq., for up to two months during the 24-month registration period and occurring at least three months immediately prior to its sale to CONTRACTOR.
 - b. A vehicle may also be eligible if the registration has lapsed for a period of less than 181 days during the previous 24 months and all appropriate registration fees and late penalties have been paid to DMV, provided that the vehicle is registered for at least 90 days immediately prior to its sale date to CONTRACTOR.
4. The vehicle shall be driven to the CONTRACTOR's purchase site to be retired under its own power.
5. Vehicles whose emission control systems have been tampered with as defined in Cal Code Regs., tit. 16, § 3340.41.5. are not eligible until such tampering has been completely corrected.
6. The vehicle shall not be operating under a Smog Check repair cost waiver or economic hardship extension, as referenced in Cal Code Regs., tit. 13, § 2603 (a)(4).
7. If a vehicle volunteered for retirement is within 60 days of its next required Smog Check inspection, the vehicle shall pass the inspection without receiving a repair cost waiver or economic hardship extension prior to acceptance by CONTRACTOR.
8. If a vehicle volunteered for retirement is within 61-90 days of its next required Smog Check

inspection, CONTRACTOR shall verify that the vehicle has not failed a Smog Check inspection during this time frame.

9. Owners of vehicles requiring Smog Check inspections pursuant to Cal Code Regs, tit. 13, § 2603(a)(5) shall be required to submit documentation issued by a Bureau of Automotive Repair (BAR) licensed Smog Check technician demonstrating compliance with Section 2603(a)(5) to the person performing the functional and equipment eligibility inspection.

B. Vehicle Functional and Equipment Eligibility Inspection

CONTRACTOR will only scrap vehicles that meet the following requirements. The vehicle function and equipment eligibility inspection must be performed by an ARB-approved inspector and conducted on-site at CONTRACTOR's yard.

1. The vehicle must have been driven to the inspection site under its own power. If CONTRACTOR has knowledge that a vehicle was towed or pushed for any portion of the trip to the inspection site, then CONTRACTOR shall not approve the vehicle for eligibility.
2. The vehicle shall pass functional and equipment eligibility inspections as specified in the VAVR Regulation. The vehicle functional and equipment eligibility inspection form is attached hereto as Attachment C.
3. Upon satisfactory completion of the inspection, CONTRACTOR will issue a certificate of functional and equipment eligibility.
4. Vehicles failing the requirements pursuant to Sections B.1 and B.3 may be retested by CONTRACTOR for compliance with these requirements and issued a certificate of functional and equipment eligibility provided the vehicle has traveled a minimum of 50 miles subsequent to the failure determination. Vehicles with inoperable vehicle odometers must have the odometer fixed prior to conducting this test. Vehicles failing the requirements pursuant to Section B.2 may be retested by CONTRACTOR for compliance with these requirements and issued a certificate of functional and equipment eligibility at any time after modifications have been made to the vehicle.

C. Offering Vehicles/Parts to the Public

1. There is a minimum waiting period of ten (10) days between the day CONTRACTOR provides a description of a vehicle to the DISTRICT and the day a DMV Registration 42 form (Notice to Dismantler) is transmitted to the DMV for the vehicle. During the 10-day waiting period, with the vehicle owner's permission, CONTRACTOR will submit to the DISTRICT a description of the vehicle in accordance with Section C.1(a) below, and the date when the vehicle is scheduled to be delivered for final sale to the VBB Program. During the 10-day waiting period, if any person contacts CONTRACTOR and indicates an interest in purchasing the vehicle, CONTRACTOR shall hold the vehicle for a minimum of an additional seven (7) days. During this extended 7-day waiting period, CONTRACTOR shall arrange for the interested party to examine the vehicle and, if appropriate, negotiate the sale of the vehicle or any of its parts. Notwithstanding the foregoing, **nothing in this section places CONTRACTOR under any obligation to hold the vehicle for an interested party that has missed two or more prior appointments to examine any vehicle, or to sell the vehicle or any of its parts if a mutually acceptable price cannot be negotiated.**
 - a. CONTRACTOR will submit to the DISTRICT, on a weekly basis, a description of the vehicles offered for sale into the VBB Program as described in Section C.1(a)(i). The DISTRICT will, in turn, make this information available to an appropriate segment of the public. The intent is to allow interested third parties, including car collector

enthusiasts and those interested in affordable transportation, an opportunity to examine the vehicle and to negotiate with CONTRACTOR to purchase the vehicle or any of its parts according to Section E, before it is otherwise sold to the VBB Program, should the vehicle be delivered as scheduled.

- i. The description of the vehicle must include, at a minimum, the vehicle make, model, model year, and first eight characters of the Vehicle Identification Number (VIN). In addition, the description of the vehicle must include, date vehicle owner contacted CONTRACTOR, date vehicle is expected to be purchased, date the vehicle will be dismantled, and location the vehicle will be stored. No information identifying the owner will be permitted. When the DISTRICT makes this information available to the public, the DISTRICT will emphasize that while a vehicle is scheduled for delivery, there is no guarantee that the vehicle will actually be delivered.
 - ii. The vehicle owner is free to accept or reject any resulting contact or purchase offer and shall be informed by CONTRACTOR explicitly and prominently of such right.
 - iii. Nothing in this section places CONTRACTOR under any obligation to provide space or facilities for such third-party contacts, inspections, or negotiations to take place.
2. Entire vehicles and/or parts may be sold prior to entry into the VBB Program; however, no compensation with VBB Program funds shall be granted for any vehicle resold to the public in this manner according to Section E.

D. Vehicle Buy Back Program Contractor Requirements

1. CONTRACTOR must either be an auto dismantler, licensed according to the requirements of the California Vehicle Code, other business codes, and the regulations of the DMV, for the purpose of vehicle disposal after purchase, or have a binding agreement with a duly authorized auto dismantler, for the purpose of vehicle disposal after purchase.
2. At least thirty (30) days prior to commencing operations as a VBB Program contractor, CONTRACTOR shall provide the DISTRICT, in writing, information demonstrating the ability to comply with all provisions of the VAVR Regulations. This information must include CONTRACTOR's name and business address; licensed auto dismantler name and business address; anticipated initiation date and duration of vehicle retirement operation; a written statement from the auto dismantler (for each program location) under penalty of perjury certifying compliance with local air quality regulations, water conservation regulations, state, county, and city energy and hazardous materials response regulations, and local water agency soil, surface, and ground water contamination regulations; and any other information requested in applicable DISTRICT rules.
3. CONTRACTOR is required to perform the vehicle functional and equipment eligibility inspection specified in Section B on-site at CONTRACTOR's locations.
4. CONTRACTOR shall verify that the vehicle meets the vehicle registration eligibility and functional test requirements. The vehicle registration eligibility will be determined by DMV registration records.
5. At time of final sale of a vehicle to CONTRACTOR, CONTRACTOR must verify that the person delivering the vehicle for sale is the legal owner or an authorized representative of the legal owner, properly empowered to complete the sale.

6. A vehicle purchased as part of the VBB Program must be permanently destroyed by CONTRACTOR, or CONTRACTOR's duly contracted dismantler, within ninety (90) days of the date it is sold to CONTRACTOR, and may not be resold to the public or put into operation in any way, except such a vehicle may be briefly operated for purposes related to the disposal of the vehicle as part of the normal disposal procedures.
7. The vehicle will be considered destroyed when it has been crushed or shredded or otherwise rendered permanently and irreversibly incapable of functioning as originally intended, and when all appropriate records maintained by the DMV have been updated to reflect that the vehicle has been acquired by a licensed auto dismantler for the purposes of dismantling.
8. All vehicles must be confined in a holding area separate from other vehicles procured by CONTRACTOR until they are permanently destroyed.
9. All activities associated with retiring vehicles, including, but not limited to, the disposal of vehicle fluids and vehicle components, must comply with all applicable laws and regulations including, but not limited to, local water conservation regulations, state, county, and city energy and hazardous materials response regulations, and local water agency soil, surface, and ground water contamination regulations.
10. CONTRACTOR will purchase eligible vehicles at a price established by the contract between CONTRACTOR and DISTRICT.
11. CONTRACTOR will distribute a DISTRICT-designed questionnaire to all vehicle sellers, obtain the seller's completed questionnaire, and provide response data onto an electronic spreadsheet form to DISTRICT.
12. CONTRACTOR must cooperate with any inspections of the facilities, and review of the CONTRACTOR's operation of the VBB program as requested by the DISTRICT or ARB. These inspections can include audits of the required program documentation, and financial records.
13. CONTRACTOR shall be responsible for training its staff at each of its participating VBB program locations to ensure that staff demonstrate knowledge of the VBB program in order to effectively and efficiently complete all steps needed to process VBB purchases.

E. Parts Recycling and Resale

1. On vehicles used for parts recycling and resale, parts recycling and resale is limited to non-emission-related and non-drivetrain parts per the List of Emission-Drivetrain Related Parts List, attached hereto as Attachment D. Parts recycling and resale is at the sole discretion of CONTRACTOR, subject to the limitations included herein.
2. After the 10-day waiting period (and the additional 7-day waiting period if an appointment for inspection is made) and prior to offering non-emission and non-drivetrain parts for resale, the engine, emission-related parts, transmission, and drivetrain parts must be removed from the vehicle and destroyed by CONTRACTOR.
 - a. For the purpose of this regulation, a part will be considered destroyed when it has been punched, crushed, shredded, or otherwise rendered permanently and irreversibly incapable of functioning as originally intended.
 - b. A "Quality Control Checklist" with a list of emission-related and drivetrain parts that has check boxes for recording the status of parts, i.e., "removed" and "destroyed" is attached hereto as Attachment E.
 - i. CONTRACTOR must complete the checklist by adding check marks in the appropriate columns as the emission-related and drivetrain parts are removed and destroyed.
 - ii. For a part that appears on the checklist but is not in the original design of the

- vehicle, CONTRACTOR must enter "N/A" for "not applicable" in lieu of a check mark.
- c. After all emission-related and drivetrain parts are removed and destroyed, a quality control inspector (designated by DISTRICT) must perform an inspection of the non-emission-related and non-drivetrain parts, as well as the vehicle body.
 - d. Upon verification by the quality control inspector that no emission-related parts or drivetrain parts have been exchanged with the non-emission-related, and non-drivetrain parts, the quality control inspector must sign the checklist.
 - e. After the quality control inspector signs the check list, CONTRACTOR may place the remaining non-emission parts, non-drivetrain parts and vehicle body in the yard to be available for sale to the public.
3. If CONTRACTOR does not recover parts from a vehicle, the entire vehicle must be crushed by CONTRACTOR within ninety (90) days of sale to the VBB Program.
 - a. No parts may be removed, for sale or reuse, from any crushed retired vehicle that has been sold to the VBB Program. The only allowable use for any crushed retired vehicle is as a source of scrap metal and other scrap material.
 - b. CONTRACTOR may separate ferrous and non-ferrous metals from a crushed retired vehicle to sell as a source of scrap metal only.
 - c. CONTRACTOR may sell tires and batteries from a crushed retired vehicle to an intermediary tire/battery recycler only. All facilities generating or receiving waste tires must use the services of a registered tire hauler/recycler. Battery recyclers must be registered and licensed to handle batteries.
 4. No compensation with VBB Program funds shall be granted for any vehicle from which emission related or drivetrain parts have been sold.
 5. All activities associated with retiring vehicles for the VBB Program, including but not limited to the disposal of vehicle fluids and vehicle components, shall comply with all applicable laws and regulations including, but not limited to, local water conservation regulations, state, county, and city energy and hazardous materials response regulations, and local water agency soil, surface, and ground water contamination regulations.
 6. CONTRACTOR will be subject to audits performed by the DISTRICT and its representatives.

F. Advertising

1. CONTRACTOR is encouraged to advertise for or otherwise attract voluntary sellers of vehicles meeting the eligibility requirements specified above. CONTRACTOR will submit to DISTRICT for approval a plan for implementing the advertising campaign within thirty (30) days of signing this contract. The DISTRICT will audit CONTRACTOR at the completion of the contract to verify that CONTRACTOR implemented the advertising campaign as specified in the contract.
2. CONTRACTOR will use the DISTRICT's approved logo on any printed material for public distribution. All uses of the DISTRICT's logo must be pre-approved for use by DISTRICT staff.
3. CONTRACTOR will credit the DISTRICT as the funding source for the scrapping program in any related articles, news releases, or other publicity materials. All advertising materials, information packages, and any other materials provided to media, to the public, or to vehicle sellers require prior approval by DISTRICT.
4. Any advertising conducted by CONTRACTOR for the purpose of recruiting vehicle owners to sell their vehicles into the VBB Program shall contain clear and prominent language stating that participation in the VBB Program is completely voluntary; and shall not contain any

language stating or implying that the VBB Program is anything but voluntary for the vehicle seller or that the VBB Program is affiliated with or is operated by the State of California.

5. Any contracts or agreements between a vehicle seller and CONTRACTOR relating to the sale of a vehicle to the VBB Program shall not contain any language stating that the VBB Program is anything but voluntary for the vehicle seller or that the VBB Program is affiliated with or is operated by the State of California.

G. Records, Auditing, and Enforcement

1. The following requirements for records, auditing, and enforcement shall be met:
 - a. CONTRACTOR shall be responsible for maintaining and storing the following information for each vehicle removed from operation for the VBB Program:
 - i. Vehicle Identification Number (VIN)
 - ii. Vehicle license plate number
 - iii. Vehicle make and model year
 - iv. Vehicle odometer reading
 - v. Name, address and phone number of legal owner selling vehicle to the contractor
 - vi. Name, address and phone number of registered owner if different from Section G.1(a)(v)
 - vii. Name and business address of inspector conducting the vehicle's eligibility inspection, if CONTRACTOR contracts with an ARB-approved inspection entity to perform the vehicle functional and equipment eligibility inspection
 - viii. Date of purchase of vehicle by CONTRACTOR
 - ix. Date of vehicle retirement
 - x. Reproduction of California Certificate of Title and registration, as signed-off by seller at time of final sale to the VBB Program
 - xi. Reproduction of the applicable certificate of functional and equipment eligibility
 - xii. Reproduction of the applicable Report of Vehicle to be Dismantled and Notice of Acquisition (DMV Registration 42 form)
 - xiii. Reproduction of written documentation from the DMV verifying that a vehicle meets the requirements of Section A.3
 - xiv. If applicable, reproduction of documentation issued pursuant to Section A.9
 - xv. Any other pertinent data requested by the DISTRICT (e.g. VBB Program survey)
 - b. Upon request of the DISTRICT, the data contained in records required in Section G.1(a)(i) through Section G.1(a)(xv) shall be transmitted to the DISTRICT in an electronic database format, in addition to paper copies. The electronic format will be provided by the DISTRICT.
 - c. CONTRACTOR will maintain copies, either electronic or paper, of the information listed in Section G.1(a)(i) through Section G.1(a)(xv) for a minimum period of five (5) years, and shall make those records available to DISTRICT upon request within 30 days.
 - d. The DISTRICT may conduct announced and unannounced audits and on-site inspections of the CONTRACTOR's operations to ensure operations are being conducted according to all applicable rules and regulations. DISTRICT shall notify any noncompliant contractor of the nature of the violation and shall initiate any

enforcement or remedial action necessary.

- i. CONTRACTOR and their subcontractors shall allow DISTRICT to conduct announced and unannounced audits and inspections and shall cooperate fully in such situations.
 - ii. Violation of any provision of any applicable regulation, including falsification of any information or data, shall constitute a citable violation making the violator subject to all applicable penalties specified in the California Health and Safety Code. In addition, violation of any provision of §2603 of the VAVR Regulation, 13 Cal. Code Regs., tit. 13, by CONTRACTOR or its subcontractors may result in the issuance of a Notice of Violation(s).
2. CONTRACTOR will handle all DMV paperwork associated with the purchase, dismantling, and scrapping of vehicles.
3. CONTRACTOR will provide to DISTRICT, on a weekly basis, a description of the vehicles offered for sale into the VBB Program. The description of the vehicle must include the date vehicle owner contacted the VBB program, date the vehicle will be dismantled, vehicle make, vehicle model, model year, the first eight characters of the VIN, name of dismantler, location of dismantling facility, and dismantler's phone number. No information identifying the owner will be permitted.
4. CONTRACTOR will provide monthly invoice reports to the DISTRICT on the status of the scrapping program. The reports shall be printed on CONTRACTOR's letterhead, shall list the contract number, the period covered by the invoice, CONTRACTOR's Social Security Number or Federal Employer Identification Number, and include the monthly and cumulative number of vehicles purchased.

ATTACHMENT B

COST SCHEDULE

- A. Per Vehicle Payment.** DISTRICT will pay CONTRACTOR an amount of **\$1,249.00** per vehicle scrapped, up to a total maximum amount of \$7 million under the VBB Program.

- B. Price Breakdown.** The rate above is based on reimbursing CONTRACTOR for the \$1,200.00 purchase price of each vehicle, plus \$49.00 for overhead for the VBB Program.

ATTACHMENT C



VEHICLE FUNCTIONAL AND EQUIPMENT ELIGIBILITY INSPECTION FORM

Legal Owner: _____ Phone Number: _____
 Address: _____ City: _____ Zip: _____
 VIN: _____ License Plate Number: _____
 Make: _____ Model: _____
 Model Year: _____ Odometer Reading: _____

A. VEHICLE QUALIFICATION (* Vehicle is not qualified for the VAVR program.)

- Vehicle within 61-90 days of next scheduled Smog Check: yes no 2602(c)
- If yes, vehicle failed next scheduled Smog Check: yes* no
- Vehicle registered in District for at least 24 months: yes no* 2603(a)(2)
- Vehicle on BAR repair cost waiver yes* no 2603(a)(4)
- Vehicle on BAR economic hardship extension yes* no 2603(a)(4)
- Vehicle within 60 days of next scheduled Smog Check: yes no 2603(a)(5)
- If yes, vehicle passed next scheduled Smog Check: yes no*
- The vehicle has been tampered with: yes* no 2603(a)(7)
- The vehicle has been driven to the inspection site yes no* 2603(b)(1)

EQUIPMENT ELIGIBILITY

The following shall be present and in place: 2603(b)(2)

- | | | | |
|--|---|--------------------------------|---|
| All doors | <input type="checkbox"/> yes <input type="checkbox"/> no* | Hood | <input type="checkbox"/> yes <input type="checkbox"/> no* |
| Dashboard | <input type="checkbox"/> yes <input type="checkbox"/> no* | Driver's seat | <input type="checkbox"/> yes <input type="checkbox"/> no* |
| One bumper | <input type="checkbox"/> yes <input type="checkbox"/> no* | All side and/or quarter panels | <input type="checkbox"/> yes <input type="checkbox"/> no* |
| Exhaust system | <input type="checkbox"/> yes <input type="checkbox"/> no* | One headlight | <input type="checkbox"/> yes <input type="checkbox"/> no* |
| One taillight | <input type="checkbox"/> yes <input type="checkbox"/> no* | One brake light | <input type="checkbox"/> yes <input type="checkbox"/> no* |
| One side window | <input type="checkbox"/> yes <input type="checkbox"/> no* | Interior pedals operational | <input type="checkbox"/> yes <input type="checkbox"/> no* |
| Windshield | <input type="checkbox"/> yes <input type="checkbox"/> no* | | |
| Drivability affected by body, steering, or suspension damage | <input type="checkbox"/> yes* <input type="checkbox"/> no | | |

FUNCTIONAL ELIGIBILITY

The following shall be completed: 2603(b)(3)

- Vehicle starts using keyed ignition yes no*
- Vehicle starts without the use of starting fluids or external battery yes no*
- Vehicle driven forward for a minimum of 25 feet yes no*
- Vehicle driven in reverse for a minimum of 25 feet yes no*

* Vehicle is not eligible for the VAVR program.

INSPECTOR CERTIFICATION: (Check correct boxes.) I certify that this vehicle has (passed not passed) both the functional and equipment eligibility inspections and (is is not) eligible for acceptance into the VAVR program pursuant to California Code of Regulations, Title 13, Sections 2602 and 2603.

Printed Name: _____ Date: _____

Signed: _____

The following should be completed if the vehicle is eligible for acceptance into a VAVR program.

OWNER ACCEPTANCE: I accept receipt of this CERTIFICATION of eligibility into the VAVR program. I agree not to alter the vehicle's equipment or functionality from that presented to the inspector. I agree to maintain the vehicle's condition and registration until the vehicle is retired. In accordance with Title 13, CCR, Chapter 13, Article 1, Section 2605, the vehicle will be listed and available for interested parties to purchase from the dismantler for a minimum of 10 days. If the vehicle is purchased by a third party it will not be included in the VAVR program.

Printed Name: _____ Date: _____

Signed: _____ Driver's License #: _____

ATTACHMENT D

EMISSION-DRIVETRAIN RELATED PARTS LIST

The following list of components are examples of emission related parts as shown in California Code of Regulations Title 13, Division 3, Chapter 13, Article 1, Appendix B.

I. Carburetion and Air Induction System**A. Air Induction System:**

1. Temperature sensor elements
2. Vacuum motor for air control
3. Hot air duct & stove
4. Air filter housing & element
5. Turbocharger or supercharger
6. Intercooler

B. Emission Calibrated Carburetors:

1. Metering jets
2. Metering rods
3. Needle and seat
4. Power valve
5. Float circuit
6. Vacuum break
7. Choke mechanism
8. Throttle-control solenoid
9. Deceleration valve
10. Dashpot
11. Idle stop solenoid, anti-dieseling assembly
12. Accelerating pump
13. Altitude compensator

C. Mechanical Fuel Injection:

1. Pressure regulator
2. Fuel injection pump
3. Fuel injector
4. Throttle-position compensator
5. Engine speed compensator
6. Engine temperature compensator
7. Altitude cut-off valve
8. Deceleration cut-off valve
9. Cold-start valve

D. Continuous Fuel Injection:

1. Fuel pump
2. Pressure accumulator
3. Fuel filter
4. Fuel distributor
5. Fuel injections
6. Air-flow sensor
7. Throttle-position compensator
8. Warm-running compensator
9. Pneumatic overrun compensator
10. Cold-start valve

E. Electronic Fuel Injection:

1. Pressure regulator
2. Fuel distribution manifold

- 3. Fuel injectors
- 4. Electronic control unit
- 5. Engine speed sensor
- 6. Engine temperature sensor
- 7. Throttle-position sensor
- 8. Altitude/manifold-pressure sensor
- 9. Cold-start valve
- F. Air Fuel Ratio Control:
 - 1. Frequency valve
 - 2. Oxygen sensor
 - 3. Electronic control unit
- G. Intake Manifold

II. Ignition System

- A. Distributor;
 - 1. Cam
 - 2. Points
 - 3. Rotor
 - 4. Condenser
 - 5. Distributor cap
 - 6. Breaker plate
 - 7. Electronic components (breakerless or electronic system)
- B. Spark Advance/Retard System:
 - 1. Centrifugal advance mechanism:
 - a. Weights
 - b. Springs
 - 2. Vacuum advance unit
 - 3. Transmission controlled spark system:
 - a. Vacuum solenoid
 - b. Transmission switch
 - c. Temperature switches
 - d. Time delay
 - e. CEC valve
 - f. Reversing relay
 - 4. Electronic spark control system:
 - a. Computer circuitry
 - b. Speed sensor
 - c. Temperature switches
 - d. Vacuum switching valve
 - 5. Orifice spark advance control system:
 - a. Vacuum bypass valve
 - b. OSAC (orifice spark advance control) valve
 - c. Temperature control switch
 - d. Distributor vacuum control valve
 - 6. Speed controlled spark system:
 - a. Vacuum solenoid
 - b. Speed sensor and control switch
 - c. Thermal vacuum switch
- C. Spark Plugs
- D. Ignition Coil
- E. Ignition Wires

III. Mechanical Components

- A. Valve trains:
 - 1. Intake valves
 - 2. Exhaust valves
 - 3. Valve guides
 - 4. Valve springs
 - 5. Valve seats
 - 6. Camshaft
- B. Combustion Chamber:
 - 1. Cylinder head or rotor housing¹
 - 2. Piston or rotor¹

IV. Evaporative Control System

- A. Vapor Storage Canister and Filter
- B. Vapor Liquid Separator
- C. Filler Cap
- D. Fuel Tank
- E. Canister Purge Valve

V. Positive Crankcase Ventilation System

- A. PCV Valve
- B. Oil Filler Cap
- C. Manifold PCV Connection Assembly

VI. Exhaust Gas Recirculation System

- A. EGR Valve:
 - 1. Valve body and carburetor spacer
 - 2. Internal passages and exhaust gas orifice
- B. Driving Mode Sensors:
 - 1. Speed sensor
 - 2. Solenoid vacuum valve
 - 3. Electronic amplifier
 - 4. Temperature-controlled vacuum valve
 - 5. Vacuum reducing valve
 - 6. EGR coolant override valve
 - 7. Backpressure transducer
 - 8. Vacuum amplifier
 - 9. Delay valves

VII. Air Injection System

- A. Air Supply Assembly:
 - 1. Pump
 - 2. Pressure relief valve
 - 3. Pressure-setting plug
 - 4. Pulsed air system
- B. Distribution Assembly:
 - 1. Diverter, relief, bypass, or gulp valve
 - 2. Check or anti-backfire valve
 - 3. Deceleration control part
 - 4. Flow control valve
 - 5. Distribution manifold
 - 6. Air switching valve

¹ Rotary (Wankel) engines only

- C. Temperature sensor

VIII. Catalyst, Thermal Reactor, and Exhaust System

- A. Catalytic Converter:
 - 1. Constricted fuel filler neck
 - 2. Catalyst beads (pellet-type converter)
 - 3. Ceramic support and monolith coating (monolith-type converter)
 - 4. Converter body and internal supports
 - 5. Exhaust manifold
- B. Thermal Reactor:
 - 1. Reactor casing and lining
 - 2. Exhaust manifold and exhaust port liner
- C. Exhaust System:
 - 1. Manifold
 - 2. Exhaust port liners
 - 3. Double walled portion of exhaust system
 - 4. Heat riser valve and control assembly

IX. Miscellaneous Items Used in Above Systems

- 1. Hoses, clamps, and pipers
- 2. Pulleys, belts, and idlers

X. Computer Controls

- 1. Electronic Control Unit (ECU)
- 2. Computer-coded engine operating parameter (including computer chips)
- 3. All sensors and actuators associated with the ECU

XI. Drive Train Parts (added to Emission-Related Parts List)

- 1. Engine
- 2. Drive mechanism
- 3. Transmission
- 4. Differential
- 5. Axles
- 6. Brakes

ATTACHMENT E

QUALITY CONTROL CHECKLIST

**Emission-Related and Drivetrain Parts
Removal and Destruction - Quality Control Check List**

Date _____
 Dismantler _____
 Address _____
 Quality Control Inspector _____
 Vehicle Make _____
 Vehicle Model _____
 Vehicle Year _____
 Vehicle License Number _____
 Vehicle Odometer Mileage _____

Category	Emission-Related/Drivetrain Part	Part Removed	Part Destroyed
Air Induction System	Temperature sensor elements		
	Vacuum motor for air control		
	Hot air duct & stove		
	Air filter housing & element		
	Turbocharger or supercharger		
	Intercooler		
Emission Calibrated Carburetors	Metering jets		
	Metering rods		
	Needle and seat		
	Power valve		
	Float circuit		
	Vacuum break		
	Choke mechanism		
	Throttle-control solenoid		
Emission Calibrated Carburetors (continued)	Deceleration valve		
	Dashpot		
	Idle stop solenoid, anti-dieseling assembly		
	Accelerating pump		
Mechanical Fuel Injection:	Altitude compensator		
	Pressure regulator		
	Fuel injection pump		
	Fuel injector		
	Throttle-position compensator		
	Engine speed compensator		
	Engine temperature compensator		
	Altitude cut-off valve		
	Deceleration cut-off valve		
	Cold-start valve		
Continuous Fuel Injection:	Fuel pump		
	Pressure accumulator		
	Fuel filter		
	Fuel distributor		
	Fuel injections		
	Air-flow sensor		
	Throttle-position compensator		
	Warm-running compensator		
	Pneumatic overrun compensator		
Cold-start valve			
Electronic Fuel Injection:	Pressure regulator		
	Fuel distribution manifold		

Category	Emission-Related/Drivetrain Part	Part Removed	Part Destroyed
	Fuel injectors		
	Electronic control unit		
	Engine speed sensor		
	Engine temperature sensor		
	Throttle-position sensor		
	Altitude/manifold-pressure sensor		
Electronic Fuel Injection:	Cold-start valve		
Air Fuel Ratio Control:	Frequency valve		
Air Fuel Ratio Control:	Oxygen sensor		
Air Fuel Ratio Control:	Electronic control unit		
Intake Manifold	Intake Manifold Assembly		
Distributor	Cam		
	Points		
	Rotor		
	Condenser		
	Distributor cap		
	Breaker plate		
	Electronic components (breakerless or electronic system)		
Spark Advance/ Retard System	Centrifugal advance mechanism: weights and springs		
	Vacuum advance unit		
	Transmission controlled spark system: vacuum solenoid, transmission switch, temperature switches, time delay, CEC valve, reversing relay		
	Electronic spark control system: computer circuitry, speed sensor, temperature switches, vacuum switching valve		
Spark Advance/ Retard System (continued)	Orifice spark advance control system: vacuum bypass valve, orifice spark advance control valve, temperature control switch, distributor vacuum control switch		
Spark Advance/ Retard System (continued)	Speed controlled spark system: vacuum solenoid, speed sensor and control switch, thermal vacuum switch		
Spark Plugs	Spark Plugs		
Ignition Coil	Ignition Coil		
Ignition Wires	Ignition Wires		
Drivetrain	Engine		
	Flywheel		
	Bell Housing		
	Drive Shaft		
	Transmission		
	Differentials		
	Axles		
	Brakes		
Mechanical Components	Intake valves		
	Exhaust valves		
	Valve guides		
	Valve springs		
	Valve seats		
	Camshaft		
	Cylinder head or rotor housing		
	Piston or rotor		
Evaporative Control System	Vapor Storage Canister and Filter		
	Vapor Liquid Separator		

Category	Emission-Related/Drivetrain Part	Part Removed	Part Destroyed
	Filler Cap		
	Fuel Tank		
	Canister Purge Valve		
Positive Crankcase Ventilation System	PCV Valve		
	Oil Filler Cap		
	Manifold PCV Connection Assembly		
Exhaust Gas Recirculation System	EGR Valve: valve body and carburetor spacer,		
	EGR Valve: internal passages and exhaust gas orifice		
Driving Mode Sensors	Speed sensor		
	Solenoid vacuum valve		
	Electronic amplifier		
	Temperature-controlled vacuum valve		
	Vacuum reducing valve		
	EGR coolant override valve		
	Backpressure transducer		
	Vacuum amplifier		
Air Injection System	Delay valves		
	Pump		
	Pressure-relief valve		
	Pressure-setting plug		
	Pulsed air system		
	Diverter		
	Relief, bypass, or gulp valve		
	Check or anti-backfire valve		
	Deceleration control part		
	Flow control valve		
	Distribution manifold		
	Air switching valve		
Catalytic Converter/Thermal Reactor/exhaust	Temperature sensor		
	Constricted fuel filler neck		
	Catalyst beads (pellet-type converter),		
	Ceramic support and monolith coating (monolith-type converter),		
	Converter body and internal supports,		
	Exhaust manifold		
	Reactor casing and lining		
	Exhaust manifold and exhaust port liner		
	Manifold		
	Exhaust port liners		
Miscellaneous Items Used in Above Systems	Double walled portion of exhaust system		
	Heat riser valve and control assembly		
Computer Controls	Hoses, clamps, and pipers		
	Pulleys, belts, and idlers		
	Electronic Control Unit (ECU)		
	Computer-coded engine operating parameter (including computer chips)		
	All sensors and actuators associated with the ECU		

Quality Control Inspector Final Verification All Emission-Related and Drivetrain Parts Removed and Destroyed

Quality Control Inspector Signature: _____

Date: _____

AMENDMENT NO. 4 TO
BAY AREA AIR QUALITY MANAGEMENT DISTRICT
CONTRACT NO. 2020.120

This amendment to the above-entitled contract (“Contract Amendment”) is dated, for reference purposes only, June 12, 2023 and consists of 4 pages.

RECITALS:

1. The Bay Area Air Quality Management District (“DISTRICT”) and **Pick-n-Pull Auto Dismantlers** (“CONTRACTOR”) (hereinafter referred to as the “PARTIES”) entered into the above-entitled contract to solicit, purchase, and scrap eligible vehicles in compliance with the California Air Resources Board’s Voluntary Accelerated Light-Duty Vehicle Retirement Enterprises regulations (Cal. Code Regs., tit. 13, §§ 2600 et seq.) (the “Contract”), which Contract was executed on behalf of CONTRACTOR on June 30, 2020, and on behalf of DISTRICT on July 1, 2020.
2. The PARTIES entered into Amendment No. 1 to the Contract, dated April 20, 2021, for reference purposes only, to amend the term of the Contract.
3. The PARTIES entered into Amendment No. 2 to the Contract, dated June 9, 2022, for reference purposes only, to amend the term and Cost Schedule, including the total cost, of the Contract.
4. The PARTIES entered into Amendment No. 3 to the Contract, dated July 6, 2022, for reference purposes only, to amend the Scope of Work of the Contract.
5. DISTRICT entered into the Contract based on approval by DISTRICT’s Board of Directors to spend up to \$7 million per fiscal year to scrap cars using funds from the Carl Moyer Program, Mobile Source Incentive Fund, and Transportation Fund for Clean Air beginning fiscal year 2020-2021. The Board of Directors authorized the DISTRICT Executive Officer/Air Pollution Control Officer to execute contracts to scrap cars using these funds for the 2020-2021 fiscal year, and also to renew the contracts for up to an additional three years based on contractor performance.
6. DISTRICT entered into Amendment No. 2 based on approval by DISTRICT’s Board of Directors on June 1, 2022 to spend up to an additional \$5 million per fiscal year, for a total of \$12 million per fiscal year, to scrap cars using funds from the Mobile Source Incentive Fund, and/or Transportation Fund for Clean Air, beginning fiscal year 2023-2024. The Board of Directors authorized DISTRICT’s Executive Officer/Air Pollution

Control Officer to execute amendments to contracts to scrap cars using these funds for the 2023-2024 fiscal year.

7. DISTRICT seeks to enter into Amendment No. 4 based on prior approval by DISTRICT's Board of Directors on June 1, 2022 to spend \$12 million to scrap cars using funds from the Mobile Source Incentive Fund, and/or Transportation Fund for Clean Air, beginning fiscal year 2023-2024.
8. The PARTIES seek to amend the term to the Contract because DISTRICT seeks to have CONTRACTOR continue to provide the services prescribed in the Contract beyond the original termination date, as authorized by DISTRICT's Board of Directors, and CONTRACTOR desires to provide those services.
9. In accordance with Section 26 of the Contract, DISTRICT and CONTRACTOR desire to amend the above-entitled Contract as follows:

TERMS AND CONDITIONS OF CONTRACT AMENDMENT:

1. By this Contract Amendment, DISTRICT and CONTRACTOR amend Section 4, "Term." The term of the Contract shall be extended so that the termination date of the Contract is now July 1, 2024.
2. By this Contract Amendment, DISTRICT and CONTRACTOR replace Attachment B-1, Cost Schedule, with the attached "Attachment B-2, Cost Schedule" and agree that all references in the Contract to Attachment B-1 shall be deemed to refer to Attachment B-2, Cost Schedule.
3. DISTRICT and CONTRACTOR agree that all other terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the PARTIES have caused this Contract Amendment to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

PICK-N-PULL AUTO DISMANTLERS

By: DocuSigned by:
Philip Fine _____
7314B577922A46A...
Philip M. Fine
Executive Officer/APCO

By: Mark Carnesecca
Mark Carnesecca
VP of Vehicle Purchasing

Date: 6/28/2023

Date: 06/15/2023

Approved as to form:
District Counsel

By: DocuSigned by:
Alexander Crockett 6/27/2023
6DC7110552B5451...
Alexander G. Crockett
District Counsel

ATTACHMENT B-2

COST SCHEDULE

A. Per Vehicle Payment. DISTRICT will pay CONTRACTOR an amount of \$1,249.00 per vehicle scrapped, up to a total maximum amount of \$6 million under the Vehicle Buy Back ("VBB") Program.

B. Price Breakdown. The rate above is based on reimbursing CONTRACTOR for the \$1,200.00 purchase price of each vehicle, plus \$49.00 for overhead for the VBB Program.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

PROFESSIONAL SERVICES CONTRACT

CONTRACT NO. 2020.119

1. PARTIES – The parties to this Contract (“Contract”) are the Bay Area Air Quality Management District (“DISTRICT”) whose address is 375 Beale Street, Suite 600, San Francisco, CA 94105, and Direct Mail Center, Inc. (“CONTRACTOR”) whose address is 1099 Mariposa Street, San Francisco, CA 94107.
2. RECITALS
 - A. DISTRICT is the local agency with primary responsibility for regulating stationary source air pollution in the Bay Area Air Quality Management District in the State of California. DISTRICT is authorized to enter into this Contract under California Health and Safety Code Section 40701. DISTRICT desires to contract with CONTRACTOR for services described in the Scope of Work, attached hereto as Attachment A and made a part hereof by this reference. DISTRICT is entering into this Contract based on CONTRACTOR’s stated qualifications to perform the services.
 - B. All parties to this Contract have had the opportunity to have this contract reviewed by their attorney.
3. PERFORMANCE REQUIREMENTS
 - A. CONTRACTOR is authorized to do business in the State of California. CONTRACTOR attests that it is in good tax standing with federal and state tax authorities.
 - B. CONTRACTOR agrees to obtain any and all required licenses, permits, and all other appropriate legal authorizations from all applicable federal, state and local jurisdictions and pay all applicable fees.
 - C. CONTRACTOR shall comply with all laws and regulations that apply to its performance under this Contract, including any requirements to disclose potential conflicts of interest under DISTRICT’s Conflict of Interest Code.
 - D. CONTRACTOR shall not engage in any performance of work during the term of this contract that is in direct or indirect conflict with duties and responsibilities set forth in the Scope of Work.
 - E. CONTRACTOR shall exercise the degree of skill and care customarily required by accepted professional practices and procedures.
 - F. CONTRACTOR shall ensure that any subcontractors, employees and agents performing under this Contract comply with the performance standards set forth in paragraph D above.
4. TERM – The term of this Contract is from July 1, 2020 to June 30, 2021, unless further extended by amendment of this Contract in writing, or terminated earlier. CONTRACTOR shall not submit any invoice for services performed under this Contract until the Contract is fully executed.
5. TERMINATION
 - A. The DISTRICT may terminate this Contract at any time, at will, and without specifying any reason, by notifying CONTRACTOR in writing. The notice of termination shall specify the effective date of termination, which shall be no less than thirty (30) calendar days from the date of delivery of the notice of termination, and shall be delivered in accordance with the provisions of section 10 below. Immediately upon receipt of the notice of termination, CONTRACTOR shall

cease all work under this Contract, except such work as is specified in the notice of termination. CONTRACTOR shall deliver a final invoice for all remaining work performed but not billed, including any work specified in the termination notice, on or before ten (10) business days following the termination date.

- B. Either party may terminate this Contract for breach by the other party.
- i) Failure to perform any agreement or obligation contained in this Contract or failure to perform the services in a satisfactory manner shall constitute a breach of the Contract.
 - ii) The non-breaching party may terminate the Contract by delivery of a written notice of breach. The notice of breach shall specify the date of termination, which shall be no earlier than ten (10) business days from delivery of the notice of breach. In the alternative, at its sole discretion, the non-breaching party may require the breaching party to cure the breach. The notice of breach shall specify the nature of the breach and the date by which such breach must be cured.
 - iii) If CONTRACTOR fails to perform any obligation under this Contract, DISTRICT at its sole discretion, may perform, or cause the performance, of the obligation itself. In that event, DISTRICT shall deduct the costs to perform such obligation and any other costs to cure the breach from the payment otherwise due to CONTRACTOR for work performed under this Contract. DISTRICT's performance hereunder shall not be deemed a waiver or release of any obligation of, or default by, CONTRACTOR under this Contract.
 - iv) The notice of breach shall be provided in accordance with the notice requirements set forth in section 10.
 - v) The non-breaching party reserves all rights under law and equity to enforce this Contract and recover any damages.

6 INSURANCE

- A. CONTRACTOR shall maintain the following insurance:
- i) Workers' compensation and employers' liability insurance as required by California law or other applicable statutory requirements.
 - ii) Occurrence-based commercial general liability insurance or equivalent form with a limit of not less than one million dollars (\$1,000,000) each occurrence. Such insurance shall include DISTRICT and its officers, agents, and employees as additional insureds and shall be primary with respect to any insurance maintained by DISTRICT.
 - iii) Business automobile liability insurance or equivalent form with a limit of not less than one million dollars (\$1,000,000) each accident. Such insurance shall include coverage for owned, hired, and non-owned vehicles. If CONTRACTOR is a sole proprietor, CONTRACTOR may meet this insurance requirement with personal automobile liability insurance carrying a business use endorsement or by demonstrating to the satisfaction of DISTRICT that business use is covered under the CONTRACTOR's personal automobile liability insurance. A CONTRACTOR using only rental vehicles in performing work under this Contract may meet this insurance requirement by purchasing automobile liability insurance in the required coverage amount from the rental agency.
- B. All insurance shall be placed with insurers acceptable to DISTRICT.
- C. Prior to commencement of work under this Contract, CONTRACTOR shall furnish properly-executed certificates of insurance for all required insurance. Upon request by DISTRICT, CONTRACTOR shall provide a complete copy of any required insurance policy. CONTRACTOR shall notify DISTRICT in writing thirty (30) days prior to cancellation or modification of any required insurance policy. Any such modifications are subject to pre-approval by DISTRICT.

- D. IF CONTRACTOR fails to maintain the required insurance coverage set forth above, DISTRICT reserves the right either to purchase such additional insurance and to deduct the cost thereof from any payments owed to CONTRACTOR or to terminate this Contract for breach.

7. INDEMNIFICATION

- A. CONTRACTOR shall indemnify and hold DISTRICT, its officers, employees and agents harmless from and against any and all liability, loss, expense, including reasonable attorneys' fees, or claims for injury or damages arising out of the performance of this Contract but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of CONTRACTOR, its officers, agents, or employees.
- B. DISTRICT shall indemnify and hold CONTRACTOR, its officers, employees and agents harmless from and against any and all liability, loss, expense, including reasonable attorneys' fee, or claims for injury or damages arising out of the performance of this Contract but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of DISTRICT, its officers, agents, or employees.

8. PAYMENT

- A. DISTRICT shall pay CONTRACTOR for services in accordance with the terms set forth in the Cost Schedule, which is attached hereto as Attachment B and incorporated herein by this reference.
- B. CONTRACTOR shall submit invoice(s) to DISTRICT for services performed. Each invoice shall specify the total cost of the services for which the invoice is submitted, shall reference tasks shown in the Scope of Work, the hours associated with same, or percentage completion thereof, and the amount of charge claimed, and, as appropriate, shall list any charges for equipment, material, supplies, travel, and subcontractors' services.
- C. DISTRICT's payment of invoices shall be subject to the following limitations and requirements:
 - i) Each invoice, including supporting documentation, shall be prepared in duplicate on CONTRACTOR's letterhead; shall list DISTRICT's contract number, the period covered by the invoice, and the CONTRACTOR's Social Security Number or Federal Employer Identification Number; and shall be submitted to: Bay Area Air Quality Management District, 375 Beale Street, Suite 600,, San Francisco, CA 94105, Attn: Mae Go.
 - ii) DISTRICT shall not pay interest, fees, handling charges, or the cost of money on the Contract.
 - iii) DISTRICT shall pay CONTRACTOR within thirty (30) calendar days after approval by DISTRICT of an itemized invoice.
- D. The total amount for which DISTRICT may be held liable for the performance of services specified in this Contract shall not exceed \$134,400.

9. DISPUTE RESOLUTION – A party that disputes a notice of breach must first seek mediation to resolve the dispute in accordance with the provisions set forth below.

- A. Upon receipt of a notice of breach of contract, the party may submit a demand for mediation to resolve whether or not a breach occurred. The party must state the basis of the dispute and deliver the demand within ten (10) business days of the date of receipt of the notice of breach.
- B. The mediation shall take place at DISTRICT's office at 375 Beale Street, Suite 600, San Francisco, or at such other place as may be mutually agreed upon by the parties and the mediator.

- C. The parties shall make good faith efforts to hold the mediation within thirty (30) days after receipt of the demand for mediation.
- D. Each party shall bear its own mediation costs.
- E. In the event the parties are unable to resolve the dispute, either party may file an action in a court of competent jurisdiction to enforce the Contract.
- F. Maximum recovery under this section shall be limited to \$134,400. The mediation costs shall not reduce the maximum amount recoverable under this section.

10. NOTICES – All notices that are required under this Contract shall be provided in the manner set forth herein, unless specified otherwise. Notice to a party shall be delivered to the attention of the person listed below, or to such other person or persons as may hereafter be designated by that party in writing. Notice shall be in writing sent by e-mail, facsimile, or regular first class mail. In the case of e-mail and facsimile communications, valid notice shall be deemed to have been delivered upon sending, provided the sender obtained an electronic confirmation of delivery. E-mail and facsimile communications shall be deemed to have been received on the date of such transmission, provided such date was a business day and delivered prior to 4:00 p.m. PST. Otherwise, receipt of e-mail and facsimile communications shall be deemed to have occurred on the following business day. In the case of regular mail notice, notice shall be deemed to have been delivered on the mailing date and received five (5) business days after the date of mailing.

DISTRICT: Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105
Attn: Damian Breen

CONTRACTOR: Direct Mail Center, Inc.
1099 Mariposa Street
San Francisco, CA 94107
Attn: Raymond Leung

11. ADDITIONAL PROVISIONS – All attachment(s) to this Contract are expressly incorporated herein by this reference and made a part hereof as though fully set forth.

12. EMPLOYEES OF CONTRACTOR

- A. CONTRACTOR shall be responsible for the cost of regular pay to its employees, as well as cost of vacation, vacation replacements, sick leave, severance pay, and pay for legal holidays.
- B. CONTRACTOR, its officers, employees, agents, or representatives shall not be considered employees or agents of DISTRICT, nor shall CONTRACTOR, its officers, employees, agents, or representatives be entitled to or eligible to participate in any benefits, privileges, or plans, given or extended by DISTRICT to its employees.
- C. DISTRICT reserves the right to review the credentials to perform the work of any of CONTRACTOR's employees assigned herein and to disapprove CONTRACTOR's assignments. CONTRACTOR warrants that it will not employ any subcontractor(s) without prior written approval from DISTRICT.

13. CONFIDENTIALITY – In order to carry out the purposes of this Contract, CONTRACTOR may require access to certain of DISTRICT's confidential information (including trade secrets, inventions,

confidential know-how, confidential business information, and other information that DISTRICT considers confidential) (collectively, "Confidential Information"). It is expressly understood and agreed that DISTRICT may designate in a conspicuous manner Confidential Information that CONTRACTOR obtains from DISTRICT, and CONTRACTOR agrees to:

- A. Observe complete confidentiality with respect to such information, including without limitation, agreeing not to disclose or otherwise permit access to such information by any other person or entity in any manner whatsoever, except that such disclosure or access shall be permitted to employees of CONTRACTOR requiring access in fulfillment of the services provided under this Contract.
- B. Ensure that CONTRACTOR's officers, employees, agents, representatives, and independent contractors are informed of the confidential nature of such information and to assure by agreement or otherwise that they are prohibited from copying or revealing, for any purpose whatsoever, the contents of such information or any part thereof, or from taking any action otherwise prohibited under this section.
- C. Not use such information or any part thereof in the performance of services to others or for the benefit of others in any form whatsoever whether gratuitously or for valuable consideration, except as permitted under this Contract.
- D. Notify DISTRICT promptly and in writing of the circumstances surrounding any possession, use, or knowledge of such information or any part thereof by any person or entity other than those authorized by this section. Take at CONTRACTOR's expense, but at DISTRICT's option and in any event under DISTRICT's control, any legal action necessary to prevent unauthorized use of such information by any third party or entity which has gained access to such information at least in part due to the fault of CONTRACTOR.
- E. Take any and all other actions necessary or desirable to assure such continued confidentiality and protection of such information during the term of this Contract and following expiration or termination of the Contract.
- F. Prevent access to such materials by a person or entity not authorized under this Contract.
- G. Establish specific procedures in order to fulfill the obligations of this section.

14. INTELLECTUAL PROPERTY RIGHTS – Title and full ownership rights to all intellectual property developed under this Contract shall at all times remain with DISTRICT, unless otherwise agreed to in writing.

15. PUBLICATION

- A. DISTRICT shall approve in writing any report or other document prepared by CONTRACTOR in connection with performance under this Contract prior to dissemination or publication of such report or document to a third party. DISTRICT may waive in writing its requirement for prior approval.
- B. Until approved by DISTRICT, any report or other document prepared by CONTRACTOR shall include on each page a conspicuous header, footer, or watermark stating "DRAFT – Not Reviewed or Approved by BAAQMD," unless DISTRICT has waived its requirement for prior approval pursuant to paragraph A of this section.
- C. Information, data, documents, or reports developed by CONTRACTOR for DISTRICT, pursuant to this Contract, shall be part of DISTRICT's public record, unless otherwise indicated. CONTRACTOR may use or publish, at its own expense, such information, provided DISTRICT approves use of such information in advance. The following acknowledgment of support and

disclaimer must appear in each publication of materials, whether copyrighted or not, based upon or developed under this Contract.

"This report was prepared as a result of work sponsored, paid for, in whole or in part, by the Bay Area Air Quality Management District (District). The opinions, findings, conclusions, and recommendations are those of the author and do not necessarily represent the views of the District. The District, its officers, employees, contractors, and subcontractors make no warranty, expressed or implied, and assume no legal liability for the information in this report."

- D. CONTRACTOR shall inform its officers, employees, and subcontractors involved in the performance of this Contract of the restrictions contained herein and shall require compliance with the above.
16. NON-DISCRIMINATION – In the performance of this Contract, CONTRACTOR shall not discriminate in its recruitment, hiring, promotion, demotion, and termination practices on the basis of race, religious creed, color, national origin, ancestry, sex, age, marital status, sexual orientation, medical condition, or physical or mental disability and shall comply with the provisions of the California Fair Employment & Housing Act (Government Code Section 12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, and all administrative rules and regulations issued pursuant to said Acts. CONTRACTOR shall also require each subcontractor performing work in connection with this Contract to comply with this section and shall include in each contract with such subcontractor provisions to accomplish the requirements of this section.
17. PROPERTY AND SECURITY – Without limiting CONTRACTOR'S obligations with regard to security, CONTRACTOR shall comply with all the rules and regulations established by DISTRICT for access to and activity in and around DISTRICT'S premises.
18. ASSIGNMENT – No party shall assign, sell, license, or otherwise transfer any rights or obligations under this Contract to a third party without the prior written consent of the other party, and any attempt to do so shall be void upon inception.
19. WAIVER – No waiver of a breach, of failure of any condition, or of any right or remedy contained in or granted by the provisions of this Contract shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies. Further, the failure of a party to enforce performance by the other party of any term, covenant, or condition of this Contract, and the failure of a party to exercise any rights or remedies hereunder, shall not be deemed a waiver or relinquishment by that party to enforce future performance of any such terms, covenants, or conditions, or to exercise any future rights or remedies.
20. ATTORNEYS' FEES – In the event any action is filed in connection with the enforcement or interpretation of this Contract, each party shall bear its own attorneys' fees and costs.
21. FORCE MAJEURE – Neither DISTRICT nor CONTRACTOR shall be liable for or deemed to be in default for any delay or failure in performance under this Contract or interruption of services resulting,

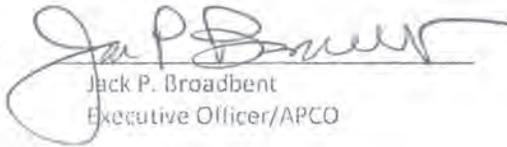
directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, judicial orders, governmental controls, regulations or restrictions, inability to obtain labor or materials or reasonable substitutes for labor or materials necessary for performance of the services, or other causes, except financial, that are beyond the reasonable control of DISTRICT or CONTRACTOR, for a period of time equal to the period of such force majeure event, provided that the party failing to perform notifies the other party within fifteen calendar days of discovery of the force majeure event, and provided further that that party takes all reasonable action to mitigate the damages resulting from the failure to perform. Notwithstanding the above, if the cause of the force majeure event is due to party's own action or inaction, then such cause shall not excuse that party from performance under this Contract.

22. SEVERABILITY -- If a court of competent jurisdiction holds any provision of this Contract to be illegal, unenforceable or invalid in whole or in part for any reason, the validity and enforceability of the remaining provisions, or portions of them will not be affected.
23. HEADINGS -- Headings on the sections and paragraphs of this Contract are for convenience and reference only, and the words contained therein shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Contract.
24. COUNTERPARTS/FACSIMILES/SCANS -- This Contract may be executed and delivered in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same contract. The parties may rely upon a facsimile copy or scanned copy of any party's signature as an original for all purposes.
25. GOVERNING LAW -- Any dispute that arises under or relates to this Contract shall be governed by California law, excluding any laws that direct the application of another jurisdiction's laws. Venue for resolution of any dispute that arises under or relates to this Contract, including mediation, shall be San Francisco, California.
26. ENTIRE CONTRACT AND MODIFICATION -- This Contract represents the final, complete, and exclusive statement of the agreement between the parties related to CONTRACTOR providing services to DISTRICT and supersedes all prior and contemporaneous understandings and agreements of the parties. No party has been induced to enter into this Contract by, nor is any party relying upon, any representation or warranty outside those expressly set forth herein. This Contract may only be amended by mutual agreement of the parties in writing and signed by both parties.
27. SURVIVAL OF TERMS -- The provisions of sections 7 (Indemnification), 13 (Confidentiality), 14 (Intellectual Property Rights), and 15 (Publication) shall survive the expiration or termination of this Contract.

IN WITNESS WHEREOF, the parties to this Contract have caused this Contract to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

DIRECT MAIL CENTER, INC.

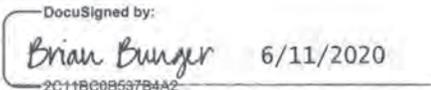
By: 
Jack P. Broadbent
Executive Officer/APCO

By: 
Raymond Leung
Account Manager

Date: 6-17-20

Date: 6-9-2020

Approved as to form:
District Counsel

By: 
6/11/2020
2C11BC0B53794A2
Brian C. Bungler
District Counsel

ATTACHMENT A

SCOPE OF WORK

CONTRACTOR shall provide direct mail services to distribute notices for the DISTRICT's Vehicle Buy Back (VBB) Program, a voluntary vehicle retirement and scrapping program that takes older, higher-polluting vehicles off Bay Area roads. The DISTRICT anticipates mailing up to 350,000 notices per fiscal year. CONTRACTOR will conduct a direct mail services campaign in compliance with the following requirements and procedures:

A. Data Management:

1. DISTRICT will provide CONTRACTOR a flat file database on a compact disc (CD-ROM), or external flash drive. The flat file database will consist of approximately 20 columns and up to 350,000 rows. CONTRACTOR shall convert the flat file database to the Microsoft Access database format. CONTRACTOR will format the information by vehicle owner address, city, state, zip code, vehicle model year, and vehicle registration due date.
2. CONTRACTOR shall suppress or otherwise modify the database to eliminate mailings to vehicle owners with 1970 and older model year vehicles and up to 150 individuals that have either requested to be removed from the mailing list or have previously participated in the VBB program. DISTRICT will provide CONTRACTOR with a Microsoft Excel spreadsheet of the names and addresses of these individuals. DISTRICT will also provide CONTRACTOR, on a monthly basis, any additions to the list.
3. CONTRACTOR shall send the database to the National Change of Address every six months to update the database. CONTRACTOR will add address changes that are no longer in the DISTRICT's jurisdiction to the suppress mail list.
4. CONTRACTOR shall provide DISTRICT with one (1) CD-ROM or external flash drive of the Microsoft Access database once tasks A.1 and A.2 have been completed initially. Each month thereafter, CONTRACTOR shall suppress from the database additional names provided by the DISTRICT and the National Change of Address. CONTRACTOR shall provide the DISTRICT with one (1) CD-ROM or flash drive which reflects the new database with the most recent suppressed names removed on a monthly basis.

B. Mailings:

1. DISTRICT will provide CONTRACTOR with twenty-four (24) mail drop dates at approximately two-week intervals to coincide with the vehicle owner's receipt of registration renewal notices from the California Department of Motor Vehicles (DMV). DISTRICT will provide CONTRACTOR the date range of addresses of vehicle owners in the Bay Area who are to receive letters on the specific mail drop dates.
2. CONTRACTOR shall merge text of one-page letter with addresses of vehicle owners and vehicle model year from the DMV database provided by the DISTRICT. DISTRICT will provide the text of the letter.
3. CONTRACTOR shall print the letter on DISTRICT's letterhead, which consists of DISTRICT's logo and contact information, on 20-pound, 8.5" x 11", white, recycled paper. The recycled paper shall contain at least 30% post-consumer material. CONTRACTOR will print a single-sided letter with black text. The DISTRICT's logo shall be printed in color (blue in two shades) with text in black ink. DISTRICT will provide CONTRACTOR logo artwork in electronic format (jpeg).

4. CONTRACTOR shall print the DISTRICT's return address and logo on #10 standard left window envelope, 24-pound, white recycled stock. The DISTRICT's logo shall be printed in black ink. The recycled envelope paper shall contain at least 30% post-consumer material. The DISTRICT will provide logo artwork in electronic format (jpeg).
5. CONTRACTOR shall fold letters to fit window envelopes and insert a one-page letter into each envelope, with the corresponding vehicle owner mailing address.
6. CONTRACTOR shall seal each envelope, provide postage (standard mail bulk rate), and deliver to the United States Post Office for mailing on the specified drop dates provided by DISTRICT.

ATTACHMENT B

COST SCHEDULE

DISTRICT will pay CONTRACTOR a fixed cost of \$42,035 for data management and letter and envelop production services for 350,000 notices. Standard mail bulk rate postage and delivery costs will be billed to DISTRICT at the actual rate charged by the United States Postal Services, up to a maximum amount of \$92,365 under this Contract. CONTRACTOR will submit monthly invoices to DISTRICT for the mail drops performed in the previous month. Payment will be made in accordance with Section 8, Payment, of this Contract.

Description	Cost
Data Management Cost	\$3,885
Letter and Envelope Production Cost	\$38,150
Standard Mail Bulk Rate Postage and Delivery Cost (not to exceed)	\$92,365
Total	\$134,400

Total cost of Contract not to exceed \$134,400.

AMENDMENT NO. 3 TO
BAY AREA AIR QUALITY MANAGEMENT DISTRICT
CONTRACT NO. 2020.119

This amendment to the above-entitled contract ("Contract Amendment") is dated, for reference purposes only, May 30, 2023.

RECITALS:

1. The Bay Area Air Quality Management District ("DISTRICT") and **Direct Mail Center, Inc.** ("CONTRACTOR") (hereinafter referred to as the "PARTIES") entered into the above-entitled contract for bulk mailing for DISTRICT's Vehicle Buy Back program (the "Contract"), which Contract was executed on behalf of CONTRACTOR on June 9, 2020, and on behalf of DISTRICT on June 17, 2020.
2. The PARTIES entered into Amendment No. 1 to the Contract, dated May 3, 2021, for reference purposes only, to amend the term and total maximum cost of the Contract.
3. The PARTIES entered into Amendment No. 2 to the Contract, dated June 1, 2022, for reference purposes only, to amend the term and total maximum cost of the Contract.
4. The PARTIES seek to amend the term and total maximum cost of the Contract because DISTRICT seeks to have CONTRACTOR continue to provide the services prescribed in the Contract, and CONTRACTOR desires to provide those services.
5. In accordance with Section 26 of the Contract, DISTRICT and CONTRACTOR desire to amend the above-entitled Contract as follows:

TERMS AND CONDITIONS OF CONTRACT AMENDMENT:

1. By this Contract Amendment, DISTRICT and CONTRACTOR amend Section 4, "Term." The term of the Contract shall be extended so that the termination date of the Contract is now June 30, 2024.
2. By this Contract Amendment, DISTRICT and CONTRACTOR amend Paragraph D of Section 8, "Payment," of the Contract to replace "\$654,300" with "\$1,038,300."
3. By this Contract Amendment, DISTRICT and CONTRACTOR amend Paragraph F of Section 9, "Dispute Resolution," of the Contract to replace "\$654,300" with "\$1,038,300."

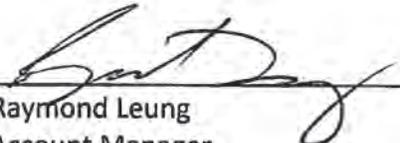
- 4. By this Contract Amendment, DISTRICT and CONTRACTOR replace Attachment B-2, Cost Schedule, with the attached "Attachment B-3, Cost Schedule" and agree that all references in the Contract to Attachment B shall be deemed to refer to Attachment B-3, Cost Schedule.
- 5. DISTRICT and CONTRACTOR agree that all other terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the PARTIES have caused this Contract Amendment to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

DIRECT MAIL CENTER, INC.

By: DocuSigned by:
Philip Fine
7314B577922A46A... _____
Philip W. Fine
Executive Officer/APCO

By:  _____
Raymond Leung
Account Manager

Date: 6/26/2023

Date: 6-26-23

Approved as to form:
District Counsel

By: DocuSigned by:
Alexander Crockett
6DC7110552B5451... 6/25/2023
Alexander G. Crockett
District Counsel

ATTACHMENT B-3**COST SCHEDULE**

DISTRICT will pay CONTRACTOR a fixed cost for data management and letter and envelop production services for up to 600,000 notices as outlined in the table below for each fiscal year (FY). Standard mail bulk rate postage and delivery costs will be billed to DISTRICT at the actual rate charged by the United States Postal Services, up to a maximum amount of \$180,000 per FY under this Contract. CONTRACTOR will submit monthly invoices to DISTRICT for the mail drops performed in the previous month. Payment will be made in accordance with Section 8, Payment, of this Contract.

Description	Cost (FY 2020- 2021)	Cost (FY 2021- 2022)	Cost (FY 2022- 2023)	Cost (FY 2023- 2024)
Data Management Cost	\$3,885	\$3,885	\$4,000	\$4,000
Letter and Envelope Production Cost	\$38,150	\$39,650	\$200,000	\$200,000
Standard Mail Bulk Rate Postage and Delivery Cost (not to exceed)	\$92,365	\$92,365	\$180,000	\$180,000
Total	\$134,400	\$135,900	\$384,000	\$384,000

Total cost of Contract not to exceed \$1,038,300.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

PROFESSIONAL SERVICES CONTRACT

CONTRACT NO. 2024.069

1. **PARTIES** – The parties to this Contract (“Contract”) are the Bay Area Air Quality Management District (“DISTRICT”) whose address is 375 Beale Street, Suite 600, San Francisco, CA 94105, and **Pick-N-Pull Auto Dismantlers** (“CONTRACTOR”) whose address is 10850 Gold Center Drive, Suite 350, Rancho Cordova, CA 95670.

2. **RECITALS**
 - A. DISTRICT is the local agency with primary responsibility for regulating stationary source air pollution in the Bay Area Air Quality Management District in the State of California. DISTRICT is authorized to enter into this Contract under California Health and Safety Code Section 40701. DISTRICT desires to contract with CONTRACTOR for services described in the Scope of Work, attached hereto as Attachment A and made a part hereof by this reference. DISTRICT is entering into this Contract based on CONTRACTOR’s stated qualifications to perform the services.
 - B. CONTRACTOR has been selected as one of two contractors authorized to scrap vehicles under the DISTRICT's Vehicle Buy Back (“VBB”) Program beginning fiscal year ending 2025. The DISTRICT's Board of Directors has authorized DISTRICT to spend up to \$11 million each fiscal year to scrap vehicles using funds from the Carl Moyer Program, Mobile Source Incentive Fund, and Transportation Fund for Clean Air.
 - C. DISTRICT has not allocated specific amounts separately to each contractor and will expend funds for scrapping as invoices are received under this Contract and under contracts with other authorized VBB contractors.
 - D. All parties to this Contract have had the opportunity to have this contract reviewed by their attorney.

3. **PERFORMANCE REQUIREMENTS**
 - A. CONTRACTOR is authorized to do business in the State of California. CONTRACTOR attests that it is in good tax standing with federal and state tax authorities.
 - B. CONTRACTOR agrees to obtain any and all required licenses, permits, and all other appropriate legal authorizations from all applicable federal, state and local jurisdictions and to pay all applicable fees.
 - C. CONTRACTOR shall comply with all laws and regulations that apply to its performance under this Contract, including any requirements to disclose potential conflicts of interest under DISTRICT’s Conflict of Interest Code.
 - D. CONTRACTOR shall not engage in any performance of work during the term of this contract that is in direct or indirect conflict with duties and responsibilities set forth in the Scope of Work.
 - E. CONTRACTOR shall exercise the degree of skill and care customarily required by accepted professional practices and procedures.
 - F. CONTRACTOR shall ensure that any subcontractors, employees and agents performing under this Contract comply with the performance standards set forth in paragraphs A-E

above.

4. TERM – The term of this Contract is from July 1, 2024 to June 30, 2025, unless further extended by amendment of this Contract in writing and signed by both parties, or terminated earlier. CONTRACTOR shall not submit any invoice for services performed under this Contract until the Contract is fully executed.

5. TERMINATION

A. The DISTRICT may terminate this Contract at any time, at will, and without specifying any reason, by notifying CONTRACTOR in writing. The notice of termination shall specify the effective date of termination, which shall be no less than thirty (30) calendar days from the date of delivery of the notice of termination, as set forth in section 10, below, and shall be delivered in accordance with the provisions of section 10 below. Immediately upon receipt of the notice of termination, CONTRACTOR shall cease all work under this Contract, except such work as is specified in the notice of termination. CONTRACTOR shall deliver a final invoice for all remaining work performed but not billed, including any work specified in the termination notice, on or before ten (10) business days following the effective date of termination.

B. Either party may terminate this Contract for breach by the other party.

- i) Failure to perform any agreement or obligation contained in this Contract or failure to perform the services in a satisfactory manner shall constitute a breach of the Contract.
- ii) The non-breaching party may terminate the Contract by delivery of a written notice of breach. The notice of breach shall specify the date of termination, which shall be no earlier than ten (10) business days from delivery of the notice of breach. In the alternative, at its sole discretion, the non-breaching party may require the breaching party to cure the breach. The notice of breach shall specify the nature of the breach and the date by which such breach must be cured.
- iii) If CONTRACTOR fails to perform any obligation under this Contract, DISTRICT, at its sole discretion, may perform, or cause the performance of, the obligation itself. In that event, DISTRICT shall deduct the costs to perform such obligation and any other costs to cure the breach from the payment otherwise due to CONTRACTOR for work performed under this Contract. DISTRICT's performance hereunder shall not be deemed a waiver or release of any obligation of, or default by, CONTRACTOR under this Contract.
- iv) The notice of breach shall be provided in accordance with the notice requirements set forth in section 10.
- v) The non-breaching party reserves all rights under law and equity to enforce this Contract and recover any damages.

6. INSURANCE

A. CONTRACTOR shall maintain the following insurance:

- i) Workers' compensation and employers' liability insurance as required by California law or other applicable statutory requirements.
- ii) Occurrence-based commercial general liability insurance or equivalent form with a limit of not less than one million dollars (\$1,000,000) each occurrence. Such insurance shall include DISTRICT and its officers, agents, and employees as additional insureds and shall be primary with respect to any insurance maintained by DISTRICT.
- iii) Business automobile liability insurance or equivalent form with a limit of not less than

one million dollars (\$1,000,000) each accident. Such insurance shall include coverage for owned, hired, and non-owned vehicles. If CONTRACTOR is a sole proprietor, CONTRACTOR may meet this insurance requirement with personal automobile liability insurance carrying a business use endorsement or by demonstrating to the satisfaction of DISTRICT that business use is covered under the CONTRACTOR's personal automobile liability insurance. A CONTRACTOR using only rental vehicles in performing work under this Contract may meet this insurance requirement by purchasing automobile liability insurance in the required coverage amount from the rental agency.

- B. All insurance shall be placed with insurers acceptable to DISTRICT.
 - C. Prior to commencement of work under this Contract, CONTRACTOR shall furnish properly-executed certificates of insurance for all required insurance. Upon request by DISTRICT, CONTRACTOR shall provide a complete copy of any required insurance policy. CONTRACTOR shall notify DISTRICT in writing thirty (30) days prior to cancellation or modification of any required insurance policy. Any such modifications are subject to pre-approval by DISTRICT.
 - D. If CONTRACTOR fails to maintain the required insurance coverage set forth above, DISTRICT reserves the right either to purchase such additional insurance and deduct the cost thereof from any payments owed to CONTRACTOR or to terminate this Contract for breach.
7. INDEMNIFICATION
- A. CONTRACTOR shall indemnify and hold DISTRICT, its officers, employees and agents harmless from and against any and all liability, loss, expense, including reasonable attorneys' fees, or claims for injury or damages arising out of the performance of this Contract, but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of CONTRACTOR, its officers, agents, or employees.

8. PAYMENT

- A. DISTRICT shall pay CONTRACTOR for services in accordance with the terms set forth in the Cost Schedule, which is attached hereto as Attachment B and incorporated herein by this reference.
- B. CONTRACTOR shall submit invoice(s) to DISTRICT for services performed. Each invoice shall specify the total cost of the services for which the invoice is submitted, shall reference tasks shown in the Scope of Work, the hours associated with same, or percentage completion thereof, and the amount of charge claimed, and, as appropriate, shall list any charges for equipment, material, supplies, travel, and subcontractors' services.
- C. DISTRICT's payment of invoices shall be subject to the following limitations and requirements:
 - i) Each invoice, including supporting documentation, shall be prepared on CONTRACTOR's letterhead; shall list DISTRICT's contract number, the period covered by the invoice, and the CONTRACTOR's Social Security Number or Federal Employer Identification Number; and shall be submitted via email to grants@baaqmd.gov with the subject line: RE: Vehicle Buy Back Program.
 - ii) DISTRICT shall not pay interest, fees, handling charges, or the cost of money on the Contract.
 - iii) DISTRICT shall pay CONTRACTOR within thirty (30) calendar days after approval by DISTRICT of an itemized invoice.
- D. The total amount for which DISTRICT may be held liable for the performance of services

specified in this Contract shall not exceed the sum derived by multiplying the number of vehicles scrapped under this Contract by the per vehicle price specified in Attachment B.

9. DISPUTE RESOLUTION – A party that disputes a notice of breach must first seek mediation to resolve the dispute in accordance with the provisions set forth below.
- A. Upon receipt of a notice of breach of contract, the party may submit a demand for mediation to resolve whether or not a breach occurred. The party must state the basis of the dispute and deliver the demand within ten (10) business days of the date of receipt of the notice of breach.
 - B. The mediation shall take place at DISTRICT’s office at 375 Beale Street, Suite 600, San Francisco, or at such other place as may be mutually agreed upon by the parties and the mediator.
 - C. The parties shall make good faith efforts to hold the mediation within thirty (30) days after receipt of the demand for mediation.
 - D. Each party shall bear its own mediation costs.
 - E. In the event the parties are unable to resolve the dispute, either party may file an action in a court of competent jurisdiction to enforce the Contract.
 - F. Maximum recovery under this section shall be limited to the sum derived by multiplying the number of vehicles scrapped under this Contract by the per vehicle price specified in Attachment B. The mediation costs shall not reduce the maximum amount recoverable under this section.
10. NOTICES – All notices that are required under this Contract shall be provided in the manner set forth herein, unless specified otherwise. Notice to a party shall be delivered to the attention of the person listed below, or to such other person or persons as may hereafter be designated by that party in writing. Notice shall be in writing sent by e-mail, facsimile, or regular first class mail. In the case of e-mail and facsimile communications, valid notice shall be deemed to have been delivered upon sending, provided the sender obtained an electronic confirmation of delivery. E-mail and facsimile communications shall be deemed to have been received on the date of such transmission, provided such date was a business day and delivered prior to 4:00 p.m. pacific time. Otherwise, receipt of e-mail and facsimile communications shall be deemed to have occurred on the following business day. In the case of regular mail notice, notice shall be deemed to have been delivered on the mailing date and received five (5) business days after the date of mailing.

DISTRICT: Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105
Attn: Director of Strategic Incentives
Project #: Vehicle Buy Back Program
grants@baaqmd.gov

CONTRACTOR: Pick-n-Pull Auto Dismantlers
10850 Gold Center Drive, Suite 350
Rancho Cordova, CA 95670
Attn: Christine Phillips, Director, Support Services
Project #: Vehicle Buy Back Program

11. ADDITIONAL PROVISIONS – All attachment(s) to this Contract are expressly incorporated herein by this reference and made a part hereof as though fully set forth. Future revisions to Appendix A, Vehicle Functional and Equipment Eligibility Inspection Form, Appendix B, Emission-Drive Train Related Parts List, and Appendix C, Quality Control Check List, adopted by the California Air Resources Board under the Voluntary Accelerated Vehicle Retirement regulations, California Code of Regulations, Title 13, Section 2601 et seq., shall supersede Attachments C, D, and E in this Contract.
12. EMPLOYEES OF CONTRACTOR
 - A. CONTRACTOR shall be responsible for the cost of regular pay to its employees, as well as cost of vacation leave, vacation replacements, sick leave, severance pay, and pay for legal holidays.
 - B. CONTRACTOR, its officers, employees, agents, or representatives shall not be considered employees or agents of DISTRICT, nor shall CONTRACTOR, its officers, employees, agents, or representatives be entitled to or eligible to participate in any benefits, privileges, or plans given or extended by DISTRICT to its employees.
13. CONFIDENTIALITY – In order to carry out the purposes of this Contract, CONTRACTOR may require access to certain of DISTRICT’s confidential information (including trade secrets, inventions, confidential know-how, confidential business information, and other information that DISTRICT considers confidential) (collectively, “Confidential Information”). It is expressly understood and agreed that DISTRICT may designate in a conspicuous manner Confidential Information that CONTRACTOR obtains from DISTRICT, and CONTRACTOR agrees to:
 - A. Observe complete confidentiality with respect to such information, including, without limitation, agreeing not to disclose or otherwise permit access to such information by any other person or entity in any manner whatsoever, except that such disclosure or access shall be permitted to employees of CONTRACTOR requiring access in fulfillment of the services provided under this Contract.
 - B. Ensure that CONTRACTOR’s officers, employees, agents, representatives, and independent contractors are informed of the confidential nature of such information, and to assure by agreement or otherwise, that they are prohibited from copying or revealing, for any purpose whatsoever, the contents of such information or any part thereof, or from taking any action otherwise prohibited under this section.
 - C. Not use such information or any part thereof in the performance of services to others or for the benefit of others in any form whatsoever, whether gratuitously or for valuable consideration, except as permitted under this Contract.
 - D. Notify DISTRICT promptly and in writing of the circumstances surrounding any possession, use, or knowledge of such information, or any part thereof, by any person or entity other than those authorized by this section. Take, at CONTRACTOR’s expense but at DISTRICT’s option, and in any event under DISTRICT’s control, any legal action necessary to prevent unauthorized use of such information by any third party or entity which has gained access to such information at least in part due to the fault of CONTRACTOR.
 - E. Take any and all other actions necessary or desirable to assure such continued confidentiality and protection of such information during the term of this Contract and

following expiration or termination of the Contract.

- F. Prevent access to such materials by a person or entity not authorized under this Contract.
- G. Establish specific procedures in order to fulfill the obligations of this section.

14. INTELLECTUAL PROPERTY RIGHTS – Title and full ownership rights to all intellectual property developed under this Contract shall at all times remain with DISTRICT, unless otherwise agreed to in writing.

15. PUBLICATION

- A. DISTRICT shall approve in writing any report or other document prepared by CONTRACTOR in connection with performance under this Contract prior to dissemination or publication of such report or document to a third party. DISTRICT may waive in writing its requirement for prior approval.
- B. Until approved by DISTRICT, any report or other document prepared by CONTRACTOR shall include on each page a conspicuous header, footer, or watermark stating “DRAFT – Not Reviewed or Approved by BAAQMD,” unless DISTRICT has waived its requirement for prior approval pursuant to paragraph A of this section.
- C. Information, data, documents, or reports developed by CONTRACTOR for DISTRICT pursuant to this Contract shall be part of DISTRICT’s public record, unless otherwise indicated. CONTRACTOR may use or publish, at its own expense, such information, provided DISTRICT approves use of such information in advance. The following acknowledgment of support and disclaimer must appear in each publication of materials, whether copyrighted or not, based upon or developed under this Contract:

“This report was prepared as a result of work sponsored, paid for, in whole or in part, by the Bay Area Air Quality Management District (District). The opinions, findings, conclusions, and recommendations are those of the author and do not necessarily represent the views of the District. The District, its officers, employees, contractors, and subcontractors make no warranty, expressed or implied, and assume no legal liability for the information in this report.”

- D. CONTRACTOR shall inform its officers, employees, and subcontractors involved in the performance of this Contract of the restrictions contained herein and shall require compliance with this section.

16. AUDIT / INSPECTION OF RECORDS – If this Contract exceeds \$10,000, pursuant to California Government Code Section 8546.7, all records, documents, conditions and activities of CONTRACTOR, and its subcontractors, related to the services provided hereunder, shall be subject to the examination and audit of the California State Auditor and other duly authorized agents of the State of California for a period of three (3) years after final payment under this Contract. CONTRACTOR hereby agrees to make such records available during normal business hours for inspection, audit, and reproduction by any duly authorized agents of the State of California or DISTRICT. CONTRACTOR further agrees to allow interviews of any of its employees who might reasonably have information related to such records by any duly authorized agents of the State of California or DISTRICT. All examinations and audits conducted under this section shall be strictly confined to those matters connected with the performance of this Contract, including, but not limited to, the costs of administering this Contract.

17. NON-DISCRIMINATION – In the performance of this Contract, CONTRACTOR shall not discriminate in its recruitment, hiring, promotion, demotion, and termination practices on the basis of race, religious creed, color, national origin, ancestry, sex, age, marital status, sexual orientation, medical condition, or physical or mental disability, and shall comply with the provisions of the California Fair Employment & Housing Act (Gov. Code, §§12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, and all administrative rules and regulations issued pursuant to said Acts. CONTRACTOR shall also require each subcontractor performing work in connection with this Contract to comply with this section, and shall include in each contract with such subcontractor provisions to accomplish the requirements of this section.
18. PROPERTY AND SECURITY – Without limiting CONTRACTOR’S obligations with regard to security, CONTRACTOR shall comply with all the rules and regulations established by DISTRICT for access to and activity in and around DISTRICT’s premises.
19. ASSIGNMENT – No party shall assign, sell, license, or otherwise transfer any rights or obligations under this Contract to a third party without the prior written consent of the other party, and any attempt to do so shall be void upon inception.
20. WAIVER – No waiver of a breach, of failure of any condition, or of any right or remedy contained in or granted by the provisions of this Contract shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies. Further, the failure of a party to enforce performance by the other party of any term, covenant, or condition of this Contract, and the failure of a party to exercise any rights or remedies hereunder, shall not be deemed a waiver or relinquishment by that party to enforce future performance of any such terms, covenants, or conditions, or to exercise any future rights or remedies.
21. ATTORNEYS’ FEES – In the event any action is filed in connection with the enforcement or interpretation of this Contract, each party shall bear its own attorneys’ fees and costs.
22. FORCE MAJEURE – Neither DISTRICT nor CONTRACTOR shall be liable for or deemed to be in default for any delay or failure in performance under this Contract or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, judicial orders, governmental controls, regulations or restrictions, inability to obtain labor or materials or reasonable substitutes for labor or materials necessary for performance of the services, or other causes, except financial, that are beyond the reasonable control of DISTRICT or CONTRACTOR, for a period of time equal to the period of such force majeure event, provided that the party failing to perform notifies the other party within fifteen calendar days of discovery of the force majeure event, and provided further that that party takes all reasonable action to mitigate the damages resulting from the failure to perform. Notwithstanding the above, if the cause of the force majeure event is due to a party’s own action or inaction, then such cause shall not excuse that party from performance under this Contract.
23. SEVERABILITY – If a court of competent jurisdiction holds any provision of this Contract to be illegal, unenforceable or invalid, in whole or in part, for any reason, the validity and

enforceability of the remaining provisions, or portions of them, will not be affected.

24. HEADINGS – Headings on the sections and paragraphs of this Contract are for convenience and reference only, and the words contained therein, shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Contract.
25. COUNTERPARTS/FACSIMILES/SCANS – This Contract may be executed and delivered in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same contract. The parties may rely upon a facsimile copy or scanned copy of any party's signature as an original for all purposes.
26. GOVERNING LAW – Any dispute that arises under or relates to this Contract shall be governed by California law, excluding any laws that direct the application of another jurisdiction's laws. Venue for resolution of any dispute that arises under or relates to this Contract, including mediation, shall be San Francisco, California.
27. ENTIRE CONTRACT AND MODIFICATION – This Contract represents the final, complete, and exclusive statement of the agreement between the parties related to CONTRACTOR providing services to DISTRICT, and supersedes all prior and contemporaneous understandings and agreements of the parties. No party has been induced to enter into this Contract by, nor is any party relying upon, any representation or warranty outside those expressly set forth herein. This Contract may only be amended by mutual agreement of the parties in writing and signed by both parties.
28. SURVIVAL OF TERMS – The provisions of sections 7 (Indemnification), 13 (Confidentiality), 14 (Intellectual Property Rights), and 15 (Publication) shall survive the expiration or termination of this Contract.

IN WITNESS WHEREOF, the parties to this Contract have caused this Contract to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

PICK-N-PULL AUTO DISMANTLERS

By: _____
Philip M. Fine
Executive Officer/APCO

By: _____
Mark Carnesecca
Vice President, Vehicle
Purchasing

Date: _____

Date: _____

Approved as to form:

By: _____
Alexander G. Crockett
General Counsel

DRAFT

ATTACHMENT A

SCOPE OF WORK

The Scope of Work outlined in this section complies with the Voluntary Accelerated Light-Duty Vehicle Retirement (VAVR) Regulations adopted by the California Air Resources Board (ARB). Light-duty vehicle retirement projects are subject to the requirements of the Voluntary Accelerated Vehicle Retirement Regulation (VAVR Regulation), Cal. Code Regs., tit. 13, § 2601 et seq. Light and medium-duty vehicle projects funded through Assembly Bill (AB) 923 (2004) are authorized by Health and Safety Code Section 44229 (b)(4). CONTRACTOR's VAVR projects must be in compliance with all the applicable guidelines adopted by ARB. The ARB Carl Moyer Program Guidelines chapter on VAVR constitutes ARB's adopted guidelines for light-duty projects.

CONTRACTOR will solicit, purchase, and scrap eligible vehicles in compliance with the following requirements and procedures, and in compliance with the VAVR Regulations. DISTRICT will not reimburse CONTRACTOR for the purchase of a vehicle, or the overhead costs associated with that purchase, if such vehicle fails to meet the following requirements:

A. Vehicle Eligibility Requirements

1. Participation shall be entirely voluntary for vehicle owners.
2. The vehicle must meet the following criteria:
 - a. 1998 model year or older diesel or gasoline-powered passenger car or light-duty truck up to 10,000 pounds gross vehicle weight or less.
3. The vehicle must be currently registered with the California Department of Motor Vehicles (DMV) as an operating vehicle and must have been registered for at least 24 consecutive months prior to the date of the sale to CONTRACTOR as well as be registered to an address, or addresses, within the DISTRICT's jurisdiction. Smog Checks must be performed as required by DMV in order for the vehicle to be considered registered.
 - a. A vehicle may also be eligible if the owner of the vehicle placed the vehicle into planned non-operational status per Vehicle Code sections 4604 et seq., for up to two months during the 24-month registration period and occurring at least three months immediately prior to its sale to CONTRACTOR.
 - b. A vehicle may also be eligible if the registration has lapsed for a period of less than 181 days during the previous 24 months and all appropriate registration fees and late penalties have been paid to DMV, provided that the vehicle is registered for at least 90 days immediately prior to its sale date to CONTRACTOR.
4. The vehicle shall be driven to the CONTRACTOR's purchase site to be retired under its own power.
5. Vehicles whose emission control systems have been tampered with as defined in Cal Code Regs., tit. 16, § 3340.41.5. are not eligible until such tampering has been completely corrected.
6. The vehicle shall not be operating under a Smog Check repair cost waiver or economic hardship extension, as referenced in Cal Code Regs., tit. 13, § 2603 (a)(4).
7. If a vehicle volunteered for retirement is within 60 days of its next required Smog Check inspection, the vehicle shall pass the inspection without receiving a repair cost waiver or economic hardship extension prior to acceptance by CONTRACTOR.

8. If a vehicle volunteered for retirement is within 61-90 days of its next required Smog Check inspection, CONTRACTOR shall verify that the vehicle has not failed a Smog Check inspection during this time frame.
9. Owners of vehicles requiring Smog Check inspections pursuant to Cal Code Regs, tit. 13, § 2603(a)(5) shall be required to submit documentation issued by a Bureau of Automotive Repair (BAR) licensed Smog Check technician demonstrating compliance with Section 2603(a)(5) to the person performing the functional and equipment eligibility inspection.

B. Vehicle Functional and Equipment Eligibility Inspection

CONTRACTOR will only scrap vehicles that meet the following requirements. The vehicle function and equipment eligibility inspection must be performed by an ARB-approved inspector and conducted on-site at CONTRACTOR's yard.

1. The vehicle must have been driven to the inspection site under its own power. If CONTRACTOR has knowledge that a vehicle was towed or pushed for any portion of the trip to the inspection site, then CONTRACTOR shall not approve the vehicle for eligibility.
2. The vehicle shall pass functional and equipment eligibility inspections as specified in the VAVR Regulation. The vehicle functional and equipment eligibility inspection form is attached hereto as Attachment C.
3. Upon satisfactory completion of the inspection, CONTRACTOR will issue a certificate of functional and equipment eligibility.
4. Vehicles failing the requirements pursuant to Sections B.1 and B.3 may be retested by CONTRACTOR for compliance with these requirements and issued a certificate of functional and equipment eligibility provided the vehicle has traveled a minimum of 50 miles subsequent to the failure determination. Vehicles with inoperable vehicle odometers must have the odometer fixed prior to conducting this test. Vehicles failing the requirements pursuant to Section B.2 may be retested by CONTRACTOR for compliance with these requirements and issued a certificate of functional and equipment eligibility at any time after modifications have been made to the vehicle.

C. Offering Vehicles/Parts to the Public

1. There is a minimum waiting period of ten (10) days between the day CONTRACTOR provides a description of a vehicle to the DISTRICT and the day a DMV Registration 42 form (Notice to Dismantler) is transmitted to the DMV for the vehicle. During the 10-day waiting period, with the vehicle owner's permission, CONTRACTOR will submit to the DISTRICT a description of the vehicle in accordance with Section C.1(a) below, and the date when the vehicle is scheduled to be delivered for final sale to the VBB Program. During the 10-day waiting period, if any person contacts CONTRACTOR and indicates an interest in purchasing the vehicle, CONTRACTOR shall hold the vehicle for a minimum of an additional seven (7) days. During this extended 7-day waiting period, CONTRACTOR shall arrange for the interested party to examine the vehicle and, if appropriate, negotiate the sale of the vehicle or any of its parts. Notwithstanding the foregoing, **nothing in this section places CONTRACTOR under any obligation to hold the vehicle for an interested party that has missed two or more prior appointments to examine any vehicle, or to sell the vehicle or any of its parts if a mutually acceptable price cannot be negotiated.**
 - a. CONTRACTOR will submit to the DISTRICT, on a weekly basis, a description of the vehicles offered for sale into the VBB Program as described in Section C.1(a)(i). The DISTRICT will, in turn, make this information available to an appropriate segment of

the public. The intent is to allow interested third parties, including car collector enthusiasts and those interested in affordable transportation, an opportunity to examine the vehicle and to negotiate with CONTRACTOR to purchase the vehicle or any of its parts according to Section E, before it is otherwise sold to the VBB Program, should the vehicle be delivered as scheduled.

- i. The description of the vehicle must include, at a minimum, the vehicle make, model, model year, and first eight characters of the Vehicle Identification Number (VIN). In addition, the description of the vehicle must include, date vehicle owner contacted CONTRACTOR, date vehicle is expected to be purchased, date the vehicle will be dismantled, and location the vehicle will be stored. No information identifying the owner will be permitted. When the DISTRICT makes this information available to the public, the DISTRICT will emphasize that while a vehicle is scheduled for delivery, there is no guarantee that the vehicle will actually be delivered.
 - ii. The vehicle owner is free to accept or reject any resulting contact or purchase offer and shall be informed by CONTRACTOR explicitly and prominently of such right.
 - iii. Nothing in this section places CONTRACTOR under any obligation to provide space or facilities for such third-party contacts, inspections, or negotiations to take place.
2. Entire vehicles and/or parts may be sold prior to entry into the VBB Program; however, no compensation with VBB Program funds shall be granted for any vehicle resold to the public in this manner according to Section E.

D. Vehicle Buy Back Program Contractor Requirements

1. CONTRACTOR must either be an auto dismantler, licensed according to the requirements of the California Vehicle Code, other business codes, and the regulations of the DMV, for the purpose of vehicle disposal after purchase, or have a binding agreement with a duly authorized auto dismantler, for the purpose of vehicle disposal after purchase.
2. At least thirty (30) days prior to commencing operations as a VBB Program contractor, CONTRACTOR shall provide the DISTRICT, in writing, information demonstrating the ability to comply with all provisions of the VAVR Regulations. This information must include CONTRACTOR's name and business address; licensed auto dismantler name and business address; anticipated initiation date and duration of vehicle retirement operation; a written statement from the auto dismantler (for each program location) under penalty of perjury certifying compliance with local air quality regulations, water conservation regulations, state, county, and city energy and hazardous materials response regulations, and local water agency soil, surface, and ground water contamination regulations; and any other information requested in applicable DISTRICT rules.
3. CONTRACTOR is required to perform the vehicle functional and equipment eligibility inspection specified in Section B on-site at CONTRACTOR's locations.
4. CONTRACTOR shall verify that the vehicle meets the vehicle registration eligibility and functional test requirements. The vehicle registration eligibility will be determined by DMV registration records.
5. At time of final sale of a vehicle to CONTRACTOR, CONTRACTOR must verify that the person delivering the vehicle for sale is the legal owner or an authorized representative of the legal owner, properly empowered to complete the sale.

6. A vehicle purchased as part of the VBB Program must be permanently destroyed by CONTRACTOR, or CONTRACTOR's duly contracted dismantler, within ninety (90) days of the date it is sold to CONTRACTOR, and may not be resold to the public or put into operation in any way, except such a vehicle may be briefly operated for purposes related to the disposal of the vehicle as part of the normal disposal procedures.
7. The vehicle will be considered destroyed when it has been crushed or shredded or otherwise rendered permanently and irreversibly incapable of functioning as originally intended, and when all appropriate records maintained by the DMV have been updated to reflect that the vehicle has been acquired by a licensed auto dismantler for the purposes of dismantling.
8. All vehicles must be confined in a holding area separate from other vehicles procured by CONTRACTOR until they are permanently destroyed.
9. All activities associated with retiring vehicles, including, but not limited to, the disposal of vehicle fluids and vehicle components, must comply with all applicable laws and regulations including, but not limited to, local water conservation regulations, state, county, and city energy and hazardous materials response regulations, and local water agency soil, surface, and ground water contamination regulations.
10. CONTRACTOR will purchase eligible vehicles at a price established by the contract between CONTRACTOR and DISTRICT.
11. CONTRACTOR will distribute a DISTRICT-designed questionnaire to all vehicle sellers, obtain the seller's completed questionnaire, and provide response data onto an electronic spreadsheet form to DISTRICT.
12. CONTRACTOR must cooperate with any inspections of the facilities, and review of the CONTRACTOR's operation of the VBB program as requested by the DISTRICT or ARB. These inspections can include audits of the required program documentation, and financial records.
13. CONTRACTOR shall be responsible for training its staff at each of its participating VBB program locations to ensure that staff demonstrate knowledge of the VBB program in order to effectively and efficiently complete all steps needed to process VBB purchases.

E. Parts Recycling and Resale

1. On vehicles used for parts recycling and resale, parts recycling and resale is limited to non-emission-related and non-drivetrain parts per the List of Emission-Drivetrain Related Parts List, attached hereto as Attachment D. Parts recycling and resale is at the sole discretion of CONTRACTOR, subject to the limitations included herein.
2. After the 10-day waiting period (and the additional 7-day waiting period if an appointment for inspection is made) and prior to offering non-emission and non-drivetrain parts for resale, the engine, emission-related parts, transmission, and drivetrain parts must be removed from the vehicle and destroyed by CONTRACTOR.
 - a. For the purpose of this regulation, a part will be considered destroyed when it has been punched, crushed, shredded, or otherwise rendered permanently and irreversibly incapable of functioning as originally intended.
 - b. A "Quality Control Checklist" with a list of emission-related and drivetrain parts that has check boxes for recording the status of parts, i.e., "removed" and "destroyed" is attached hereto as Attachment E.
 - i. CONTRACTOR must complete the checklist by adding check marks in the appropriate columns as the emission-related and drivetrain parts are removed and destroyed.

- ii. For a part that appears on the checklist but is not in the original design of the vehicle, CONTRACTOR must enter "N/A" for "not applicable" in lieu of a check mark.
 - c. After all emission-related and drivetrain parts are removed and destroyed, a quality control inspector (designated by DISTRICT) must perform an inspection of the non-emission-related and non-drivetrain parts, as well as the vehicle body.
 - d. Upon verification by the quality control inspector that no emission-related parts or drivetrain parts have been exchanged with the non-emission-related, and non-drivetrain parts, the quality control inspector must sign the checklist.
 - e. After the quality control inspector signs the check list, CONTRACTOR may place the remaining non-emission parts, non-drivetrain parts and vehicle body in the yard to be available for sale to the public.
3. If CONTRACTOR does not recover parts from a vehicle, the entire vehicle must be crushed by CONTRACTOR within ninety (90) days of sale to the VBB Program.
 - a. No parts may be removed, for sale or reuse, from any crushed retired vehicle that has been sold to the VBB Program. The only allowable use for any crushed retired vehicle is as a source of scrap metal and other scrap material.
 - b. CONTRACTOR may separate ferrous and non-ferrous metals from a crushed retired vehicle to sell as a source of scrap metal only.
 - c. CONTRACTOR may sell tires and batteries from a crushed retired vehicle to an intermediary tire/battery recycler only. All facilities generating or receiving waste tires must use the services of a registered tire hauler/recycler. Battery recyclers must be registered and licensed to handle batteries.
4. No compensation with VBB Program funds shall be granted for any vehicle from which emission related or drivetrain parts have been sold.
5. All activities associated with retiring vehicles for the VBB Program, including but not limited to the disposal of vehicle fluids and vehicle components, shall comply with all applicable laws and regulations including, but not limited to, local water conservation regulations, state, county, and city energy and hazardous materials response regulations, and local water agency soil, surface, and ground water contamination regulations.
6. CONTRACTOR will be subject to audits performed by the DISTRICT and its representatives.

F. Advertising

1. CONTRACTOR is encouraged to advertise for or otherwise attract voluntary sellers of vehicles meeting the eligibility requirements specified above. CONTRACTOR will submit to DISTRICT for approval a plan for implementing the advertising campaign within thirty (30) days of signing this contract. The DISTRICT will audit CONTRACTOR at the completion of the contract to verify that CONTRACTOR implemented the advertising campaign as specified in the contract.
2. CONTRACTOR will use the DISTRICT's approved logo on any printed material for public distribution. All uses of the DISTRICT's logo must be pre-approved for use by DISTRICT staff.
3. CONTRACTOR will credit the DISTRICT as the funding source for the scrapping program in any related articles, news releases, or other publicity materials. All advertising materials, information packages, and any other materials provided to media, to the public, or to vehicle sellers require prior approval by DISTRICT.
4. Any advertising conducted by CONTRACTOR for the purpose of recruiting vehicle owners to sell their vehicles into the VBB Program shall contain clear and prominent language stating

that participation in the VBB Program is completely voluntary; and shall not contain any language stating or implying that the VBB Program is anything but voluntary for the vehicle seller or that the VBB Program is affiliated with or is operated by the State of California.

5. Any contracts or agreements between a vehicle seller and CONTRACTOR relating to the sale of a vehicle to the VBB Program shall not contain any language stating that the VBB Program is anything but voluntary for the vehicle seller or that the VBB Program is affiliated with or is operated by the State of California.

G. Records, Auditing, and Enforcement

1. The following requirements for records, auditing, and enforcement shall be met:
 - a. CONTRACTOR shall be responsible for maintaining and storing the following information for each vehicle removed from operation for the VBB Program:
 - i. Vehicle Identification Number (VIN)
 - ii. Vehicle license plate number
 - iii. Vehicle make and model year
 - iv. Vehicle odometer reading
 - v. Name, address and phone number of legal owner selling vehicle to the contractor
 - vi. Name, address and phone number of registered owner if different from Section G.1(a)(v)
 - vii. Name and business address of inspector conducting the vehicle's eligibility inspection, if CONTRACTOR contracts with an ARB-approved inspection entity to perform the vehicle functional and equipment eligibility inspection
 - viii. Date of purchase of vehicle by CONTRACTOR
 - ix. Date of vehicle retirement
 - x. Reproduction of California Certificate of Title and registration, as signed-off by seller at time of final sale to the VBB Program
 - xi. Reproduction of the applicable certificate of functional and equipment eligibility
 - xii. Reproduction of the applicable Report of Vehicle to be Dismantled and Notice of Acquisition (DMV Registration 42 form)
 - xiii. Reproduction of written documentation from the DMV verifying that a vehicle meets the requirements of Section A.3
 - xiv. If applicable, reproduction of documentation issued pursuant to Section A.9
 - xv. Any other pertinent data requested by the DISTRICT (e.g. VBB Program survey)
 - b. Upon request of the DISTRICT, the data contained in records required in Section G.1(a)(i) through Section G.1(a)(xv) shall be transmitted to the DISTRICT in an electronic database format, in addition to paper copies. The electronic format will be provided by the DISTRICT.
 - c. CONTRACTOR will maintain copies, either electronic or paper, of the information listed in Section G.1(a)(i) through Section G.1(a)(xv) for a minimum period of five (5) years, and shall make those records available to DISTRICT upon request within 30 days.
 - d. The DISTRICT may conduct announced and unannounced audits and on-site inspections of the CONTRACTOR's operations to ensure operations are being conducted according to all applicable rules and regulations. DISTRICT shall notify any

noncompliant contractor of the nature of the violation and shall initiate any enforcement or remedial action necessary.

- i. CONTRACTOR and their subcontractors shall allow DISTRICT to conduct announced and unannounced audits and inspections and shall cooperate fully in such situations.
 - ii. Violation of any provision of any applicable regulation, including falsification of any information or data, shall constitute a citable violation making the violator subject to all applicable penalties specified in the California Health and Safety Code. In addition, violation of any provision of §2603 of the VAVR Regulation, 13 Cal. Code Regs., tit. 13, by CONTRACTOR or its subcontractors may result in the issuance of a Notice of Violation(s).
2. CONTRACTOR will handle all DMV paperwork associated with the purchase, dismantling, and scrapping of vehicles.
3. CONTRACTOR will provide to DISTRICT, on a weekly basis, a description of the vehicles offered for sale into the VBB Program. The description of the vehicle must include the date vehicle owner contacted the VBB program, date the vehicle will be dismantled, vehicle make, vehicle model, model year, the first eight characters of the VIN, name of dismantler, location of dismantling facility, and dismantler's phone number. No information identifying the owner will be permitted.
4. CONTRACTOR will provide monthly invoice reports to the DISTRICT on the status of the scrapping program. The reports shall be printed on CONTRACTOR's letterhead, shall list the contract number, the period covered by the invoice, CONTRACTOR's Social Security Number or Federal Employer Identification Number, and include the monthly and cumulative number of vehicles purchased.

ATTACHMENT B

COST SCHEDULE

A. Per Vehicle Payment. DISTRICT will pay CONTRACTOR an amount of **\$1,525.00** per vehicle scrapped, up to a total maximum amount of \$11 million under the VBB Program.

B. Price Breakdown. The rate above is based on reimbursing CONTRACTOR for the **\$1,500.00** purchase price of each vehicle, plus \$25 for overhead for the VBB Program.

Total Contract not to exceed \$11,000,000. This amount has NOT been allocated in any way to CONTRACTOR, or any other contractor under the VBB. The DISTRICT will expend funds as invoices are received under this Contract and under contracts with other authorized VBB contractors up to a total maximum amount of \$11,000,000.

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ATTACHMENT C



**VEHICLE FUNCTIONAL AND EQUIPMENT
ELIGIBILITY INSPECTION FORM**

Legal Owner: _____ Phone Number: _____
 Address: _____ City: _____ Zip: _____
 VIN: _____ License Plate Number: _____
 Make: _____ Model: _____
 Model Year: _____ Odometer Reading: _____

VEHICLE QUALIFICATION (* Vehicle is not qualified for the VAVR program.)

Vehicle within 61-90 days of next scheduled Smog Check: [] yes [] no 2602(c)
 If yes, vehicle failed next scheduled Smog Check: [] yes* [] no
 Vehicle registered in District for at least 24 months: [] yes [] no* 2603(a)(2)
 Vehicle on BAR repair cost waiver: [] yes* [] no 2603(a)(4)
 Vehicle on BAR economic hardship extension: [] yes* [] no 2603(a)(4)
 Vehicle within 60 days of next scheduled Smog Check: [] yes [] no 2603(a)(5)
 If yes, vehicle passed next scheduled Smog Check: [] yes [] no*
 The vehicle has been tampered with: [] yes* [] no 2603(a)(7)
 The vehicle has been driven to the inspection site: [] yes [] no* 2603(b)(1)

EQUIPMENT ELIGIBILITY

The following shall be present and in place: 2603(b)(2)

All doors	[] yes [] no*	Hood	[] yes [] no*
Dashboard	[] yes [] no*	Driver's seat	[] yes [] no*
One bumper	[] yes [] no*	All side and/or quarter panels	[] yes [] no*
Exhaust system	[] yes [] no*	One headlight	[] yes [] no*
One taillight	[] yes [] no*	One brake light	[] yes [] no*
One side window	[] yes [] no*	Interior pedals operational	[] yes [] no*
Windshield	[] yes [] no*		
Drivability affected by body, steering, or suspension damage	[] yes* [] no		

FUNCTIONAL ELIGIBILITY

The following shall be completed: 2603(b)(3)

Vehicle starts using keyed ignition [] yes [] no*
 Vehicle starts without the use of starting fluids or external battery [] yes [] no*
 Vehicle driven forward for a minimum of 25 feet [] yes [] no*
 Vehicle driven in reverse for a minimum of 25 feet [] yes [] no*

* Vehicle is not eligible for the VAVR program.

INSPECTOR CERTIFICATION: (Check correct boxes.) I certify that this vehicle has ([] passed [] not passed) both the functional and equipment eligibility inspections and ([] is [] is not) eligible for acceptance into the VAVR program pursuant to California Code of Regulations, Title 13, Sections 2602 and 2603, or as applicable to motorcycles as indicated on the checklist above.

Printed Name: _____

Date: _____

Signed: _____

The following should be completed if the vehicle is eligible for acceptance into a VAVR program.

OWNER ACCEPTANCE: I accept receipt of this CERTIFICATION of eligibility into the VAVR program. I agree not to alter the vehicle's equipment or functionality from that presented to the inspector. I agree to maintain the vehicle's condition and registration until the vehicle is retired. In accordance with Title 13, CCR, Chapter 13, Article 1, Section 2605, the vehicle will be listed and available for interested parties to purchase from the dismantler for a minimum of 10 days. If the vehicle is purchased by a third party it will not be included in the VAVR program.

Printed Name: _____ Date: _____
Signed: _____ Driver's License #: _____

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ATTACHMENT D

EMISSION-DRIVETRAIN RELATED PARTS LIST

The following list of components are examples of emission related parts as shown in California Code of Regulations Title 13, Division 3, Chapter 13, Article 1, Appendix B.

I. Carburetion and Air Induction System

- A. Air Induction System:
 - 1. Temperature sensor elements
 - 2. Vacuum motor for air control
 - 3. Hot air duct & stove
 - 4. Air filter housing & element
 - 5. Turbocharger or supercharger
 - 6. Intercooler
- B. Emission Calibrated Carburetors:
 - 1. Metering jets
 - 2. Metering rods
 - 3. Needle and seat
 - 4. Power valve
 - 5. Float circuit
 - 6. Vacuum break
 - 7. Choke mechanism
 - 8. Throttle-control solenoid
 - 9. Deceleration valve
 - 10. Dashpot
 - 11. Idle stop solenoid, anti-dieseling assembly
 - 12. Accelerating pump
 - 13. Altitude compensator
- C. Mechanical Fuel Injection:
 - 1. Pressure regulator
 - 2. Fuel injection pump
 - 3. Fuel injector
 - 4. Throttle-position compensator
 - 5. Engine speed compensator
 - 6. Engine temperature compensator
 - 7. Altitude cut-off valve
 - 8. Deceleration cut-off valve
 - 9. Cold-start valve
- D. Continuous Fuel Injection:
 - 1. Fuel pump
 - 2. Pressure accumulator
 - 3. Fuel filter
 - 4. Fuel distributor
 - 5. Fuel injections
 - 6. Air-flow sensor
 - 7. Throttle-position compensator
 - 8. Warm-running compensator
 - 9. Pneumatic overrun compensator
 - 10. Cold-start valve
- E. Electronic Fuel Injection:
 - 1. Pressure regulator
 - 2. Fuel distribution manifold
 - 3. Fuel injectors
 - 4. Electronic control unit

- 5. Engine speed sensor
- 6. Engine temperature sensor
- 7. Throttle-position sensor
- 8. Altitude/manifold-pressure sensor
- 9. Cold-start valve
- F. Air Fuel Ratio Control:
 - 1. Frequency valve
 - 2. Oxygen sensor
 - 3. Electronic control unit
- G. Intake Manifold

II. Ignition System

- A. Distributor;
 - 1. Cam
 - 2. Points
 - 3. Rotor
 - 4. Condenser
 - 5. Distributor cap
 - 6. Breaker plate
 - 7. Electronic components (breakerless or electronic system)
- B. Spark Advance/Retard System:
 - 1. Centrifugal advance mechanism:
 - a. Weights
 - b. Springs
 - 2. Vacuum advance unit
 - 3. Transmission controlled spark system:
 - a. Vacuum solenoid
 - b. Transmission switch
 - c. Temperature switches
 - d. Time delay
 - e. CEC valve
 - f. Reversing relay
 - 4. Electronic spark control system:
 - a. Computer circuitry
 - b. Speed sensor
 - c. Temperature switches
 - d. Vacuum switching valve
 - 5. Orifice spark advance control system:
 - a. Vacuum bypass valve
 - b. OSAC (orifice spark advance control) valve
 - c. Temperature control switch
 - d. Distributor vacuum control valve
 - 6. Speed controlled spark system:
 - a. Vacuum solenoid
 - b. Speed sensor and control switch
 - c. Thermal vacuum switch
- C. Spark Plugs
- D. Ignition Coil
- E. Ignition Wires

III. Mechanical Components

- A. Valve trains:
 - 1. Intake valves
 - 2. Exhaust valves
 - 3. Valve guides

4. Valve springs
 5. Valve seats
 6. Camshaft
- B. Combustion Chamber:
1. Cylinder head or rotor housing¹
 2. Piston or rotor¹

IV. Evaporative Control System

- A. Vapor Storage Canister and Filter
- B. Vapor Liquid Separator
- C. Filler Cap
- D. Fuel Tank
- E. Canister Purge Valve

V. Positive Crankcase Ventilation System

- A. PCV Valve
- B. Oil Filler Cap
- C. Manifold PCV Connection Assembly

VI. Exhaust Gas Recirculation System

- A. EGR Valve:
 1. Valve body and carburetor spacer
 2. Internal passages and exhaust gas orifice
- B. Driving Mode Sensors:
 1. Speed sensor
 2. Solenoid vacuum valve
 3. Electronic amplifier
 4. Temperature-controlled vacuum valve
 5. Vacuum reducing valve
 6. EGR coolant override valve
 7. Backpressure transducer
 8. Vacuum amplifier
 9. Delay valves

VII. Air Injection System

- A. Air Supply Assembly:
 1. Pump
 2. Pressure relief valve
 3. Pressure-setting plug
 4. Pulsed air system
- B. Distribution Assembly:
 1. Diverter, relief, bypass, or gulp valve
 2. Check or anti-backfire valve
 3. Deceleration control part
 4. Flow control valve
 5. Distribution manifold
 6. Air switching valve
- C. Temperature sensor

VIII. Catalyst, Thermal Reactor, and Exhaust System

- A. Catalytic Converter:
 1. Constricted fuel filler neck
 2. Catalyst beads (pellet-type converter)

¹ Rotary (Wankel) engines only

3. Ceramic support and monolith coating (monolith-type converter)
 4. Converter body and internal supports
 5. Exhaust manifold
- B. Thermal Reactor:
1. Reactor casing and lining
 2. Exhaust manifold and exhaust port liner
- C. Exhaust System:
1. Manifold
 2. Exhaust port liners
 3. Double walled portion of exhaust system
 4. Heat riser valve and control assembly

IX. Miscellaneous Items Used in Above Systems

1. Hoses, clamps, and pipers
2. Pulleys, belts, and idlers

X. Computer Controls

1. Electronic Control Unit (ECU)
2. Computer-coded engine operating parameter (including computer chips)
3. All sensors and actuators associated with the ECU

XI. Drive Train Parts (added to Emission-Related Parts List

1. Engine
2. Drive mechanism
3. Transmission
4. Differential
5. Axles
6. Brakes

ATTACHMENT E

QUALITY CONTROL CHECKLIST

**Emission-Related and Drivetrain Parts
Removal and Destruction - Quality Control Check List**

Check each box indicating whether the emissions-related or drive train part has been removed or destroyed. Insert N/A where a part is not in the original vehicle design.

Date _____
 Dismantler _____
 Address _____
 Quality Control Inspector _____
 Vehicle Make _____
 Vehicle Model _____
 Vehicle Year _____
 Vehicle License Number _____
 Vehicle Odometer Mileage _____

Category	Emission-Related/Drivetrain Part	Part Removed	Part Destroyed
Air Induction System	Temperature sensor elements		
	Vacuum motor for air control		
	Hot air duct & stove		
	Air filter housing & element		
	Turbocharger or supercharger		
	Intercooler		
Emission Calibrated Carburetors	Metering jets		
	Metering rods		
	Needle and seat		
	Power valve		
	Float circuit		
	Vacuum break		
	Choke mechanism		
	Throttle-control solenoid		
Emission Calibrated Carburetors (continued)	Deceleration valve		
	Dashpot		
	Idle stop solenoid, anti-dieseling assembly		
Mechanical Fuel Injection:	Accelerating pump		
	Altitude compensator		
	Pressure regulator		
	Fuel injection pump		
	Fuel injector		
	Throttle-position compensator		
	Engine speed compensator		
	Engine temperature compensator		
	Altitude cut-off valve		
	Deceleration cut-off valve		
Continuous Fuel Injection:	Cold-start valve		
	Fuel pump		
	Pressure accumulator		
	Fuel filter		

Category	Emission-Related/Drivetrain Part	Part Removed	Part Destroyed
	Fuel distributor		
	Fuel injections		
	Air-flow sensor		
	Throttle-position compensator		
	Warm-running compensator		
	Pneumatic overrun compensator		
	Cold-start valve		
Electronic Fuel Injection:	Pressure regulator		
	Fuel distribution manifold		
	Fuel injectors		
	Electronic control unit		
	Engine speed sensor		
	Engine temperature sensor		
	Throttle-position sensor		
	Altitude/manifold-pressure sensor		
Electronic Fuel Injection:	Cold-start valve		
Air Fuel Ratio Control:	Frequency valve		
	Oxygen sensor		
Air Fuel Ratio Control:	Electronic control unit		
Intake Manifold	Intake Manifold Assembly		
Distributor	Cam		
	Points		
	Rotor		
	Condenser		
	Distributor cap		
	Breaker plate		
	Electronic components (breakerless or electronic system)		
Spark Advance/Retard System	Centrifugal advance mechanism: weights and springs		
	Vacuum advance unit		
	Transmission controlled spark system: vacuum solenoid, transmission switch, temperature switches, time delay, CEC valve, reversing relay		
	Electronic spark control system: computer circuitry, speed sensor, temperature switches, vacuum switching valve		
	Orifice spark advance control system: vacuum bypass valve, orifice spark advance control valve, temperature control switch, distributor vacuum control switch		
Spark Advance/Retard System (continued)	Speed controlled spark system: vacuum solenoid, speed sensor and control switch, thermal vacuum switch		
Spark Plugs	Spark Plugs		
Ignition Coil	Ignition Coil		
Ignition Wires	Ignition Wires		

Category	Emission-Related/Drivetrain Part	Part Removed	Part Destroyed
Drivetrain	Engine		
	Flywheel		
	Bell Housing		
	Drive Shaft		
	Transmission		
	Differentials		
	Axles		
	Brakes		
Mechanical Components	Intake valves		
	Exhaust valves		
	Valve guides		
	Valve springs		
	Valve seats		
	Camshaft		
	Cylinder head or rotor housing		
	Piston or rotor		
Evaporative Control System	Vapor Storage Canister and Filter		
	Vapor Liquid Separator		
	Filler Cap		
	Fuel Tank		
	Canister Purge Valve		
Positive Crankcase Ventilation System	PCV Valve		
	Oil Filler Cap		
	Manifold PCV Connection Assembly		
Exhaust Gas Recirculation System	EGR Valve: valve body and carburetor spacer,		
	EGR Valve: internal passages and exhaust gas orifice		
Driving Mode Sensors	Speed sensor		
	Solenoid vacuum valve		
	Electronic amplifier		
	Temperature-controlled vacuum valve		
	Vacuum reducing valve		
	EGR coolant override valve		
	Backpressure transducer		
	Vacuum amplifier		
	Delay valves		
Air Injection System	Pump		
	Pressure-relief valve		
	Pressure-setting plug		
	Pulsed air system		
	Diverter		
	Relief, bypass, or gulp valve		
	Check or anti-backfire valve		
	Deceleration control part		
	Flow control valve		
	Distribution manifold		
	Air switching valve		
Temperature sensor			
Catalytic Converter/Thermal	Constricted fuel filler neck		

Category	Emission-Related/Drivetrain Part	Part Removed	Part Destroyed
Reactor/exhaust	Catalyst beads (pellet-type converter),		
	Ceramic support and monolith coating (monolith-type converter),		
	Converter body and internal supports,		
	Exhaust manifold		
	Reactor casing and lining		
	Exhaust manifold and exhaust port liner		
	Manifold		
	Exhaust port liners,		
	Double walled portion of exhaust system,		
	Heat riser valve and control assembly		
	Miscellaneous Items Used in Above Systems	Hoses, clamps, and pipers	
Pulleys, belts, and idlers			
Computer Controls	Electronic Control Unit (ECU)		
	Computer-coded engine operating parameter (including computer chips)		
	All sensors and actuators associated with the ECU		

Quality Control Inspector Final Verification All Emission-Related and Drivetrain Parts Removed and Destroyed

Quality Control Inspector Signature: _____
Date: _____

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

PROFESSIONAL SERVICES CONTRACT

CONTRACT NO. 2024.071

1. **PARTIES** – The parties to this Contract (“Contract”) are the Bay Area Air Quality Management District (“DISTRICT”) whose address is 375 Beale Street, Suite 600, San Francisco, CA 94105, and **Environmental Engineering Studies, Inc.** (“CONTRACTOR”) whose address is 7981 Paseo Membrillo, Carlsbad, CA 92009.

2. **RECITALS**
 - A. DISTRICT is the local agency with primary responsibility for regulating stationary source air pollution in the Bay Area Air Quality Management District in the State of California. DISTRICT is authorized to enter into this Contract under California Health and Safety Code Section 40701. DISTRICT desires to contract with CONTRACTOR for services described in the Scope of Work, attached hereto as Attachment A and made a part hereof by this reference. DISTRICT is entering into this Contract based on CONTRACTOR’s stated qualifications to perform the services.
 - B. CONTRACTOR has been selected as one of two contractors authorized to scrap vehicles under the DISTRICT's Vehicle Buy Back (“VBB”) Program beginning fiscal year ending 2025. The DISTRICT's Board of Directors has authorized DISTRICT to spend up to \$11 million each fiscal year to scrap vehicles using funds from the Carl Moyer Program, Mobile Source Incentive Fund, and Transportation Fund for Clean Air.
 - C. DISTRICT has not allocated specific amounts separately to each contractor and will expend funds for scrapping as invoices are received under this Contract and under contracts with other authorized VBB contractors.
 - D. All parties to this Contract have had the opportunity to have this contract reviewed by their attorney.

3. **PERFORMANCE REQUIREMENTS**
 - A. CONTRACTOR is authorized to do business in the State of California. CONTRACTOR attests that it is in good tax standing with federal and state tax authorities.
 - B. CONTRACTOR agrees to obtain any and all required licenses, permits, and all other appropriate legal authorizations from all applicable federal, state and local jurisdictions and to pay all applicable fees.
 - C. CONTRACTOR shall comply with all laws and regulations that apply to its performance under this Contract, including any requirements to disclose potential conflicts of interest under DISTRICT’s Conflict of Interest Code.
 - D. CONTRACTOR shall not engage in any performance of work during the term of this contract that is in direct or indirect conflict with duties and responsibilities set forth in the Scope of Work.
 - E. CONTRACTOR shall exercise the degree of skill and care customarily required by accepted professional practices and procedures.
 - F. CONTRACTOR shall ensure that any subcontractors, employees and agents performing under this Contract comply with the performance standards set forth in paragraphs A-E

above.

4. TERM – The term of this Contract is from July 1, 2024 to June 30, 2025, unless further extended by amendment of this Contract in writing and signed by both parties, or terminated earlier. CONTRACTOR shall not submit any invoice for services performed under this Contract until the Contract is fully executed.

5. TERMINATION

- A. The DISTRICT may terminate this Contract at any time, at will, and without specifying any reason, by notifying CONTRACTOR in writing. The notice of termination shall specify the effective date of termination, which shall be no less than thirty (30) calendar days from the date of delivery of the notice of termination, as set forth in section 10, below, and shall be delivered in accordance with the provisions of section 10 below. Immediately upon receipt of the notice of termination, CONTRACTOR shall cease all work under this Contract, except such work as is specified in the notice of termination. CONTRACTOR shall deliver a final invoice for all remaining work performed but not billed, including any work specified in the termination notice, on or before ten (10) business days following the effective date of termination.
- B. Either party may terminate this Contract for breach by the other party.
 - i) Failure to perform any agreement or obligation contained in this Contract or failure to perform the services in a satisfactory manner shall constitute a breach of the Contract.
 - ii) The non-breaching party may terminate the Contract by delivery of a written notice of breach. The notice of breach shall specify the date of termination, which shall be no earlier than ten (10) business days from delivery of the notice of breach. In the alternative, at its sole discretion, the non-breaching party may require the breaching party to cure the breach. The notice of breach shall specify the nature of the breach and the date by which such breach must be cured.
 - iii) If CONTRACTOR fails to perform any obligation under this Contract, DISTRICT, at its sole discretion, may perform, or cause the performance of, the obligation itself. In that event, DISTRICT shall deduct the costs to perform such obligation and any other costs to cure the breach from the payment otherwise due to CONTRACTOR for work performed under this Contract. DISTRICT's performance hereunder shall not be deemed a waiver or release of any obligation of, or default by, CONTRACTOR under this Contract.
 - iv) The notice of breach shall be provided in accordance with the notice requirements set forth in section 10.
 - v) The non-breaching party reserves all rights under law and equity to enforce this Contract and recover any damages.

6. INSURANCE

- A. CONTRACTOR shall maintain the following insurance:
 - i) Workers' compensation and employers' liability insurance as required by California law or other applicable statutory requirements.
 - ii) Occurrence-based commercial general liability insurance or equivalent form with a limit of not less than one million dollars (\$1,000,000) each occurrence. Such insurance shall include DISTRICT and its officers, agents, and employees as additional insureds and shall be primary with respect to any insurance maintained by DISTRICT.
 - iii) Business automobile liability insurance or equivalent form with a limit of not less than

one million dollars (\$1,000,000) each accident. Such insurance shall include coverage for owned, hired, and non-owned vehicles. If CONTRACTOR is a sole proprietor, CONTRACTOR may meet this insurance requirement with personal automobile liability insurance carrying a business use endorsement or by demonstrating to the satisfaction of DISTRICT that business use is covered under the CONTRACTOR's personal automobile liability insurance. A CONTRACTOR using only rental vehicles in performing work under this Contract may meet this insurance requirement by purchasing automobile liability insurance in the required coverage amount from the rental agency.

- B. All insurance shall be placed with insurers acceptable to DISTRICT.
 - C. Prior to commencement of work under this Contract, CONTRACTOR shall furnish properly-executed certificates of insurance for all required insurance. Upon request by DISTRICT, CONTRACTOR shall provide a complete copy of any required insurance policy. CONTRACTOR shall notify DISTRICT in writing thirty (30) days prior to cancellation or modification of any required insurance policy. Any such modifications are subject to pre-approval by DISTRICT.
 - D. If CONTRACTOR fails to maintain the required insurance coverage set forth above, DISTRICT reserves the right either to purchase such additional insurance and deduct the cost thereof from any payments owed to CONTRACTOR or to terminate this Contract for breach.
7. INDEMNIFICATION
- A. CONTRACTOR shall indemnify and hold DISTRICT, its officers, employees and agents harmless from and against any and all liability, loss, expense, including reasonable attorneys' fees, or claims for injury or damages arising out of the performance of this Contract, but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of CONTRACTOR, its officers, agents, or employees.
8. PAYMENT
- A. DISTRICT shall pay CONTRACTOR for services in accordance with the terms set forth in the Cost Schedule, which is attached hereto as Attachment B and incorporated herein by this reference.
 - B. CONTRACTOR shall submit invoice(s) to DISTRICT for services performed. Each invoice shall specify the total cost of the services for which the invoice is submitted, shall reference tasks shown in the Scope of Work, the hours associated with same, or percentage completion thereof, and the amount of charge claimed, and, as appropriate, shall list any charges for equipment, material, supplies, travel, and subcontractors' services.
 - C. DISTRICT's payment of invoices shall be subject to the following limitations and requirements:
 - i) Each invoice, including supporting documentation, shall be prepared on CONTRACTOR's letterhead; shall list DISTRICT's contract number, the period covered by the invoice, and the CONTRACTOR's Social Security Number or Federal Employer Identification Number; and shall be submitted via email to grants@baaqmd.gov with the subject line: RE: Vehicle Buy Back Program.
 - ii) DISTRICT shall not pay interest, fees, handling charges, or the cost of money on the Contract.
 - iii) DISTRICT shall pay CONTRACTOR within thirty (30) calendar days after approval by DISTRICT of an itemized invoice.
 - D. The total amount for which DISTRICT may be held liable for the performance of services

specified in this Contract shall not exceed the sum derived by multiplying the number of vehicles scrapped under this Contract by the per vehicle price specified in Attachment B.

9. DISPUTE RESOLUTION – A party that disputes a notice of breach must first seek mediation to resolve the dispute in accordance with the provisions set forth below.
- A. Upon receipt of a notice of breach of contract, the party may submit a demand for mediation to resolve whether or not a breach occurred. The party must state the basis of the dispute and deliver the demand within ten (10) business days of the date of receipt of the notice of breach.
 - B. The mediation shall take place at DISTRICT’s office at 375 Beale Street, Suite 600, San Francisco, or at such other place as may be mutually agreed upon by the parties and the mediator.
 - C. The parties shall make good faith efforts to hold the mediation within thirty (30) days after receipt of the demand for mediation.
 - D. Each party shall bear its own mediation costs.
 - E. In the event the parties are unable to resolve the dispute, either party may file an action in a court of competent jurisdiction to enforce the Contract.
 - F. Maximum recovery under this section shall be limited to the sum derived by multiplying the number of vehicles scrapped under this Contract by the per vehicle price specified in Attachment B. The mediation costs shall not reduce the maximum amount recoverable under this section.
10. NOTICES – All notices that are required under this Contract shall be provided in the manner set forth herein, unless specified otherwise. Notice to a party shall be delivered to the attention of the person listed below, or to such other person or persons as may hereafter be designated by that party in writing. Notice shall be in writing sent by e-mail, facsimile, or regular first class mail. In the case of e-mail and facsimile communications, valid notice shall be deemed to have been delivered upon sending, provided the sender obtained an electronic confirmation of delivery. E-mail and facsimile communications shall be deemed to have been received on the date of such transmission, provided such date was a business day and delivered prior to 4:00 p.m. pacific time. Otherwise, receipt of e-mail and facsimile communications shall be deemed to have occurred on the following business day. In the case of regular mail notice, notice shall be deemed to have been delivered on the mailing date and received five (5) business days after the date of mailing.

DISTRICT: Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105
Attn: Director of Strategic Incentives
Project #: Vehicle Buy Back Program
grants@baaqmd.gov

CONTRACTOR: Environmental Engineering Studies, Inc.
7981 Paseo Membrillo
Carlsbad, CA 92009
Attn: Antoine Assioun, Program Manager
Project #: Vehicle Buy Back Program

11. ADDITIONAL PROVISIONS – All attachment(s) to this Contract are expressly incorporated herein by this reference and made a part hereof as though fully set forth. Future revisions to Appendix A, Vehicle Functional and Equipment Eligibility Inspection Form, Appendix B, Emission-Drive Train Related Parts List, and Appendix C, Quality Control Check List, adopted by the California Air Resources Board under the Voluntary Accelerated Vehicle Retirement regulations, California Code of Regulations, Title 13, Section 2601 et seq., shall supersede Attachments C, D, and E in this Contract.
12. EMPLOYEES OF CONTRACTOR
 - A. CONTRACTOR shall be responsible for the cost of regular pay to its employees, as well as cost of vacation leave, vacation replacements, sick leave, severance pay, and pay for legal holidays.
 - B. CONTRACTOR, its officers, employees, agents, or representatives shall not be considered employees or agents of DISTRICT, nor shall CONTRACTOR, its officers, employees, agents, or representatives be entitled to or eligible to participate in any benefits, privileges, or plans given or extended by DISTRICT to its employees.
13. CONFIDENTIALITY – In order to carry out the purposes of this Contract, CONTRACTOR may require access to certain of DISTRICT’s confidential information (including trade secrets, inventions, confidential know-how, confidential business information, and other information that DISTRICT considers confidential) (collectively, “Confidential Information”). It is expressly understood and agreed that DISTRICT may designate in a conspicuous manner Confidential Information that CONTRACTOR obtains from DISTRICT, and CONTRACTOR agrees to:
 - A. Observe complete confidentiality with respect to such information, including, without limitation, agreeing not to disclose or otherwise permit access to such information by any other person or entity in any manner whatsoever, except that such disclosure or access shall be permitted to employees of CONTRACTOR requiring access in fulfillment of the services provided under this Contract.
 - B. Ensure that CONTRACTOR’s officers, employees, agents, representatives, and independent contractors are informed of the confidential nature of such information, and to assure by agreement or otherwise, that they are prohibited from copying or revealing, for any purpose whatsoever, the contents of such information or any part thereof, or from taking any action otherwise prohibited under this section.
 - C. Not use such information or any part thereof in the performance of services to others or for the benefit of others in any form whatsoever, whether gratuitously or for valuable consideration, except as permitted under this Contract.
 - D. Notify DISTRICT promptly and in writing of the circumstances surrounding any possession, use, or knowledge of such information, or any part thereof, by any person or entity other than those authorized by this section. Take, at CONTRACTOR’s expense but at DISTRICT’s option, and in any event under DISTRICT’s control, any legal action necessary to prevent unauthorized use of such information by any third party or entity which has gained access to such information at least in part due to the fault of CONTRACTOR.
 - E. Take any and all other actions necessary or desirable to assure such continued confidentiality and protection of such information during the term of this Contract and

following expiration or termination of the Contract.

- F. Prevent access to such materials by a person or entity not authorized under this Contract.
- G. Establish specific procedures in order to fulfill the obligations of this section.

14. INTELLECTUAL PROPERTY RIGHTS – Title and full ownership rights to all intellectual property developed under this Contract shall at all times remain with DISTRICT, unless otherwise agreed to in writing.

15. PUBLICATION

- A. DISTRICT shall approve in writing any report or other document prepared by CONTRACTOR in connection with performance under this Contract prior to dissemination or publication of such report or document to a third party. DISTRICT may waive in writing its requirement for prior approval.
- B. Until approved by DISTRICT, any report or other document prepared by CONTRACTOR shall include on each page a conspicuous header, footer, or watermark stating “DRAFT – Not Reviewed or Approved by BAAQMD,” unless DISTRICT has waived its requirement for prior approval pursuant to paragraph A of this section.
- C. Information, data, documents, or reports developed by CONTRACTOR for DISTRICT pursuant to this Contract shall be part of DISTRICT’s public record, unless otherwise indicated. CONTRACTOR may use or publish, at its own expense, such information, provided DISTRICT approves use of such information in advance. The following acknowledgment of support and disclaimer must appear in each publication of materials, whether copyrighted or not, based upon or developed under this Contract:

“This report was prepared as a result of work sponsored, paid for, in whole or in part, by the Bay Area Air Quality Management District (District). The opinions, findings, conclusions, and recommendations are those of the author and do not necessarily represent the views of the District. The District, its officers, employees, contractors, and subcontractors make no warranty, expressed or implied, and assume no legal liability for the information in this report.”

- D. CONTRACTOR shall inform its officers, employees, and subcontractors involved in the performance of this Contract of the restrictions contained herein and shall require compliance with this section.

16. AUDIT / INSPECTION OF RECORDS – If this Contract exceeds \$10,000, pursuant to California Government Code Section 8546.7, all records, documents, conditions and activities of CONTRACTOR, and its subcontractors, related to the services provided hereunder, shall be subject to the examination and audit of the California State Auditor and other duly authorized agents of the State of California for a period of three (3) years after final payment under this Contract. CONTRACTOR hereby agrees to make such records available during normal business hours for inspection, audit, and reproduction by any duly authorized agents of the State of California or DISTRICT. CONTRACTOR further agrees to allow interviews of any of its employees who might reasonably have information related to such records by any duly authorized agents of the State of California or DISTRICT. All examinations and audits conducted under this section shall be strictly confined to those matters connected with the performance of this Contract, including, but not limited to, the costs of administering this Contract.

17. NON-DISCRIMINATION – In the performance of this Contract, CONTRACTOR shall not discriminate in its recruitment, hiring, promotion, demotion, and termination practices on the basis of race, religious creed, color, national origin, ancestry, sex, age, marital status, sexual orientation, medical condition, or physical or mental disability, and shall comply with the provisions of the California Fair Employment & Housing Act (Gov. Code, §§12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, and all administrative rules and regulations issued pursuant to said Acts. CONTRACTOR shall also require each subcontractor performing work in connection with this Contract to comply with this section, and shall include in each contract with such subcontractor provisions to accomplish the requirements of this section.
18. PROPERTY AND SECURITY – Without limiting CONTRACTOR’S obligations with regard to security, CONTRACTOR shall comply with all the rules and regulations established by DISTRICT for access to and activity in and around DISTRICT’s premises.
19. ASSIGNMENT – No party shall assign, sell, license, or otherwise transfer any rights or obligations under this Contract to a third party without the prior written consent of the other party, and any attempt to do so shall be void upon inception.
20. WAIVER – No waiver of a breach, of failure of any condition, or of any right or remedy contained in or granted by the provisions of this Contract shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies. Further, the failure of a party to enforce performance by the other party of any term, covenant, or condition of this Contract, and the failure of a party to exercise any rights or remedies hereunder, shall not be deemed a waiver or relinquishment by that party to enforce future performance of any such terms, covenants, or conditions, or to exercise any future rights or remedies.
21. ATTORNEYS’ FEES – In the event any action is filed in connection with the enforcement or interpretation of this Contract, each party shall bear its own attorneys’ fees and costs.
22. FORCE MAJEURE – Neither DISTRICT nor CONTRACTOR shall be liable for or deemed to be in default for any delay or failure in performance under this Contract or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, judicial orders, governmental controls, regulations or restrictions, inability to obtain labor or materials or reasonable substitutes for labor or materials necessary for performance of the services, or other causes, except financial, that are beyond the reasonable control of DISTRICT or CONTRACTOR, for a period of time equal to the period of such force majeure event, provided that the party failing to perform notifies the other party within fifteen calendar days of discovery of the force majeure event, and provided further that that party takes all reasonable action to mitigate the damages resulting from the failure to perform. Notwithstanding the above, if the cause of the force majeure event is due to a party’s own action or inaction, then such cause shall not excuse that party from performance under this Contract.
23. SEVERABILITY – If a court of competent jurisdiction holds any provision of this Contract to be illegal, unenforceable or invalid, in whole or in part, for any reason, the validity and

enforceability of the remaining provisions, or portions of them, will not be affected.

24. HEADINGS – Headings on the sections and paragraphs of this Contract are for convenience and reference only, and the words contained therein, shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Contract.
25. COUNTERPARTS/FACSIMILES/SCANS – This Contract may be executed and delivered in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same contract. The parties may rely upon a facsimile copy or scanned copy of any party's signature as an original for all purposes.
26. GOVERNING LAW – Any dispute that arises under or relates to this Contract shall be governed by California law, excluding any laws that direct the application of another jurisdiction's laws. Venue for resolution of any dispute that arises under or relates to this Contract, including mediation, shall be San Francisco, California.
27. ENTIRE CONTRACT AND MODIFICATION – This Contract represents the final, complete, and exclusive statement of the agreement between the parties related to CONTRACTOR providing services to DISTRICT, and supersedes all prior and contemporaneous understandings and agreements of the parties. No party has been induced to enter into this Contract by, nor is any party relying upon, any representation or warranty outside those expressly set forth herein. This Contract may only be amended by mutual agreement of the parties in writing and signed by both parties.
28. SURVIVAL OF TERMS – The provisions of sections 7 (Indemnification), 13 (Confidentiality), 14 (Intellectual Property Rights), and 15 (Publication) shall survive the expiration or termination of this Contract.

IN WITNESS WHEREOF, the parties to this Contract have caused this Contract to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

ENVIRONMENTAL ENGINEERING STUDIES,
INC.

By: _____
Philip M. Fine
Executive Officer/APCO

By: _____
Antoine Assioun
Program Manager

Date: _____

Date: _____

Approved as to form:

By: _____
Alexander G. Crockett
General Counsel

DRAFT

ATTACHMENT A

SCOPE OF WORK

The Scope of Work outlined in this section complies with the Voluntary Accelerated Light-Duty Vehicle Retirement (VAVR) Regulations adopted by the California Air Resources Board (ARB). Light-duty vehicle retirement projects are subject to the requirements of the Voluntary Accelerated Vehicle Retirement Regulation (VAVR Regulation), Cal. Code Regs., tit. 13, § 2601 et seq. Light and medium-duty vehicle projects funded through Assembly Bill (AB) 923 (2004) are authorized by Health and Safety Code Section 44229 (b)(4). CONTRACTOR's VAVR projects must be in compliance with all the applicable guidelines adopted by ARB. The ARB Carl Moyer Program Guidelines chapter on VAVR constitutes ARB's adopted guidelines for light-duty projects.

CONTRACTOR will solicit, purchase, and scrap eligible vehicles in compliance with the following requirements and procedures, and in compliance with the VAVR Regulations. DISTRICT will not reimburse CONTRACTOR for the purchase of a vehicle, or the overhead costs associated with that purchase, if such vehicle fails to meet the following requirements:

A. Vehicle Eligibility Requirements

1. Participation shall be entirely voluntary for vehicle owners.
2. The vehicle must meet the following criteria:
 - a. 1998 model year or older diesel or gasoline-powered passenger car or light-duty truck up to 10,000 pounds gross vehicle weight or less.
3. The vehicle must be currently registered with the California Department of Motor Vehicles (DMV) as an operating vehicle and must have been registered for at least 24 consecutive months prior to the date of the sale to CONTRACTOR as well as be registered to an address, or addresses, within the DISTRICT's jurisdiction. Smog Checks must be performed as required by DMV in order to be considered registered.
 - a. A vehicle may also be eligible if the owner of the vehicle placed the vehicle into planned non-operational status per Vehicle Code sections 4604 et seq., for up to two months during the 24-month registration period and occurring at least three months immediately prior to its sale to CONTRACTOR.
 - b. A vehicle may also be eligible if the registration has lapsed for a period of less than 181 days during the previous 24 months and all appropriate registration fees and late penalties have been paid to DMV, provided that the vehicle is registered for at least 90 days immediately prior to its sale date to CONTRACTOR.
4. The vehicle shall be driven to the CONTRACTOR's purchase site to be retired under its own power.
5. Vehicles whose emission control systems have been tampered with as defined in Cal Code Regs., tit. 16, § 3340.41.5. are not eligible until such tampering has been completely corrected.
6. The vehicle shall not be operating under a Smog Check repair cost waiver or economic hardship extension, as referenced in Cal Code Regs., tit. 13, § 2603 (a)(4).
7. If a vehicle volunteered for retirement is within 60 days of its next required Smog Check inspection, the vehicle shall pass the inspection without receiving a repair cost waiver or economic hardship extension prior to acceptance by CONTRACTOR.

8. If a vehicle volunteered for retirement is within 61-90 days of its next required Smog Check inspection, CONTRACTOR shall verify that the vehicle has not failed a Smog Check inspection during this time frame.
9. Owners of vehicles requiring Smog Check inspections pursuant to Cal Code Regs, tit. 13, § 2603(a)(5) shall be required to submit documentation issued by a Bureau of Automotive Repair (BAR) licensed Smog Check technician demonstrating compliance with Section 2603(a)(5) to the person performing the functional and equipment eligibility inspection.

B. Vehicle Functional and Equipment Eligibility Inspection

CONTRACTOR will only scrap vehicles that meet the following requirements. The vehicle function and equipment eligibility inspection must be performed by an ARB-approved inspector and conducted on-site at CONTRACTOR's yard.

1. The vehicle must have been driven to the inspection site under its own power. If CONTRACTOR has knowledge that a vehicle was towed or pushed for any portion of the trip to the inspection site, then CONTRACTOR shall not approve the vehicle for eligibility.
2. The vehicle shall pass functional and equipment eligibility inspections as specified in the VAVR Regulation. The vehicle functional and equipment eligibility inspection form is attached hereto as Attachment C.
3. Upon satisfactory completion of the inspection, CONTRACTOR will issue a certificate of functional and equipment eligibility.
4. Vehicles failing the requirements pursuant to Sections B.1 and B.3 may be retested by CONTRACTOR for compliance with these requirements and issued a certificate of functional and equipment eligibility provided the vehicle has traveled a minimum of 50 miles subsequent to the failure determination. Vehicles with inoperable vehicle odometers must have the odometer fixed prior to conducting this test. Vehicles failing the requirements pursuant to Section B.2 may be retested by CONTRACTOR for compliance with for compliance with these requirements and issued a certificate of functional and equipment eligibility at any time after modifications have been made to the vehicle.

C. Offering Vehicles/Parts to the Public

1. There is a minimum waiting period of ten (10) days between the day CONTRACTOR provides a description of a vehicle to the DISTRICT and the day a DMV Registration 42 form (Notice to Dismantler) is transmitted to the DMV for the vehicle. During the 10-day waiting period, with the vehicle owner's permission, CONTRACTOR will submit to the DISTRICT a description of the vehicle in accordance with Section C.1(a) below, and the date when the vehicle is scheduled to be delivered for final sale to the VBB Program. During the 10-day waiting period, if any person contacts CONTRACTOR and indicates an interest in purchasing the vehicle, CONTRACTOR shall hold the vehicle for a minimum of an additional seven (7) days. During this extended 7-day waiting period, CONTRACTOR shall arrange for the interested party to examine the vehicle and, if appropriate, negotiate the sale of the vehicle or any of its parts. Notwithstanding the foregoing, **nothing in this section places CONTRACTOR under any obligation to hold the vehicle for an interested party that has missed two or more prior appointments to examine any vehicle, or to sell the vehicle or any of its parts if a mutually acceptable price cannot be negotiated.**
 - a. CONTRACTOR will submit to the DISTRICT, on a weekly basis, a description of the vehicles offered for sale into the VBB Program as described in Section C.1(a)(i). The DISTRICT will, in turn, make this information available to an appropriate segment of

the public. The intent is to allow interested third parties, including car collector enthusiasts and those interested in affordable transportation, an opportunity to examine the vehicle and to negotiate with CONTRACTOR to purchase the vehicle or any of its parts according to Section E, before it is otherwise sold to the VBB Program, should the vehicle be delivered as scheduled.

- i. The description of the vehicle must include, at a minimum, the vehicle make, model, model year, and first eight characters of the Vehicle Identification Number (VIN). In addition, the description of the vehicle must include, date vehicle owner contacted CONTRACTOR, date vehicle is expected to be purchased, date the vehicle will be dismantled, and location the vehicle will be stored. No information identifying the owner will be permitted. When the DISTRICT makes this information available to the public, the DISTRICT will emphasize that while a vehicle is scheduled for delivery, there is no guarantee that the vehicle will actually be delivered.
 - ii. The vehicle owner is free to accept or reject any resulting contact or purchase offer and shall be informed by CONTRACTOR explicitly and prominently of such right.
 - iii. Nothing in this section places CONTRACTOR under any obligation to provide space or facilities for such third-party contacts, inspections, or negotiations to take place.
2. Entire vehicles and/or parts may be sold prior to entry into the VBB Program; however, no compensation with VBB Program funds shall be granted for any vehicle resold to the public in this manner according to Section E.

D. Vehicle Buy Back Program Contractor Requirements

1. CONTRACTOR must either be an auto dismantler, licensed according to the requirements of the California Vehicle Code, other business codes, and the regulations of the DMV, for the purpose of vehicle disposal after purchase, or have a binding agreement with a duly authorized auto dismantler, for the purpose of vehicle disposal after purchase.
2. At least thirty (30) days prior to commencing operations as a VBB Program contractor, CONTRACTOR shall provide the DISTRICT, in writing, information demonstrating the ability to comply with all provisions of the VAVR Regulations. This information must include CONTRACTOR's name and business address; licensed auto dismantler name and business address; anticipated initiation date and duration of vehicle retirement operation; a written statement from the auto dismantler (for each program location) under penalty of perjury certifying compliance with local air quality regulations, water conservation regulations, state, county, and city energy and hazardous materials response regulations, and local water agency soil, surface, and ground water contamination regulations; and any other information requested in applicable DISTRICT rules.
3. CONTRACTOR is required to perform the vehicle functional and equipment eligibility inspection specified in Section B on-site at CONTRACTOR's locations.
4. CONTRACTOR shall verify that the vehicle meets the vehicle registration eligibility and functional test requirements. The vehicle registration eligibility will be determined by DMV registration records.
5. At time of final sale of a vehicle to CONTRACTOR, CONTRACTOR must verify that the person delivering the vehicle for sale is the legal owner or an authorized representative of the legal owner, properly empowered to complete the sale.

6. A vehicle purchased as part of the VBB Program must be permanently destroyed by CONTRACTOR, or CONTRACTOR's duly contracted dismantler, within ninety (90) days of the date it is sold to CONTRACTOR, and may not be resold to the public or put into operation in any way, except such a vehicle may be briefly operated for purposes related to the disposal of the vehicle as part of the normal disposal procedures.
7. The vehicle will be considered destroyed when it has been crushed or shredded or otherwise rendered permanently and irreversibly incapable of functioning as originally intended, and when all appropriate records maintained by the DMV have been updated to reflect that the vehicle has been acquired by a licensed auto dismantler for the purposes of dismantling.
8. All vehicles must be confined in a holding area separate from other vehicles procured by CONTRACTOR until they are permanently destroyed.
9. All activities associated with retiring vehicles, including, but not limited to, the disposal of vehicle fluids and vehicle components, must comply with all applicable laws and regulations including, but not limited to, local water conservation regulations, state, county, and city energy and hazardous materials response regulations, and local water agency soil, surface, and ground water contamination regulations.
10. CONTRACTOR will purchase eligible vehicles at a price established by the contract between CONTRACTOR and DISTRICT.
11. CONTRACTOR will distribute a DISTRICT-designed questionnaire to all vehicle sellers, obtain the seller's completed questionnaire, and provide response data onto an electronic spreadsheet form to DISTRICT.
12. CONTRACTOR must cooperate with any inspections of the facilities, and review of the CONTRACTOR's operation of the VBB program as requested by the DISTRICT or ARB. These inspections can include audits of the required program documentation, and financial records.
13. CONTRACTOR shall be responsible for training its staff at each of its participating VBB program locations to ensure that staff demonstrate knowledge of the VBB program in order to effectively and efficiently complete all steps needed to process VBB purchases.

E. Parts Recycling and Resale

1. On vehicles used for parts recycling and resale, parts recycling and resale is limited to non-emission-related and non-drivetrain parts per the List of Emission-Drivetrain Related Parts List, attached hereto as Attachment D. Parts recycling and resale is at the sole discretion of CONTRACTOR, subject to the limitations included herein.
2. After the 10-day waiting period (and the additional 7-day waiting period if an appointment for inspection is made) and prior to offering non-emission and non-drivetrain parts for resale, the engine, emission-related parts, transmission, and drivetrain parts must be removed from the vehicle and destroyed by CONTRACTOR.
 - a. For the purpose of this regulation, a part will be considered destroyed when it has been punched, crushed, shredded, or otherwise rendered permanently and irreversibly incapable of functioning as originally intended.
 - b. A "Quality Control Checklist" with a list of emission-related and drivetrain parts that has check boxes for recording the status of parts, i.e., "removed" and "destroyed" is attached hereto as Attachment E.
 - i. CONTRACTOR must complete the checklist by adding check marks in the appropriate columns as the emission-related and drivetrain parts are removed and destroyed.

- ii. For a part that appears on the checklist but is not in the original design of the vehicle, CONTRACTOR must enter "N/A" for "not applicable" in lieu of a check mark.
 - c. After all emission-related and drivetrain parts are removed and destroyed, a quality control inspector (designated by DISTRICT) must perform an inspection of the non-emission-related and non-drivetrain parts, as well as the vehicle body.
 - d. Upon verification by the quality control inspector that no emission-related parts or drivetrain parts have been exchanged with the non-emission-related, and non-drivetrain parts, the quality control inspector must sign the checklist.
 - e. After the quality control inspector signs the check list, CONTRACTOR may place the remaining non-emission parts, non-drivetrain parts and vehicle body in the yard to be available for sale to the public.
3. If CONTRACTOR does not recover parts from a vehicle, the entire vehicle must be crushed by CONTRACTOR within ninety (90) days of sale to the VBB Program.
 - a. No parts may be removed, for sale or reuse, from any crushed retired vehicle that has been sold to the VBB Program. The only allowable use for any crushed retired vehicle is as a source of scrap metal and other scrap material.
 - b. CONTRACTOR may separate ferrous and non-ferrous metals from a crushed retired vehicle to sell as a source of scrap metal only.
 - c. CONTRACTOR may sell tires and batteries from a crushed retired vehicle to an intermediary tire/battery recycler only. All facilities generating or receiving waste tires must use the services of a registered tire hauler/recycler. Battery recyclers must be registered and licensed to handle batteries.
4. No compensation with VBB Program funds shall be granted for any vehicle from which emission related or drivetrain parts have been sold.
5. All activities associated with retiring vehicles for the VBB Program, including but not limited to the disposal of vehicle fluids and vehicle components, shall comply with all applicable laws and regulations including, but not limited to, local water conservation regulations, state, county, and city energy and hazardous materials response regulations, and local water agency soil, surface, and ground water contamination regulations.
6. CONTRACTOR will be subject to audits performed by the DISTRICT and its representatives.

F. Advertising

1. CONTRACTOR is encouraged to advertise for or otherwise attract voluntary sellers of vehicles meeting the eligibility requirements specified above. CONTRACTOR will submit to DISTRICT for approval a plan for implementing the advertising campaign within thirty (30) days of signing this contract. The DISTRICT will audit CONTRACTOR at the completion of the contract to verify that CONTRACTOR implemented the advertising campaign as specified in the contract.
2. CONTRACTOR will use the DISTRICT's approved logo on any printed material for public distribution. All uses of the DISTRICT's logo must be pre-approved for use by DISTRICT staff.
3. CONTRACTOR will credit the DISTRICT as the funding source for the scrapping program in any related articles, news releases, or other publicity materials. All advertising materials, information packages, and any other materials provided to media, to the public, or to vehicle sellers require prior approval by DISTRICT.
4. Any advertising conducted by CONTRACTOR for the purpose of recruiting vehicle owners to sell their vehicles into the VBB Program shall contain clear and prominent language stating

that participation in the VBB Program is completely voluntary; and shall not contain any language stating or implying that the VBB Program is anything but voluntary for the vehicle seller or that the VBB Program is affiliated with or is operated by the State of California.

5. Any contracts or agreements between a vehicle seller and CONTRACTOR relating to the sale of a vehicle to the VBB Program shall not contain any language stating that the VBB Program is anything but voluntary for the vehicle seller or that the VBB Program is affiliated with or is operated by the State of California.

G. Records, Auditing, and Enforcement

1. The following requirements for records, auditing, and enforcement shall be met:
 - a. CONTRACTOR shall be responsible for maintaining and storing the following information for each vehicle removed from operation for the VBB Program:
 - i. Vehicle Identification Number (VIN)
 - ii. Vehicle license plate number
 - iii. Vehicle make and model year
 - iv. Vehicle odometer reading
 - v. Name, address and phone number of legal owner selling vehicle to the contractor
 - vi. Name, address and phone number of registered owner if different from Section G.1(a)(v)
 - vii. Name and business address of inspector conducting the vehicle's eligibility inspection, if CONTRACTOR contracts with an ARB-approved inspection entity to perform the vehicle functional and equipment eligibility inspection
 - viii. Date of purchase of vehicle by CONTRACTOR
 - ix. Date of vehicle retirement
 - x. Reproduction of California Certificate of Title and registration, as signed-off by seller at time of final sale to the VBB Program
 - xi. Reproduction of the applicable certificate of functional and equipment eligibility
 - xii. Reproduction of the applicable Report of Vehicle to be Dismantled and Notice of Acquisition (DMV Registration 42 form)
 - xiii. Reproduction of written documentation from the DMV verifying that a vehicle meets the requirements of Section A.3
 - xiv. If applicable, reproduction of documentation issued pursuant to Section A.9
 - xv. Any other pertinent data requested by the DISTRICT (e.g. VBB Program survey)
 - b. Upon request of the DISTRICT, the data contained in records required in Section G.1(a)(i) through Section G.1(a)(xv) shall be transmitted to the DISTRICT in an electronic database format, in addition to paper copies. The electronic format will be provided by the DISTRICT.
 - c. CONTRACTOR will maintain copies, either electronic or paper, of the information listed in Section G.1(a)(i) through Section G.1(a)(xv) for a minimum period of five (5) years, and shall make those records available to DISTRICT upon request within 30 days.
 - d. The DISTRICT may conduct announced and unannounced audits and on-site inspections of the CONTRACTOR's operations to ensure operations are being conducted according to all applicable rules and regulations. DISTRICT shall notify any

noncompliant contractor of the nature of the violation and shall initiate any enforcement or remedial action necessary.

- i. CONTRACTOR and their subcontractors shall allow DISTRICT to conduct announced and unannounced audits and inspections and shall cooperate fully in such situations.
 - ii. Violation of any provision of any applicable regulation, including falsification of any information or data, shall constitute a citable violation making the violator subject to all applicable penalties specified in the California Health and Safety Code. In addition, violation of any provision of §2603 of the VAVR Regulation, 13 Cal. Code Regs., tit. 13, by CONTRACTOR or its subcontractors may result in the issuance of a Notice of Violation(s).
2. CONTRACTOR will handle all DMV paperwork associated with the purchase, dismantling, and scrapping of vehicles.
3. CONTRACTOR will provide to DISTRICT, on a weekly basis, a description of the vehicles offered for sale into the VBB Program. The description of the vehicle must include the date vehicle owner contacted the VBB program, date the vehicle will be dismantled, vehicle make, vehicle model, model year, the first eight characters of the VIN, name of dismantler, location of dismantling facility, and dismantler's phone number. No information identifying the owner will be permitted.
4. CONTRACTOR will provide monthly invoice reports to the DISTRICT on the status of the scrapping program. The reports shall be printed on CONTRACTOR's letterhead, shall list the contract number, the period covered by the invoice, CONTRACTOR's Social Security Number or Federal Employer Identification Number, and include the monthly and cumulative number of vehicles purchased.

ATTACHMENT B

COST SCHEDULE

A. Per Vehicle Payment. DISTRICT will pay CONTRACTOR an amount of **\$1,620.00** per vehicle scrapped, up to a total maximum amount of \$11 million under the VBB Program.

B. Price Breakdown. The rate above is based on reimbursing CONTRACTOR for the **\$1,500.00** purchase price of each vehicle, plus \$120 for overhead for the VBB Program.

Total Contract not to exceed \$11,000,000. This amount has NOT been allocated in any way to CONTRACTOR, or any other contractor under the VBB. The DISTRICT will expend funds as invoices are received under this Contract and under contracts with other authorized VBB contractors up to a total maximum amount of \$11,000,000.

DRAFT

ATTACHMENT C



**VEHICLE FUNCTIONAL AND EQUIPMENT
ELIGIBILITY INSPECTION FORM**

Legal Owner: _____ Phone Number: _____
 Address: _____ City: _____ Zip: _____
 VIN: _____ License Plate Number: _____
 Make: _____ Model: _____
 Model Year: _____ Odometer Reading: _____

VEHICLE QUALIFICATION (* Vehicle is not qualified for the VAVR program.)

Vehicle within 61-90 days of next scheduled Smog Check: [] yes [] no 2602(c)
 If yes, vehicle failed next scheduled Smog Check: [] yes* [] no
 Vehicle registered in District for at least 24 months: [] yes [] no* 2603(a)(2)
 Vehicle on BAR repair cost waiver: [] yes* [] no 2603(a)(4)
 Vehicle on BAR economic hardship extension: [] yes* [] no 2603(a)(4)
 Vehicle within 60 days of next scheduled Smog Check: [] yes [] no 2603(a)(5)
 If yes, vehicle passed next scheduled Smog Check: [] yes [] no*
 The vehicle has been tampered with: [] yes* [] no 2603(a)(7)
 The vehicle has been driven to the inspection site: [] yes [] no* 2603(b)(1)

EQUIPMENT ELIGIBILITY

The following shall be present and in place: 2603(b)(2)

All doors	[] yes [] no*	Hood	[] yes [] no*
Dashboard	[] yes [] no*	Driver's seat	[] yes [] no*
One bumper	[] yes [] no*	All side and/or quarter panels	[] yes [] no*
Exhaust system	[] yes [] no*	One headlight	[] yes [] no*
One taillight	[] yes [] no*	One brake light	[] yes [] no*
One side window	[] yes [] no*	Interior pedals operational	[] yes [] no*
Windshield	[] yes [] no*		
Drivability affected by body, steering, or suspension damage	[] yes* [] no		

FUNCTIONAL ELIGIBILITY

The following shall be completed: 2603(b)(3)

Vehicle starts using keyed ignition [] yes [] no*
 Vehicle starts without the use of starting fluids or external battery [] yes [] no*
 Vehicle driven forward for a minimum of 25 feet [] yes [] no*
 Vehicle driven in reverse for a minimum of 25 feet [] yes [] no*

* Vehicle is not eligible for the VAVR program.

INSPECTOR CERTIFICATION: (Check correct boxes.) I certify that this vehicle has ([] passed [] not passed) both the functional and equipment eligibility inspections and ([] is [] is not) eligible for acceptance into the VAVR program pursuant to California Code of Regulations, Title 13, Sections 2602 and 2603, or as applicable to motorcycles as indicated on the checklist above.

Printed Name: _____

Date: _____

Signed: _____

The following should be completed if the vehicle is eligible for acceptance into a VAVR program.

OWNER ACCEPTANCE: I accept receipt of this CERTIFICATION of eligibility into the VAVR program. I agree not to alter the vehicle's equipment or functionality from that presented to the inspector. I agree to maintain the vehicle's condition and registration until the vehicle is retired. In accordance with Title 13, CCR, Chapter 13, Article 1, Section 2605, the vehicle will be listed and available for interested parties to purchase from the dismantler for a minimum of 10 days. If the vehicle is purchased by a third party it will not be included in the VAVR program.

Printed Name: _____ Date: _____
Signed: _____ Driver's License #: _____

DRAFT

ATTACHMENT D

EMISSION-DRIVETRAIN RELATED PARTS LIST

The following list of components are examples of emission related parts as shown in California Code of Regulations Title 13, Division 3, Chapter 13, Article 1, Appendix B.

I. Carburetion and Air Induction System

A. Air Induction System:

1. Temperature sensor elements
2. Vacuum motor for air control
3. Hot air duct & stove
4. Air filter housing & element
5. Turbocharger or supercharger
6. Intercooler

B. Emission Calibrated Carburetors:

1. Metering jets
2. Metering rods
3. Needle and seat
4. Power valve
5. Float circuit
6. Vacuum break
7. Choke mechanism
8. Throttle-control solenoid
9. Deceleration valve
10. Dashpot
11. Idle stop solenoid, anti-dieseling assembly
12. Accelerating pump
13. Altitude compensator

C. Mechanical Fuel Injection:

1. Pressure regulator
2. Fuel injection pump
3. Fuel injector
4. Throttle-position compensator
5. Engine speed compensator
6. Engine temperature compensator
7. Altitude cut-off valve
8. Deceleration cut-off valve
9. Cold-start valve

D. Continuous Fuel Injection:

1. Fuel pump
2. Pressure accumulator
3. Fuel filter
4. Fuel distributor
5. Fuel injections
6. Air-flow sensor
7. Throttle-position compensator
8. Warm-running compensator
9. Pneumatic overrun compensator
10. Cold-start valve

E. Electronic Fuel Injection:

1. Pressure regulator
2. Fuel distribution manifold
3. Fuel injectors
4. Electronic control unit

- 5. Engine speed sensor
- 6. Engine temperature sensor
- 7. Throttle-position sensor
- 8. Altitude/manifold-pressure sensor
- 9. Cold-start valve
- F. Air Fuel Ratio Control:
 - 1. Frequency valve
 - 2. Oxygen sensor
 - 3. Electronic control unit
- G. Intake Manifold

II. Ignition System

- A. Distributor;
 - 1. Cam
 - 2. Points
 - 3. Rotor
 - 4. Condenser
 - 5. Distributor cap
 - 6. Breaker plate
 - 7. Electronic components (breakerless or electronic system)
- B. Spark Advance/Retard System:
 - 1. Centrifugal advance mechanism:
 - a. Weights
 - b. Springs
 - 2. Vacuum advance unit
 - 3. Transmission controlled spark system:
 - a. Vacuum solenoid
 - b. Transmission switch
 - c. Temperature switches
 - d. Time delay
 - e. CEC valve
 - f. Reversing relay
 - 4. Electronic spark control system:
 - a. Computer circuitry
 - b. Speed sensor
 - c. Temperature switches
 - d. Vacuum switching valve
 - 5. Orifice spark advance control system:
 - a. Vacuum bypass valve
 - b. OSAC (orifice spark advance control) valve
 - c. Temperature control switch
 - d. Distributor vacuum control valve
 - 6. Speed controlled spark system:
 - a. Vacuum solenoid
 - b. Speed sensor and control switch
 - c. Thermal vacuum switch
- C. Spark Plugs
- D. Ignition Coil
- E. Ignition Wires

III. Mechanical Components

- A. Valve trains:
 - 1. Intake valves
 - 2. Exhaust valves
 - 3. Valve guides

4. Valve springs
 5. Valve seats
 6. Camshaft
- B. Combustion Chamber:
1. Cylinder head or rotor housing¹
 2. Piston or rotor¹

IV. Evaporative Control System

- A. Vapor Storage Canister and Filter
- B. Vapor Liquid Separator
- C. Filler Cap
- D. Fuel Tank
- E. Canister Purge Valve

V. Positive Crankcase Ventilation System

- A. PCV Valve
- B. Oil Filler Cap
- C. Manifold PCV Connection Assembly

VI. Exhaust Gas Recirculation System

- A. EGR Valve:
 1. Valve body and carburetor spacer
 2. Internal passages and exhaust gas orifice
- B. Driving Mode Sensors:
 1. Speed sensor
 2. Solenoid vacuum valve
 3. Electronic amplifier
 4. Temperature-controlled vacuum valve
 5. Vacuum reducing valve
 6. EGR coolant override valve
 7. Backpressure transducer
 8. Vacuum amplifier
 9. Delay valves

VII. Air Injection System

- A. Air Supply Assembly:
 1. Pump
 2. Pressure relief valve
 3. Pressure-setting plug
 4. Pulsed air system
- B. Distribution Assembly:
 1. Diverter, relief, bypass, or gulp valve
 2. Check or anti-backfire valve
 3. Deceleration control part
 4. Flow control valve
 5. Distribution manifold
 6. Air switching valve
- C. Temperature sensor

VIII. Catalyst, Thermal Reactor, and Exhaust System

- A. Catalytic Converter:
 1. Constricted fuel filler neck
 2. Catalyst beads (pellet-type converter)

¹ Rotary (Wankel) engines only

3. Ceramic support and monolith coating (monolith-type converter)
 4. Converter body and internal supports
 5. Exhaust manifold
- B. Thermal Reactor:
1. Reactor casing and lining
 2. Exhaust manifold and exhaust port liner
- C. Exhaust System:
1. Manifold
 2. Exhaust port liners
 3. Double walled portion of exhaust system
 4. Heat riser valve and control assembly

IX. Miscellaneous Items Used in Above Systems

1. Hoses, clamps, and pipers
2. Pulleys, belts, and idlers

X. Computer Controls

1. Electronic Control Unit (ECU)
2. Computer-coded engine operating parameter (including computer chips)
3. All sensors and actuators associated with the ECU

XI. Drive Train Parts (added to Emission-Related Parts List

1. Engine
2. Drive mechanism
3. Transmission
4. Differential
5. Axles
6. Brakes

ATTACHMENT E

QUALITY CONTROL CHECKLIST

**Emission-Related and Drivetrain Parts
Removal and Destruction - Quality Control Check List**

Check each box indicating whether the emissions-related or drive train part has been removed or destroyed. Insert N/A where a part is not in the original vehicle design.

Date _____
 Dismantler _____
 Address _____
 Quality Control Inspector _____
 Vehicle Make _____
 Vehicle Model _____
 Vehicle Year _____
 Vehicle License Number _____
 Vehicle Odometer Mileage _____

Category	Emission-Related/Drivetrain Part	Part Removed	Part Destroyed
Air Induction System	Temperature sensor elements		
	Vacuum motor for air control		
	Hot air duct & stove		
	Air filter housing & element		
	Turbocharger or supercharger		
	Intercooler		
Emission Calibrated Carburetors	Metering jets		
	Metering rods		
	Needle and seat		
	Power valve		
	Float circuit		
	Vacuum break		
	Choke mechanism		
	Throttle-control solenoid		
Emission Calibrated Carburetors (continued)	Deceleration valve		
	Dashpot		
	Idle stop solenoid, anti-dieseling assembly		
Mechanical Fuel Injection:	Accelerating pump		
	Altitude compensator		
	Pressure regulator		
	Fuel injection pump		
	Fuel injector		
	Throttle-position compensator		
	Engine speed compensator		
	Engine temperature compensator		
	Altitude cut-off valve		
	Deceleration cut-off valve		
Continuous Fuel Injection:	Cold-start valve		
	Fuel pump		
	Pressure accumulator		
	Fuel filter		

Category	Emission-Related/Drivetrain Part	Part Removed	Part Destroyed
	Fuel distributor		
	Fuel injections		
	Air-flow sensor		
	Throttle-position compensator		
	Warm-running compensator		
	Pneumatic overrun compensator		
	Cold-start valve		
Electronic Fuel Injection:	Pressure regulator		
	Fuel distribution manifold		
	Fuel injectors		
	Electronic control unit		
	Engine speed sensor		
	Engine temperature sensor		
	Throttle-position sensor		
	Altitude/manifold-pressure sensor		
Electronic Fuel Injection:	Cold-start valve		
Air Fuel Ratio Control:	Frequency valve		
	Oxygen sensor		
Air Fuel Ratio Control:	Electronic control unit		
Intake Manifold	Intake Manifold Assembly		
Distributor	Cam		
	Points		
	Rotor		
	Condenser		
	Distributor cap		
	Breaker plate		
	Electronic components (breakerless or electronic system)		
Spark Advance/Retard System	Centrifugal advance mechanism: weights and springs		
	Vacuum advance unit		
	Transmission controlled spark system: vacuum solenoid, transmission switch, temperature switches, time delay, CEC valve, reversing relay		
	Electronic spark control system: computer circuitry, speed sensor, temperature switches, vacuum switching valve		
	Orifice spark advance control system: vacuum bypass valve, orifice spark advance control valve, temperature control switch, distributor vacuum control switch		
Spark Advance/Retard System (continued)	Speed controlled spark system: vacuum solenoid, speed sensor and control switch, thermal vacuum switch		
Spark Plugs	Spark Plugs		
Ignition Coil	Ignition Coil		
Ignition Wires	Ignition Wires		

Category	Emission-Related/Drivetrain Part	Part Removed	Part Destroyed
Drivetrain	Engine		
	Flywheel		
	Bell Housing		
	Drive Shaft		
	Transmission		
	Differentials		
	Axles		
	Brakes		
Mechanical Components	Intake valves		
	Exhaust valves		
	Valve guides		
	Valve springs		
	Valve seats		
	Camshaft		
	Cylinder head or rotor housing		
	Piston or rotor		
Evaporative Control System	Vapor Storage Canister and Filter		
	Vapor Liquid Separator		
	Filler Cap		
	Fuel Tank		
	Canister Purge Valve		
Positive Crankcase Ventilation System	PCV Valve		
	Oil Filler Cap		
	Manifold PCV Connection Assembly		
Exhaust Gas Recirculation System	EGR Valve: valve body and carburetor spacer,		
	EGR Valve: internal passages and exhaust gas orifice		
Driving Mode Sensors	Speed sensor		
	Solenoid vacuum valve		
	Electronic amplifier		
	Temperature-controlled vacuum valve		
	Vacuum reducing valve		
	EGR coolant override valve		
	Backpressure transducer		
	Vacuum amplifier		
	Delay valves		
Air Injection System	Pump		
	Pressure-relief valve		
	Pressure-setting plug		
	Pulsed air system		
	Diverter		
	Relief, bypass, or gulp valve		
	Check or anti-backfire valve		
	Deceleration control part		
	Flow control valve		
	Distribution manifold		
	Air switching valve		
Catalytic Converter/Thermal	Temperature sensor		
	Constricted fuel filler neck		

Category	Emission-Related/Drivetrain Part	Part Removed	Part Destroyed
Reactor/exhaust	Catalyst beads (pellet-type converter),		
	Ceramic support and monolith coating (monolith-type converter),		
	Converter body and internal supports,		
	Exhaust manifold		
	Reactor casing and lining		
	Exhaust manifold and exhaust port liner		
	Manifold		
	Exhaust port liners,		
	Double walled portion of exhaust system,		
	Heat riser valve and control assembly		
	Miscellaneous Items Used in Above Systems	Hoses, clamps, and pipers	
Pulleys, belts, and idlers			
Computer Controls	Electronic Control Unit (ECU)		
	Computer-coded engine operating parameter (including computer chips)		
	All sensors and actuators associated with the ECU		

Quality Control Inspector Final Verification All Emission-Related and Drivetrain Parts Removed and Destroyed

Quality Control Inspector Signature: _____
Date: _____

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

PROFESSIONAL SERVICES CONTRACT

CONTRACT NO. 2024.074

1. **PARTIES** – The parties to this Contract (“Contract”) are the Bay Area Air Quality Management District (“DISTRICT”) whose address is 375 Beale Street, Suite 600, San Francisco, CA 94105, and **Lineage Connect** (“CONTRACTOR”) whose address is 1700 Broadway Blvd, Kansas City, MO, 64108.

2. **RECITALS**
 - A. DISTRICT is the local agency with primary responsibility for regulating stationary source air pollution in the Bay Area Air Quality Management District in the State of California. DISTRICT is authorized to enter into this Contract under California Health and Safety Code Section 40701. DISTRICT desires to contract with CONTRACTOR for services described in the Scope of Work, attached hereto as Attachment A and made a part hereof by this reference. DISTRICT is entering into this Contract based on CONTRACTOR’s stated qualifications to perform the services.
 - B. CONTRACTOR has been selected to provide direct mail services under the DISTRICT’s Vehicle Buy Back (“VBB”) Program beginning fiscal year ending 2025. The DISTRICT’s Board of Directors has authorized DISTRICT to spend up to \$300,000 each fiscal year to provide direct mail services using funds from the Transportation Fund for Clean Air.
 - C. All parties to this Contract have had the opportunity to have this contract reviewed by their attorney.

3. **PERFORMANCE REQUIREMENTS**
 - A. CONTRACTOR is authorized to do business in the State of California. CONTRACTOR attests that it is in good tax standing with federal and state tax authorities.
 - B. CONTRACTOR agrees to obtain any and all required licenses, permits, and all other appropriate legal authorizations from all applicable federal, state and local jurisdictions and to pay all applicable fees.
 - C. CONTRACTOR shall comply with all laws and regulations that apply to its performance under this Contract, including any requirements to disclose potential conflicts of interest under DISTRICT’s Conflict of Interest Code.
 - D. CONTRACTOR shall not engage in any performance of work during the term of this contract that is in direct or indirect conflict with duties and responsibilities set forth in the Scope of Work.
 - E. CONTRACTOR shall exercise the degree of skill and care customarily required by accepted professional practices and procedures.
 - F. CONTRACTOR shall ensure that any subcontractors, employees and agents performing under this Contract comply with the performance standards set forth in paragraphs A-E above.

4. **TERM** – The term of this Contract is from July 1, 2024 to June 30, 2025, unless further extended by amendment of this Contract in writing and signed by both parties, or terminated

earlier. CONTRACTOR shall not submit any invoice for services performed under this Contract until the Contract is fully executed.

5. TERMINATION

- A. The DISTRICT may terminate this Contract at any time, at will, and without specifying any reason, by notifying CONTRACTOR in writing. The notice of termination shall specify the effective date of termination, which shall be no less than thirty (30) calendar days from the date of delivery of the notice of termination, as set forth in section 10, below, and shall be delivered in accordance with the provisions of section 10 below. Immediately upon receipt of the notice of termination, CONTRACTOR shall cease all work under this Contract, except such work as is specified in the notice of termination. CONTRACTOR shall deliver a final invoice for all remaining work performed but not billed, including any work specified in the termination notice, on or before ten (10) business days following the effective date of termination.
- B. Either party may terminate this Contract for breach by the other party.
 - i) Failure to perform any agreement or obligation contained in this Contract or failure to perform the services in a satisfactory manner shall constitute a breach of the Contract.
 - ii) The non-breaching party may terminate the Contract by delivery of a written notice of breach. The notice of breach shall specify the date of termination, which shall be no earlier than ten (10) business days from delivery of the notice of breach. In the alternative, at its sole discretion, the non-breaching party may require the breaching party to cure the breach. The notice of breach shall specify the nature of the breach and the date by which such breach must be cured.
 - iii) If CONTRACTOR fails to perform any obligation under this Contract, DISTRICT, at its sole discretion, may perform, or cause the performance of, the obligation itself. In that event, DISTRICT shall deduct the costs to perform such obligation and any other costs to cure the breach from the payment otherwise due to CONTRACTOR for work performed under this Contract. DISTRICT's performance hereunder shall not be deemed a waiver or release of any obligation of, or default by, CONTRACTOR under this Contract.
 - iv) The notice of breach shall be provided in accordance with the notice requirements set forth in section 10.
 - v) The non-breaching party reserves all rights under law and equity to enforce this Contract and recover any damages.

6. INSURANCE

- A. CONTRACTOR shall maintain the following insurance:
 - i) Workers' compensation and employers' liability insurance as required by California law or other applicable statutory requirements.
 - ii) Occurrence-based commercial general liability insurance or equivalent form with a limit of not less than one million dollars (\$1,000,000) each occurrence. Such insurance shall include DISTRICT and its officers, agents, and employees as additional insureds and shall be primary with respect to any insurance maintained by DISTRICT.
 - iii) Business automobile liability insurance or equivalent form with a limit of not less than one million dollars (\$1,000,000) each accident. Such insurance shall include coverage for owned, hired, and non-owned vehicles. If CONTRACTOR is a sole proprietor, CONTRACTOR may meet this insurance requirement with personal automobile liability

insurance carrying a business use endorsement or by demonstrating to the satisfaction of DISTRICT that business use is covered under the CONTRACTOR's personal automobile liability insurance. A CONTRACTOR using only rental vehicles in performing work under this Contract may meet this insurance requirement by purchasing automobile liability insurance in the required coverage amount from the rental agency.

- B. All insurance shall be placed with insurers acceptable to DISTRICT.
- C. Prior to commencement of work under this Contract, CONTRACTOR shall furnish properly-executed certificates of insurance for all required insurance. Upon request by DISTRICT, CONTRACTOR shall provide a complete copy of any required insurance policy. CONTRACTOR shall notify DISTRICT in writing thirty (30) days prior to cancellation or modification of any required insurance policy. Any such modifications are subject to pre-approval by DISTRICT.
- D. If CONTRACTOR fails to maintain the required insurance coverage set forth above, DISTRICT reserves the right either to purchase such additional insurance and deduct the cost thereof from any payments owed to CONTRACTOR or to terminate this Contract for breach.

7. INDEMNIFICATION

- A. CONTRACTOR shall indemnify and hold DISTRICT, its officers, employees and agents harmless from and against any and all liability, loss, expense, including reasonable attorneys' fees, or claims for injury or damages arising out of the performance of this Contract, but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of CONTRACTOR, its officers, agents, or employees.
- B. DISTRICT shall indemnify and hold CONTRACTOR, its officers, employees and agents harmless from and against any and all liability, loss, expense, including reasonable attorneys' fee, or claims for injury or damages arising out of the performance of this Contract, but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of DISTRICT, its officers, agents, or employees.

8. PAYMENT

- A. DISTRICT shall pay CONTRACTOR for services in accordance with the terms set forth in the Cost Schedule, which is attached hereto as Attachment B and incorporated herein by this reference.
- B. CONTRACTOR shall submit invoice(s) to DISTRICT for services performed. Each invoice shall specify the total cost of the services for which the invoice is submitted, shall reference tasks shown in the Scope of Work, the hours associated with same, or percentage completion thereof, and the amount of charge claimed, and, as appropriate, shall list any charges for equipment, material, supplies, travel, and subcontractors' services.
- C. DISTRICT's payment of invoices shall be subject to the following limitations and requirements:
 - i) Each invoice, including supporting documentation, shall be prepared on CONTRACTOR's letterhead; shall list DISTRICT's contract number, the period covered by the invoice, and the CONTRACTOR's Social Security Number or Federal Employer Identification Number; and shall be submitted via email to

vehiclebuyback@baaqmd.gov with the subject line: RE: Lineage Connect invoice [month][invoice number].

- ii) DISTRICT shall not pay interest, fees, handling charges, or the cost of money on the Contract.
 - iii) DISTRICT shall pay CONTRACTOR within thirty (30) calendar days after approval by DISTRICT of an itemized invoice.
- D. The total amount for which DISTRICT may be held liable for the performance of services specified in this Contract shall not exceed \$200,000.
9. DISPUTE RESOLUTION – A party that disputes a notice of breach must first seek mediation to resolve the dispute in accordance with the provisions set forth below.
- A. Upon receipt of a notice of breach of contract, the party may submit a demand for mediation to resolve whether or not a breach occurred. The party must state the basis of the dispute and deliver the demand within ten (10) business days of the date of receipt of the notice of breach.
 - B. The mediation shall take place at DISTRICT’s office at 375 Beale Street, Suite 600, San Francisco, or at such other place as may be mutually agreed upon by the parties and the mediator.
 - C. The parties shall make good faith efforts to hold the mediation within thirty (30) days after receipt of the demand for mediation.
 - D. Each party shall bear its own mediation costs.
 - E. In the event the parties are unable to resolve the dispute, either party may file an action in a court of competent jurisdiction to enforce the Contract.
 - F. Maximum recovery under this section shall be limited to \$200,000. The mediation costs shall not reduce the maximum amount recoverable under this section.
10. NOTICES – All notices that are required under this Contract shall be provided in the manner set forth herein, unless specified otherwise. Notice to a party shall be delivered to the attention of the person listed below, or to such other person or persons as may hereafter be designated by that party in writing. Notice shall be in writing sent by e-mail, facsimile, or regular first class mail. In the case of e-mail and facsimile communications, valid notice shall be deemed to have been delivered upon sending, provided the sender obtained an electronic confirmation of delivery. E-mail and facsimile communications shall be deemed to have been received on the date of such transmission, provided such date was a business day and delivered prior to 4:00 p.m. pacific time. Otherwise, receipt of e-mail and facsimile communications shall be deemed to have occurred on the following business day. In the case of regular mail notice, notice shall be deemed to have been delivered on the mailing date and received five (5) business days after the date of mailing.

DISTRICT: Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105
Attn: Director of Strategic Incentives
Project #: Vehicle Buy Back Program
grants@baaqmd.gov

CONTRACTOR: Lineage Connect

1700 Broadway Blvd
Kansas City, MO 64108
Attn: Jason Hansen, Director of Sales and Customer Success
Project #: Vehicle Buy Back Program
jhansen@trustlineage.com

11. ADDITIONAL PROVISIONS – All attachment(s) to this Contract are expressly incorporated herein by this reference and made a part hereof as though fully set forth.
12. EMPLOYEES OF CONTRACTOR
 - A. CONTRACTOR shall be responsible for the cost of regular pay to its employees, as well as cost of vacation leave, vacation replacements, sick leave, severance pay, and pay for legal holidays.
 - B. CONTRACTOR, its officers, employees, agents, or representatives shall not be considered employees or agents of DISTRICT, nor shall CONTRACTOR, its officers, employees, agents, or representatives be entitled to or eligible to participate in any benefits, privileges, or plans given or extended by DISTRICT to its employees.
13. CONFIDENTIALITY – In order to carry out the purposes of this Contract, CONTRACTOR may require access to certain of DISTRICT's confidential information (including trade secrets, inventions, confidential know-how, confidential business information, and other information that DISTRICT considers confidential) (collectively, "Confidential Information"). It is expressly understood and agreed that DISTRICT may designate in a conspicuous manner Confidential Information that CONTRACTOR obtains from DISTRICT, and CONTRACTOR agrees to:
 - A. Observe complete confidentiality with respect to such information, including, without limitation, agreeing not to disclose or otherwise permit access to such information by any other person or entity in any manner whatsoever, except that such disclosure or access shall be permitted to employees of CONTRACTOR requiring access in fulfillment of the services provided under this Contract.
 - B. Ensure that CONTRACTOR's officers, employees, agents, representatives, and independent contractors are informed of the confidential nature of such information, and to assure by agreement or otherwise, that they are prohibited from copying or revealing, for any purpose whatsoever, the contents of such information or any part thereof, or from taking any action otherwise prohibited under this section.
 - C. Not use such information or any part thereof in the performance of services to others or for the benefit of others in any form whatsoever, whether gratuitously or for valuable consideration, except as permitted under this Contract.
 - D. Notify DISTRICT promptly and in writing of the circumstances surrounding any possession, use, or knowledge of such information, or any part thereof, by any person or entity other than those authorized by this section. Take, at CONTRACTOR's expense but at DISTRICT's option, and in any event under DISTRICT's control, any legal action necessary to prevent unauthorized use of such information by any third party or entity which has gained access to such information at least in part due to the fault of CONTRACTOR.
 - E. Take any and all other actions necessary or desirable to assure such continued confidentiality and protection of such information during the term of this Contract and following expiration or termination of the Contract.
 - F. Prevent access to such materials by a person or entity not authorized under this Contract.

- G. Establish specific procedures in order to fulfill the obligations of this section.
14. INTELLECTUAL PROPERTY RIGHTS – Title and full ownership rights to all intellectual property developed under this Contract shall at all times remain with DISTRICT, unless otherwise agreed to in writing.
15. PUBLICATION
- A. DISTRICT shall approve in writing any report or other document prepared by CONTRACTOR in connection with performance under this Contract prior to dissemination or publication of such report or document to a third party. DISTRICT may waive in writing its requirement for prior approval.
- B. Until approved by DISTRICT, any report or other document prepared by CONTRACTOR shall include on each page a conspicuous header, footer, or watermark stating “DRAFT – Not Reviewed or Approved by BAAQMD,” unless DISTRICT has waived its requirement for prior approval pursuant to paragraph A of this section.
- C. Information, data, documents, or reports developed by CONTRACTOR for DISTRICT pursuant to this Contract shall be part of DISTRICT’s public record, unless otherwise indicated. CONTRACTOR may use or publish, at its own expense, such information, provided DISTRICT approves use of such information in advance. The following acknowledgment of support and disclaimer must appear in each publication of materials, whether copyrighted or not, based upon or developed under this Contract:
- “This report was prepared as a result of work sponsored, paid for, in whole or in part, by the Bay Area Air Quality Management District (District). The opinions, findings, conclusions, and recommendations are those of the author and do not necessarily represent the views of the District. The District, its officers, employees, contractors, and subcontractors make no warranty, expressed or implied, and assume no legal liability for the information in this report.”
- D. CONTRACTOR shall inform its officers, employees, and subcontractors involved in the performance of this Contract of the restrictions contained herein and shall require compliance with this section.
16. AUDIT / INSPECTION OF RECORDS – If this Contract exceeds \$10,000, pursuant to California Government Code Section 8546.7, all records, documents, conditions and activities of CONTRACTOR, and its subcontractors, related to the services provided hereunder, shall be subject to the examination and audit of the California State Auditor and other duly authorized agents of the State of California for a period of three (3) years after final payment under this Contract. CONTRACTOR hereby agrees to make such records available during normal business hours for inspection, audit, and reproduction by any duly authorized agents of the State of California or DISTRICT. CONTRACTOR further agrees to allow interviews of any of its employees who might reasonably have information related to such records by any duly authorized agents of the State of California or DISTRICT. All examinations and audits conducted under this section shall be strictly confined to those matters connected with the performance of this Contract, including, but not limited to, the costs of administering this Contract.
17. NON-DISCRIMINATION – In the performance of this Contract, CONTRACTOR shall not

discriminate in its recruitment, hiring, promotion, demotion, and termination practices on the basis of race, religious creed, color, national origin, ancestry, sex, age, marital status, sexual orientation, medical condition, or physical or mental disability, and shall comply with the provisions of the California Fair Employment & Housing Act (Gov. Code, §§12900 et seq.), the Federal Civil Rights Act of 1964 (P.L. 88-352) and all amendments thereto, and all administrative rules and regulations issued pursuant to said Acts. CONTRACTOR shall also require each subcontractor performing work in connection with this Contract to comply with this section, and shall include in each contract with such subcontractor provisions to accomplish the requirements of this section.

18. PROPERTY AND SECURITY – Without limiting CONTRACTOR’S obligations with regard to security, CONTRACTOR shall comply with all the rules and regulations established by DISTRICT for access to and activity in and around DISTRICT’s premises.
19. ASSIGNMENT – No party shall assign, sell, license, or otherwise transfer any rights or obligations under this Contract to a third party without the prior written consent of the other party, and any attempt to do so shall be void upon inception.
20. WAIVER – No waiver of a breach, of failure of any condition, or of any right or remedy contained in or granted by the provisions of this Contract shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right, or remedy shall be deemed a waiver of any other breach, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies. Further, the failure of a party to enforce performance by the other party of any term, covenant, or condition of this Contract, and the failure of a party to exercise any rights or remedies hereunder, shall not be deemed a waiver or relinquishment by that party to enforce future performance of any such terms, covenants, or conditions, or to exercise any future rights or remedies.
21. ATTORNEYS’ FEES – In the event any action is filed in connection with the enforcement or interpretation of this Contract, each party shall bear its own attorneys’ fees and costs.
22. FORCE MAJEURE – Neither DISTRICT nor CONTRACTOR shall be liable for or deemed to be in default for any delay or failure in performance under this Contract or interruption of services resulting, directly or indirectly, from acts of God, enemy or hostile governmental action, civil commotion, strikes, lockouts, labor disputes, fire or other casualty, judicial orders, governmental controls, regulations or restrictions, inability to obtain labor or materials or reasonable substitutes for labor or materials necessary for performance of the services, or other causes, except financial, that are beyond the reasonable control of DISTRICT or CONTRACTOR, for a period of time equal to the period of such force majeure event, provided that the party failing to perform notifies the other party within fifteen calendar days of discovery of the force majeure event, and provided further that that party takes all reasonable action to mitigate the damages resulting from the failure to perform. Notwithstanding the above, if the cause of the force majeure event is due to a party’s own action or inaction, then such cause shall not excuse that party from performance under this Contract.
23. SEVERABILITY – If a court of competent jurisdiction holds any provision of this Contract to be illegal, unenforceable or invalid, in whole or in part, for any reason, the validity and

enforceability of the remaining provisions, or portions of them, will not be affected.

24. HEADINGS – Headings on the sections and paragraphs of this Contract are for convenience and reference only, and the words contained therein, shall in no way be held to explain, modify, amplify, or aid in the interpretation, construction, or meaning of the provisions of this Contract.
25. COUNTERPARTS/FACSIMILES/SCANS – This Contract may be executed and delivered in any number of counterparts, each of which, when executed and delivered, shall be deemed an original, and all of which together shall constitute the same contract. The parties may rely upon a facsimile copy or scanned copy of any party's signature as an original for all purposes.
26. GOVERNING LAW – Any dispute that arises under or relates to this Contract shall be governed by California law, excluding any laws that direct the application of another jurisdiction's laws. Venue for resolution of any dispute that arises under or relates to this Contract, including mediation, shall be San Francisco, California.
27. ENTIRE CONTRACT AND MODIFICATION – This Contract represents the final, complete, and exclusive statement of the agreement between the parties related to CONTRACTOR providing services to DISTRICT, and supersedes all prior and contemporaneous understandings and agreements of the parties. No party has been induced to enter into this Contract by, nor is any party relying upon, any representation or warranty outside those expressly set forth herein. This Contract may only be amended by mutual agreement of the parties in writing and signed by both parties.
28. SURVIVAL OF TERMS – The provisions of sections 7 (Indemnification), 13 (Confidentiality), 14 (Intellectual Property Rights), and 15 (Publication) shall survive the expiration or termination of this Contract.

IN WITNESS WHEREOF, the parties to this Contract have caused this Contract to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

LINEAGE CONNECT

By: _____
Philip M. Fine
Executive Officer/APCO

By: _____
Jason Hansen
Director of Sales & Customer
Success

Date: _____

Date: _____

Approved as to form:

By: _____
Alexander G. Crockett
General Counsel

DRAFT

ATTACHMENT A

SCOPE OF WORK

CONTRACTOR shall provide direct mail services to distribute notices for DISTRICT's Vehicle Buy Back ("VBB") Program, a voluntary vehicle retirement and scrapping program that takes older, higher-polluting vehicles off Bay Area roads. CONTRACTOR will conduct a direct mail services campaign in compliance with the following requirements and procedures:

A. Data Management (e.g., data collection, analysis, suppression, mail merge):

1. CONTRACTOR shall securely receive the data from DISTRICT and shall limit the number of staff working directly with this data to the minimum.
 - a. CONTRACTOR shall establish a secure connection with DISTRICT's server using encryption protocols Secure File Transfer Protocol (SFTP). All IP addresses that will be sending data will be whitelisted with CONTRACTOR's server.
 - b. CONTRACTOR shall assign a dedicated project manager to oversee the project and manage access to the data. CONTRACTOR will implement role-based access control (RBAC) to ensure that each authorized user only has access to the data and functions necessary for their specific role in the project.
2. CONTRACTOR shall maintain the security and integrity of the information received. This includes, but is not limited to, the following:
 - a. Not leaving access terminals and modems unattended while in active session, unless these devices are secured by a locking device that prevents entry or receipt of information or are placed in a locked room that is not accessible to unauthorized persons. Additionally, CONTRACTOR shall store the data on a secure server with strict access controls and implement data encryption at rest using AES-256 or another strong encryption algorithm to protect the data from unauthorized access, and use version control to track changes to the data ensuring that any modifications are documented and can be easily reviewed or reverted if necessary, and regularly monitor and audit access logs to identify any unusual or unauthorized access attempts.
 - b. Not selling, retaining, distributing, providing, or transferring any record information or portion of the record information acquired, except as authorized by DISTRICT.
3. CONTRACTOR shall suppress or otherwise modify the database to eliminate mailings to vehicle owners with 1980 and older model year vehicles and individuals that have either requested to be removed from the mailing list or previously participated in the VBB program. DISTRICT shall provide CONTRACTOR with a Microsoft Excel spreadsheet of the names and addresses of these individuals. On a monthly basis, DISTRICT shall also provide CONTRACTOR additions to this list.

4. CONTRACTOR shall send the database to the National Change of Addresses at least every six months to update the database (i.e., update addresses and ensure that the data is current and accurate). Address changes that are no longer in DISTRICT's jurisdiction will be added to the suppressed mail list. CONTRACTOR shall, then, use Presort Data Management so that the address will be organized to match the required United States Postal Service (USPS) tray order for automated area distribution center (AADC) presort level.
5. CONTRACTOR shall merge text of the one-page letter with addresses of vehicle owners and vehicle model year from the DMV database provided by DISTRICT. DISTRICT will provide the text for the letter.
6. CONTRACTOR shall destroy all information received from DISTRICT's files within ninety (90) days or sooner at the request of DISTRICT. The method of destruction must be effective for the type of record requested and done in a manner so that the record cannot be reproduced or identified in any physical or electronic form. CONTRACTOR shall maintain a record of the data destruction process, including the date and method used, for future reference.

B. Letter and Envelope Production (e.g., printing, folding, inserting, delivering to USPS):

1. DISTRICT will provide CONTRACTOR with twenty-four (24) mail drop dates at approximately two-week intervals to coincide with the vehicle owner's receipt of registration renewal notices from the California Department of Motor Vehicles (DMV). DISTRICT will provide CONTRACTOR, using the DMV database, the date range of addresses of vehicle owners in the Bay Area to receive letters on the specific mail drop dates.
2. CONTRACTOR shall print DISTRICT's letterhead, which consists of DISTRICT's logo and contact information, on 20-pound, 8.5" x 11", white, recycled paper. The recycled paper shall contain at least 30% post-consumer material. CONTRACTOR will print the single-sided letter in black text. The DISTRICT's logo shall be grayscale. DISTRICT shall provide logo artwork in electronic format (jpeg).
3. CONTRACTOR shall print the DISTRICT's return address and logo on #10 standard left window envelope, 24-pound, white recycled stock. The DISTRICT's logo shall be in either black or grayscale, whichever is more economical. The recycled envelope paper shall contain at least 30% postconsumer material. The DISTRICT shall provide logo artwork in electronic format (e.g., jpeg).
4. CONTRACTOR shall fold letters to fit window envelopes and insert a one-page letter into each envelope.
5. CONTRACTOR shall seal each envelope, provide postage (standard mail bulk rate), and deliver to the United States Post Office for mailing on the specified drop dates provided by DISTRICT.

ATTACHMENT B

COST SCHEDULE

DISTRICT will pay CONTRACTOR in accordance to the rates below for the work outlined in Attachment A, Scope of Work. CONTRACTOR will submit monthly invoices to DISTRICT for the mail drops performed in the previous month. Payment will be made in accordance with Section 8, Payment, of this Contract.

- A. **Per Mail Drop Payment.** DISTRICT will pay CONTRACTOR a flat fee per mail drop for data management (e.g., data collection, analysis, suppression, mail merge) plus a cost per piece of mail that was sent for letter and envelope production (e.g., printing, folding, inserting, delivering to USPS) as shown in Table 1 below.

Table 1. Data Management and Letter & Envelope Production Costs

	Data Management	Letter and Envelope Production
Year 1 (7/1/2024 – 6/30/2025)	\$45/mail drop	\$0.0889 per piece of mail sent
Year 2 (7/1/2025 – 6/30/2026)	\$48/mail drop	\$0.0960 per piece of mail sent
Year 3 (7/1/2026 – 6/30/2027)	\$51/mail drop	\$0.1037 per piece of mail sent

- B. **Postage and Delivery.** Standard mail bulk rate postage and delivery costs will be billed to DISTRICT at the actual rate charged by the United States Postal Services.

Total cost of Contract shall not to exceed \$200,000.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Davina Hurt and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: May 1, 2024

Re: Acceptance of Federal Highway Administration Funding

RECOMMENDED ACTION

1. Adopt a resolution approving the acceptance of up to \$15,000,000 in Charging & Fueling Infrastructure (CFI) program funding from the Federal Highway Administration (FHWA) to expand electric vehicle (EV) charging infrastructure in the Bay Area; and,
2. Authorize the Executive Officer/APCO to enter into all necessary agreements to accept, obligate, and expend this funding.

BACKGROUND

Wide-scale adoption of electric vehicles (EVs) and electrification of all types of transportation are essential to achieving local, state, and federal emission reduction targets for greenhouse gases and criteria pollutants. California has set a goal of 250,000 EV chargers and 1.5 million EVs sold by 2025, five million EVs sold by 2030, and to phase out sales of most conventional vehicles by 2035. The Bay Area has set a target of 1.5 million zero-emissions vehicles by 2030 and 90% of vehicles in the Bay Area being zero-emissions by 2050. The Bay Area and California also share the goal to cut greenhouse gas emissions to 80% below 1990 levels by 2050. At the end of 2022, there were a total of 340,162 Zero Emission Vehicles (ZEVs) registered and operating on Bay Area roads, representing 6.17% of the region's light-duty fleet and nearly 31% of the CA zero-emission vehicle population, according to data from the California Energy Commission.

To support the increase of EVs needed to achieve Bay Area and California goals, significant investments in EV infrastructure are needed. The National Renewable Energy Laboratory (NREL) EV Infrastructure Projection Tool estimated that the Bay Area needed over 30,000 charging ports in 2023. According to the US Department of Energy's Alternative Fuels Data Center, there were approximately 13,400 publicly available charging ports (including Level 1, Level 2, and DC Fast Charging) across the Bay Area as of December 2023. External funding opportunities are essential to make this transition to zero-emission vehicles more equitable and realistic for all residents.

DISCUSSION

On March 14, 2023, the FHWA issued Notice of Funding Opportunity (NOFO) Number 693JJ323NF00004, for projects to increase the installation of publicly accessible EV charging projects. Section 11401 of the Bipartisan Infrastructure Law (BIL), enacted as the Infrastructure Investment and Jobs Act (Pub. L. 117-58, Nov. 15, 2021), established the CFI Discretionary Grant Program which is codified at 23 U.S.C. § 151(f)(2). Through the Charging & Fueling Infrastructure (CFI) Discretionary Grant Program \$700 million was available to public agencies for EV charging applications, and it was open to community projects and for corridor projects.

On June 8, 2023, the Air District submitted an application to FHWA requesting up to \$15,000,000 in CFI Program funding to install EV charging infrastructure in the Bay Area with a priority for investments in priority communities/ Justice40 areas. The Air District proposed to use its well-established Charge! Program to administer the CFI funds to subrecipients which will allow for efficient implementation and leverage program guidelines, alternate funding sources, resources, and relationships. Through the Charge! Program the Air District partners with vendors, public agencies, and businesses to purchase and install EV charging infrastructure. Crucial elements of project selection criteria include the priority population location evaluation, emissions reductions, budget, and scope. With this program, the Air District attempts to select the most beneficial projects, build out the public charging network and fill in gaps that are not adequately served from the existing network and other funding programs. The FHWA funding will scale up the Air District's Charge! Program and the alignment of the program with the CFI/ National Electric Vehicle Infrastructure program (NEVI) requirements will set up the program for further expansion if additional funds become available.

On January 17, 2024, FHWA issued a notice of proposed awards for the CFI solicitation which included a proposed award to the Air District of up to \$15,000,000. FHWA will authorize a grant of up to \$15,000,000 to the Air District for the proposed project, upon approval by the Air District Board of Directors to accept such grant of funds, submittal of remaining project information to FHWA, and full execution of a FHWA award agreement. Staff anticipates releasing a call for projects in late 2024 or early 2025.

BUDGET CONSIDERATION/FINANCIAL IMPACT

FHWA funds are considered “pass-through” funds, which are offered to grantees directly or to reduce the costs of their EV charging project. The FHWA award also includes funding to support the Air District's administrative costs for program implementation. The Air District may use funds from the Transportation Fund for Clean Air, Congestion Mitigation and Air Quality Improvement Program, or other eligible funding sources, in addition to project partner contributions to meet the match obligation for the CFI funds.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Deanna Yee
Reviewed by: Anthony Fournier

ATTACHMENTS:

1. Draft Board Resolution to Accept FHWA Funding

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

RESOLUTION NO. 2024-_____

**A Resolution Accepting Charging and Fueling Infrastructure Funds
From the U.S. Federal Highway Administration**

WHEREAS, the purpose of this Resolution is to authorize the Bay Area Air Quality Management District (Air District) to accept, obligate, and expend up to \$15,000,000 in Charging and Fueling Infrastructure (CFI) funding from the U.S. Federal Highway Administration (FHWA) and to authorize the Executive Officer/Air Pollution Control Officer to execute all necessary agreements, required documents, and amendments required to accept and expend this funding;

WHEREAS, Section 11401 of the Bipartisan Infrastructure Law (BIL), enacted as the Infrastructure Investment and Jobs Act (Pub. L. 117-58, Nov. 15, 2021), established the CFI Discretionary Grant Program which is codified at 23 U.S.C. § 151(f)(2);

WHEREAS, on March 14, 2023, FHWA issued Notice of Funding Opportunity (NOFO) Number 693JJ323NF00004, for projects to install publicly accessible Electric Vehicle (EV) charging projects;

WHEREAS, on June 8, 2023, the Air District submitted an application to FHWA requesting up to \$15,000,000 in CFI Program funding to install EV charging infrastructure in the Bay Area in accordance with FHWA CFI program requirements;

WHEREAS, on January 17, 2024, FHWA issued a notice of proposed awards for the CFI solicitation which included a proposed award to the Air District of up to \$15,000,000;

WHEREAS, FHWA will authorize a grant of up to \$15,000,000 to the Air District for the proposed project, upon approval by the Air District Board of Directors to accept such grant of funds, submittal of remaining project information to FHWA, and full execution of a FHWA award agreement;

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors hereby approves the Air District's acceptance of FHWA funds and commits the Air District to comply with the FHWA CFI program requirements.

BE IT FURTHER RESOLVED, the Air District will comply with all cost sharing requirements for the project as prescribed under 23 U.S. Code § 151(f)(10)(A).

BE IT FURTHER RESOLVED, the Executive Officer/Air Pollution Control Officer is authorized to accept, obligate, and execute all agreements, required documents, and any amendments thereto to implement and carry out the purposes of this resolution.

The foregoing resolution was duly and regularly introduced, passed and adopted at a regular meeting of the Board of Directors of the Bay Area Air Quality Management District on the Motion of Director _____, seconded by Director _____, on the ____ day of _____, 2024 by the following vote of the Board:

AYES:

NOES:

ABSTAIN:

ABSENT:

Davina Hurt
Chair of the Board of Directors

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Davina Hurt and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: May 1, 2024

Re: Authorization to Purchase Equipment from Sonoma Technology, Incorporated

RECOMMENDED ACTION

Recommend the Board of Directors authorize the Executive Officer/APCO to purchase an organic carbon/elemental carbon analyzer (DRI 2015 Series 2 with autoloader) from Sonoma Technology, Incorporated (STI) for an amount not to exceed \$170,000.

BACKGROUND

The Air District laboratory uses the organic carbon/elemental carbon analyzer (OCEC) to analyze both routine air monitoring samples for speciation and source-oriented samples for particulate matter content. The current instrument has met the end of its useful life. The analyzer is not compatible with updated software, most of its autoloader components are not fully compatible with the current instrument, and there is limited time remaining for guaranteed service from the manufacturer. The instrument should be replaced with one with comparable technical features and the latest technology improvements.

Air District staff recommends purchasing a DRI 2015 Series 2 with autoloader from Sonoma Technology, Incorporated.

DISCUSSION

Air District staff evaluated instruments using the following criteria:

- Availability of required components and capabilities including: ability to analyze for all required compounds of interest, ability to meet minimum detection requirements, autosampler, analytical software, and type of detector
- Onsite installation and training
- Availability, length, and projected cost of continuing service after initial warranty period
- Type, projected frequency, and projected cost of consumables
- Laboratory chemist’s familiarity with software and equipment and ease of transition between instruments

Air District staff actively sought out and evaluated the options to replace the OCEC including inquiring with the vendor of the current instrument, the vendor of a previously-owned instrument, and resellers of the instrument proposed.

Air District staff has prior experience with this vendor and this technology and recommends it for purchase for the following reasons:

- This instrument offers transmission and reflectance measurements at multiple multi-wavelengths.
- Use of Non-Dispersive Infrared (NDIR) eliminating the need for hydrogen for the analysis.
- Air District chemists are familiar with the general analysis and equipment and would not require significant additional training.
- The filter punch for analysis is significantly smaller, leaving more of the sample filter available for additional analysis of samples as warranted.
- Other labs and researchers use the same instrument which may create future opportunities for collaboration.
- The data generated by the new software will be more accessible for data integration into Laboratory Information Management System (LIMS).
- Previous experience with this manufacturer's ongoing service and maintenance has been prompt, thorough, and that service typically results in cost savings.

The DRI 2015 Series 2 with autoloader is the only instrument that meets all of the laboratory's upcoming needs. The investigation into third party vendors referenced back to STI for purchase. STI is the only source for the selected instrument. This purchase should, therefore, also be considered a sole source purchase.

In June 2023, the Board of Directors approved the purchase of an instrument from STI for particulate matter speciation for community monitoring applications for \$75,000. The DRI 2015 Series 2 with autoloader is \$170,000. The accumulation of both purchases with STI is over the \$200,000 limit and requires Board approval.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The funds for this purchase are in the Board-approved Laboratory capital equipment budget (803/60125) for FYE 2024.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Ranyee Chiang

ATTACHMENTS:

None

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Davina Hurt and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: May 1, 2024

Re: Authorization to Execute a Contract Amendment with Kearns & West, Inc.

RECOMMENDED ACTION

Recommend the Board of Directors authorize the Executive Officer/APCO to execute an amendment to a contract with Kearns & West, Inc. to extend the term from June 30, 2024 to June 30, 2025 and increase the dollar amount from \$1,013,000 to \$2,513,000 to cover Bay Air Center operations for July 1, 2024 through June 30, 2025.

BACKGROUND

Launched in 2019, the Bay Air Center (BAC) serves as a community-oriented air quality technical assistance center. Support from the BAC includes training on air quality and monitoring, assistance with community-led use of air monitoring technologies, analysis of air quality data, and communication of findings.

The BAC currently provides the following services to organizations and community members:

- technical support, resources, and training for organizations and individuals who are implementing projects to understand and improve air quality, or who are applying for state or federal funding to implement such projects;
- compilation of publicly available air quality sensor data for use in local-scale community projects;
- maintenance and use of a portable sensor verification system to provide quality assurance to community-led sensor network projects;
- maintenance of a website with a resource library for community-based ambient air quality monitoring materials and profiles of past projects with community members; and
- start-up of the new refinery corridor particulate monitoring program approved by the Board of Directors on April 3, 2024, including formation of the community workgroup, and development of monitoring plans, sampling protocols, and quality assurance procedures for both the Air District-operated sites and community sampling efforts.

DISCUSSION

The extension of the contract and additional funding requested will enable continued operation of these programs through the fiscal year ending in 2025. The refinery corridor particulate monitoring program started under the current Board-approved and executed contract, but this contract amendment is needed for this program to be fully implemented.

The BAC contract went through a Request for Qualifications (RFQ) process in 2018, prior to execution in 2019. Due to the COVID-19 pandemic and other extenuating circumstances, work under the contract did not begin in earnest until 2022. With the Board of Directors' desire to promptly implement the refinery corridor particulate monitoring program, an additional one-year contract extension is requested prior to re-bidding in late 2024.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Funding for the increase in the value of the contract is included in Program 811 (Ambient Air Quality Analysis) of the FYE2025 Proposed Budget.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Kate Hoag and Joe Lapka
Reviewed by: Ranyee Chiang and Greg Nudd

ATTACHMENTS:

1. Executed Contract No. 2019.131 - Amendment 3: Kearns & West, Inc.
2. Draft Contract No. 2019.131 - Amendment 4: Kearns & West, Inc.

AMENDMENT NO. 3 TO
BAY AREA AIR QUALITY MANAGEMENT DISTRICT
CONTRACT NO. 2019.131

This amendment to the above-entitled contract ("Contract Amendment") is dated, for reference purposes only, June 21, 2023, and consists of 2 pages.

RECITALS:

1. The Bay Area Air Quality Management District ("DISTRICT") and **Kearns & West, Inc.** ("CONTRACTOR") (hereinafter referred to as the "PARTIES") entered into the above-entitled contract for the development, public launch, and ongoing management and implementation of technical assistance center, also known as the Bay Air Center (the "Contract"), which Contract was executed on behalf of CONTRACTOR on July 3, 2019, and on behalf of DISTRICT on July 12, 2019.
2. The PARTIES entered into Amendment No. 1 to the Contract, dated November 16, 2020, for reference purposes only, to amend the term, total cost, the DISTRICT's point of contact, and Task Orders of the Contract.
3. The PARTIES entered into Amendment No. 2 to the Contract, dated June 15, 2022, for reference purposes only, to amend the term and Task Orders No. 1, No. 5 and No. 6 of the Contract.
4. The PARTIES inadvertently referenced the incorrect Term section number in Amendments No. 1 and No. 2 to the Contract, and it was and is the intent of the PARTIES to reference Section 5, "Term" to the Contract in Amendment No. 1 and No. 2.
5. The PARTIES seek to extend the term of the Contract because DISTRICT wants CONTRACTOR to continue to provide the services prescribed in the Contract, and CONTRACTOR desires to continue to provide those services, up to the new term end date.
6. The PARTIES seek to finalize the invoice totals for Task Order Nos. 2, 3, and 4 and agree work under Task Order Nos 2, 3 and 4 have completed.
7. In accordance with Section 29 of the Contract, DISTRICT and CONTRACTOR desire to amend the above-entitled Contract as follows:

TERMS AND CONDITIONS OF CONTRACT AMENDMENT:

1. By this Contract amendment, DISTRICT and CONTRACTOR amend Section 5, "Term." The term of the Contract shall be extended so that the termination date of the Contract is now June 30, 2024.
2. By this Contract amendment, DISTRICT and CONTRACTOR correct all references to Section 4, "Term," in previous Contract Amendments No. 1 and No. 2 to reference Section 5, the correct Term Section of the Contract. The PARTIES agree that this does not change the intent or meaning of Contract Amendments No. 1 and No. 2.
3. By this Contract amendment, DISTRICT and CONTRACTOR agree the cumulative invoiced work under Task Order Nos. 2, 3, and 4 shall not exceed \$141,833.66.
4. DISTRICT and CONTRACTOR agree that all other terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the PARTIES have caused this Contract Amendment to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

KEARNS & WEST, INC.

By: DocuSigned by:
Philip Fine _____
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 Philip M. Fine
 Executive Officer/APCO

By: *Crystal Jackson* _____
 Crystal Jackson
 Vice President, People &
 Operations

Date: 7/12/2023

Date: 6/27/2023

Approved as to form:
District Counsel

By: DocuSigned by:
Alexander Crockett 7/11/2023
6DC7110552B5451...
 Alexander G. Crockett
 District Counsel

AMENDMENT NO. 4 TO
BAY AREA AIR QUALITY MANAGEMENT DISTRICT
CONTRACT NO. 2019.131

This amendment to the above-entitled contract (“Contract Amendment”) is dated, for reference purposes only, April 11, 2024, and consists of 2 pages.

RECITALS:

1. The Bay Area Air Quality Management District (“DISTRICT”) and **Kearns & West, Inc.** (“CONTRACTOR”) (hereinafter referred to as the “PARTIES”) entered into the above-entitled contract for the development, public launch, and ongoing management and implementation of technical assistance center, also known as the Bay Air Center (the “Contract”), which Contract was executed on behalf of CONTRACTOR on July 3, 2019, and on behalf of DISTRICT on July 12, 2019.
2. The PARTIES entered into Amendment No. 1 to the Contract, dated November 16, 2020, for reference purposes only, to amend the term, total cost, the DISTRICT’s point of contact, and Task Orders of the Contract.
3. The PARTIES entered into Amendment No. 2 to the Contract, dated June 15, 2022, for reference purposes only, to amend the term and Task Orders No. 1, No. 5 and No. 6 of the Contract.
4. The PARTIES entered into Amendment No. 3 to the Contract, dated June 21, 2023, for reference purposes only, to extend the term of the Contract.
5. The PARTIES seek to amend the term and total cost of the Contract because DISTRICT seeks to continue receiving services from CONTRACTOR prescribed in the Contract, and CONTRACTOR desires to continue to provide those services.
6. In accordance with Section 29 of the Contract, DISTRICT and CONTRACTOR desire to amend the above-entitled Contract as follows:

TERMS AND CONDITIONS OF CONTRACT AMENDMENT:

1. By this Contract amendment, DISTRICT and CONTRACTOR amend Section 5, “Term.” The term of the Contract shall be extended so that the termination date of the Contract is now June 30, 2025.

2. By this Contract Amendment, DISTRICT and CONTRACTOR amend Paragraph D of Section 9, "Agreement to Provide Services," of the Contract to replace "\$1,013,000" with "\$2,513,000."
3. DISTRICT and CONTRACTOR agree that all other terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS WHEREOF, the PARTIES have caused this Contract Amendment to be duly executed on their behalf by their authorized representatives.

BAY AREA AIR QUALITY
MANAGEMENT DISTRICT

KEARNS & WEST, INC.

By: _____
Philip M. Fine
Executive Officer/APCO

By: _____
Crystal Jackson
Vice President, People &
Operations

Date: _____

Date: _____

Approved as to form:

By: _____
Alexander G. Crockett
General Counsel

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Davina Hurt and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: May 1, 2024

Re: Adoption of a Revised Reserves Policy

RECOMMENDED ACTION

Adopt a revised policy for economic contingency reserves, as recommended by the Finance & Administration Committee.

BACKGROUND

While the Air District has over years built up substantial reserves to be able to have sufficient funding if and when faced with unpredictable economic circumstances, reviews are necessary to ensure reserves continue to serve their purpose. This review provides an overview of best practices and advice for reserves management and details sufficiency of reserves for Air District's operations. A comparison with other California Air District's reserves management practices was also conducted.

In addition, there is a recommendation to revise Air District's reserves policy. Air District's initial reserves policy was adopted in 2007 (at 15 percent of the general fund budget) and revised in 2016 (increasing the economic contingency reserve up to 20 percent of the general fund budget). The current policy revision proposes an increase in the minimum amount held for economic contingency (up to 25 percent of the general fund budget) as well as establishing a maximum level (of 35 percent of the general fund budget).

The Finance and Administration Committee considered the Revised Reserves Policy on March 20, 2024 and recommended that the Board adopt the Revised Reserves Policy.

DISCUSSION

None.

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Leonid Bak
Reviewed by: Hyacinth Hinojosa

ATTACHMENTS:

1. Reserves at the Bay Area Air Quality Management District - Background Report

Review of Reserves for Economic Contingency and Recommendation to Revise Policy

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I. Definition and Advice for Fund Balance (Reserves)	3
II. Use of Fund Balance (Reserves)	5
III. Reserves at the Air District	
IV. Reserves Comparisons with Counties and Air Districts	8
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I. Definition and Advice for Fund Balance (Reserves)

In the context of financial reporting, the term fund balance (or reserves) is used to describe the net position of governmental funds calculated in accordance with generally accepted accounting principles (GAAP).

- a. **The need for a formal reserve policy.** *The Government Finance Officers Association (GFOA)* recommends that governments establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund for GAAP and budgetary purposes. Such a guideline should articulate a framework and process for how the government would increase or decrease the level of unrestricted fund balance over a specific time period. *The Air District does have such a policy in place*, albeit the Air District's policy is not as specific as GFOA recommends.
- b. **The goal of the reserves policy.** *Reserve funds provide protection from risk.* Government agencies face risks like revenue shortfalls during recessions and losses from extreme events. Reserves help make sure that the Air District can respond quickly and decisively during revenue declines without interruption of its core services and continue to conduct its mission. In most cases, discussions of fund balance will properly focus on an agency's general fund. Nonetheless, financial resources available in other funds could also be considered in assessing the adequacy of unrestricted fund balance in the general fund.
- c. **The appropriate level of reserves.** *At a minimum, according to the GFOA*, the reserve should be based on an analysis of the types of risk the agency is trying to manage with reserves. A more general guideline for a minimum is 16% – 17% or, as GFOA recommends, at a minimum, general-purpose governments, regardless of size, should aim at maintaining unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.

GFOA also recommends including the maximum level of reserves in the reserves policy, something that the Air District currently does not do. There is no right or wrong policy on whether the agency should have a maximum level or specify a range of reserves needed, i.e., from minimum to maximum. If there is a maximum reserve level identified and agreed to in a resolution, when it is exceeded during the forecast period, the Air District may spend the excess reserves. GFOA advises that reserves should be treated as a one-time revenue.

Other important points or agency-specific issues GFOA recommends considering when determining the appropriate level or range of reserves (min./max.), include the following:

- The *predictability of its revenues* and the *volatility of its expenditures* (i.e., higher levels of unrestricted fund balance may be needed if significant

revenue sources are subject to unpredictable fluctuations or if operating expenditures are highly volatile);

- Agency's *perceived exposure to significant one-time outlays* (e.g., disasters, immediate capital needs, state budget cuts);
- The potential *drain upon general fund resources from other funds*, and, the availability of resources in other funds;
- The *potential impact on the agency's bond ratings* and the corresponding increased cost of borrowed funds;
- *Commitments and assignments* (i.e., maintaining higher levels of unrestricted fund balance to compensate for any portion of unrestricted fund balance already committed or assigned by the government agency for a specific purpose). Agencies may find it appropriate to exclude resources committed or assigned already and focus on unassigned fund balance, rather than on unrestricted fund balance.

II. Use of Fund Balance (Reserves)

Acceptable use of Reserves. Reserves are meant to address unexpected, nonrecurring costs. Reserves should not be used for recurring annual operating costs. An exception is poor economic conditions or events that disrupt the Air District's revenues. In such cases, reserves may be used to provide short-term relief so that the Air District can restructure its operations in an orderly manner.

Reserves policy should define conditions warranting its use, and, if a fund balance falls below the government's policy level, a plan to replenish it. In that context, the fund balance policy should define the time period within which and contingencies for which fund balances will be used; describe how the government's expenditure and/or revenue levels will be adjusted to match any new economic realities that are behind the use of fund balance as a financing bridge; and, describe the time period over which the components and the means of the fund balance will be replenished. Generally, governments should seek to replenish their fund balances within one to three years of use.

Unrestricted Fund Balance Above Formal Policy Requirement. In some cases, governments can find themselves in a position with an amount of unrestricted fund balance in the general fund over their formal policy reserve requirement even after considering potential financial risks in the near future.

Amounts over the formal policy may reflect a structural trend, in which case governments should consider a policy as to how this would be addressed. However, according to GFOA, use of those funds should be prohibited as a funding source for ongoing recurring expenditures.

III. Reserves at the Bay Area Air Quality Management District.

1. Overview and History. On June 12, 1958, the Air District's Board of Directors created the General Reserve in the Air District's annual budget and transferred some funds into it. For much of the Air District's history, it has operated with a certain level of reserves in its annual budgets, although there were no reserves targets or metrics to determine adequacy of reserves needed.

In 1998-99, KPMG LLC, through a study commissioned by the Air District, revealed that general reserve allocation in Air District's budget is inadequately funded. The Air District's Board agreed to raise general reserves allocation to a level consistent with generally accepted government practices but did not discuss or adopt any targets or benchmarks for the reserves.

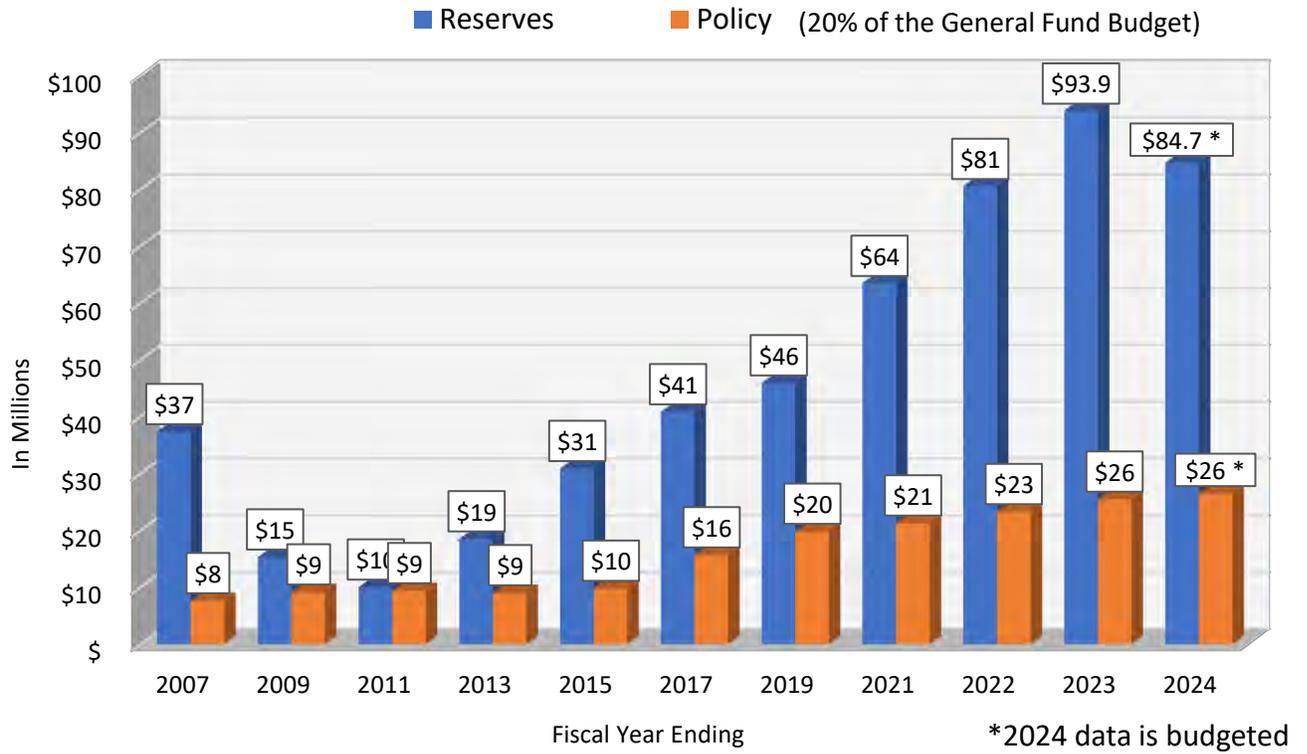
In FYE2008 (on April 25, 2007) a specific required level of general reserve (namely, undesignated reserve) was established at the request of the Board for unplanned expenditures and/or unanticipated loss in revenues at a level of 15 percent of annual revenues.

In FYE2016, the Board approved a further modification to undesignated reserves by adopting as a funding target a 20 percent reserve of the General Fund Budget as an Economic Contingency Reserve policy. This policy is still current at the Air District.

At present, consistent with policy, best practices, and its ability to satisfy operational needs and obligations, the Air District remains well funded with healthy levels of reserves. The aim of this review is to ascertain the target level of reserves as appropriate in light of increasing budgetary obligations and the changing financial landscape.

As an outcome of this review, it is recommended that the Executive Board of the Air District approve a revision to the current policy by establishing a funding target range of the economic contingency reserves of the General Fund Budget between 25 and 35 percent of budget.

Figure 1: Air District's Actual General Fund Reserves compared with Minimum Policy Requirement



III. Reserves Comparisons with Counties and Other California Air Districts

A. Comparison with counties. Bay Area counties have all different goals and targets when it comes to reserves allocation and management. Some counties do not have clear policies or carry large reserves, others have very explicit and well-defined economic contingency and reserve policies. Table 1 (below) summarizes the Bay Area counties’ reserves policy and actual reserves.

Table 1: Comparison of Bay Area County Reserves

Bay Area Counties General Fund Balance (Reserves)		
<i>County</i>	<i>Reserves Policy</i>	<i>Actual Reserves/Fund balance</i>
Alameda	unclear	3.3% of total budget
Contra Costa	10% of general fund revenues; 5% for the unassigned balance	37.8% of total revenue
Marin	5% of the general fund budget	28% of the general fund
Napa	2% of general fund for contingency	14.4% of the total budget
San Francisco	2% of total budget	2% of total budget
San Mateo	5% of general fund budget; 3% contingency reserve; 2% departmental reserve	51% of total revenue
Santa Clara	5% of net revenue	5% of net revenue
Solano	10% of the general fund budget	11.8% of total revenues; however only budgeted 3.7% of general fund expenditures
Sonoma	16.7% or 2 months of annual general fund revenue	8.3% of general fund revenues (or 1 month of annual general fund revenues)

Source: FY2023/24 county budgets

B. Comparison with California Air Districts. Similarly to counties, Air Districts in California do not follow a prescribed route with their budgets. While many have basic rules for keeping a certain proportion of their budgets or operating expenditures for reserves, for many Air Districts their actual reserves are, indeed, much higher than what their policies prescribe.

Some of the reasons for carrying the high reserve balance could be related to concerns with economic uncertainties, while in the case of at least some other Air Districts, it is their efficiency in carrying out their mission – i.e., they spent less than what was budgeted. In the case of other air districts, their reserves have been built up over time with careful planning. Table 2 (below) summarizes reserve position for the select Air Districts in California.

It is worth noting that at least two other Air Districts, South Coast AQMD and San Joaquin Valley Unified APCD have reserves policies similar to those of BAAQMD, in that they use 20 percent target for their economic contingency reserves.

Table 2: Comparison of Select California Air District's Reserves Position

Select California Air Districts' Reserves		
<i>Air District</i>	<i>Reserves Policy</i>	<i>Actual Reserves</i>
Bay Area AQMD	20% of the GF budget	69% of total revenue
South Coast AQMD	20% of total revenue	40% of total revenue
San Diego APCD	2 months of operating expenditures	33.5% of total (all funds) budget
Sacramento Metropolitan AQMD	120 days (min. 60 days) of general fund expenditures	61% of general fund budget
Monterey Bay ARD	25% of operating budget	76% of general fund budget
San Joaquin Valley Unified APCD	20% of operating expenditures	72.1% of operating expenditures

Source: Air Districts Budgets, FY2023/24

IV. Summary and Conclusions.

1. *Air District's reserves management is* generally within the recommended guidance from the GFOA, with high levels of reserves, sufficient to address economic contingencies, should the need arise.
2. Some additional *improvements to the reserves policy at the Air District include the recommended specific range of reserves*, as GFOA advises, a minimum to maximum level of funds to be held in reserves.
3. A comparison with other Air Districts in California demonstrates that *BAAQMD is not an outlier in reserves management practices* nor that reserves management issues that BAAQMD faces are unique only to our agency.
4. In comparison with counties, while clear that counties have different income streams, risk profiles, and expenditure patterns, also shows that *Air District's reserves are ample, given the balance of risks the Air District faces*.
5. Notably, *neither counties nor other California Air Districts have plans or policies on procedures for excess reserves*, in part probably because none of them identify the upper limit of reserves, only the minimum required.
6. Under acceptable uses of reserves, some entities, who do have specific policies on reserves management, only allow for one-time withdrawals and timely replenishment. *Greater specificity on acceptable uses of reserves at the BAAQMD may be useful*, however, overly specific language may undermine the warranted use of reserves.

BOARD MEETING DATE: May 1, 2023

REPORT: Finance and Administration Committee

SYNOPSIS: The Finance and Administration Committee (Committee) held a meeting on Wednesday, April 17, 2024. The following is a summary of the meeting.

RECOMMENDED ACTION:

Receive and file.

Davina Hurt, Chair
Finance and Administration Committee

DH:mh

Committee Members

Present, In-Person (Bay Area Metro Center (375 Beale Street, 1st Floor Board Room, San Francisco, California, 94105): Committee Chairperson Davina Hurt; and Directors David Haubert, Tyrone Jue, and Katie Rice.

Present, In-Person Satellite Location (Mountain View City Hall, 500 Castro Street, 2nd Floor Committee Room, Mountain View, CA 94041) Director Margaret Abe-Koga.

Present, In-Person Satellite Location (San Mateo County Hall of Justice, 400 County Center, Criminal Justice Training Room, 1st Floor, Redwood City, CA 94063): Director Ray Mueller.

Absent: Vice Chairperson Lynda Hopkins; and Directors Juan González III, and Mark Ross.

Call to Order

Finance and Administration Committee (Committee) Chairperson, Davina Hurt, called the meeting to order at 10:04 a.m.

For additional details of the Finance and Administration Committee Meeting, please refer to the webcast, which can be found [here](#) 24 hours after the meeting as concluded. Please use the webcast’s index to view specific agenda items.

CONSENT CALENDAR

3. APPROVAL OF THE DRAFT MINUTES OF THE FINANCE AND ADMINISTRATION COMMITTEE MEETING OF MARCH 13, 2024

The Committee approved the Draft Minutes of the Finance and Administration Committee Meeting of March 20, 2024.

4. **UPDATED AIR DISTRICT PROCUREMENT POLICY AND REVISED ADMINISTRATIVE CODE SECTION 9.4**

The Committee recommended the Board (i) adopt amendments to Section 9.4 of the Administrative Code regarding procurement, and (ii) adopt a Procurement Policy to establish procedures for competitive bidding, awarding, administering, and executing contracts for goods and services, leases, and other similar contractual agreements, to become effective July 1, 2024.

5. **FINANCIAL UPDATE FOR THE FISCAL YEAR (FY) 2023-2024 SECOND QUARTER ENDING DECEMBER 31, 2023**

The Committee received the FY 2023-2024 financial update for the second quarter ending December 31, 2023.

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director Haubert made a motion, seconded by Director Jue to **approve** the Consent Calendar, Items 3 to 5, inclusive; and the motion **carried** by the following vote of the Committee:

AYES: Abe-Koga, Haubert, Hurt, Jue, Mueller, Rice.
NOES: None.
ABSTAIN: None.
ABSENT: González, Hopkins, Ross.

ACTION ITEMS

6. **PROPOSED AMENDMENTS TO AIR DISTRICT REGULATION 3: FEES**

This was a further consideration of the proposed amendments to the fee regulation that the Committee discussed at its March 20 meeting to provide the Committee additional detail.

Fred Tanaka, Manager in the Engineering Division, gave the staff presentation *Amendments to Regulation 3, Fees*, including: outcome; outline; requested action; summary of proposed changed to fee schedules; other proposed amendments; cost recovery strategy: fee-recoverable work, history of studies and recommendations, overall cost recovery trends, small business fee considerations; metrics and comparisons: case study of cost recovery trends, comparison with other air districts, small and medium facilities, refineries, Schedule F; budget and rule development schedule; and feedback requested.

Public Comments

Public comments were given by Allegra Curiel, *California Council for Environmental and Economic Balance*.

Committee Comments

The Committee and staff discussed the fee-based activities that typically generate the greatest amount of collected revenue within the Bay Area Air Quality Management District’s jurisdiction, compared to those of the South Bay Air Quality Management District; the types of facilities under the category of ‘printer’; whether the Air District takes into consideration the fact that increased fees may contribute to distress of facility/company/industry; whether permitted facilities are informed of how their Air District fees are justified; the suggestion of shifting to a “fee containment” mindset that strives to find creative ways to proactively streamline fees, versus having to calculate cost recovery; the range of cost recovery rates across all fee schedules; whether attention to cost recovery rates should be applied equally across all fee schedules; and the desire to avoid unintended consequences when shifting environmental burdens from one entity onto another.

Committee Action

Director Haubert made a motion, seconded by Director Rice to recommend the Board **adopt** proposed amendments to Regulation 3, Fees, for Fiscal Year Ending (FYE) 2025; and the motion **carried** by the following vote of the Committee:

- AYES: Abe-Koga, Haubert, Hurt, Jue, Mueller, Rice.
- NOES: None.
- ABSTAIN: None.
- ABSENT: González, Hopkins, Ross.

7. AIR DISTRICT'S PROPOSED BUDGET FOR FISCAL YEAR 2024-2025

This agenda item is a continuation of the proposed budget item from the March 20, meeting. The Committee resumed discussion on the proposed FY 2024-2025 Budget and staffing recommendations from its March 20, 2024, meeting.

Stephanie Osaze, the Director of Finance, presented supplementary budget information in response to the Committee's feedback. *Continuation of Air District’s Proposed Budget for Fiscal Year 2024-2025*, including: outcome; outline; FY 24-25 Proposed Budget summary; Air District’s General Fund reserves: actual versus minimum policy requirement; 2024 General Fund reserve designations; proposed General Fund budget by type; medical retiree and pension plan funding status and policy; and recommendation.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed the Air District’s current pension plan funding level and policy, and how staff proposes to allocate pension prefunding monies toward unfunded liability each year; the cause of the fluctuation from 82% in 2021 to 74% of funded pension plan; potential changes to the Air District’s proposed reserve policy; whether the Air District attempts to forecast market returns and California Public Employees' Retirement System (CalPERS) obligations; the desire for a policy that increases discretionary contributions more aggressively for the pension fund beyond other post-employment benefits (OPEB) monies; and whether the Air District uses its reserves to invest in the Air District’s priorities of cleaning the environment.

Committee Action

Director Rice made a motion, seconded by Director Jue, to recommend the Board **conduct** public hearings on the FY 24-25 Proposed Budget, **adopt** the FY 24-25 Proposed Budget and staffing recommendations, and **allocate** \$5 million to the California Employers Pension Prefunding Trust for pension prefunding purposes; the motion **carried** by the following vote of the Committee:

- AYES: Abe-Koga, Haubert, Hurt, Jue, Mueller, Rice.
- NOES: None.
- ABSTAIN: None.
- ABSENT: González, Hopkins, Ross.

8. AUTHORIZATION TO EXECUTE A CONTRACT WITH ALLISON+PARTNERS FOR THE SPARE THE AIR ADVERTISING AND MESSAGING CAMPAIGNS

Kristina Chu, Communications Manager, gave the staff presentation *Approval of a Contract for Spare the Air Advertising and Messaging Campaigns*, including: requested action; outcome; Spare the Air Request for Proposals (RFP) overview; proposals received; RFP evaluation criteria; firm evaluation scores; Spare the Air budget overview and funding sources; and requested action.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed the Air District’s history of contracting with Allison+Partners for the Spare the Air campaigns, advertising, communications, and evaluation services; and the ways in which highly-impacted communities are receiving communications about the Spare the Air programs.

Committee Action

Director Haubert made a motion, seconded by Director Jue, to recommend the Board **authorize** the Executive Officer/Air Pollution Control Officer (APCO) to execute a contract with Allison+Partners for the Spare the Air Advertising and Messaging Campaigns for up to three years at the Air District’s discretion, based on the contractor’s performance and available funds, in an amount not to exceed \$1,950,000 per contract year during Fiscal Year Ending (FYE) 2025 and FYE 2026 and \$2,019,000 for FYE 2027; the motion **carried** by the following vote of the Committee:

AYES: Abe-Koga, Haubert, Hurt, Jue, Mueller, Rice.
NOES: None.
ABSTAIN: None.
ABSENT: González, Hopkins, Ross.

9. FUNDING COMMUNITY BENEFITS FROM PENALTY FUNDS

Greg Nudd, Deputy Executive Officer of Science and Policy, gave the staff presentation *Funding Community Benefits from Penalty Funds*, including: outcomes; outline; about penalties; proposed policy; Community Benefit project examples; penalty allocation proposal; mitigating budget risk; Community Advisory Council recommendations; Richmond-North Richmond-San Pablo Community Emissions Reduction Plan Community Steering Committee recommendations; partial results for FYE 2024; and recommendation.

Public Comments

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

Committee Comments

The Committee and staff discussed which entity will ensure that the community decides how the penalty funds are allocated and perform audits the allocations, whether those entities will have the capacity to perform that administrative work, and whether administrative costs were discussed with the Air District’s Community Advisory Council; entities that would be eligible to oversee and facilitate such administrative tasks in disadvantaged, overburdened communities that do not have designated Assembly Bill (AB) 617 representation, and the need to build capacity in those communities; the way in which the Air District calculates revenue projection; whether there are Bay Area communities in which Air District regulation violations frequently occur and result in small penalties; and the appreciation for this proposed policy, perceived by some as groundbreaking.

Committee Action

Director Haubert made a motion, seconded by Director Jue, to recommend the Board **adopt** the proposed Funding Community Benefits from Penalty Funds policy, including the requirement to report back to the Board on the effectiveness of the policy, effective upon approval and be retroactive to the beginning of this fiscal year; the motion **carried** by the following vote of the Committee:

AYES: Abe-Koga, Haubert, Hurt, Jue, Mueller, Rice.
NOES: None.
ABSTAIN: None.
ABSENT: González, Hopkins, Ross.

INFORMATIONAL ITEMS

10. **CORRECTIVE ACTION PLAN TO IMPLEMENT RECOMMENDATIONS FROM THE ENGINEERING PERFORMANCE AUDIT**

Dr. Meredith Bauer, Deputy Executive Officer for Engineering and Compliance, and Pamela Leong, Engineering Division Director, gave the staff presentation *Corrective Action Plan to Implement the Recommendations from the Engineering Performance Audit*, including: outcome; requested action; outline; history; key audit findings; audit recommendations: timeliness/backlog, tracking permit process/bottlenecks, accounts, management time, resource management (staffing and workload), cost recovery, and summary; corrective actions: recent progress, approach and timeline, and 5-year backlog reduction schedule; action plan: timeliness/backlog, tracking permit process/bottlenecks, accounts, management time, resource management (staffing and workload), and cost recovery; and requested action.

Public Comments

Public comments were given by Allegra Curiel, *California Council for Environmental and Economic Balance*.

Committee Comments

The Committee and staff discussed contributing factors to the Air District's current permitting backlog; the suggestion that specific types of permit applications be processed in a more streamlined, accelerated, manner; and the suggestion of tracking the performance rate of Air District engineering staff that process permit applications.

Committee Action

None; receive and file.

11. AIR DISTRICT FINANCIAL AUDIT REPORT FOR FISCAL YEAR ENDING (FYE) 2023

Joseph Moussa from Simpson & Simpson LLP, gave the presentation *Fiscal Year 2023 Bay Area Air Quality Management District Presentation of Audit Results*, including: agenda, Auditor's Required Communications (Statement on Auditing Standard 114); audit results and highlights of the basic financial statements; and audit results and highlights of the single audit.

Public Comments

No requests received.

Committee Comments

The Committee and staff discussed the sources of the Air District's \$302 million reserved which includes (restricted) funds from the General fund and Special funds; and the implementation of audit recommendations and corrective actions.

Committee Action

None; receive and file.

OTHER BUSINESS

12. PUBLIC COMMENT ON NON-AGENDA MATTERS

No requests received.

13. COMMITTEE MEMBER COMMENTS

None.

14. TIME AND PLACE OF NEXT MEETING

Wednesday, May 15, 2024, at 10:00 a.m. at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Finance and Administration Committee members and members of the public will be able to either join in-person or via webcast.

Adjournment

The meeting was adjourned at 12:27 p.m.

Attachments

#3 – Approval of the Draft Minutes of the Finance and Administration Committee Meeting of March 13, 2024

#4 – Updated Air District Procurement Policy and Revised Administrative Code Section 9.4

#5 – Financial Update for The Fiscal Year (FY) 2023-2024 Second Quarter Ending December 31, 2023

#6 – Proposed Amendments to Air District Regulation 3: Fees

#7 – Air District's Proposed Budget for Fiscal Year 2024-2025

#8 – Authorization To Execute a Contract with Allison+Partners for The Spare The Air Advertising And Messaging Campaigns

#9 – Funding Community Benefits from Penalty Funds

#10 – Corrective Action Plan to Implement Recommendations from The Engineering Performance Audit

#11 – Air District Financial Audit Report for Fiscal Year Ending (FYE) 2023

BOARD MEETING DATE: May 1, 2024

REPORT: Community Equity, Health and Justice Committee

SYNOPSIS: The Community Equity, Health and Justice Committee (Committee) held a special meeting on Wednesday, April 22, 2024. The following is a summary of the meeting.

RECOMMENDED ACTION:

Receive and file.

John Gioia, Chair
Community Equity, Health and Justice Committee

JG:mh

Committee Members

Note: For this meeting only, Board Chair Hurt appointed herself to replace Director Nate Miley (who is a member of this committee, but could not be present) to establish a quorum.

Present, In-Person (City of San Pablo City Hall, Council Chambers, 1000 Gateway Ave, San Pablo, CA 94806): Committee Chairperson John Gioia; Board Chairperson Davina Hurt; and Director Shamann Walton.

Participated Remotely, via Zoom (remote presence does not count for quorum, but votes are counted for all action items): Committee Vice Chairperson Noelia Corzo (just cause.)

Absent: Director Joelle Gallagher.

Call to Order

Chair Gioia called the meeting to order at 5:39 p.m.

For additional details of the Community Equity, Health and Justice Committee Meeting, please refer to the webcast, which can be found [here](#). Please use the webcast's index to view specific agenda items.

OTHER BUSINESS (OUT OF ORDER)

3. REPORT OF THE ACTING DEPUTY EXECUTIVE OFFICER OF EQUITY AND COMMUNITY PROGRAMS (ITEM 8)

Committee Chair Gioia asked Dr. Philip M. Fine, Executive Officer / Air Pollution Control Officer, to move his report up in the meeting. Dr. Fine announced the following appointments:

- Tim Williams was appointed as the new Director of Diversity, Equity, and Inclusion, effective April 22, 2024.
- Arsenio Mataka was appointed as the new Deputy Executive Officer for Equity and Community Programs, effective June 2024.

Public Comments

Public comments were given by Ms. Margaret Gordon, West Oakland Environmental Indicators Project.

CONSENT CALENDAR

4. APPROVAL OF THE DRAFT MINUTES OF THE COMMUNITY EQUITY, HEALTH AND JUSTICE COMMITTEE MEETING OF MARCH 13, 2024 (ITEM 3)

Public Comments

No requests received.

Committee Comments

None.

Committee Action

Director Walton made a motion, seconded by Board Chair Hurt, to **approve** Minutes of the Community Equity, Health and Justice Committee of March 13, 2024; and the motion **carried** by the following vote of the Committee:

AYES: Corzo, Gioia, Hurt, Walton.
NOES: None.
ABSTAIN: None.
ABSENT: Gallagher.

ACTION ITEM

5. COMMUNITY EMISSIONS REDUCTION PLAN FOR THE RICHMOND, NORTH RICHMOND, AND SAN PABLO PATH TO CLEAN AIR (PTCA) AREA (ITEM 4)

Diana Ruiz, Community Engagement Manager, and Dr. Wendy Goodfriend, Planning and Climate Protection Division Director, gave the presentation *Path to Clean Air Richmond-North Richmond-San Pablo Draft Final Community Emissions Reduction Plan*, including: outcome; outline; requested action; overview of the Path to Clean Air (PTCA); Community Steering Committee (CSC); PTCA Plan development process; PTCA plan goals; turning problems into solutions; fuel refining solutions; Example Fuel Refining Strategies the Air District Will Lead During Implementation; Fuel Refining Proposed Rules & Rule Related Actions; mobile source solutions; commercial and industrial solutions; Example C&I Strategies the Air District will Lead during Implementation; marine and rail solutions; public health solutions; Example Health Strategies the Air District Will Lead During Implementation; other proposed rules and rule related actions; Draft PTCA Plan public review; Community Steering Committee approval; compliance with California Environmental Quality Act (CEQA); Community Steering Committee Priorities and Insights; and recommended action.

Y’Anad Burrell, former Co-Chairperson of the Richmond, North Richmond, and San Pablo PTCA CSC, and Dr. Omoniyi Omotoso, M.D., a member of the aforementioned committee, gave additional comments on the proposed Draft Final Plan.

Public Comments

Public comments were given by Marilyn, Contra Costa County resident; Philip Rosenthal, Point Richmond Neighborhood Council; Willie Robinson, National Association for the Advancement of Colored People (NAACP) Richmond; Nancy Aguirre, PTCA CSC member; John; Jean Diller, San Pablo resident; Audrey Davidson, Richmond resident; Marisol Cantú, PTCA CSC member; Dr. Stephen Rosenblum, Palo Alto resident; Ms. Margaret Gordon, West Oakland Environmental Indicators Project; Maureen Brennan; Heidi Swillinger, PTCA CSC member; Jeff Kilbreth, PTCA CSC member; and Alfredo Angulo, PTCA CSC Co-Chair.

Committee Comments

The Committee and staff discussed the fact that this recommendation does not mark the end of a process, but the beginning; whether penalty funds allocated from the Air District Community Benefits Fund could fund the Final Plan’s implementation; CEQA exemptions; whether any of the proposed strategies address reducing flaring events; the definition of ‘just transition’ within the Draft Final Plan; the percentage of the proposed strategies within the Draft Final Plan that are truly within the AD’s control; whether there is a way to estimate implementation costs; anticipated metrics for progress and accountability; the desire to see a reduction in new public space and infrastructure; and appreciation for the time and experience of the PTCA CSC members and Air District staff who developed the Draft Final Plan.

Committee Action

Chair Gioia made a motion, seconded by Board Chair Hurt, to recommend the Board of Directors **adopt** the Draft Final Community Emissions Reduction Plan for the Richmond, North Richmond, and San Pablo Path to Clean Air Plan, and **approve** the determination that the adoption of the Draft Final Plan is exempt from the California Environmental Quality Act; and the motion **carried** by the following vote of the Committee:

AYES:	Corzo, Gioia, Hurt, Walton.
NOES:	None.
ABSTAIN:	None.
ABSENT:	Gallagher.

INFORMATIONAL ITEM

6. **AIR DISTRICT RULE 6-5 SETTLEMENT AGREEMENT: COMMUNITY AIR QUALITY FUND (ITEM 5)**

Gregory H. Nudd, Deputy Executive Officer, Science and Policy, gave the staff presentation *Air District Rule 6-5 Settlement Agreement: Community Air Quality Fund*, including: outcome; outline; information only; what is Air District Rule 6-5; Chevron fluid catalytic cracking unit (FCCU) Particulate Matter (PM) Impacts; refineries’ lawsuits; Chevron Settlement: Rule 6-5 Provisions; Community Air Quality Fund; examples of possible programs; and next steps.

Public Comments

The Committee solicited public input to develop a process to determine how the funds should be spent.

Public comments were given by Cesar Zepeda, Richmond City Council; Nancy Aguirre, PTCA CSC member; Willie Robinson, NAACP Richmond Branch; Oscar Garcia, Iron Triangle Neighborhood Council; Philip Rosenthal, Point Richmond Neighborhood Council; Sandra Marquez; Heidi Swillinger, PTCA CSC member; and Ms. Margaret Gordon, West Oakland Environmental Indicators Project.

Committee Comments

The Committee and staff discussed reporting requirements; how ‘consulting’ is defined, and how consultants will be used in this process; the suggestion of highlighting health statistics/metrics that are in the PTCA Draft Final Plan to identify the highest cancer risk from PM; the belief that the initial payment of \$20 M for the Community Air Quality Fund should be billions instead of millions; the anticipation of many eligible project applicants competing for this funding, and the best way to organize their input so that they all feel heard; the fact that the unhoused population in the vicinity of Richmond need attention as well; how to integrate Richmond neighborhood councils into the funding allocation process; and whether there should be a parallel process for penalty fund allocations and settlement agreement allocations simultaneously to combine the efforts.

Committee Action

None; receive and file.

OTHER BUSINESS

7. PUBLIC COMMENT ON NON-AGENDA MATTERS (ITEM 6)

No requests received.

8. COMMITTEE MEMBER COMMENTS (ITEM 7)

The Committee thanked all who worked on Item 4, including the refinery workers’ experiences that were voiced.

9. TIME AND PLACE OF NEXT MEETING

Wednesday, May 8, 2024, at 1:00 p.m., at 375 Beale Street, San Francisco, CA 94105. The meeting will be in-person for the Community Equity, Health and Justice Committee members and members of the public will be able to either join in-person or via webcast.

Adjournment

The meeting was adjourned at 8:17 p.m.

Attachments

#3: Draft Minutes of the Community Equity, Health, and Justice Committee Meeting of October March 13, 2024

- #4: Community Emissions Reduction Plan for the Richmond, North Richmond, and San Pablo Path to Clean Air (PTCA) Area
- #5: Air District Rule 6-5 Settlement Agreement: Community Air Quality Fund

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Davina Hurt and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: May 1, 2024

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

RECOMMENDED ACTION

Receive testimony.

BACKGROUND

Staff develops recommended amendments to the Air District’s fee regulation as part of the budget preparation process. On December 7, 2022, the Board of Directors adopted an updated Cost Recovery and Containment Policy for fee-based activity that established a goal of increasing fee revenue sufficient to achieve 100 percent recovery of regulatory program costs. Progress towards this target is reported to the Board annually by staff and is periodically reviewed by outside consultants.

DISCUSSION

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

- A 3.3% increase, the Consumer Price Index for Bay Area Urban Wage Earners and Clerical Workers (CPI-W) for the most recent year, is proposed for Schedule M and schedules with a cost recovery rate of at least 100 percent but less than 110 percent.
- A 15% increase is proposed for schedules with a cost recovery rate less than 100 percent.

Schedule	Description	Proposed Increase
Schedule A	Hearing Board Fees	15%
Schedule B	Combustion of Fuels	15%
Schedule D	Gasoline Transfer at Gas Dispensing Facilities & Bulk Plants and Bulk Terminals	3.3%
Schedule E	Solvent Evaporating Sources	15%
Schedule F	Miscellaneous Sources	15%
Schedule G1	Miscellaneous Sources	15%
Schedule G2	Miscellaneous Sources	15%
Schedule G3	Miscellaneous Sources	15%
Schedule G4	Miscellaneous Sources	15%
Schedule G5	Miscellaneous Sources	15%
Schedule H	Semiconductor and Related Operations	15%
Schedule I	Dry Cleaners (not registered)	3.3%
Schedule K	Solid Waste Disposal Sites	15%
Schedule M	Major Stationary Source Fees	3.3%
Schedule P	Major Facility Review Fees	15%
Schedule S	Naturally Occurring Asbestos (NOA) Operations	15%
Schedule V	Open Burning: Marsh Management fees only	15%
Schedule W	Petroleum Refining Emissions Tracking Fees	15%

In addition, the following key amendments are proposed:

- Fees that are administrative in nature would be increased by the CPI-W.
- Delete Subsection 320.1, Subsection 322, and Schedule Q.
- Clarify language regarding proration of Permit to Operate renewal fees.
- Be clear about no proration or refunds for shutdown sources.
- Align Risk Assessment Fees (RAFs) in Schedules B and D.A.
- Clarify alteration application fees for sources subject to G-3, G-4 and G-5.
- Clarify the applicability of the minimum fee in Schedule H.

Staff will provide additional details regarding the draft fee amendments, overall cost recovery and the proposed increases for the upcoming fiscal year. A summary of public comments received to date, including those received at a public workshop held on February 15, 2024, will be provided.

BUDGET CONSIDERATION/FINANCIAL IMPACT

The proposed fee amendments would increase fee schedule revenue in Fiscal Year Ending 2025 by an estimated \$4.7 million from fee schedule revenue that would otherwise result without the amendments.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Fred Tanaka
Reviewed by: Pamela J. Leong, Dr. Meredith Bauer

ATTACHMENTS:

- 1. 2024 Cost Recovery Report
- 2. Draft Regulation 3: Fees - Clean Copy
- 3. Draft Regulation 3: Fees - Tracked Changes
- 4. Proposed Amendments to Air District Regulation 3 Fees for FYE2025 Presentation



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

2024 COST RECOVERY REPORT

Prepared by the staff of the
Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA

March 2024

Contents

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Executive Summary

The 2024 Cost Recovery Report includes the latest fee-related cost and revenue data gathered for the previous three fiscal years, July 1, 2021, to June 30, 2023. The results are used to prepare the Fiscal Year Ending (FYE) 2025 budget, and for evaluating potential amendments to the Air District's Regulation 3: Fees.

The completed cost recovery analysis indicates that in FYE 2023 there continued to be a revenue shortfall, as overall direct and indirect costs of regulatory programs exceeded fee revenue (see Figure 2).

The Air District is recovering approximately 87% of its fee-related activity costs (see Figure 5). The overall magnitude of this cost recovery gap was determined to be approximately \$5.1 million. This cost recovery gap was filled using General Fund revenue received by the Air District from the counties' property tax revenue. The Air District uses the three-year averages in evaluating proposed amendments to Regulation 3, Fees at the fee schedule level because longer averaging periods are less sensitive to year-to-year variations in activity levels that occur due to economic or market variations and regulatory program changes affecting various source categories.

The analysis also addressed fee-equity issues by analyzing whether there is a revenue shortfall at the individual Fee Schedule level. For the 3-year period, twenty-two (22) fee schedules for which cost recovery could be analyzed, six (6) of the component fee schedules had fee revenue contributions exceeding total cost.

Cost recovery is not a static target because the analysis is impacted by many factors on the revenue and expenses side. Personnel costs in fee-based programs have a heavy influence in overall cost recovery and cost recovery of specific fee schedules. In addition, the analysis does not account for future work/needs or address the health of any program.

Background

The Air District is responsible for protecting public health and the environment by achieving and maintaining health-based national and state ambient air quality standards, and reducing public exposure to toxic air contaminants, in the nine-county Bay Area region. Fulfilling this task involves reducing air pollutant emissions from sources of regulated air pollutants and maintaining these emission reductions over time. In accordance with State law, the Air District's primary regulatory focus is on stationary sources of air pollution.

The Air District has defined units for organizational purposes (known as "Programs") to encompass activities which are either dedicated to mission-critical "direct" functions, such as permitting, rule-making, compliance assurance, sampling and testing, grant distribution, etc., or are primarily dedicated to support and administrative "indirect" functions. The Air District has also defined revenue source categories for time billing purposes (known as "Billing Codes") for all activities, i.e., the permit fee schedules, grant revenue sources, and general support activities.

The Air District's air quality regulatory activities are primarily funded by revenue from regulatory fees, government grants and subventions, and county property taxes. Between

1955 and 1970, the Air District was funded entirely through property taxes. In 1970, the California Air Resources Board (CARB) and U.S. Environmental Protection Agency began providing grant funding to the Air District. After the passage of Proposition 13, the Air District qualified as a “special district” and became eligible for funding from the property tax allocation system commonly referred to as “AB 8”, which currently make up the county revenue portion of the budget.

State law authorizes the Air District to impose a schedule of fees to generate revenue to recover the costs of activities related to implementing and enforcing air quality programs. On a regular basis, the Air District has considered whether these fees result in the collection of a sufficient and appropriate amount of revenue in comparison to the cost of related program activities.

In 1999, a comprehensive review of the Air District’s fee structure and revenue was completed by the firm KPMG Peat Marwick LLP (*Bay Area Air Quality Management District Cost Recovery Study, Final Report: Phase One – Evaluation of Fee Revenues and Activity Costs; February 16, 1999*). The Study recommended an activity-based costing model, which has been implemented. As a result of that Study, the Air District implemented a time-keeping system. These changes improved the Air District’s ability to track costs by program activities. The 1999 Cost Recovery Study indicated that fee revenue did not offset the full costs of program activities associated with sources subject to fees as authorized by State law. Property tax revenue (and in some years, fund balances) have been used to close this gap.

In 2004, the Air District’s Board of Directors approved funding for an updated Cost Recovery Study that was conducted by the accounting/consulting firm Stonefield Josephson, Inc. (*Bay Area Air Quality Management District Cost Recovery Study, Final Report; March 30, 2005*). This Cost Recovery Study analyzed data collected during the three-year period FYE 2002 through FYE 2004. It compared the Air District’s costs of program activities to the associated fee revenues and analyzed how these costs are apportioned amongst the fee-payers. The Study indicated that a significant cost recovery gap existed. The results of this 2005 report and subsequent internal cost recovery studies have been used by the Air District in its budgeting process, and to set various fee schedules.

In March 2011, another study was completed by Matrix Consulting Group (*Cost Recovery and Containment Study, Bay Area Air Quality Management District, Final Report; March 9, 2011*). The purpose of this Cost Recovery and Containment Study was to provide the Air District with guidance and opportunities for improvement regarding its organization, operation, and cost recovery/allocation practices. A Cost Allocation Plan was developed and implemented utilizing FYE 2010 expenditures. This Study indicated that overall, the Air District continued to under-recover the costs associated with its fee-related services. To reduce the cost recovery gap, further fee increases were recommended for adoption over a period of time in accordance with a Cost Recovery Policy to be adopted by the Air District’s Board of Directors. Also, Matrix Consulting Group reviewed and discussed the design and implementation of the new Production System which provides opportunities for increased efficiency and accuracy when fully developed.

Air District staff initiated a process to develop a Cost Recovery Policy in May 2011, and a Stakeholder Advisory Group was convened to provide input in this regard. A Cost Recovery

Policy was adopted by the Air District's Board of Directors on March 7, 2012. This policy specifies that the Air District should amend its fee regulation, in conjunction with the adoption of budgets for Fiscal Year Ending (FYE) 2014 through FYE 2018, in a manner sufficient to increase overall recovery of regulatory program activity costs to at least 85%. The policy also indicates that amendments to specific fee schedules should continue to be made in consideration of cost recovery analyses conducted at the fee schedule-level, with larger increases being adopted for the schedules that have the larger cost recovery gaps.

In February 2018, Matrix Consulting Group (Matrix) completed an update of the 2011 cost recovery and containment study for the fiscal year that ended June 30, 2017. The primary purpose of this Study was to evaluate the indirect overhead costs associated with the Air District and the cost recovery associated with the fees charged by the Air District. The project team evaluated the Air District's FYE 2017 Programs to assess their classification as "direct" or "indirect". In addition, they audited the time tracking data associated with each of the different fee schedules. The Study provided specific recommendations related to direct and indirect cost recovery for the Air District, as well as potential cost efficiencies. The Air District is currently working with Matrix to complete an update of the February 2018 cost recovery and containment study.

In July 2021, the Air District retained the services of the Matrix Consulting Group. The work was prompted by the Board to study the Air District's current indirect costs as well as fee-related cost recovery by fee schedule and continue to look at any cost containment practices. A key goal of this analysis was to determine methods to obtain 100% cost recovery associated with fee-based activities and schedules. The final report was presented to the Budget and Finance Committee on April 27, 2022. The proposed policy was developed using the 2022 Matrix study findings and comments from the Board meetings. On December 7, 2022, the Board of Directors adopted an amended Cost Recovery and Containment Policy (Consent Item 22) that provides the framework for the Air District to contain costs and to adjust fees in support of its regulatory programs. As provided in Appendix B, the policy has three (3) main elements: 1) Cost Containment, 2) Analysis of Cost Recovery and 3) Cost Recovery Goals. Part 3 provides the strategic framework for the Regulation 3 rule development process that is conducted in parallel with the next fiscal year annual budget.

The Air District has refined its cost recovery analysis of Fee Schedule V (Open Burning) to better define the cost recovery based on burn type. The analysis is provided in Appendix C. In the past, cost recovery for Schedule V was calculated on all costs and revenue related to Open Burning. The Air District's Open Burn Program is comprised of individual Operation Fees based on burn type. Schedule V includes five Open Burning Operation Fees for these burn types - Notifications, Marsh Management, Prescribed Burning, Filmmaking/Public Exhibition, and Stubble. Air District staff refined the cost recovery analysis to examine each individual fee in Schedule V to ensure the costs associated with one burn type would not impact fee payers of another burn type.

This 2024 Cost Recovery Report incorporated the accounting methodologies developed by KPMG in 1999, Stonefield Josephson, Inc. in 2005 and Matrix Consulting Group in 2011. The analysis included the latest cost and revenue data gathered for FYE 2023 (i.e., July 1, 2022 - June 30, 2023). The results will be used as a tool in the preparation of the budget

for FYE 2025, and for evaluating potential amendments to the Air District's Regulation 3: Fees.

Legal Authority

In the post-Prop 13 era, the State Legislature determined that the cost of programs to address air pollution should be borne by the individuals and businesses that cause air pollution through regulatory and service fees. The primary authority for recovering the cost of Air District programs and activities related to stationary sources is given in Section 42311 of the Health and Safety Code (HSC), under which the Air District is authorized to:

- Recover the costs of programs related to permitted stationary sources;
- Recover the costs of programs related to area-wide and indirect sources of emissions which are regulated, but for which permits are not issued;
- Recover the costs of certain hearing board proceedings; and
- Recover the costs related to programs that regulate toxic air contaminants.

The measure of the revenue that may be recovered through stationary source fees is the full cost of all activities related to these sources, including all direct Program costs and a commensurate share of indirect Program costs. Such fees are valid so long as they do not exceed the reasonable cost of the service or regulatory program for which the fee is charged, and are apportioned amongst fee payers such that the costs allocated to each fee-payer bears a fair or reasonable relationship to its burden on, and benefits from, the regulatory system.

Air districts have restrictions in terms of the rate at which permit fees may be increased. Under HSC Section 41512.7, existing fees for authority-to-construct permits or permits to operate cannot be increased by more than 15% in any calendar year.

Methodology

The methodology for determining regulatory program revenue and costs is summarized as follows:

Revenue

Revenue from Regulation 3 fees during FYE 2023 was assigned to the appropriate Permit Fee Schedules. This is a continued improvement over prior years' process.

Costs

Costs are expenditures that are characterized as being either direct or indirect. Direct costs can be identified specifically with a particular program activity. Direct costs include wages and benefits, operating expenses, and capital expenditures used in direct support of the particular activities of the Air District (e.g., permit-related activities, grant distribution, etc.).

Indirect costs are those necessary for the general operation of the Air District as a whole. Often referred to as "overhead", these costs include accounting, finance, human resources,

facility costs, information technology, executive management, etc. Indirect costs are allocated to other indirect Programs, using the reciprocal (double-step down) method, before being allocated to direct Programs.

Employee work time is tracked by the ¼ hour using both Program and Billing Code detail. This time-keeping system allows for the capture of all costs allocatable to a revenue source on a level-of-effort basis.

Employee work time is allocated to activities within Programs by billing codes (BC1-BC99), only two of which indicate general support. One of these two general support codes (BC8) is identified with permitting activities of a general nature, not specifically related to a particular Fee Schedule.

Operating and capital expenses are charged through the year to each Program, as incurred. In cost recovery, these expenses, through the Program's Billing Code profile, are allocated on a pro-rata basis to each Program's revenue-related activity. For example, employees working in grant Programs (i.e., Smoking Vehicle, Mobile Source Incentive Fund, etc.) use specific billing codes (i.e., BC3, BC17, etc.). All operating/capital expense charges in those grant Programs are allocated pro-rata to those grant activities. Employees working in permit-related Programs (i.e., Air Toxics, Compliance Assurance, Source Testing, etc.) also use specific permit-related billing codes (i.e., BC8, BC21, BC29, etc.) and all operating/capital expense charges incurred by those Programs are allocated pro-rata to those Program's activity profiles, as defined by the associated billing codes.

Direct costs for permit activities include personnel, operating and capital costs based on employee work time allocated to direct permit-related activities, and to general permit-related support and administrative activities (allocated to Fee Schedules on pro-rata basis). Indirect costs for permit activities include that portion of general support personnel, operating and capital costs allocated pro-rata to permit fee revenue-related program activities.

Results

Appendix A contains the following figures:

- Figure 1: Total Permit Fee Revenue, Costs and Gap for FYE 2023
- Figure 2: Fee Revenue and Program Costs by Fee Schedule, FYE 2023
- Figure 3: Fee Revenue and Program Costs by Fee Schedule, FYE 2022
- Figure 4: Fee Revenue and Program Costs by Fee Schedule, FYE 2021
- Figure 5: Fee Revenue and Program Costs by Fee Schedule, FYE 2021-2023, 3-Year Average

Discussion of Results

Figure 1 indicates that in FYE 2023 there continued to be a revenue shortfall, as the direct and indirect costs of regulatory programs exceeded fee revenue. The overall magnitude of the cost recovery gap was determined to be \$5.1million for FYE 2023. This cost recovery gap was filled by General Fund revenue received by the Air District from the counties.

Figure 2 shows that in FYE 2023 there were revenue shortfalls for most of the twenty-two fee schedules for which cost recovery can be analyzed. For FYE 2023, the Air District is recovering 92.32% of its fee-related activity costs. Collected revenue exceeds Program costs for nine (9) fee schedules:

- Schedule B (Combustion of Fuels),
- Schedule C (Stationary Containers for the Storage of Organic Liquids),
- Schedule D (Gasoline Transfer at Gasoline Dispensing Facilities, Bulk Plants and Terminals),
- Schedule E (Solvent Evaporating Sources),
- Schedule G-5 (Miscellaneous Sources (e.g., refinery flares),
- Schedule L (Asbestos Operations),
- Schedule N (Toxic Inventory Fees),
- Schedule R (Equipment Registration Fees),
- Schedule T (Greenhouse Gas Fees).

Collected revenue was less than program costs for the following 13 fee schedules:

- Schedule A (Hearing Board),
- Schedule F (Miscellaneous Sources (e.g., storage silos, abrasive blasting)),
- Schedule G-1 (Miscellaneous Sources (e.g., glass manufacturing, soil remediation)),
- Schedule G-2 (Miscellaneous Sources (e.g., asphaltic concrete, furnaces)),
- Schedule G-3 (Miscellaneous Sources (e.g., metal melting, cracking units)),
- Schedule G-4 (Miscellaneous Sources (e.g., cement kilns, sulfur removal and coking units, acid manufacturing)),
- Schedule H (Semiconductor and Related Operations),
- Schedule I (Dry Cleaners),
- Schedule K (Solid Waste Disposal Sites),
- Schedule P (Major Facility Review Fees),
- Schedule S (Naturally Occurring Asbestos Operations),
- Schedule V (Open Burning), and
- Schedule W (Refinery Emissions Tracking).

Figure 5 shows that over a three-year period (FYE 2021 through FYE 2023) there were revenue shortfalls for most of the twenty-two fee schedules for which cost recovery can be analyzed. For this three-year period, the Air District is recovering approximately 87.35% of its fee-related activity costs. Collected revenue exceeds costs for six (6) fee schedules:

- Schedule C (Stationary Containers for the Storage of Organic Liquids),
- Schedule D (Gasoline Transfer at Gasoline Dispensing Facilities, Bulk Plants and Terminals),
- Schedule L (Asbestos Operations),
- Schedule N (Toxic Inventory Fees),
- Schedule R (Equipment Registration Fees), and
- Schedule T (Greenhouse Gas Fees).

Collected revenue was lower than costs for the following 16 fee schedules:

- Schedule A (Hearing Board),
- Schedule B (Combustion of Fuel),
- Schedule E (Solvent Evaporating Sources),

- Schedule F (Miscellaneous Sources (e.g., storage silos, abrasive blasting)),
- Schedule G-1 (Miscellaneous Sources (e.g., glass manufacturing, soil remediation)),
- Schedule G-2 (Miscellaneous Sources (e.g., asphaltic concrete, furnaces)),
- Schedule G-3 (Miscellaneous Sources (e.g., metal melting, cracking units)),
- Schedule G-4 (Miscellaneous Sources (e.g., cement kilns, sulfur removal and coking units, acid manufacturing)),
- Schedule G-5 (Miscellaneous Sources (e.g., refinery flares)),
- Schedule H (Semiconductor and Related Operations),
- Schedule I (Dry Cleaners),
- Schedule K (Solid Waste Disposal Sites),
- Schedule P (Major Facility Review, Title V),
- Schedule S (Naturally Occurring Asbestos Operations),
- Schedule V (Open Burning), and
- Schedule W (Refinery Emissions Tracking).

The Air District uses the three-year averages shown in Figure 5 in evaluating proposed amendments to Regulation 3, Fees at the fee schedule level because longer averaging periods are less sensitive to year-to-year variations in activity levels that occur due to economic or market variations and regulatory program changes affecting various source categories. Currently, there are no active facilities that are charged Schedule I fees. Unless this schedule is deleted, Schedule I will be maintained with CPI-W adjustments.

Conclusions

Air District staff has updated the analysis of cost recovery of its regulatory programs based on the methodology established by the accounting firms KPMG in 1999 and Stonefield Josephson, Inc. in 2005 and updated by Matrix Consulting Group in 2011 and in 2018. The analysis shows that fee revenue continues to fall short of recovering activity costs. For FYE 2021 to 2023, the Air District is recovering approximately 87% of its fee-related activity costs, while cost recovery of individual fee schedules continue to lag. The overall magnitude of this cost recovery gap was determined to be approximately \$5.1 million.

To reduce or stabilize expenditures, the Air District has implemented various types of cost containment strategies, including maintaining unfilled positions when feasible and reducing service and supply budgets. In October 2023, all permit activity was transitioned to the Production System. Although all the tools are not fully developed, this allows staff to focus improvements on one system and eliminates the maintenance of the legacy systems. The new platform provides the opportunity for improved tracking, online resources and the reduction of paper processes. In addition, addressing the recommendations from the management audit is currently underway including analyzing the Air District's programs and the use of staff resources for its programs. To reduce the cost recovery gap, further fee increases will need to be evaluated in accordance with the Cost Recovery and Containment Policy adopted by the Board of Directors.

Appendix A: Figures

Figure 1: Total Permit Fee Revenue, Costs and Gap for FYE 2023

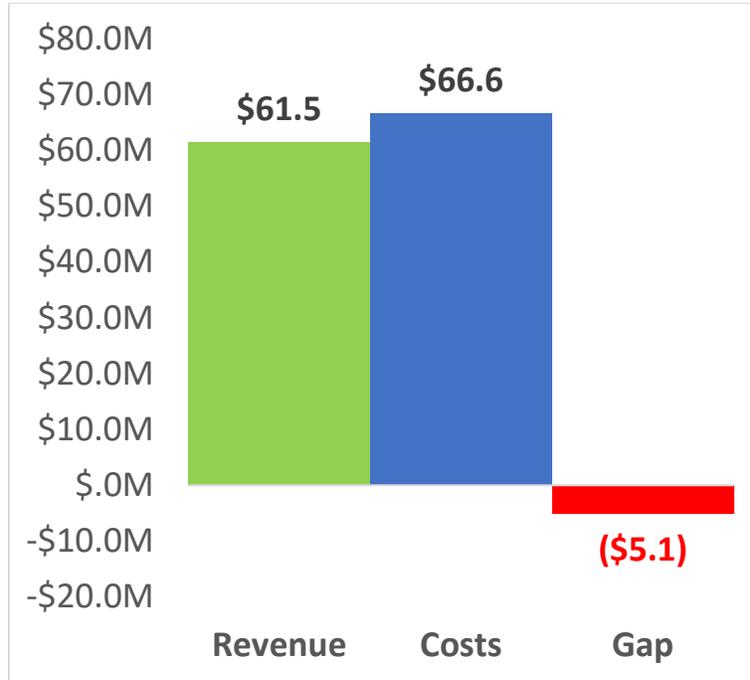


Figure 2: Fee Revenue and Program Costs by Fee Schedule, FYE 2023

Fee Schedule	Direct Cost	Indirect Cost	Total Cost	Reg 3-327.1										Surplus/ Deficit	Cost Recovery %	
				Application Revenue	Renewal Revenue	Schedule M	Reg 3-312 Bubble	Renewal Processing	Reg 3-327.2 - AB617 Fee	Reg 3-327.3 - CTR Fee	Reg 3-OBC Fees	Reg 3-311 - Banking	Total Revenue			
FS_A-Hearing Board	58,245	48,153	106,398	-	88,189	-	-	-	-	-	-	-	-	88,189	(18,209)	82.89%
FS_B-Combustion of Fuel	7,954,468	4,409,588	12,364,056	2,903,864	7,070,984	615,363	122,668	698,822	353,125	487,497	661,906	11,267	12,925,497	561,441	104.54%	
FS_C-Storage Organic Liquid	764,222	425,762	1,189,984	349,633	2,124,033	128,393	151,932	39,443	160,237	130,059	299,914	-	3,383,644	2,193,660	284.34%	
FS_D	4,785,954	2,694,779	7,480,734	415,044	6,428,000	51,139	78,624	266,717	67,968	313,028	300,658	-	7,921,179	440,445	105.89%	
FS_E-Solvent Evaporation	3,103,319	1,758,401	4,861,721	1,495,704	2,809,262	123,696	56,643	203,905	52,152	132,762	176,044	-	5,050,168	188,448	103.88%	
FS_F-Misc.	3,920,128	2,110,340	6,030,468	699,619	1,890,494	158,404	97,420	161,769	199,321	254,147	353,377	-	3,814,551	(2,215,917)	63.25%	
FS_G1-Misc.	3,983,160	2,226,979	6,210,140	776,367	3,065,797	172,890	101,175	48,222	96,698	120,650	188,124	-	4,569,924	(1,640,216)	73.59%	
FS_G2-Misc.	1,775,063	962,494	2,737,557	115,038	907,926	63,714	85,142	9,251	57,522	45,256	114,314	-	1,398,162	(1,339,395)	51.07%	
FS_G3-Misc.	1,063,595	610,555	1,674,150	-	830,413	47,707	81,729	804	53,440	27,765	97,962	-	1,139,819	(534,331)	68.08%	
FS_G4-Misc.	1,957,649	1,113,819	3,071,468	351,103	1,592,061	343,956	73,910	698	48,096	25,412	68,944	-	2,504,180	(567,288)	81.53%	
FS_G5-Misc.	723,907	427,423	1,151,330	313,351	637,189	59,080	80,949	507	51,002	25,442	87,974	-	1,255,494	104,164	109.05%	
FS_H-Semiconductor	264,775	146,182	410,957	7,016	711	-	-	116	-	39	-	-	7,881	(403,076)	1.92%	
FS_I-Drycleaners	1,001	571	1,573	-	-	-	-	-	-	-	-	-	-	(1,573)	0.00%	
FS_K-Waste Disposal	1,630,604	938,167	2,568,771	23,949	187,804	151,439	-	3,914	14,874	15,440	10,004	-	407,425	(2,161,346)	15.86%	
FS_L-Asbestos	1,469,148	902,938	2,372,086	-	3,632,384	-	-	-	-	-	-	-	3,632,384	1,260,298	153.13%	
FS_N-AB 2588	674,420	343,061	1,017,481	-	1,512,315	-	-	-	-	-	-	-	1,512,315	494,834	148.63%	
FS_P-Title V	5,738,170	3,338,274	9,076,444	708,673	6,752,033	-	-	-	-	-	-	-	7,460,706	(1,615,738)	82.20%	
FS_R-Registration	99,852	62,962	162,814	4,615	281,945	590	-	31,725	20,079	33,231	65,728	-	437,913	275,099	268.96%	
FS_S-NatOccAsbBillable	644,183	377,204	1,021,387	-	120,681	-	-	-	-	-	-	-	120,681	(900,707)	11.82%	
FS_T-GHG	1,181,743	577,271	1,759,014	-	3,339,911	-	-	-	-	-	-	-	3,339,911	1,580,897	189.87%	
FS_V-Open Burning	268,801	180,486	449,287	-	299,792	-	-	-	-	-	-	-	299,792	(149,495)	66.73%	
FS_W-PetroleumRefiningEmissionsReport	550,033	318,109	868,141	-	201,747	-	-	-	-	-	-	-	201,747	(666,394)	23.24%	
2023 SUM	\$42,612,440	\$23,973,520	\$66,585,961	\$8,163,976	\$43,773,670	\$1,916,372	\$930,193	\$1,465,893	\$1,174,512	\$1,610,728	\$2,424,949	\$11,267	\$61,471,561	(\$5,114,399)	92.32%	

Figure 3: Fee Revenue and Program Costs by Fee Schedule, FYE 2022

Fee Schedule	Direct Cost	Indirect Cost	Total Cost	Application Revenue	Renewal Revenue	Schedule M	Reg 3-327.1						Surplus/Deficit	Cost Recovery %		
							Reg 3-312 Bubble	Renewal Processing	Reg 3-327.2 - AB617 Fee	Reg 3-327.3 - CTR Fee	Reg 3-08C Fees	Reg 3-311 - Banking			Total Revenue	
FS_A-Hearing Board	33,970	41,433	75,403	-	353	-	-	-	-	-	-	-	-	353	(75,050)	0.47%
FS_B-Combustion of Fuel	7,893,556	4,068,298	11,961,854	1,952,715	6,840,470	582,023	236,655	776,362	326,505	400,120	2,018	5,676	11,122,543	(839,312)	92.98%	
FS_C-Storage Organic Liquid	1,106,057	551,981	1,658,038	341,256	2,100,841	126,595	201,110	33,663	155,117	119,216	-	-	3,077,798	1,419,760	185.63%	
FS_D	4,632,049	2,399,869	7,031,918	357,464	6,505,991	33,749	47,173	245,143	40,327	257,453	-	-	7,487,300	455,382	106.48%	
FS_E-Solvent Evaporation	2,470,406	1,332,906	3,803,313	505,868	2,534,082	83,894	32,040	190,403	46,102	108,305	135	-	3,500,829	(302,484)	92.05%	
FS_F-Misc.	3,257,741	1,669,041	4,926,782	439,434	1,745,097	128,754	91,897	138,706	156,310	193,640	-	-	2,893,837	(2,032,945)	58.74%	
FS_G1-Misc.	4,040,279	2,153,764	6,194,042	774,120	2,801,883	147,327	92,921	44,144	76,549	95,376	-	-	4,032,320	(2,161,722)	65.10%	
FS_G2-Misc.	1,861,747	943,739	2,805,486	285,965	822,711	69,951	60,033	8,263	34,191	30,545	-	-	1,311,659	(1,493,827)	46.75%	
FS_G3-Misc.	1,173,780	651,586	1,825,366	185,273	783,710	21,655	54,545	514	31,778	16,693	-	-	1,094,168	(731,198)	59.94%	
FS_G4-Misc.	2,268,311	1,210,110	3,478,421	39,841	1,558,636	386,459	52,369	480	34,148	17,736	-	-	2,089,669	(1,388,752)	60.08%	
FS_G5-Misc.	716,979	407,625	1,124,604	14,922	666,736	31,708	52,475	274	28,359	13,945	-	-	808,418	(316,186)	71.88%	
FS_H-Semiconductor	432,852	224,335	657,186	127,511	114,277	-	-	19,691	-	9,777	-	-	271,256	(385,930)	41.28%	
FS_I-Drycleaners	6,754	3,661	10,416	-	562	-	-	102	-	39	-	-	703	(9,713)	6.75%	
FS_K-Waste Disposal	1,863,862	1,028,934	2,892,796	18,053	171,133	120,267	-	3,593	10,310	11,070	-	-	334,426	(2,558,370)	11.56%	
FS_L-Asbestos	1,470,586	870,737	2,341,323	-	4,179,151	-	-	-	-	-	-	-	4,179,151	1,837,828	178.50%	
FS_N-AB 2588	428,326	213,177	641,503	-	1,604,232	-	-	-	-	-	-	-	1,604,232	962,729	250.07%	
FS_P-Title V	4,383,740	2,444,817	6,828,557	613,524	6,050,636	-	-	-	-	-	-	-	6,664,160	(164,397)	97.59%	
FS_R-Registration	159,439	98,222	257,661	5,780	325,587	521	-	27,965	14,441	23,529	-	-	397,823	140,163	154.40%	
FS_S-NatOccAsbBillable	432,514	244,994	677,508	-	139,486	-	-	-	-	-	-	-	139,486	(538,023)	20.59%	
FS_T-GHG	1,786,972	815,414	2,602,387	-	2,966,045	-	-	-	-	-	-	-	2,966,045	363,658	113.97%	
FS_V-Open Burning	486,632	311,070	797,702	-	248,007	-	-	-	-	-	-	-	248,007	(549,695)	31.09%	
FS_W-PetroleumRefiningEmissionsReport	452,923	264,366	717,289	-	175,432	-	-	-	-	-	-	-	175,432	(541,857)	24.46%	
2022 SUM	\$41,359,475	\$21,950,080	\$63,309,555	\$5,661,726	\$42,335,059	\$1,732,903	\$921,216	\$1,489,302	\$954,137	\$1,297,444	\$2,153	\$5,676	\$54,399,616	(\$8,909,938)	85.93%	

Figure 4: Fee Revenue and Program Costs by Fee Schedule, FYE 2021

Fee Schedule	Direct Cost	Indirect Cost	Total Cost	Application Revenue	Renewal Revenue	Schedule M	Reg 3-327.1					Reg 3-311 - Banking	Total Revenue	Surplus/Deficit	Cost Recovery %
							Reg 3-312 Bubble	Renewal Processing	Reg 3-327.2- AB617 Fee	Reg 3-327.3- CTR Fee	Reg 3-08C Fees				
FS_A-Hearing Board	56,402	26,852	83,254	-	14,318	-	-	-	-	-	-	-	14,318	(68,936)	17.20%
FS_B-Combustion of Fuel	7,726,960	3,916,462	11,643,422	2,413,951	6,231,693	675,657	185,643	478,794	258,497	-	-	7,620	10,251,855	(1,391,567)	88.05%
FS_C-Storage Organic Liquid	1,068,686	517,654	1,586,341	266,955	2,158,839	141,097	164,370	33,347	117,138	-	-	-	2,881,746	1,295,405	181.66%
FS_D	4,245,809	2,261,320	6,507,130	437,768	6,450,788	47,035	59,251	240,285	47,495	-	-	-	7,282,623	775,493	111.92%
FS_E-Solvent Evaporation	2,163,333	1,149,365	3,312,699	389,358	2,421,367	68,961	38,453	194,272	29,561	-	-	-	3,141,973	(170,726)	94.85%
FS_F-Misc.	3,374,077	1,669,249	5,043,326	517,048	1,681,546	151,028	87,616	139,464	160,529	-	-	-	2,737,231	(2,306,094)	54.27%
FS_G1-Misc.	3,944,152	2,069,514	6,013,666	726,271	2,443,232	148,630	91,132	42,963	79,901	-	-	-	3,532,130	(2,481,536)	58.74%
FS_G2-Misc.	1,482,840	796,078	2,278,917	317,512	710,793	35,490	67,996	7,754	39,801	-	-	-	1,179,345	(1,099,572)	51.75%
FS_G3-Misc.	985,122	564,659	1,549,781	22,383	709,443	24,454	63,793	596	37,938	-	-	-	858,606	(691,175)	55.40%
FS_G4-Misc.	2,097,031	1,072,688	3,169,719	192,645	1,353,758	617,392	62,646	558	41,136	-	-	-	2,268,137	(901,583)	71.56%
FS_G5-Misc.	545,053	300,611	845,664	74,087	674,547	34,567	62,482	349	35,734	-	-	-	881,766	36,102	104.27%
FS_H-Semiconductor	221,204	114,783	335,987	53,182	138,344	-	-	4,738	-	-	-	-	196,264	(139,723)	58.41%
FS_I-Drycleaners	11,530	6,832	18,362	-	2,146	-	-	200	-	-	-	-	2,346	(16,016)	12.78%
FS_K-Waste Disposal	1,983,563	1,112,198	3,095,762	41,550	165,811	107,226	-	3,896	10,547	-	-	-	329,030	(2,766,732)	10.63%
FS_L-Asbestos	1,546,351	984,848	2,531,200	-	3,989,403	-	-	-	-	-	-	-	3,989,403	1,458,203	157.61%
FS_N-AB 2588	1,194,223	566,983	1,761,206	-	1,972,317	-	-	-	-	-	-	-	1,972,317	211,111	111.99%
FS_P-Title V	3,631,018	2,024,791	5,655,809	372,216	5,815,966	-	-	-	-	-	-	-	6,188,182	532,374	109.41%
FS_R-Registration	79,494	45,021	124,515	5,418	280,300	2,136	-	20,203	8,464	-	-	-	316,521	192,006	254.20%
FS_S-NatOccAsbBillable	387,951	212,513	600,464	-	105,251	-	-	-	-	-	-	-	105,251	(495,213)	17.53%
FS_T-GHG	2,077,606	940,313	3,017,920	-	2,890,490	-	-	-	-	-	-	-	2,890,490	(127,430)	95.78%
FS_V-Open Burning	435,117	249,263	684,380	-	212,252	-	-	-	-	-	-	-	212,252	(472,128)	31.01%
FS_W-PetroleumRefiningEmissionsReport	1,149,167	569,104	1,718,271	-	152,547	-	-	-	-	-	-	-	152,547	(1,565,724)	8.88%
2021 SUM	\$40,406,691	\$21,171,102	\$61,577,793	\$5,830,345	\$40,575,152	\$2,053,673	\$883,383	\$1,167,419	\$866,741			\$7,620	\$51,384,333	(\$10,193,460)	83.45%

Figure 5: Fee Revenue and Program Costs by Fee Schedule, FYE 2021-2023, 3-Year Average

Fee Schedule	Direct Cost	Indirect Cost	Total Cost	Application Revenue	Renewal Revenue	Schedule M	Reg 3-327.1							Surplus/Deficit	Cost Recovery %	
							Reg 3-312 Bubble	Renewal Processing	Reg 3-327.2- AB617 Fee	Reg 3-327.3- CTR Fee	Reg 3-0BC Fees	Reg 3-311 - Banking	Total Revenue			
FS_A-Hearing Board	49,539	38,813	88,352	-	34,287	-	-	-	-	-	-	-	-	34,287	(54,065)	38.81%
FS_B-Combustion of Fuel	7,858,328	4,131,450	11,989,777	2,423,510	6,714,382	624,348	181,656	651,326	312,709	443,808	331,962	8,188	11,433,298	(556,479)	95.36%	
FS_C-Storage Organic Liquid	979,655	498,466	1,478,121	319,281	2,127,904	132,028	172,470	35,485	144,164	124,637	149,957	-	3,114,396	1,636,275	210.70%	
FS_D	4,554,604	2,451,990	7,006,594	403,426	6,461,593	43,974	61,683	250,715	51,930	285,240	150,329	-	7,563,700	557,107	107.95%	
FS_E-Solvent Evaporation	2,579,020	1,413,558	3,992,577	796,977	2,588,237	92,184	42,379	196,193	42,605	120,534	88,090	-	3,897,657	(94,921)	97.62%	
FS_F-Misc.	3,517,315	1,816,210	5,333,525	552,034	1,772,379	146,062	92,311	146,646	172,053	223,894	176,689	-	3,148,540	(2,184,985)	59.03%	
FS_G1-Misc.	3,989,197	2,150,086	6,139,283	758,919	2,770,304	156,282	95,076	45,110	84,383	108,013	94,062	-	4,044,791	(2,094,491)	65.88%	
FS_G2-Misc.	1,706,550	900,770	2,607,320	239,505	813,810	56,385	71,057	8,422	43,838	37,900	57,157	-	1,296,389	(1,310,931)	49.72%	
FS_G3-Misc.	1,074,166	608,934	1,683,099	69,219	774,522	31,272	66,689	638	41,052	22,229	48,981	-	1,030,865	(652,234)	61.25%	
FS_G4-Misc.	2,107,664	1,132,206	3,239,869	194,530	1,501,485	449,269	62,975	578	41,127	21,574	34,472	-	2,287,328	(952,541)	70.60%	
FS_G5-Misc.	661,979	378,553	1,040,532	134,120	659,491	41,785	65,302	377	38,365	19,693	43,987	-	981,893	(58,640)	94.36%	
FS_H-Semiconductor	306,277	161,767	468,043	62,570	84,444	-	-	8,182	-	4,908	-	-	158,467	(309,576)	33.86%	
FS_I-Drycleaners	6,428	3,688	10,117	-	903	-	-	101	-	20	-	-	1,016	(9,100)	10.05%	
FS_K-Waste Disposal	1,826,010	1,026,433	2,852,443	27,851	174,916	126,311	-	3,801	11,910	13,255	5,002	-	356,960	(2,495,483)	12.51%	
FS_L-Asbestos	1,435,362	919,508	2,414,869	-	3,933,646	-	-	-	-	-	-	-	3,933,646	1,518,777	162.89%	
FS_N-AB 2588	765,656	374,407	1,140,063	-	1,696,288	-	-	-	-	-	-	-	1,696,288	556,225	148.79%	
FS_P-Title V	4,584,309	2,602,627	7,186,936	564,804	6,206,212	-	-	-	-	-	-	-	6,771,016	(415,920)	94.21%	
FS_R-Registration	112,928	68,735	181,663	5,271	295,944	1,082	-	26,631	14,328	28,380	32,864	-	384,086	202,422	211.43%	
FS_S-NatOccAsbBillable	488,216	278,237	766,453	-	121,806	-	-	-	-	-	-	-	121,806	(644,648)	15.89%	
FS_T-GHG	1,682,107	777,666	2,459,773	-	3,065,482	-	-	-	-	-	-	-	3,065,482	605,709	124.62%	
FS_V-Open Burning	396,850	246,940	643,790	-	253,350	-	-	-	-	-	-	-	253,350	(390,439)	39.35%	
FS_W-PetroleumRefiningEmissionsReport	717,374	383,859	1,101,234	-	176,575	-	-	-	-	-	-	-	176,575	(924,658)	16.03%	
SUM	\$41,459,535	\$22,364,901	\$63,824,436	\$6,552,016	\$42,227,960	\$1,900,983	\$911,597	\$1,374,205	\$998,463	\$1,454,086	\$1,213,551	\$8,188	\$55,751,837	(\$8,072,599)	87.35%	

Appendix B: 2022 Cost Recovery and Containment Policy

Adopted December 7, 2022

COST RECOVERY AND CONTAINMENT POLICY FOR BAY AREA AIR QUALITY MANAGEMENT DISTRICT REGULATORY PROGRAMS

PURPOSE

WHEREAS, the Air District has the primary authority for the control of air pollution from all sources of air emissions located in the San Francisco Bay Area, other than emissions from motor vehicles, in accordance with the provisions of Health & Safety Code sections 39002 and 40000.

WHEREAS, the Air District is responsible for implementing and enforcing various Air District, State, and federal air quality regulatory requirements that apply to non-vehicular sources.

WHEREAS, the Air District's regulatory programs include but are not limited to permitting and notification programs, compliance and enforcement of permitted and registered facilities, compliance assistance at permitted and registered facilities, source testing and monitoring at permitted facilities, rule development for regulated industries, the development of the emissions inventory for permitted and registered facilities and other permit work at permitted facilities.

WHEREAS, the Air District is authorized to assess fees to regulated entities for the purpose of recovering the reasonable costs of regulatory program activities, and these authorities include those provided for in California Health and Safety Code sections 42311, 42364, and 44380.

WHEREAS, the Air District's fees fall within the categories provided in Section 1(e) of Article XIII C of the California Constitution, which indicates that charges assessed to regulated entities to recover regulatory program activity costs, and charges assessed to cover the cost of conferring a privilege or providing a service, are not taxes.

WHEREAS, the Air District has adopted, and periodically amends, a fee regulation for the purpose of recovering regulatory program activity costs, and this regulation with its various fee schedules, is used to allocate costs to fee payers in a manner which bears a fair or reasonable relationship to the payer's burden on, or benefits received from, regulatory activities.

WHEREAS, the Air District analyzes whether assessed fees result in the collection of sufficient revenue to recover the costs of related program activities; and Air District staff conduct these analyses on an annual basis, with an independent contractor review of these analyses and methodologies -conducted approximately every five years, with the most recent independent study conducted in 2022. Each fee study and cost recovery update completed revealed that District fee revenue falls short of recovering the costs of related program activities.

WHEREAS, the Air District's most recent independent fee report (2022 Cost Recovery Report, Bay Area Air Quality Management District, May 2022) concluded that in Fiscal Year Ending (FYE) 2021, the Air District recovered approximately 83.7 percent of its fee-related activity costs (up from 65 percent in FYE 2011), resulting in an under-recovery of costs (i.e., a cost recovery gap), and a subsidy to fee payers, of approximately \$10.2 million, and that this cost recovery gap resulted despite the implementation of a number of strategies to contain costs.

WHEREAS, the Air District's Board of Directors has recognized since 1999 that the Air District's cost recovery gap has been an issue that needs to be addressed, and since that time has adopted annual fee amendments in order to increase fee revenue.

WHEREAS, the Air District's Board of Directors adopted a policy in 2012 with a goal to increase overall recovery of regulatory program activity costs to 85 percent.

WHEREAS, in addition to fee revenue, the Air District receives revenue from Bay Area counties that is derived from property taxes, and a large portion of this tax revenue has historically been used on an annual basis to fill the cost recovery gap.

WHEREAS, the tax revenue that the Air District receives varies on a year-to-year basis, and cannot necessarily be relied on to fill the cost recovery gap and also cover other Air District operational costs necessitating, in certain years, the use of reserve funds. WHEREAS, tax revenue that the Air District receives, to the extent that it is not needed to fill the cost recovery gap, can be used to fund initiatives or programs that may further the Air District's mission but that lack a dedicated funding source.

WHEREAS, it may be appropriate as a matter of policy to establish specific fee discounts for small businesses, green businesses, or other regulated entities or members of the public, where tax revenue is used to cover a portion of regulatory program activity costs, and the Air District's existing fee regulation contains several fee discounts of this type.

POLICY

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Bay Area Air Quality Management District that:

(1) Cost Containment – In order to ensure that the costs of its regulatory programs remain reasonable, the Air District should continue to implement feasible cost containment measures, including the use of appropriate best management practices, without compromising the Air District's effective implementation and enforcement of applicable regulatory requirements. The Air District's annual budget documents should include a summary of cost containment measures that are being implemented.

(2) Analysis of Cost Recovery – The Air District should continue to analyze the extent to which fees recover regulatory program activity costs, both on an overall basis, and at the level of individual fee schedules. An independent review of the Air District cost recovery analyses should be periodically completed by a qualified Air District contractor and should be updated on an annual basis by Air District staff using a consistent methodology.

(3) Cost Recovery Goals – It is the general policy of the Air District, except as otherwise noted below, that the costs of regulatory program activities be fully recovered by assessing fees to regulated entities. To move towards this goal, the Air District should amend its fee regulation over the next several years, in conjunction with the adoption of the Air District budget, in a manner sufficient to increase overall recovery of regulatory program activity costs to 100 percent. Proposed amendments to specific fee schedules should also be made in consideration of cost recovery analyses conducted at the fee schedule-level, with larger increases being adopted for the schedules that have the larger cost recovery gaps. Proposed fee amendments should include fee-recoverable work that is currently not being charged a fee. As allowed by law, any proposed regulatory measures should also propose new fees or fee amendments that are designed to recover increased regulatory program implementation costs concurrent with rule adoption, unless the Board of Directors determines that a portion of those costs should be covered by tax revenue. Tax revenue should also continue to be used to cover existing fee discounts that the Air District provides (e.g., for small businesses, green businesses, and third-party permit appeals).

BE IT FURTHER RESOLVED that this resolution is non-binding in the case of unforeseen financial circumstances, and may also be reconsidered or updated by the Air District's Board of Directors.

Appendix C: Fee Schedule V Cost Recovery Analysis

Schedule V (Open Burning) Analysis

In the past, cost recovery for Schedule V was calculated on all costs and revenue related to Open Burning. The Air District’s Open Burn Program is comprised of individual Operation Fees based on burn type. Schedule V includes five Open Burning Operation Fees for these burn types - Notifications, Marsh Management, Prescribed Burning, Filmmaking/Public Exhibition, and Stubble. Air District staff refined the cost recovery analysis to examine each individual fee in Schedule V to ensure the costs associated with one burn type would not impact fee payers of another burn type.

FIGURE 1 – Fee Revenue and Program Costs for Individual Open Burn Types, FYE 2023

Burn Type	Salary	Benefits @ 61.4%	Indirect @ 64%	Total Expense	Revenue	Cost Recovery %
Notification	\$92,446	\$66,356	\$94,674	\$253,476	(\$288,496)	114%
Marsh	\$18,384	\$11,288	\$18,990	\$48,662	(\$3,771)	8%
Prescribed	\$179,006	\$109,910	\$184,906	\$473,821	(\$7,525)	2%
Total	\$289,836	\$187,553	\$298,570	\$775,959	(\$299,792)	39%

Figure 1 shows that collected revenue exceeds costs for Notifications, and there were revenue shortfalls for Marsh Burns and Prescribed Burning.

Prescribed Burning

In November 2019, the Air District Board of Directors adopted a Limited Fee Exemption for Public Agencies that waived the Operation Fee for public agencies conducting prescribed burns. In 2023, approximately 90% of prescribed burn projects were conducted by public agencies. Given the Limited Fee Exemption, the Prescribed Burning Program cannot be fully funded through its Operation Fee. Prescribed Burning will be changed to “No Revenue Source” in the Cost Recovery process.

Filmmaking/Public Exhibition and Stubble fires

In FYE 2023, there were no costs or revenue associated with these two Operation Fees.

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FEES
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- 3-103 Exemption, Abatement Devices
- 3-104 Deleted August 2, 1995
- 3-105 Exemption, Excavation of Contaminated Soil and Removal of Underground Storage Tank Operation Fees
- 3-106 Deleted December 2, 1998
- 3-107 Exemption, Sources Exempt from Permit Requirements

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- 3-203 Filing Fee
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- 3-207 Permit to Operate Fee
- 3-208 Deleted June 4, 1986
- 3-209 Small Business
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- 3-212 Deleted August 2, 1995
- 3-213 Major Stationary Source
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3-600 MANUAL OF PROCEDURES (None Included)

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- SCHEDULE C STATIONARY CONTAINERS FOR THE STORAGE OF ORGANIC LIQUIDS
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- SCHEDULE I DRY CLEANERS
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- SCHEDULE M MAJOR STATIONARY SOURCE FEES
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- SCHEDULE O DELETED May 19, 1999
- SCHEDULE P MAJOR FACILITY REVIEW FEES
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- SCHEDULE S NATURALLY OCCURRING ASBESTOS OPERATIONS
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- SCHEDULE V OPEN BURNING
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REGULATION 3 FEES

(Adopted June 18, 1980)

3-100 GENERAL

3-101 Description: This regulation establishes the regulatory fees charged by the District.
(Amended 7/6/83, 11/2/83, 2/21/90, 12/16/92, 8/2/95, 12/2/98, 5/21/03, 5/21/08, 5/20/09, 6/19/13)

3-102 Deleted July 12, 1989

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

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

3-104 Deleted August 2, 1995

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

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

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

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

3-106 Deleted December 2, 1998

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

(Adopted 6/7/00)

3-200 DEFINITIONS

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

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

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

(Amended 2/20/85)

3-203 Filing Fee: A fixed administrative fee

(Amended 6/4/86, 6/7/23)

3-204 Initial Fee: The fee required based on the type and size of the source or an hourly rate of actual costs incurred by the District.

(Amended 6/4/86, 6/7/23)

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

- (Amended 6/4/86)*
- 3-206 Modification:** See Section 1-217 of Regulation 1.
- 3-207 Permit to Operate Fee:** The fee required for the annual renewal of a permit to operate or for the first year of operation (or prorated portion thereof) of a new or modified source which received an authority to construct.
(Amended 6/4/86, 7/15/87, 12/2/98, 6/7/00)
- 3-208 Deleted June 4, 1986**
- 3-209 Small Business:** A business with no more than 10 employees and gross annual income of no more than \$750,000 that is not an affiliate of a non-small business.
(Amended 6/4/86, 6/6/90, 6/7/00, 6/15/05, 6/16/10)
- 3-210 Solvent Evaporating Source:** Any source utilizing organic solvent, as part of a process in which evaporation of the solvent is a necessary step. Such processes include, but are not limited to, solvent cleaning operations, painting and surface coating, rotogravure coating and printing, flexographic printing, adhesive laminating, etc. Manufacture or mixing of solvents or surface coatings is not included.
(Amended 7/3/91)
- 3-211 Source:** See Section 1-227 of Regulation 1.
- 3-212 Deleted August 2, 1995**
- 3-213 Major Stationary Source:** For the purpose of Schedule M, a major stationary source shall be any District permitted plant, building, structure, stationary facility or group of facilities under the same ownership, leasehold, or operator which, in the base calendar year, emitted to the atmosphere organic compounds, oxides of nitrogen (expressed as nitrogen dioxide), oxides of sulfur (expressed as sulfur dioxide), or PM₁₀ in an amount calculated by the APCO equal to or exceeding 50 tons per year.
(Adopted 11/2/83; Amended 2/21/90, 6/6/90, 8/2/95, 6/7/00)
- 3-214 Deleted October 20, 1999, effective March 1, 2000**
- 3-215 Deleted October 20, 1999, effective March 1, 2000**
- 3-216 Deleted October 20, 1999, effective March 1, 2000**
- 3-217 Deleted October 20, 1999, effective March 1, 2000**
- 3-218 Deleted October 20, 1999, effective March 1, 2000**
- 3-219 Deleted October 20, 1999, effective March 1, 2000**
- 3-220 Deleted October 20, 1999, effective March 1, 2000**
- 3-221 Deleted October 20, 1999, effective March 1, 2000**
- 3-222 Deleted October 20, 1999, effective March 1, 2000**
- 3-223 Start-up Date:** Date when new or modified equipment under an authority to construct begins operating. The holder of an authority to construct is required to notify the APCO of this date at least 3 days in advance. For new sources, or modified sources whose authorities to construct have expired, operating fees are charged from the startup date.
(Adopted 6/4/86; Amended 6/6/90)
- 3-224 Permit to Operate:** Written authorization from the APCO pursuant to Section 2-1-302.
(Adopted 6/4/86; Amended 6/7/00)
- 3-225 Deleted June 3, 2015**
- 3-226 Air Toxics "Hot Spots" Information and Assessment Act of 1987:** The Air Toxics "Hot Spots" Information and Assessment Act of 1987 directs the California Air Resources Board and the Air Quality Management Districts to collect information from industry on emissions of potentially toxic air contaminants and to inform the public about such emissions and their impact on public health. It also directs the Air Quality Management District to collect fees sufficient to cover the necessary state and District costs of implementing the program.
(Adopted 10/21/92; Amended 6/15/05)
- 3-227 Toxic Air Contaminant, or TAC:** An air pollutant that may cause or contribute to an increase in mortality or in serious illness or that may pose a present or potential hazard to human health. For the purposes of this rule, TACs consist of the substances listed in Table 2-5-1 of Regulation 2, Rule 5.
(Adopted 10/21/92; Amended 6/15/05)
- 3-228 Deleted December 2, 1998**
- 3-229 Deleted December 2, 1998**
- 3-230 Deleted December 2, 1998**

- 3-231 Deleted December 2, 1998
- 3-232 Deleted December 2, 1998
- 3-233 Deleted December 2, 1998
- 3-234 Deleted December 2, 1998
- 3-235 Deleted December 2, 1998
- 3-236 Deleted December 2, 1998
- 3-237 **PM₁₀**: See Section 2-1-229 of Regulation 2, Rule 1. *(Adopted 6/7/00)*
- 3-238 **Risk Assessment Fee**: Fee for a new or modified source of toxic air contaminants for which a health risk assessment (HRA) is required under Regulation 2-5-401, for an HRA required under Regulation 11, Rule 18, or for an HRA prepared for other purposes (e.g., for determination of permit exemption in accordance with Regulations 2-1-316, 2-5-301 and 2-5-302; or for determination of exemption from emission control requirements pursuant to Regulation 8-47-113 and 8-47-402). *(Adopted 6/15/05; Amended 6/21/17)*
- 3-239 **Toxic Surcharge**: Fee paid in addition to the permit to operate fee for a source that emits one or more toxic air contaminants at a rate which exceeds a chronic trigger level listed in Table 2-5-1. *(Adopted 6/15/05)*
- 3-240 **Biogenic Carbon Dioxide**: Carbon dioxide emissions resulting from materials that are derived from living cells, excluding fossil fuels, limestone and other materials that have been transformed by geological processes. Biogenic carbon dioxide originates from carbon (released in the form of emissions) that is present in materials that include, but are not limited to, wood, paper, vegetable oils, animal fat, and food, animal and yard waste. *(Adopted 5/21/08)*
- 3-241 **Green Business**: A business or government agency that has been certified under the Bay Area Green Business Program coordinated by the Association of Bay Area Governments and implemented by participating counties. *(Adopted 6/19/10)*
- 3-242 **Incident**: A non-routine release of an air contaminant that may cause adverse health consequences to the public or to emergency personnel responding to the release, or that may cause a public nuisance or off-site environmental damage. *(Adopted 6/19/13)*
- 3-243 **Incident Response**: The District's response to an incident. The District's incident response may include the following activities: i) inspection of the incident-emitting equipment and facility records associated with operation of the equipment; ii) identification and analysis of air quality impacts, including without limitation, identifying areas impacted by the incident, modeling, air monitoring, and source sampling; iii) engineering analysis of the specifications or operation of the equipment; and iv) administrative tasks associated with processing complaints and reports. *(Adopted 6/19/13)*
- 3-244 **Permit to Operate Renewal Date**: The first day of a Permit to Operate's Permit Renewal Period. *(Adopted 6/19/13)*
- 3-245 **Permit Renewal Period**: The length of time the source is authorized to operate pursuant to a Permit to Operate. *(Adopted 6/19/13)*
- 3-246 **Overburdened Community**: As defined in Regulation 2, Rule 1 *(Adopted 6/15/22)*
- 3-300 **STANDARDS**
- 3-301 **Hearing Board Fees**: Applicants for variances or appeals or those seeking to revoke or modify variances or abatement orders or to rehear a Hearing Board decision shall pay the applicable fees, including excess emission fees, set forth in Schedule A. *(Amended 6/7/00)*
- 3-302 **Fees for New and Modified Sources**: Applicants for authorities to construct and permits to operate new sources shall pay for each new source: a filing fee of \$651, the initial fee, the risk assessment fee, the permit to operate fee, and toxic surcharge (given in Schedules B, C, D, E, XXXXX, 2024

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 \$651, the initial fee, the risk assessment fee, and any incremental increase in permit to operate and toxic surcharge fees. Where more than one of the schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules. If any person requests more than three HRA scenarios required pursuant to Regulation 2, Rule 5 in any single permit application, they shall pay an additional risk assessment fee for each of these scenarios. Except for gasoline dispensing facilities (Schedule D) and semiconductor facilities (Schedule H), the size to be used for a source when applying the schedules shall be the maximum size the source will have after the construction or modification. Where applicable, fees for new or modified sources shall be based on maximum permitted usage levels or maximum potential to emit including any secondary emissions from abatement equipment. The fee rate applied shall be based on the fee rate in force on the date the application is submitted.

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

302.2 Deleted July 3, 1991

302.3 **Fees for Abatement Devices:** Applicants for an authority to construct and permit to operate abatement devices where there is no other modification to the source shall pay a \$651 filing fee and initial and risk assessment fees that are equivalent to 50% of the initial and risk assessment fees for the source being abated, not to exceed a total of \$13,572. For abatement devices abating more than one source, the initial fee shall be 50% of the initial fee for the source having the highest initial fee.

302.4 **Fees for Reactivated Sources:** Applicants for a Permit to Operate reactivated, previously permitted equipment shall pay the full filing, initial, risk assessment, permit, and toxic surcharge fees.

302.5 Deleted June 3, 2015

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

302.7 **Fee for applications in an Overburdened Community:** An applicant with a project that requires a Health Risk Assessment in an Overburdened Community shall pay a fee of \$1,000 in addition to any other permit application fees.

302.8 **Risk Assessment Fee:** When the Risk Assessment Fee (RAF) is required for more than one source, the first toxic air contaminant (TAC) source is the source with the highest calculated RAF.

(Amended 5/19/82, 7/6/83, 6/4/86, 7/15/87, 6/6/90, 7/3/91, 6/15/94, 10/8/97, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

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

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

3-304 Alteration: Except as provided below, an applicant to alter an existing permitted source shall pay the filing fee and 50% of the initial fee for the source, provided that the alteration does not result in an increase in emissions of any regulated air pollutant. For gasoline dispensing facilities subject to Schedule D, an applicant for an alteration shall pay a fee of 1.75 times the filing fee.

- 304.1 Schedule D Fees: Applicants for alteration to a gasoline dispensing facility subject to Schedule D shall pay a fee of 1.75 times the filing fee.
- 304.2 Schedule G Fees: Applicants for alteration to a permitted source subject to Schedule G-3, G-4, or G-5 shall pay the filing fee, 100% of the initial fee, and the risk assessment fee under Schedule G-2, if required. The applicant shall pay the permit renewal and the toxic surcharge fees applicable to the source under Schedules G-3, G-4, or G-5.

(Amended 6/4/86, 11/15/00, 6/2/04, 6/3/15, 6/15/16, 6/6/18, 6/5/19, TBD)

3-305 Cancellation or Withdrawal: There will be no refund of the initial fee and filing fee if an application is cancelled or withdrawn. There will be no refund of the risk assessment fee if the risk assessment has been conducted prior to the application being cancelled or withdrawn. If an application for identical equipment for the same project is submitted within six months of the date of cancellation or withdrawal, the initial fee will be credited in full against the fee for the new application.

(Amended 7/6/83, 4/6/88, 10/8/97, 6/15/05, 6/21/17, 6/16/21)

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

- 306.1 Administrative Condition Changes: An applicant applying for an administrative change in permit conditions shall pay a fee equal to the filing fee for a single source, provided the following criteria are met:
 - 1.1 The condition change applies to a single source or a group of sources with shared permit conditions.
 - 1.2 The condition change does not subject the source(s) to any District Regulations or requirements that were not previously applicable.
 - 1.3 The condition change does not result in any increase in emissions of POC, NPOC, NO_x, CO, SO₂, or PM₁₀ at any source or the emission of a toxic air contaminant above the trigger levels identified in Table 2-5-1
 - 1.4 The condition change does not require a public notice.
- 306.2 Other Permit Condition Changes: Applicant shall pay the filing, initial, and risk assessment fees required for new and modified equipment under Section 3-302. If the condition change will result in higher permit to operate fees, the applicant shall also pay any incremental increases in permit to operate fees and toxic surcharges.

(Amended 7/6/83, 6/4/86, 6/6/90, 10/8/97, 6/7/00, 6/15/05, 6/21/17, 6/7/23)

3-307 Transfers: The owner/operator of record is the person to whom a permit is issued or, if no permit has yet been issued to a facility, the person who applied for a permit. Permits are valid only for the owner/operator of record. Upon submittal of a \$102 transfer of ownership fee, permits are re-issued to the new owner/operator of record with no change in expiration dates. For expired permits or registrations, the new owner/operator is responsible for all outstanding fees.

(Amended 2/20/85, 6/4/86, 11/5/86, 4/6/88, 10/8/97, 5/1/02, 5/21/03, 6/02/04, 6/19/13, 6/4/14, 6/15/16, 6/7/23)

3-308 Change of Location: An applicant who wishes to move an existing source, which has a permit to operate, shall pay no fee if the move is on the same facility. If the move is not on the same facility, the source shall be considered a new source and subject to Section 3-302. This section does not apply to portable permits meeting the requirements of Regulation 2-1-220 and 413.

(Amended 7/6/83; 6/4/86; 6/15/05)

3-309 Deleted June 21, 2017

3-310 Fee for Constructing Without a Permit: An applicant for an authority to construct and a permit to operate a source, which has been constructed or modified without an authority to construct, shall pay the following fees:

- 310.1 Sources subject to permit requirements on the date of initial operation shall pay fees for new construction pursuant to Section 3-302, any back fees pursuant to Section 3-303, and a late fee equal to 100% of the initial fee. A modified gasoline dispensing facility subject to Schedule D that is not required to pay an initial fee shall pay fees for a modified source pursuant to Section 3-302, back fees, and a late fee equal to 100% of the filing fee.
- 310.2 Sources previously exempt from permit requirements that lose their exemption due to changes in District, state, or federal regulations shall pay a permit to operate fee and

- toxic surcharge for the coming year and any back fees pursuant to Section 3-303.
- 310.3 Sources previously exempt from permit requirements that lose their exemption due to a change in the manner or mode of operation, such as an increased throughput, shall pay fees for new construction pursuant to Section 3-302. In addition, sources applying for permits after commencing operation in a non-exempt mode shall also pay a late fee equal to 100% of the initial fee and any back fees pursuant to Section 3-303.
- 310.4 Sources modified without a required authority to construct shall pay fees for modification pursuant to Section 3-302 and a late fee equal to 100% of the initial fee.

(Amended 7/6/83, 4/18/84, 6/4/86, 6/6/90, 7/3/91, 8/2/95, 10/8/97, 6/02/04, 6/15/05, 6/6/12)

3-311

Emission Banking Fees: An applicant to bank emissions for future use, to convert an emission reduction credit (ERC), to change assigned conditions, to transfer ownership of an ERC, or to make any administrative changes shall pay the following fees:

- 311.1 Banking ERCs: An applicant to bank emissions for future use shall pay a filing fee of \$651 per source plus the initial fee given in Schedules B, C, D, E, F, H, I or K. Where more than one of these schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules.
- 311.2 Converting Existing ERCs to Interchangeable Emission Reduction Credits (IERCs): An applicant to convert an existing ERC into an IERC shall pay a filing fee of \$651 per source plus the initial fee given in Schedules B, C, D, E, F, H, I or K. Where more than one of these schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules.
- 311.3 Transferring ERC Ownership: An applicant to transfer an ERC it currently owns to another owner shall pay a filing fee of \$651.
- 311.4 Evaluation of Existing ERCs for PM_{2.5}: An applicant to evaluate an existing PM₁₀ ERC shall pay a filing fee of \$651 per source and an evaluation fee equivalent to the total actual and reasonable time incurred by District staff at the hourly rate of \$199 per hour not to exceed the initial fee given in Schedules B, C, D, E, F, H, I or K. Where more than one of these schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules.
- 311.5 ERC Condition Change: An applicant to request a change in condition shall pay a filing fee of \$651 and an evaluation fee equivalent to the total actual and reasonable time incurred by District staff at the hourly rate of \$199 per hour not to exceed the initial fee given in Schedules B, C, D, E, F, H, I or K. Where more than one of these schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules.

(Amended 7/6/83, 6/4/86, 7/15/87, 7/3/91, 6/15/94, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/02/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

3-312

Emission Caps and Alternative Compliance Plans: Any facility which elects to use an alternative compliance plan contained in:

- 312.1 Regulation 8 ("bubble") to comply with a District emission limitation or to use an annual or monthly emission limit to acquire a permit in accordance with the provisions of Regulation 2, Rule 2, shall pay an additional annual fee equal to fifteen percent of the total plant permit to operate fee.
- 312.2 Regulation 2, Rule 9, or Regulation 9, Rule 10 shall pay an annual fee of \$1,649 for each source included in the alternative compliance plan, not to exceed \$16,484.

(Adopted 5/19/82; Amended 6/4/86, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/23/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

3-313

Deleted May 19, 1999

3-314

Deleted August 2, 1995

3-315

Costs of Environmental Documentation: An applicant for an Authority to Construct shall pay, in addition to the fees required under Section 3-302 and in any applicable schedule, the District's costs of performing any environmental evaluation and preparing and filing any documents pursuant to the California Environmental Quality Act (Public Resources Code, Section 21000, et seq), including the costs of any outside consulting assistance which the District may employ in connection with the preparation of any such evaluation or documentation, as well as the District's reasonable internal costs (including overhead) of processing, reviewing, or filing any environmental evaluation or documentation.

(Adopted 12/18/85; Amended 5/1/02, 6/3/15)

3-316 Deleted June 6, 1990

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

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

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

- 318.1 A fee of \$2,272 per application, and
- 318.2 The District's cost exceeding \$2,272 of preparing and distributing the public notice.
- 318.3 The District shall refund to the applicant the portion of any fee paid under this Section that exceeds the District's cost of preparing and distributing the public notice.

(Adopted 11/1/89; Amended 10/8/97, 7/1/98, 5/19/99, 6/7/00, 5/21/03, 6/2/04, 6/16/10, 6/15/16, 6/21/17, 6/6/18)

3-319 Major Stationary Source Fees: Any major stationary source emitting 50 tons per year of organic compounds, sulfur oxides, nitrogen oxides, or PM₁₀ shall pay a fee based on Schedule M. This fee is in addition to permit and other fees otherwise authorized to be collected from such facilities and shall be included as part of the annual permit renewal fees.

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

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

(Adopted 10/21/92; Amended 5/19/99, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/20/09, 6/16/10, 5/4/11, 6/15/16, 6/21/17, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

3-321 Deleted December 2, 1998

3-322 Deleted XXXXXX

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 6/7/95)

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, pursuant to Section 3-207.

When more than one of the schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules. Renewal fees are applicable to all sources required to obtain permits to operate in accordance with District regulations. Renewal fees shall include any applicable major stationary source fees based on Schedule M, toxic inventory fees based on Schedule N, major facility review fees based on Schedule P, greenhouse gas fees based on Schedule T, refining emissions tracking fees based on Schedule W, and community air monitoring fees based on Schedule X. Where applicable, renewal fees shall be based on the current usage or emission levels that have been reported to or calculated by the District.

327.1 Renewal Processing Fee: In addition, the facility shall also pay a processing fee at the time of renewal that covers each Permit Renewal Period as follows:

- 1.1 \$128 for facilities with one permitted source, including gasoline dispensing facilities,
- 1.2 \$254 for facilities with 2 to 5 permitted sources,
- 1.3 \$506 for facilities with 6 to 10 permitted sources,
- 1.4 \$760 for facilities with 11 to 15 permitted sources,
- 1.5 \$1,009 for facilities with 16 to 20 permitted sources,

- 1.6 \$1,261 for facilities with more than 20 permitted sources.
- 327.2 **Assembly Bill 617 Community Health Impact Fee:** An owner/operator of a permitted facility subject to Schedule P (Major Facility Review Fees) shall pay an Assembly Bill 617 community health impact fee of 5.7 percent of the facility's total renewal fee, up to a maximum fee of \$126,279 per year per facility owner.
- 327.3 **Criteria Pollutant and Toxic Emissions Reporting (CTR):** The owner/operator of a permitted facility shall pay a CTR fee of 4.4 percent of the facility's total renewal fee, up to a maximum fee of \$63,140 per year.
- 327.4 **Overburdened Community renewal fee:** The owner/operator of a permitted facility in an Overburdened Community shall pay a fee of 15 percent of the facility's total renewal fee, up to a maximum fee of \$274,520 per year.
- 327.5 **Shutdown sources:** There is no refund for sources that shutdown during the permit to operate period of coverage.
(Adopted 6/7/00; Amended 6/2/04, 6/16/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/3/20, 6/16/21, 11/3/21, 6/15/22, 6/7/23, TBD)
- 3-328 Fee for OEHHA Risk Assessment Reviews:** Any facility that submits a health risk assessment to the District in accordance with Section 44361 of the California Health and Safety Code shall pay any fee requested by the State Office of Environmental Health Hazard Assessment (OEHHA) for reimbursement of that agency's costs incurred in reviewing the risk assessment.
(Adopted 6/7/00)
- 3-329 Fees for New Source Review Health Risk Assessment:** Any person required to submit a health risk assessment (HRA) pursuant to Regulation 2-5-401 shall pay an appropriate Risk Assessment Fee pursuant to Regulation 3-302 and Schedules B, C, D, E, F, H, I or K. In addition, any person that requests that the District prepare or review an HRA (e.g., for determination of permit exemption in accordance with Regulations 2-1-316, 2-5-301 and 2-5-302; or for determination of exemption from emission control requirements pursuant to Regulation 8-47-113 and 8-47-402) shall pay a Risk Assessment Fee. A Risk Assessment Fee shall be assessed for each source that is proposed to emit a toxic air contaminant (TAC) at a rate that exceeds a trigger level in Table 2-5-1: Toxic Air Contaminant Trigger Levels. If a project requires an HRA due to total project emissions, but TAC emissions from each individual source are less than the Table 2-5-1 trigger levels, a Risk Assessment Fee shall be assessed for the source in the project with the highest TAC emissions.
(Adopted 6/15/05; Amended 6/21/17)
- 3-330 Fee for Renewing an Authority to Construct:** An applicant seeking to renew an authority to construct in accordance with Regulation 2-1-407 shall pay a fee of 50% of the initial fee in effect at the time of the renewal. If the District determines that an authority to construct cannot be renewed, any fees paid under this section shall be credited in full against the fee for a new authority to construct for functionally equivalent equipment submitted within six months of the date the original authority to construct expires.
- 330.1 **Expired Authority to Construct:** If an applicant does not notify the District with their intent to renew the Authority to Construct prior to its expiration, the applicant shall pay \$103 per application in addition to any other fees under this section if eligible to renew.
(Adopted 6/15/05; Amended 6/7/23, TBD)
- 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. There is no refund for registered equipment/operations that shutdown during the period of coverage.
(Adopted 6/6/07; Amended 6/16/10, 6/7/23, TBD)
- 3-332 Naturally Occurring Asbestos Fees:** After July 1, 2007, any person required to submit or amend an Asbestos Dust Mitigation Plan (ADMP) pursuant to Title 17 of the California Code of Regulations, Section 93105, Asbestos Air Toxic Control Measure for Construction, Grading, Quarrying, and Surface Mining Operations shall pay the fee(s) set out in Schedule S.
(Adopted 6/6/07; Amended 6/5/19)
- 3-333 Major Facility Review (MFR) and Synthetic Minor Application Fees:** Any facility that applies for, or is required to undergo, an initial MFR permit, an amendment to an MFR permit, a minor or significant revision to an MFR permit, a reopening of an MFR permit, a renewal of an MFR permit, an initial synthetic minor operating permit, or a revision to a synthetic minor

operating permit, shall pay the applicable fees set forth in Schedule P.

(Adopted 5/21/08)

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

(Adopted 5/21/08)

3-335 Deleted XXX

3-336 Open Burning Operation Fees: Effective July 1, 2013, any person required to provide notification to the District prior to burning; submit a petition to conduct a Filmmaking or Public Exhibition fire; receive an acreage burning allocation to conduct a Stubble fire; or submit a smoke management plan and receive an acreage burning allocation to conduct a Wildland Vegetation Management (Prescribed Burning) fire or Marsh Management fire shall pay the fee given in Schedule V.

(Adopted 6/19/13; Amended 6/3/20)

3-337 Exemption Fee: An applicant who wishes to receive a certificate of exemption shall pay a filing fee of \$651 per exempt source.

(Adopted 6/19/13; Amended 6/4/14; 6/3/15, 6/21/17, 6/16/21, 6/15/22, 6/7/23)

3-338 Incident Response Fee: Any facility required to obtain a District permit, and any District-regulated area-wide or indirect source, that is the site where an incident occurs to which the District responds, shall pay a fee equal to the District's actual costs in conducting the incident response as defined in Section 3-243, including without limitation, the actual time and salaries, plus overhead, of the District staff involved in conducting the incident response and the cost of any materials.

(Adopted 6/19/13)

3-339 Refining Emissions Tracking Fees: Any person required to submit an Annual Emissions Inventory, Monthly Crude Slate Report, or air monitoring plan in accordance with Regulation 12, Rule 15 shall pay the applicable fees set forth in Schedule W.

(Adopted 6/15/16, Amended 11/03/21)

3-340 Major Stationary Source Community Air Monitoring Fees: Any major stationary source emitting 35 tons per year of organic compounds, sulfur oxides, nitrogen oxides, carbon monoxide or PM₁₀ shall pay a community air monitoring fee based on Schedule X. This fee is in addition to permit and other fees otherwise authorized to be collected from such facilities and shall be included as part of the annual permit renewal fees.

(Adopted 6/15/16)

3-341 Fee for Risk Reduction Plan: Any person required to submit a Risk Reduction Plan in accordance with Regulation 11, Rule 18 shall pay the applicable fees set forth below:

- 341.1 \$1,998 for facilities with one source subject to risk reduction pursuant to Regulation 11, Rule 18, including gasoline dispensing facilities;
- 341.2 \$3,996 for facilities with 2 to 5 sources subject to risk reduction pursuant to Regulation 11, Rule 18;
- 341.3 \$7,990 for facilities with 6 to 10 sources subject to risk reduction pursuant to Regulation 11, Rule 18;
- 341.4 \$15,981 for facilities with 11 to 15 sources subject to risk reduction pursuant to Regulation 11, Rule 18;
- 341.5 \$31,962 for facilities with 16 to 20 sources subject to risk reduction pursuant to Regulation 11, Rule 18;
- 341.6 \$42,615 for facilities with more than 20 sources subject to risk reduction pursuant to Regulation 11, Rule 18.

(Adopted 6/21/17, Amended 6/5/19, 6/3/20, 6/16/21, 6/15/22, 6/7/23, TBD)

3-342 Fee for Facility-Wide Health Risk Assessment: Any person required to undergo a health risk assessment (HRA) to assess compliance with the Regulation 11, Rule 18 risk action levels shall pay a risk assessment fee for each source pursuant to Regulation 3-329 and Schedules B, C, D, E, F, H, I or K. The maximum fee required for any single HRA of a facility conducted pursuant to Regulation 11, Rule 18 shall not exceed a total of \$199,758.

If a facility retains a District-approved consultant to complete the required facility-wide HRA, the facility shall pay a fee to cover the District's costs of performing the review of the facility-wide HRA, including the costs of any outside consulting assistance which the District may

employ in connection with any such review, as well as the District's reasonable internal costs (including overhead) of processing, reviewing, or approving the facility-wide HRA. The total HRA review cost shall be determined based on the District's actual review time in hours multiplied by an hourly charge of \$273 per hour. Facilities shall pay an HRA review fee as indicated below and the District's cost exceeding the applicable HRA review fees indicated below for performing the review of the facility-wide HRA:

342.1 \$3,278 for facilities with one to 10 sources subject to risk reduction pursuant to Regulation 11, Rule 18, including gasoline dispensing facilities;

342.2 \$8,789 for facilities with 11 to 50 sources subject to risk reduction pursuant to Regulation 11, Rule 18;

342.3 \$18,645 for facilities with more than 50 sources subject to risk reduction pursuant to Regulation 11, Rule 18.

The District shall refund to the applicant the portion of any fee paid under this Section that exceeds the District's cost of performing the review of the facility-wide HRA.

(Adopted 6/21/17; Amended 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

3-343 Fees for Air Dispersion Modeling: An applicant for an Authority to Construct or Permit to Operate shall pay, in addition to the fees required under Section 3-302 and 3-329 and in any applicable schedule, the District's costs of performing any air dispersion modeling needed to determine compliance with any District regulatory requirement. The total air dispersion modeling fee cost shall be determined based on the District's actual review time in hours multiplied by an hourly charge of \$273 per hour. This fee shall also apply for costs incurred in reviewing air dispersion modeling submittals by applicants and the costs of any outside consulting assistance which the District may employ in connection with the preparation of any such evaluation or documentation, as well as the District's reasonable internal costs (including overhead) of processing, reviewing, or approving the air dispersion modeling.

(Adopted 6/5/19; Amended 6/16/21, 6/15/22)

3-344 Rounding: Each fee will be rounded to the nearest dollar.

(Adopted 6/15/22)

3-345 Evaluation of Plans, Regulation 6: For any plan required in any rule in Regulation 6, the requestor shall pay the following fees:

345.1 A filing fee of \$651; and

345.2 An initial fee equivalent to the total actual and reasonable time incurred by District staff at the hourly rate or prorated of \$199 per hour not to exceed the minimum initial fee(s) in the schedule for the applicable source(s).

(Adopted 6/7/23, TBD)

3-346 Request for a Petition, Regulation 8: For any petition required in any rule in Regulation 8, the requestor shall pay the following fees:

346.1 A filing fee of \$651; and

346.2 An initial fee equivalent to the total actual and reasonable time incurred by District staff at the hourly rate or prorated of \$199 per hour not to exceed the minimum initial fee in Schedule E.

(Adopted 6/7/23, TBD)

3-347 Evaluation of Reports, Organic Waste Recovery Sites: For the evaluation of any report not currently specified in Schedule K as required by federal, state or Air District rule, the owner/operator shall pay the following fees:

347.1 A filing fee of \$651; and

347.2 An initial fee equivalent to the total actual and reasonable time incurred by District staff at the hourly rate or prorated of \$199 per hour.

(Adopted 6/7/23, TBD)

3-400 ADMINISTRATIVE REQUIREMENTS

3-401 Permits: Definitions, standards, and conditions contained in Regulation 2, Permits, are applicable to this regulation.

3-402 Single Anniversary Date: The APCO may assign a single anniversary date to a facility on which all its renewable permits to operate expire and will require renewal. Fees will be prorated to compensate for different time periods resulting from change in anniversary date.

3-403
3-404
3-405

Change in Operating Parameters: See Section 2-1-404 of Regulation 2, Rule 1.
Deleted June 7, 2000

Fees Not Paid: If an applicant or owner/operator fails to pay the fees specified on the invoice by the due date, the following procedure(s) shall apply:

- 405.1 Authority to Construct: The application will be cancelled but can be reactivated upon payment of fees.
- 405.2 New Permit to Operate: The Permit to Operate shall not be issued, and the facility will be notified that operation, including startup, is not authorized.
 - 2.1 Fees received during the first 30 days following the due date must include a late fee equal to 10 percent of all fees specified on the invoice.
 - 2.2 Fees received more than 30 days after the due date must include a late fee equal to 25 percent of all fees specified on the invoice.
- 405.3 Renewal of Permit to Operate: The owner/operator of a facility must renew the Permit to Operate in order to continue to be authorized to operate the source. Permit to Operate Fees for the Permit Renewal Period shall be calculated using fee schedules in effect on the Permit to Operate Renewal Date. The permit renewal invoice will include all fees to be paid in order to renew the Permit to Operate, as specified in Section 3-327. If not renewed as of the date of the next Permit Renewal Period, a Permit to Operate lapses and further operation is no longer authorized. The District will notify the facility that the permit has lapsed. Reinstatement of lapsed Permits to Operate will require the payment of all unpaid prior Permit to Operate fees and associated reinstatement fees for each unpaid prior Permit Renewal Period, in addition to all fees specified on the permit renewal invoice.
- 405.4 Reinstatement of Lapsed Permit to Operate: To reinstate a Permit to Operate, the owner/operator must pay all of the following fees:
 - 4.1 The applicable Permit to Operate Fees for the current year, as specified in Regulation 3-327, and the applicable reinstatement fee, if any, calculated as follows:
 - 4.1.1 Fees received during the first 30 days following the due date must include all fees specified on the permit renewal invoice plus a reinstatement fee equal to 10 percent of all fees specified on the invoice.
 - 4.1.2 Fees received more than 30 days after the due date, but less than one year after the due date, must include all fees specified on the permit renewal invoice plus a reinstatement fee equal to 25 percent of all fees specified on the invoice.
 - 4.2 The applicable Permit to Operate Fees specified in Regulation 3-327 for each prior Permit Renewal Period for which all Permit to Operate Fees and associated reinstatement fees have not been paid. Each year's Permit to Operate Fee shall be calculated at the fee rates in effect on that year's Permit to Operate Renewal Date. The reinstatement fee for each associated previously-unpaid Permit to Operate Fee shall be calculated in accordance with Regulation 3-405.4.1 and 4.1.2.

Each year or period of the lapsed Permit to Operate is deemed a separate Permit Renewal Period. The oldest outstanding Permit to Operate Fee and reinstatement fees shall be paid first.
- 405.5 Registration and Other Fees: Persons who have not paid the fee by the invoice due date, shall pay the following late fee in addition to the original invoiced fee. Fees shall be calculated using fee schedules in effect at the time of the fees' original determination.
 - 5.1 Fees received during the first 30 days following the due date must include an additional late fee equal to 10 percent of all fees specified on the invoice.
 - 5.2 Fees received more than 30 days after the due date must include an additional late fee equal to 25 percent of all fees specified on the invoice.

(Amended 7/6/83, 6/4/86, 11/5/86, 2/15/89, 6/6/90, 7/3/91, 8/2/95, 12/2/98, 6/15/05, 6/7/06, 6/6/12, 6/19/13, 6/4/14, 6/6/18, 6/5/19, 6/7/23)

3-406 Deleted June 4, 1986

- 3-407 Deleted August 2, 1995**
- 3-408 Permit to Operate Valid for 12 Months:** A Permit to Operate is valid for 12 months from the date of issuance or other time period as approved by the APCO.
(Adopted 6/4/86; Amended 6/7/00)
- 3-409 Deleted June 7, 2000**
- 3-410 Deleted August 2, 1995**
- 3-411 Advance Deposit of Funds:** The APCO may require that at the time of the filing of an application for an Authority to Construct for a project for which the District is a lead agency under the California Environmental Quality Act (Public Resources Code, Section 21000, et seq.), the applicant shall make an advance deposit of funds, in an amount to be specified by the APCO, to cover the costs which the District estimates to incur in connection with the District's performance of its environmental evaluation and the preparation of any required environmental documentation. In the event the APCO requires such an estimated advance payment to be made, the applicant will be provided with a full accounting of the costs actually incurred by the District in connection with the District's performance of its environmental evaluation and the preparation of any required environmental documentation.
(Adopted 12/18/85; Amended 8/2/95)
- 3-412 Deleted December 2, 1998**
- 3-413 Toxic "Hot Spots" Information and Assessment Act Revenues:** The APCO shall transmit to the California Air Resources Board, for deposit into the Air Toxics "Hot Spots" Information and Assessment Fund, the revenues determined by the ARB to be the District's share of statewide Air Toxics "Hot Spot" Information and Assessment Act expenses.
(Adopted 10/21/92; Amended 6/7/23)
- 3-414 Deleted December 2, 1998**
- 3-415 Failure to Pay - Further Actions:** When an applicant or owner/operator fails to pay the fees specified on the invoice by the due date, the APCO may take the following actions against the applicant or owner/operator:
- 415.1 Issuance of a Notice to Comply.
 - 415.2 Issuance of a Notice of Violation.
 - 415.3 Revocation of an existing Permit to Operate. The APCO shall initiate proceedings to revoke permits to operate for any person who is delinquent for more than one month. The revocation process shall continue until payment in full is made or until permits are revoked.
 - 415.4 The withholding of any other District services as deemed appropriate until payment in full is made.
(Adopted 8/2/95; Amended 12/2/98, 6/15/05)
- 3-416 Adjustment of Fees:** The APCO or designees may, upon finding administrative error by District staff in the calculation, imposition, noticing, invoicing, and/or collection of any fee set forth in this rule, rescind, reduce, increase, or modify the fee. A request for such relief from an administrative error, accompanied by a statement of why such relief should be granted, must be received within two years from the date of payment.
(Adopted 10/8/97)
- 3-417 Temporary Amnesty for Unpermitted and Unregistered Sources:** The APCO has the authority to declare an amnesty period, during which the District may waive all or part of the back fees and/or late fees for sources that are currently operating without valid Permits to Operate and/or equipment registrations.
(Adopted 6/16/10)
- 3-418 Temporary Incentive for Online or Electronic Transactions:** The APCO has the authority to declare an incentive period for transactions made using the online system or other electronic processes, during which the District may waive all or any part of the fees for these transactions.
(Adopted 6/6/18; Amended 6/7/23)
- 3-419 Industry Compliance School:** The APCO may reduce fees by an amount deemed appropriate if the owner/operator of the source attends an Industry Compliance School sponsored by the District.
(Adopted 6/7/23)

**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	\$10,644 \$5,330	\$1,593 \$537	
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	\$6,391 \$3,191	\$1,593 \$537	
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	\$4,240 \$3,191	\$537 \$537	
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	\$4,240 \$3,191	\$537 \$537	
5.	For each application to revoke a variance	\$6,391	\$537	
6.	For each application for approval of a Schedule of Increments of Progress in accordance with §41703	\$4,240	\$537	
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	\$10,644 \$5,330	\$1,593 \$537	
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	\$6,391 \$3,191	\$1,593 \$537	
9.	For each Appeal (Permit, Banking, Title V).....	\$10,644 per hearing day	\$5,330 per hearing day	\$5,330 for entire appeal period
10.	For each application for intervention in accordance with Hearing Board Rules §§2.3, 3.6 & 4.6.....	\$5,330	\$1,072	
11.	For each application to Modify or Terminate an abatement order	\$10,644 per hearing day	\$5,330 per hearing day	
12.	For each application for an interim variance in accordance with §42351	\$5,330	\$1,072	
13.	For each application for an emergency variance in accordance with §42359.5.....	\$2,657	\$537	

		Large Companies	Small Business	Third Party
14.	For each application to rehear a Hearing Board decision in accordance with §40861	100% of previous fee charged	100% of previous fee charged	
15.	Excess emission fees	See Attachment I	See Attachment I	
16.	Miscellaneous filing fee for any hearing not covered above	\$5,330	\$1,593	\$1,593
17.	For each published Notice of Public Hearing	Cost of Publication	\$0	\$0
18.	Court Reporter Fee (to be paid only if Court Reporter required for hearing)	Actual Appearance and Transcript costs per hearing solely dedicated to one Docket	\$0	Actual Appearance and Transcript costs per hearing solely dedicated to one Docket

NOTE 1 Any applicant who believes they have a hardship for payment of fees may request a fee waiver from the Hearing Board pursuant to Hearing Board Rules.

(Amended 10/8/97, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

**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 \$8.86 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 Arsenic (inorganic) Asbestos Benzene Beryllium 1,3-Butadiene Cadmium Carbon tetrachloride Chlorinated dioxins and dibenzofurans (15 species) Diesel exhaust particulate matter 1,4-Dioxane Ethylene dibromide Ethylene dichloride Ethylene oxide Formaldehyde Hexavalent chromium Lead Methylene chloride Nickel Perchloroethylene Polynuclear aromatic hydrocarbons (PAH) Trichloroethylene Vinyl chloride	All at \$44.11 per pound

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

For each source with opacity emissions in excess of twenty percent (20%), but less than forty percent (40%) (where the source is in violation of Regulation 6 and California Health and Safety Code Section 41701), the fee is calculated as follows:

$$\text{Fee} = (\text{Opacity}^* \text{ equivalent} - 20) \times \text{number of days allowed in variance} \times \$7.88$$

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

$$\text{Fee} = (\text{Opacity}^* \text{ equivalent} - 40) \times \text{number of days allowed by variance} \times \$7.88$$

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

(Adopted 6/7/00; Amended 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/7/23, TBD)

**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: \$104.36 per MM BTU/HOUR
 - a. The minimum fee per source is: \$557
 - b. The maximum fee per source is: \$194,686
2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$651 plus \$104.36 per MM BTU/hr
 - b. Minimum RAF for first TAC source: \$1,341
 - c. RAF for each additional TAC source: \$104.36 per MM BTU/hr*
 - d. Minimum RAF per additional TAC source: \$557*
 - e. Maximum RAF per source is: \$194,686
 - * RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$52.18 per MM BTU/HOUR
 - a. The minimum fee per source is: \$396
 - b. The maximum fee per source is: \$97,343
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.
5. Applicants for an authority to construct and permit to operate a project, which burns municipal waste or refuse-derived fuel, shall pay in addition to all required fees, an additional fee to cover the costs incurred by the State Department of Health Services, and/or a qualified contractor designated by the State Department of Health Services, in reviewing a risk assessment as required under H&S Code Section 42315. The fee shall be transmitted by the District to the Department of Health Services and/or the qualified contractor upon completion of the review and submission of comments in writing to the District.
6. A surcharge equal to 100% of all required initial and permit to operate fees shall be charged for sources permitted to burn one or more of the following fuels: coke, coal, wood, tires, black liquor, and municipal solid waste.

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

(Amended 6/5/85; 6/4/86, 3/4/87, 6/6/90, 7/3/91, 6/15/94, 10/8/97, 7/1/98, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

SCHEDULE C
STATIONARY CONTAINERS FOR THE STORAGE OF ORGANIC LIQUIDS
(Adopted June 18, 1980)

For each stationary container of organic liquids which is not exempted from permits by Regulation 2 and which is not part of a gasoline dispensing facility, the fee shall be computed based on the container volume, as follows:

1. INITIAL FEE: 0.185 cents per gallon
 - a. The minimum fee per source is: \$204
 - b. The maximum fee per source is: \$27,858

2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$651 plus 0.185 cents per gallon
 - b. Minimum RAF for first TAC source: \$678
 - c. RAF for each additional TAC source: 0.185 cents per gallon *
 - d. Minimum RAF per additional TAC source: \$204 *
 - e. Maximum RAF per source is: \$27,858

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE: 0.093 cents per gallon
 - a. The minimum fee per source is: \$147
 - b. The maximum fee per source is: \$13,928

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

(Amended 2/20/85, 6/5/85, 6/4/86, 7/3/91, 6/15/94, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/20/09, 6/16/10, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

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: \$367.80 per single product nozzle (spn)
\$367.80 per product for each multi-product nozzle (mpn)
2. PERMIT TO OPERATE FEE: \$140.88 per single product nozzle (spn)
\$140.88 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:

$$\$508.67 \times \left\{ \left[(mpn_{\text{proposed}})(\text{products per nozzle}) + spn_{\text{proposed}} \right] - \left[(mpn_{\text{existing}})(\text{products per nozzle}) + spn_{\text{existing}} \right] \right\}$$

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 ASSESSMENT FEE (RAF) if required pursuant to Regulation 3-329 or 3-342 (including increases in permitted throughput for which a health risk assessment is required.) of:
 - a. \$3,953 per application for a new gas dispensing facility
 - b. \$899 per application for all other
 5. Nozzles used exclusively for the delivery of diesel fuel or other fuels exempt from permits shall pay no fee. Multi-product nozzles used to deliver both exempt and non-exempt fuels shall pay fees for the non-exempt products only.
- B. All bulk plants, terminals or other facilities using loading racks to transfer gasoline or gasohol into trucks, railcars or ships shall pay the following fees:

1. INITIAL FEE: \$4,831 per single product loading arm
\$4,831 per product for multi-product arms
2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$5,470
 - b. RAF for each additional TAC source: \$4,831 *

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$1,346 per single product loading arm
\$1,346 per product for multi-product arms
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

C. Fees in (A) above are in lieu of tank fees. Fees in (B) above are in addition to tank fees.

(Amended 2/20/85, 6/5/85, 6/4/86, 7/3/91, 6/15/94, 10/8/97, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

SCHEDULE E
SOLVENT EVAPORATING SOURCES

(Adopted June 18, 1980)

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

1. INITIAL FEE:
 - a. The fee per source is: \$2,877 per 1,000 gallons
 - b. The minimum fee per source is: \$1,432
 - c. The maximum fee per source is: \$114,340

2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$651 plus initial fee
 - b. Minimum RAF for first TAC source: \$2,360
 - c. RAF for each additional TAC source: equal to initial fee *
 - d. Minimum RAF per additional TAC source: \$1,432 *
 - e. Maximum RAF per source is: \$114,340

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE:
 - a. The fee per source is: \$1,432 per 1,000 gallons
 - b. The minimum fee per source is: \$1,033
 - c. The maximum fee per source is: \$57,165

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

(Amended 5/19/82, 10/17/84, 6/5/85, 6/4/86, 10/8/87, 7/3/91, 6/15/94, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

**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: \$1,075
2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first (toxic air contaminant) TAC source in application: \$2,019
 - b. RAF for each additional TAC source: \$1,075*

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$782
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: \$8,731
2. RISK ASSESSMENT FEE (RAF) , if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$9,908
 - b. RAF for each additional TAC source: \$8,731*

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$4,359
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 perc59ent. 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: \$11,526
2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$12,703
 - b. RAF for each additional TAC source: \$11,526*

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$5,759
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

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

1. INITIAL FEE: \$60,825
2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$61,817
 - b. RAF for each additional TAC source: \$60,825 *

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE: \$30,407
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: \$152,403
2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$153,579
 - b. RAF for each additional TAC source: \$152,403*

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$76,197
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: \$68,415
2. RISK ASSESSMENT FEE (RAF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk assessment is required under Regulation 2-5-401.
 - a. RAF for first TAC source in application: \$69,025
 - b. RAF for each additional TAC source: \$68,415*

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$34,207
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

(Amended 5/19/82, 6/5/85, 6/4/86, 6/6/90, 7/3/91, 6/15/94, 10/8/97, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

SCHEDULE G-1
(Adopted June 18, 1980)

Equipment or Process Description	Materials Processed or Produced
Asphalt Roofing Manufacturing – Asphalt Dipping	Asphalt Roofing or Related Materials
Calcining Kilns, excluding those processing cement, lime, or coke (see G-4 for cement, lime, or coke Calcining Kilns)	Any Materials except cement, lime, or coke
Chemical Manufacturing, Inorganic – Processing Units with a Capacity of 1000 Gallons/Hour or more	Any Inorganic Materials
Chemical Manufacturing, Inorganic – Processing Units with a Capacity of 5 Tons/Hour or more	Any Inorganic Materials
Chemical Manufacturing, Inorganic – Reactors with a Capacity of 1000 Gallons or more	Any Inorganic Materials
Chemical Manufacturing, Organic – Latex Dipping	Any latex materials
Chemical Manufacturing, Organic – Processing Units with a Capacity of 1000 Gallons/Hour or more	Any Organic Materials
Chemical Manufacturing, Organic – Processing Units with a Capacity of 5 Tons/Hour or more	Any Organic Materials
Chemical Manufacturing, Organic – Reactors with a Capacity of 1000 Gallons or more	Any Organic Materials
Compost Operations – Windrows, Static Piles, Aerated Static Piles, In-Vessel, or similar methods	Any waste materials such as yard waste, food waste, agricultural waste, mixed green waste, bio-solids, animal manures, etc.
Crushers	Any minerals or mineral products such as rock, aggregate, cement, concrete, or glass; waste products such as building or road construction debris; and any wood, wood waste, green waste; or similar materials
Electroplating Equipment	Hexavalent Decorative Chrome with permitted capacity greater than 500,000 amp-hours per year or Hard Chrome
Foil Manufacturing – Any Converting or Rolling Lines	Any Metal or Alloy Foils
Galvanizing Equipment	Any
Glass Manufacturing – Batching Processes including storage and weigh hoppers or bins, conveyors, and elevators	Any Dry Materials
Glass Manufacturing – Mixers	Any Dry Materials
Glass Manufacturing – Molten Glass Holding Tanks	Any molten glass
Grinders	Any minerals or mineral products such as rock, aggregate, cement, concrete, or glass; waste products such as building or road construction debris; and any wood, wood waste, green waste; or similar materials
Incinerators – Crematory	Human and/or animal remains
Incinerators – Flares	Any waste gases
Incinerators – Other (see G-2 for hazardous or municipal solid waste incinerators, see G-3 for medical or infectious waste incinerators)	Any Materials except hazardous wastes, municipal solid waste, medical or infectious waste
Incinerators – Pathological Waste (see G-3 for medical or infectious waste incinerators)	Pathological waste only

Equipment or Process Description	Materials Processed or Produced
Loading and/or Unloading Operations – Bulk Plants and Bulk Terminals, excluding those loading gasoline or gasohol (see Schedule D for Bulk Plants and Terminals loading gasoline or gasohol)	Any Organic Materials except gasoline or gasohol
Refining – Alkylation Units	Any Hydrocarbons
Refining – Asphalt Oxidizers	Any Hydrocarbons
Refining – Benzene Saturation Units/Plants	Any Hydrocarbons
Refining – Catalytic Reforming Units	Any Hydrocarbons
Refining – Chemical Treating Units including alkane, naphthenic acid, and naptha merox treating, or similar processes	Any Hydrocarbons
Refining – Converting Units including Dimersol Plants, Hydrocarbon Splitters, or similar processes	Any Hydrocarbons
Refining – Distillation Units, excluding crude oil units with capacity > 1000 barrels/hour (see G-3 for > 1000 barrels/hour crude distillation units)	Any Hydrocarbons
Refining – Hydrogen Manufacturing	Hydrogen or Any Hydrocarbons
Refining – Hydrotreating or Hydrofining	Any Hydrocarbons
Refining – Isomerization	Any Hydrocarbons
Refining – MTBE Process Units/Plants	Any Hydrocarbons
Refining – Sludge Converter	Any Waste Materials
Refining – Solvent Extraction	Any Hydrocarbons
Refining – Sour Water Stripping	Any Process or Wastewater
Refining – Storage (enclosed)	Coke or Coke Products
Refining – Waste Gas Flares(not subject to Regulation 12, Rule 11)	Any Refining Gases
Refining – Miscellaneous Other Process Units	Any Hydrocarbons
Remediation Operations, Groundwater – Strippers	Contaminated Groundwater
Remediation Operations, Soil – Any Equipment (excluding sub-slab depressurization equipment)	Contaminated Soil
Spray Dryers	Any Materials
Sterilization Equipment	Ethylene Oxide
Wastewater Treatment, Industrial – Oil-Water Separators, excluding oil-water separators at refineries (see G-2 for Refining - Oil-Water Separators)	Wastewater from any industrial facilities except refineries
Wastewater Treatment, Industrial – Strippers including air strippers, nitrogen strippers, dissolved air flotation units, or similar equipment and excluding strippers at refineries (see G-2 for Refining – Strippers)	Wastewater from any industrial facilities except refineries
Wastewater Treatment, Industrial - Storage Ponds, excluding storage ponds at refineries (see G-2 for Refining – Storage Ponds)	Wastewater from any industrial facilities except refineries
Wastewater Treatment, Municipal – Preliminary Treatment	Municipal Wastewater
Wastewater Treatment, Municipal – Primary Treatment	Municipal Wastewater
Wastewater Treatment, Municipal – Digesters	Municipal Wastewater
Wastewater Treatment, Municipal – Sludge Handling Processes, excluding sludge incinerators (see G-2 for sludge incinerators)	Sewage Sludge

(Amended 6/4/86, 6/6/90, 5/19/99, 6/7/00, 6/2/04, 6/15/05, 6/6/18, 11/3/21)

SCHEDULE G-2
(Adopted June 6, 1990)

Equipment or Process Description	Materials Processed or Produced
Asphalt Roofing Manufacturing – Asphalt Blowing	Asphalt Roofing or Related Materials
Asphaltic Concrete Manufacturing – Aggregate Dryers	Any Dry Materials
Asphaltic Concrete Manufacturing – Batch Mixers	Any Asphaltic Concrete Products
Asphaltic Concrete Manufacturing – Drum Mixers	Any Asphaltic Concrete Products
Asphaltic Concrete Manufacturing – Other Mixers and/or Dryers	Any Dry Materials or Asphaltic Concrete Products
Concrete or Cement Batching Operations – Mixers	Any cement, concrete, or stone products or similar materials
Furnaces – Electric	Any Mineral or Mineral Product
Furnaces – Electric Induction	Any Mineral or Mineral Product
Furnaces – Glass Manufacturing	Soda Lime only
Furnaces – Reverberatory	Any Ores, Minerals, Metals, Alloys, or Related Materials
Incinerators – Hazardous Waste including any unit required to have a RCRA permit	Any Liquid or Solid Hazardous Wastes
Incinerators – Solid Waste, excluding units burning human/animal remains or pathological waste exclusively (see G-1 for Crematory and Pathological Waste Incinerators)	Any Solid Waste including Sewage Sludge (except human/animal remains or pathological waste)
Metal Rolling Lines, excluding foil rolling lines (see G-1 for Foil Rolling Lines)	Any Metals or Alloys
Metal Shredding (maximum capacity of less than or equal to 150 tons per hour)	Any Metals or Alloys
Refining – Stockpiles (open)	Coke or coke products only
Refining, Wastewater Treatment – Oil-Water Separators	Wastewater from refineries only
Refining, Wastewater Treatment – Strippers including air strippers, nitrogen strippers, dissolved air flotation units, or similar equipment	Wastewater from refineries only
Refining, Wastewater Treatment – Storage Ponds	Wastewater from refineries only
Pickling Lines or Tanks	Any Metals or Alloys
Sulfate Pulping Operations – All Units	Any
Sulfite Pulping Operations – All Units	Any

(Amended 6/7/00, 11/3/21, 6/7/23)

SCHEDULE G-3
(Adopted June 18, 1980)

Equipment or Process Description	Materials Processed or Produced
Furnaces – Electric Arc	Any Metals or Alloys
Furnaces – Electric Induction	Any Metals or Alloys
Incinerators – Medical Waste, excluding units burning pathological waste exclusively (see G-1 for Pathological Waste Incinerators)	Any Medical or Infectious Wastes
Loading and/or Unloading Operations – Marine Berths	Any Organic Materials
Metal Shredding (maximum capacity greater than 150 tons per hour)	Any Metals or Alloys
Refining – Cracking Units including hydrocrackers and excluding thermal or fluid catalytic crackers (see G-4 for Thermal Crackers and Catalytic Crackers)	Any Hydrocarbons
Refining – Distillation Units (crude oils) including any unit with a capacity greater than 1000 barrels/hour (see G-1 for other distillation units)	Any Crude Oils
Phosphoric Acid Manufacturing – All Units (by any process)	Phosphoric Acid

(Amended 5/19/82; Amended and renumbered 6/6/90; Amended 6/7/00, 6/15/05, 5/2/07, 11/3/21, 6/7/23)

SCHEDULE G-4
(Adopted June 6, 1990)

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

(Amended 6/7/00, 11/3/21)

SCHEDULE G-5

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

(Adopted 5/2/07; Amended 11/3/21)

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

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

1. INITIAL FEE:

- a. The minimum fee per source is: \$1,249
- b. The maximum fee per source is: \$99,895

The initial fee includes fees for each type of operation listed in Parts 1c and 1d performed at the fabrication area. If the type of solvent operation is not listed in Parts 1c and 1d, then the minimum fee applies.

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):

\$844 per 1,000 gallon

d. COATING OPERATIONS, such as application of:

Photoresist (as defined in Regulation 8-30-215); other wafer coating;
Solvent-Based Photoresist Developer (as defined in Regulation 8-30-219); and other miscellaneous solvent usage.

The fee is based on the gross throughput of organic solvent processed through the coating operations on an annual basis (or anticipated to be processed, for new sources):

\$2,507 per 1,000 gallon

2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.

- a. RAF for first toxic air contaminant (TAC) source in application: \$651 plus initial fee
- b. Minimum RAF for first TAC source: \$2,171
- c. RAF for each additional TAC source: equal to initial fee *
- d. Minimum RAF per additional TAC source: \$1,249*
- e. Maximum RAF per source is: \$99,895

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE:

- a. The minimum fee per source is: \$903
- b. The maximum fee per source is: \$49,939

The permit to operate fee includes fees for each type of operation listed in Parts 3c and 3d performed at the fabrication area. If the type of solvent operation is not listed in Parts 3c and 3d, then the minimum fee applies.

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):

\$424 per 1,000 gallon

d. COATING OPERATIONS, such as application of:

Photoresist (as defined in Regulation 8-30-215); other wafer coating;
Solvent-Based Photoresist Developer (as defined in Regulation 8-30-219); and other miscellaneous solvent usage.

The fee is based on the gross throughput of organic solvent processed through the coating operations on an annual basis (or anticipated to be processed, for new sources):

\$1,249 per 1,000 gallon

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

(Amended 1/9/85, 6/5/85, 6/4/86, 7/3/91, 6/15/94, 10/8/97, 7/1/98, 5/19/99, 10/20/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

**SCHEDULE I
 DRY CLEANERS
 (Adopted July 6, 1983)**

For permitted 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: \$769
 - b. If the washing or drying capacity exceeds 100 pounds: \$769 plus
 For that portion of the capacity exceeding 100 pounds: \$22.00 per pound

2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$651 plus initial fee
 - b. Minimum RAF for first TAC source: \$1,367
 - c. RAF for each additional TAC source: equal to initial fee*
 - d. Minimum RAF per additional TAC source: \$769*

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE FOR A DRY CLEANING MACHINE (per drum):
 - a. If the washing or drying capacity is no more than 100 pounds: \$561
 - b. If the washing or drying capacity exceeds 100 pounds: \$561 plus
 For that portion of the capacity exceeding 100 pounds: \$11.36 per pound

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

(Amended 10/17/84, 6/5/85, 6/4/86, 7/3/91, 6/15/94, 10/8/97, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/02/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/15/22, 6/7/23, TBD)

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

1. INITIAL FEE:
 - a. Landfill (Decomposition Process) 10,158
 - b. Active Landfill (Waste and Cover Material Dumping Process) \$5,077
 - c. Active Landfill (Excavating, Bulldozing, and Compacting Processes) \$5,077

2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$651 plus initial fee
 - b. RAF for each additional TAC source: equal to initial fee*

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE:
 - a. Landfill (Decomposition Process) \$5,077
 - b. Active Landfill (Waste and Cover Material Dumping Process) \$2,538
 - c. Active Landfill (Excavating, Bulldozing, and Compacting Processes) \$2,538

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) \$5,597
 - b. Evaluation of Inactive Site Questionnaire as required by Health & Safety Code Section 41805.5(b) \$2,806
 - c. Evaluation of Solid Waste Air Assessment Test Report in conjunction with evaluation of Inactive Site Questionnaire as required by Health & Safety Code Section 41805.5(b) \$2,806
 - d. Evaluation of Initial or Amended Design Capacity Reports as required by Regulation 8, Rule 34, Section 405 \$2,064
 - e. Evaluation of Initial or Periodic NMOC Emission Rate Reports as required by Regulation 8, Rule 34, Sections 406 or 407 \$5,902
 - f. Evaluation of Closure Report as required by Regulation 8, Rule 34, Section 409 \$2,064
 - g. Evaluation of Annual Report as required by Regulation 8, Rule 34, Section 411 \$5,165

6. For the purposes of this fee schedule, landfill shall be considered active, if it has accepted solid waste for disposal at any time during the previous 12 months or has plans to accept solid waste for disposal during the next 12 months.

(Amended 7/3/91, 6/15/94, 10/8/97, 7/1/98, 5/19/99, 10/6/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

SCHEDULE L
ASBESTOS OPERATIONS
(Adopted July 6, 1988)

1. Asbestos Operations conducted at single family dwellings are subject to the following fees:
 - a. OPERATION FEE: \$185 for amounts 100 to 500 square feet or linear feet.
 \$679 for amounts 501 square feet or linear feet to 1000 square feet or linear feet.
 \$988 for amounts 1001 square feet or liner feet to 2000 square feet or linear feet.
 \$1,358 for amounts greater than 2000 square feet or linear feet.
 - b. Cancellation: \$90 of above amounts non-refundable for notification processing.

2. Asbestos Operations, other than those conducted at single family dwellings, are subject to the following fees:
 - a. OPERATION FEE: \$524 for amounts 100 to 159 square feet or 100 to 259 linear feet or 35 cubic feet
 \$754 for amounts 160 square feet or 260 linear feet to 500 square feet or linear feet or greater than 35 cubic feet.
 \$1,098 for amounts 501 square feet or linear feet to 1000 square feet or linear feet.
 \$1,620 for amounts 1001 square feet or liner feet to 2500 square feet or linear feet.
 \$2,309 for amounts 2501 square feet or linear feet to 5000 square feet or linear feet.
 \$3,169 for amounts 5001 square feet or linear feet to 10000 square feet or linear feet.
 \$4,031 for amounts greater than 10000 square feet or linear feet.
 - b. Cancellation: \$248 of above amounts non-refundable for notification processing.

3. Demolitions (including zero asbestos demolitions) conducted at a single-family dwelling are subject to the following fee:
 - a. OPERATION FEE: \$90
 - b. Cancellation: \$90 (100% of fee) non-refundable, for notification processing.

4. Demolitions (including zero asbestos demolitions) other than those conducted at a single family dwelling are subject to the following fee:
 - a. OPERATION FEE: \$372
 - b. Cancellation: \$248 of above amount non-refundable for notification processing.

5. Asbestos operations with less than 10 days prior notice (excluding emergencies) are subject to the following additional fee:
 - a. OPERATION FEE: \$619

6. Asbestos demolition operations for the purpose of fire training are exempt from fees.

(Amended 9/5/90, 1/5/94, 8/20/97, 10/7/98, 7/19/00, 8/1/01, 6/5/02, 7/2/03, 6/2/04, 6/6/07, 5/21/08, 5/20/09, 6/16/10, 6/15/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16,6/5/19)

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

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

- | | | |
|----|-------------------|------------------|
| 1. | Organic Compounds | \$159.60 per ton |
| 2. | Sulfur Oxides | \$159.60 per ton |
| 3. | Nitrogen Oxides | \$159.60 per ton |
| 4. | PM ₁₀ | \$159.60 per ton |

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

(Amended 7/3/91, 6/15/94, 7/1/98, 5/9/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

SCHEDULE N
TOXIC INVENTORY FEES
(Adopted October 21, 1992)

For each stationary source emitting substances covered by California Health and Safety Code Section 44300 *et seq.*, the Air Toxics "Hot Spots" Information and Assessment Act of 1987, which have trigger levels listed in Table 2-5-1, a fee based on the weighted emissions of the facility shall be assessed based on the following formulas:

1. A fee of \$7.44 for each gasoline product dispensing nozzle in a Gasoline Dispensing Facility;
or
2. A fee calculated by multiplying the facility's weighted toxic inventory (w_i) by the following factor:

Air Toxic Inventory Fee Factor	\$1.13 per weighted pound per year
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Using the last reported data, the facility's weighted toxic inventory (w_i) is calculated as a sum of the individual TAC emissions multiplied by either the inhalation cancer potency factor for the TAC (see Regulation 2, Rule 5, Table 2-5-1, column 10) times 28.6 if the emission is a carcinogen, or by the reciprocal of the chronic inhalation reference exposure level for the TAC (see Regulation 2, Rule 5, Table 2-5-1, column 8) if the emission is not a carcinogen.

(Amended 12/15/93, 6/15/05, 5/2/07, 6/16/10, 5/4/11, 6/4/14, 6/3/15, 6/15/16, 6/6/18, 6/5/19, 6/3/20, 6/16/21, 6/15/22, 6/7/23)

SCHEDULE P
MAJOR FACILITY REVIEW FEES
(Adopted November 3, 1993)

1. MFR / SYNTHETIC MINOR ANNUAL FEES

Each facility, which is required to undergo major facility review in accordance with the requirements of Regulation 2, Rule 6, shall pay annual fees (1a and 1b below) for each source holding a District Permit to Operate. These fees shall be in addition to and shall be paid in conjunction with the annual renewal fees paid by the facility. However, these MFR permit fees shall not be included in the basis to calculate Alternative Emission Control Plan (bubble) or toxic air contaminant surcharges. If a major facility applies for and obtains a synthetic minor operating permit, the requirement to pay the fees in 1a and 1b shall terminate as of the date the APCO issues the synthetic minor operating permit.

- a. MFR SOURCE FEE\$1,308 per source
- b. MFR EMISSIONS FEE..... \$51.44 per ton of regulated air pollutants emitted

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

- c. MFR/SYNTHETIC MINOR MONITORING FEE\$13,067 per monitor per pollutant

2. SYNTHETIC MINOR APPLICATION FEES

Each facility that applies for a synthetic minor operating permit or a revision to a synthetic minor operating permit shall pay application fees according to 2a and either 2b (for each source holding a District Permit to Operate) or 2c (for each source affected by the revision). If a major facility applies for a synthetic minor operating permit prior to the date on which it would become subject to the annual major facility review fee described above, the facility shall pay, in addition to the application fee, the equivalent of one year of annual fees for each source holding a District Permit to Operate.

- a. SYNTHETIC MINOR FILING FEE \$1,820 per application
- b. SYNTHETIC MINOR INITIAL PERMIT FEE \$1,308 per source
- c. SYNTHETIC MINOR REVISION FEE..... \$1,308 per source modified

3. MFR APPLICATION FEES

Each facility that applies for or is required to undergo: an initial MFR permit, an amendment to an MFR permit, a minor or significant revision to an MFR permit, a reopening of an MFR permit or a renewal of an MFR permit shall pay, with the application and in addition to any other fees required by this regulation, the MFR filing fee and any applicable fees listed in 3b-h below. The fees in 3b apply to each source in the initial permit. The fees in 3g apply to each source in the renewal permit, The fees in 3d-f apply to each source affected by the revision or reopening.

- a. MFR FILING FEE \$1,820 per application
- b. MFR INITIAL PERMIT FEE \$1,820 per source
- c. MFR ADMINISTRATIVE AMENDMENT FEE \$515 per application
- d. MFR MINOR REVISION FEE \$2,584 per source modified
- e. MFR SIGNIFICANT REVISION FEE \$4,817 per source modified
- f. MFR REOPENING FEE \$1,580 per source modified
- g. MFR RENEWAL FEE \$768 per source

Each facility that requests a permit shield or a revision to a permit shield under the provisions of Regulation 2, Rule 6 shall pay the following fee for each source (or group of sources, if the requirements for these sources are grouped together in a single table in the MFR permit) that is covered by the requested shield. This fee shall be paid in addition to any other applicable fees.

- h. MFR PERMIT SHIELD FEE \$2,721 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 \$22,239

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 \$311 per source, not to exceed \$30,572

(Amended 6/15/94, 10/8/97, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

**SCHEDULE R
EQUIPMENT REGISTRATION FEES**

1. Persons operating commercial cooking equipment who are required to register equipment as required by District rules are subject to the following fees:
 - a. Conveyorized Charbroiler REGISTRATION FEE: \$744 per facility
 - b. Conveyorized Charbroiler ANNUAL RENEWAL FEE: \$209 per facility
 - c. Under-fired Charbroiler REGISTRATION FEE: \$744 per facility
 - d. Under-fired Charbroiler ANNUAL RENEWAL FEE: \$209 per facility

2. Persons operating non-halogenated dry cleaning equipment who are required to register equipment as required by District rules are subject to the following fees:
 - a. Dry Cleaning Machine REGISTRATION FEE: \$371
 - b. Dry Cleaning Machine ANNUAL RENEWAL FEE: \$259

3. Persons operating diesel engines who are required to register equipment as required by District or State rules are subject to the following fees:
 - a. Diesel Engine REGISTRATION FEE: \$250
 - b. Diesel Engine ANNUAL RENEWAL FEE: \$166
 - c. Diesel Engine ALTERNATIVE COMPLIANCE PLAN FEE (for each plan submitted under District Regulation 11-17-402): \$250

4. Persons operating boilers, steam generators and process heaters who are required to register equipment by District Regulation 9-7-404 are subject to the following fees:
 - a. REGISTRATION FEE \$137 per device
 - b. ANNUAL RENEWAL FEE: \$115 per device

5. Persons owning or operating graphic arts operations who are required to register equipment by District Regulation 8-20-408 are subject to the following fees:
 - a. REGISTRATION FEE: \$446
 - b. ANNUAL RENEWAL FEE: \$278

6. Persons owning or operating mobile refinishing operations who are required to register by District Regulation 8-45-4 are subject to the following fees:
 - a. REGISTRATION FEE \$209
 - b. ANNUAL RENEWAL FEE \$123

(Adopted 7/6/07, Amended 12/5/07, 5/21/08, 7/30/08, 11/19/08, 12/3/08, 5/20/09, 6/16/10, 6/15/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18)

SCHEDULE S
NATURALLY OCCURRING ASBESTOS OPERATIONS

1. ASBESTOS DUST MITIGATION PLAN INITIAL REVIEW AND AMENDMENT FEES:

Any person submitting an Asbestos Dust Mitigation Plan (ADMP) for initial review of a Naturally Occurring Asbestos (NOA) project shall pay the following fee (including NOA Discovery Notifications which would trigger an ADMP review): \$1,111

Any person submitting a request to amend an existing ADMP shall pay the following fee: \$569

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: \$8,570

3. GEOLOGIC EVALUATION FEE:

Any person submitting a Geologic Evaluation for exemption from Section 93105 shall pay the following fee: \$4,232

4. INSPECTION FEES:

a. The owner of any property for which an ADMP is required shall pay fees to cover the costs incurred by the District in conducting inspections to determine compliance with the ADMP on an ongoing basis. Inspection fees shall be invoiced by the District on a quarterly basis, and at the conclusion of dust generating activities covered under the ADMP, based on the actual time spent in conducting such inspections, and the following time and materials rate: \$213 per hour

b. The owner of any property for which Geologic Evaluation is required shall pay fees to cover the costs incurred by the District. Inspection fees shall be invoiced by the District, based on the actual time spent in conducting such inspections, and the following time and materials rate: \$213 per hour

(Adopted 6/6/07; Amended 5/21/08, 5/20/09, 6/16/10, 6/15/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

**SCHEDULE T
GREENHOUSE GAS FEES**

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

1. Carbon Dioxide Equivalent (CDE) Emissions \$0.174 per metric ton

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

Global Warming Potential Relative to Carbon Dioxide*

GHG	CAS Registry Number	GWP**
Carbon Dioxide	124-38-9	1
Methane	74-82-8	34
Nitrous Oxide	10024-97-2	298
Nitrogen Trifluoride	7783-54-2	17,885
Sulfur Hexafluoride	2551-62-4	26,087
HCFC-22	75-45-6	2,106
HCFC-123	306-83-2	96
HCFC-124	2837-89-0	635
HCFC-141b	1717-00-6	938
HCFC-142b	75-68-3	2,345
HCFC-225ca	422-56-0	155
HCFC-225cb	507-55-1	633
HFC-23	75-46-7	13,856
HFC-32	75-10-5	817
HFC-125	354-33-6	3,691
HFC-134a	811-97-2	1,549
HFC-143a	420-46-2	5,508
HFC-152a	75-37-6	167
HFC-227ea	431-89-0	3,860
HFC-236fa	690-39-1	8,998
HFC-245fa	460-73-1	1,032
HFC-365mfc	406-58-6	966
HFC-43-10-mee	138495-42-8	1,952
PFC-14	75-73-0	7,349
PFC-116	76-16-4	12,340
PFC-218	76-19-7	9,878
PFC-318	115-25-3	10,592

* Source: Myhre, G., et al., 2013: Anthropogenic and Natural Radiative Forcing (and Supplementary Material). In: Climate Change 2013: The Physical Science Basis. Contribution of Working Group I to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Stocker, T.F., et al. (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA. Available from www.ipcc.ch.

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

(Adopted 5/21/08; Amended 5/20/09, 6/16/10, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18,6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

**SCHEDULE V
OPEN BURNING**

1. Any prior notification required by Regulation 5, Section 406 is subject to the following fee:
 - a. OPERATION FEE: \$199
 - b. The operation fee paid as part of providing notification to the District prior to burning will be determined for each property, as defined in Regulation 5, Section 217, and will be valid for one year from the fee payment date when a given fire is allowed, as specified in Regulation 5, Section 401 for the following fires:

Regulation 5 Section – Fire	Burn Period
401.1 - Disease and Pest	January 1 – December 31
401.2 - Crop Replacement ¹	October 1 – April 30
401.3 - Orchard Pruning and Attrition ²	November 1 – April 30
401.4 - Double Cropping Stubble	June 1 – August 31
401.6 - Hazardous Material ¹	January 1 – December 31
401.7 - Fire Training	January 1 – December 31
401.8 - Flood Debris	October 1 – May 31
401.9 - Irrigation Ditches	January 1 – December 31
401.10 - Flood Control	January 1 – December 31
401.11 - Range Management ¹	July 1 – April 30
401.12 - Forest Management ¹	November 1 – April 30
401.14 - Contraband	January 1 – December 31

¹ Any Forest Management fire, Range Management fire, Hazardous Material fire not related to Public Resources Code 4291, or any Crop Replacement fire for the purpose of establishing an agricultural crop on previously uncultivated land, that is expected to exceed 10 acres in size or burn piled vegetation cleared or generated from more than 10 acres is defined in Regulation 5, Section 213 as a type of Prescribed Burning and, as such, is subject to the Prescribed Burning operation fee in Section 3 below.

² Upon the determination of the APCO that heavy winter rainfall has prevented this type of burning, the burn period may be extended to no later than June 30.

- c. Any person who provided notification required under Regulation 5, Section 406, who seeks to burn an amount of material greater than the amount listed in that initial notification, shall provide a subsequent notification to the District under Regulation 5, Section 406 and shall pay an additional open burning operation fee prior to burning.
2. Any Marsh Management fire conducted pursuant to Regulation 5, Section 401.13 is subject to the following fee, which will be determined for each property by the proposed acreage to be burned:
 - a. OPERATION FEE:
 - \$821 for 50 acres or less
 - \$1,117 for more than 50 acres but less than or equal to 150 acres
 - \$1,408 for more than 150 acres
 - b. The operation fee paid for a Marsh Management fire will be valid for a Fall or Spring burning period, as specified in Regulation 5, Subsection 401.13. Any burning subsequent to either of these time periods shall be subject to an additional open burning operation fee.
3. Any Wildland Vegetation Management fire (Prescribed Burning) conducted pursuant to Regulation 5, Section 401.15 is subject to the following fee, which will be determined for each prescribed burning project by the proposed acreage to be burned:
 - a. OPERATION FEE:
 - \$796 for 50 acres or less
 - \$1,079 for more than 50 acres but less than or equal to 150 acres
 - \$1,404 for more than 150 acres

- b. The operation fee paid for a prescribed burn project will be valid for the burn project approval period, as determined by the District. Any burning subsequent to this time period shall be subject to an additional open burning operation fee.
- 4. Any Filmmaking fire conducted pursuant to Regulation 5, Section 401.16 and any Public Exhibition fire conducted pursuant to Regulation 5, Section 401.17 is subject to the following fee:
 - a. OPERATION FEE: \$1,029
 - b. The operation fee paid for a Filmmaking or Public Exhibition fire will be valid for the burn project approval period, as determined by the District. Any burning subsequent to this time period shall be subject to an additional open burning operation fee.
- 5. Any Stubble fire conducted pursuant to Regulation 5, Section 401.5 that requires a person to receive an acreage burning allocation prior to ignition is subject to the following fee, which will be determined for each property by the proposed acreage to be burned:
 - a. OPERATION FEE:

\$509	for 25 acres or less
\$714	for more than 25 acres but less than or equal to 75 acres
\$867	for more than 75 acres but less than or equal to 150 acres
\$1,021	for more than 150 acres
 - b. The operation fee paid for a Stubble fire will be valid for one burn period, which is the time period beginning September 1 and ending December 31, each calendar year. Any burning subsequent to this time period shall be subject to an additional open burning operation fee.
- 6. All fees paid pursuant to Schedule V are non-refundable.
- 7. All fees required pursuant to Schedule V must be paid before conducting a fire.

(Adopted 6/1913; Amended 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/3/20, 6/16/21, 6/15/22, 6/7/23)

SCHEDULE W
REFINING EMISSIONS TRACKING FEES

1. ANNUAL EMISSIONS INVENTORIES:

Any Refinery owner/operator required to submit an Annual Emissions Inventory Report in accordance with Regulation 12, Rule 15, Section 401 shall pay the following fees:

- a. Initial submittal: \$102,946
- b. Each subsequent annual submittal: \$51,474

Any Support Facility owner/operator required to submit an Annual Emissions Inventory Report in accordance with Regulation 12, Rule 15, Section 401 shall pay the following fees:

- a. Initial submittal: \$6,293
- b. Each subsequent annual submittal: \$3,146

2. AIR MONITORING PLANS:

Any person required to submit an air monitoring plan in accordance with Regulation 12, Rule 15, Section 403 shall pay a one-time fee of \$14,298.

(Adopted 6/15/16; Amended 6/5/19, 6/16/21, 11/3/21, 6/15/22, 6/7/23, TBD)

**SCHEDULE X
MAJOR STATIONARY SOURCE COMMUNITY AIR MONITORING FEES**

For each major stationary source, emitting 35 tons per year or more of Organic Compounds, Sulfur Oxides, Nitrogen Oxides, Carbon Monoxide and/or PM₁₀ within the vicinity of a District proposed community air monitoring location, the fee shall be based on the following:

1.	Organic Compounds	\$60.61 per ton
2.	Sulfur Oxides	\$60.61 per ton
3.	Nitrogen Oxides	\$60.61 per ton
4.	Carbon Monoxide	\$60.61 per ton
5.	PM ₁₀	\$60.61 per ton

Emissions calculated by the APCO shall be based on the data reported for the most recent 12-month period prior to billing. In calculating the fee amount, emissions of Organic Compounds, Sulfur Oxides, Nitrogen Oxides, Carbon Monoxide, or PM₁₀, if occurring in an amount less than 35 tons per year, shall not be counted.

(Adopted: 6/15/16; Amended: 6/21/17)

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SCHEDULE X MAJOR STATIONARY SOURCE COMMUNITY AIR MONITORING FEES

REGULATION 3 FEES

(Adopted June 18, 1980)

3-100 GENERAL

3-101 Description: This regulation establishes the regulatory fees charged by the District.
(Amended 7/6/83, 11/2/83, 2/21/90, 12/16/92, 8/2/95, 12/2/98, 5/21/03, 5/21/08, 5/20/09, 6/19/13)

3-102 Deleted July 12, 1989

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

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

3-104 Deleted August 2, 1995

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

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

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

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

3-106 Deleted December 2, 1998

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

(Adopted 6/7/00)

3-200 DEFINITIONS

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

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

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

(Amended 2/20/85)

3-203 Filing Fee: A fixed administrative fee

(Amended 6/4/86, 6/7/23)

3-204 Initial Fee: The fee required based on the type and size of the source or an hourly rate of actual costs incurred by the District.

(Amended 6/4/86, 6/7/23)

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

- (Amended 6/4/86)*
- 3-206 Modification:** See Section 1-217 of Regulation 1.
- 3-207 Permit to Operate Fee:** The fee required for the annual renewal of a permit to operate or for the first year of operation (or prorated portion thereof) of a new or modified source which received an authority to construct.
(Amended 6/4/86, 7/15/87, 12/2/98, 6/7/00)
- 3-208 Deleted June 4, 1986**
- 3-209 Small Business:** A business with no more than 10 employees and gross annual income of no more than \$750,000 that is not an affiliate of a non-small business.
(Amended 6/4/86, 6/6/90, 6/7/00, 6/15/05, 6/16/10)
- 3-210 Solvent Evaporating Source:** Any source utilizing organic solvent, as part of a process in which evaporation of the solvent is a necessary step. Such processes include, but are not limited to, solvent cleaning operations, painting and surface coating, rotogravure coating and printing, flexographic printing, adhesive laminating, etc. Manufacture or mixing of solvents or surface coatings is not included.
(Amended 7/3/91)
- 3-211 Source:** See Section 1-227 of Regulation 1.
- 3-212 Deleted August 2, 1995**
- 3-213 Major Stationary Source:** For the purpose of Schedule M, a major stationary source shall be any District permitted plant, building, structure, stationary facility or group of facilities under the same ownership, leasehold, or operator which, in the base calendar year, emitted to the atmosphere organic compounds, oxides of nitrogen (expressed as nitrogen dioxide), oxides of sulfur (expressed as sulfur dioxide), or PM₁₀ in an amount calculated by the APCO equal to or exceeding 50 tons per year.
(Adopted 11/2/83; Amended 2/21/90, 6/6/90, 8/2/95, 6/7/00)
- 3-214 Deleted October 20, 1999, effective March 1, 2000**
- 3-215 Deleted October 20, 1999, effective March 1, 2000**
- 3-216 Deleted October 20, 1999, effective March 1, 2000**
- 3-217 Deleted October 20, 1999, effective March 1, 2000**
- 3-218 Deleted October 20, 1999, effective March 1, 2000**
- 3-219 Deleted October 20, 1999, effective March 1, 2000**
- 3-220 Deleted October 20, 1999, effective March 1, 2000**
- 3-221 Deleted October 20, 1999, effective March 1, 2000**
- 3-222 Deleted October 20, 1999, effective March 1, 2000**
- 3-223 Start-up Date:** Date when new or modified equipment under an authority to construct begins operating. The holder of an authority to construct is required to notify the APCO of this date at least 3 days in advance. For new sources, or modified sources whose authorities to construct have expired, operating fees are charged from the startup date.
(Adopted 6/4/86; Amended 6/6/90)
- 3-224 Permit to Operate:** Written authorization from the APCO pursuant to Section 2-1-302.
(Adopted 6/4/86; Amended 6/7/00)
- 3-225 Deleted June 3, 2015**
- 3-226 Air Toxics "Hot Spots" Information and Assessment Act of 1987:** The Air Toxics "Hot Spots" Information and Assessment Act of 1987 directs the California Air Resources Board and the Air Quality Management Districts to collect information from industry on emissions of potentially toxic air contaminants and to inform the public about such emissions and their impact on public health. It also directs the Air Quality Management District to collect fees sufficient to cover the necessary state and District costs of implementing the program.
(Adopted 10/21/92; Amended 6/15/05)
- 3-227 Toxic Air Contaminant, or TAC:** An air pollutant that may cause or contribute to an increase in mortality or in serious illness or that may pose a present or potential hazard to human health. For the purposes of this rule, TACs consist of the substances listed in Table 2-5-1 of Regulation 2, Rule 5.
(Adopted 10/21/92; Amended 6/15/05)
- 3-228 Deleted December 2, 1998**
- 3-229 Deleted December 2, 1998**
- 3-230 Deleted December 2, 1998**

- 3-231 Deleted December 2, 1998
- 3-232 Deleted December 2, 1998
- 3-233 Deleted December 2, 1998
- 3-234 Deleted December 2, 1998
- 3-235 Deleted December 2, 1998
- 3-236 Deleted December 2, 1998
- 3-237 **PM₁₀**: See Section 2-1-229 of Regulation 2, Rule 1. *(Adopted 6/7/00)*
- 3-238 **Risk Assessment Fee**: Fee for a new or modified source of toxic air contaminants for which a health risk assessment (HRA) is required under Regulation 2-5-401, for an HRA required under Regulation 11, Rule 18, or for an HRA prepared for other purposes (e.g., for determination of permit exemption in accordance with Regulations 2-1-316, 2-5-301 and 2-5-302; or for determination of exemption from emission control requirements pursuant to Regulation 8-47-113 and 8-47-402). *(Adopted 6/15/05; Amended 6/21/17)*
- 3-239 **Toxic Surcharge**: Fee paid in addition to the permit to operate fee for a source that emits one or more toxic air contaminants at a rate which exceeds a chronic trigger level listed in Table 2-5-1. *(Adopted 6/15/05)*
- 3-240 **Biogenic Carbon Dioxide**: Carbon dioxide emissions resulting from materials that are derived from living cells, excluding fossil fuels, limestone and other materials that have been transformed by geological processes. Biogenic carbon dioxide originates from carbon (released in the form of emissions) that is present in materials that include, but are not limited to, wood, paper, vegetable oils, animal fat, and food, animal and yard waste. *(Adopted 5/21/08)*
- 3-241 **Green Business**: A business or government agency that has been certified under the Bay Area Green Business Program coordinated by the Association of Bay Area Governments and implemented by participating counties. *(Adopted 6/19/10)*
- 3-242 **Incident**: A non-routine release of an air contaminant that may cause adverse health consequences to the public or to emergency personnel responding to the release, or that may cause a public nuisance or off-site environmental damage. *(Adopted 6/19/13)*
- 3-243 **Incident Response**: The District's response to an incident. The District's incident response may include the following activities: i) inspection of the incident-emitting equipment and facility records associated with operation of the equipment; ii) identification and analysis of air quality impacts, including without limitation, identifying areas impacted by the incident, modeling, air monitoring, and source sampling; iii) engineering analysis of the specifications or operation of the equipment; and iv) administrative tasks associated with processing complaints and reports. *(Adopted 6/19/13)*
- 3-244 **Permit to Operate Renewal Date**: The first day of a Permit to Operate's Permit Renewal Period. *(Adopted 6/19/13)*
- 3-245 **Permit Renewal Period**: The length of time the source is authorized to operate pursuant to a Permit to Operate. *(Adopted 6/19/13)*
- 3-246 **Overburdened Community**: As defined in Regulation 2, Rule 1 *(Adopted 6/15/22)*
- 3-300 **STANDARDS**
- 3-301 **Hearing Board Fees**: Applicants for variances or appeals or those seeking to revoke or modify variances or abatement orders or to rehear a Hearing Board decision shall pay the applicable fees, including excess emission fees, set forth in Schedule A. *(Amended 6/7/00)*
- 3-302 **Fees for New and Modified Sources**: Applicants for authorities to construct and permits to operate new sources shall pay for each new source: a filing fee of ~~\$630651~~, the initial fee, the risk assessment fee, the permit to operate fee, and toxic surcharge (given in Schedules B, C, *June 7XXXXX, 20232024*

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 ~~\$630651~~, the initial fee, the risk assessment fee, and any incremental increase in permit to operate and toxic surcharge fees. Where more than one of the schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules. If any person requests more than three HRA scenarios required pursuant to Regulation 2, Rule 5 in any single permit application, they shall pay an additional risk assessment fee for each of these scenarios. Except for gasoline dispensing facilities (Schedule D) and semiconductor facilities (Schedule H), the size to be used for a source when applying the schedules shall be the maximum size the source will have after the construction or modification. Where applicable, fees for new or modified sources shall be based on maximum permitted usage levels or maximum potential to emit including any secondary emissions from abatement equipment. The fee rate applied shall be based on the fee rate in force on the date the application is submitted.

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

302.2 Deleted July 3, 1991

302.3 Fees for Abatement Devices: Applicants for an authority to construct and permit to operate abatement devices where there is no other modification to the source shall pay a ~~\$630651~~ filing fee and initial and risk assessment fees that are equivalent to 50% of the initial and risk assessment fees for the source being abated, not to exceed a total of ~~\$43,13813,572~~. For abatement devices abating more than one source, the initial fee shall be 50% of the initial fee for the source having the highest initial fee.

302.4 Fees for Reactivated Sources: Applicants for a Permit to Operate reactivated, previously permitted equipment shall pay the full filing, initial, risk assessment, permit, and toxic surcharge fees.

302.5 Deleted June 3, 2015

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

302.7 Fee for applications in an Overburdened Community: An applicant with a project that requires a Health Risk Assessment in an Overburdened Community shall pay a fee of \$1,000 in addition to any other permit application fees.

302.8 Risk Assessment Fee: When the Risk Assessment Fee (RAF) is required for more than one source, the first toxic air contaminant (TAC) source is the source with the highest calculated RAF.

(Amended 5/19/82, 7/6/83, 6/4/86, 7/15/87, 6/6/90, 7/3/91, 6/15/94, 10/8/97, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

3-303

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

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

3-304

Alteration: Except as provided below, an applicant to alter an existing permitted source shall pay the filing fee and 50% of the initial fee for the source, provided that the alteration does not result in an increase in emissions of any regulated air pollutant. For gasoline dispensing facilities subject to Schedule D, an applicant for an alteration shall pay a fee of 1.75 times the filing fee.

- 304.1 Schedule D Fees: Applicants for alteration to a gasoline dispensing facility subject to Schedule D shall pay a fee of 1.75 times the filing fee.
- 304.2 Schedule G Fees: Applicants for alteration to a permitted source subject to Schedule G-3, G-4, or G-5 shall pay the filing fee, 100% of the initial fee, and, ~~if District regulations require a health risk assessment of the alteration,~~ the risk assessment fee ~~provided for in~~ Schedule G-2, if required. The applicant shall pay the permit renewal and the toxic surcharge fees applicable to the source under Schedules G-3, G-4, or G-5.

(Amended 6/4/86, 11/15/00, 6/2/04, 6/3/15, 6/15/16, 6/6/18, 6/5/19, TBD)

3-305 Cancellation or Withdrawal: There will be no refund of the initial fee and filing fee if an application is cancelled or withdrawn. There will be no refund of the risk assessment fee if the risk assessment has been conducted prior to the application being cancelled or withdrawn. If an application for identical equipment for the same project is submitted within six months of the date of cancellation or withdrawal, the initial fee will be credited in full against the fee for the new application.

(Amended 7/6/83, 4/6/88, 10/8/97, 6/15/05, 6/21/17, 6/16/21)

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

- 306.1 Administrative Condition Changes: An applicant applying for an administrative change in permit conditions shall pay a fee equal to the filing fee for a single source, provided the following criteria are met:
 - 1.1 The condition change applies to a single source or a group of sources with shared permit conditions.
 - 1.2 The condition change does not subject the source(s) to any District Regulations or requirements that were not previously applicable.
 - 1.3 The condition change does not result in any increase in emissions of POC, NPOC, NO_x, CO, SO₂, or PM₁₀ at any source or the emission of a toxic air contaminant above the trigger levels identified in Table 2-5-1
 - 1.4 The condition change does not require a public notice.
- 306.2 Other Permit Condition Changes: Applicant shall pay the filing, initial, and risk assessment fees required for new and modified equipment under Section 3-302. If the condition change will result in higher permit to operate fees, the applicant shall also pay any incremental increases in permit to operate fees and toxic surcharges.

(Amended 7/6/83, 6/4/86, 6/6/90, 10/8/97, 6/7/00, 6/15/05, 6/21/17, 6/7/23)

3-307 Transfers: The owner/operator of record is the person to whom a permit is issued or, if no permit has yet been issued to a facility, the person who applied for a permit. Permits are valid only for the owner/operator of record. Upon submittal of a \$102 transfer of ownership fee, permits are re-issued to the new owner/operator of record with no change in expiration dates. For expired permits or registrations, the new owner/operator is responsible for all outstanding fees.

(Amended 2/20/85, 6/4/86, 11/5/86, 4/6/88, 10/8/97, 5/1/02, 5/21/03, 6/02/04, 6/19/13, 6/4/14, 6/15/16, 6/7/23)

3-308 Change of Location: An applicant who wishes to move an existing source, which has a permit to operate, shall pay no fee if the move is on the same facility. If the move is not on the same facility, the source shall be considered a new source and subject to Section 3-302. This section does not apply to portable permits meeting the requirements of Regulation 2-1-220 and 413.

(Amended 7/6/83; 6/4/86; 6/15/05)

3-309 Deleted June 21, 2017

3-310 Fee for Constructing Without a Permit: An applicant for an authority to construct and a permit to operate a source, which has been constructed or modified without an authority to construct, shall pay the following fees:

- 310.1 Sources subject to permit requirements on the date of initial operation shall pay fees for new construction pursuant to Section 3-302, any back fees pursuant to Section 3-303, and a late fee equal to 100% of the initial fee. A modified gasoline dispensing facility subject to Schedule D that is not required to pay an initial fee shall pay fees for a modified source pursuant to Section 3-302, back fees, and a late fee equal to 100% of the filing fee.

- 310.2 Sources previously exempt from permit requirements that lose their exemption due to changes in District, state, or federal regulations shall pay a permit to operate fee and toxic surcharge for the coming year and any back fees pursuant to Section 3-303.
- 310.3 Sources previously exempt from permit requirements that lose their exemption due to a change in the manner or mode of operation, such as an increased throughput, shall pay fees for new construction pursuant to Section 3-302. In addition, sources applying for permits after commencing operation in a non-exempt mode shall also pay a late fee equal to 100% of the initial fee and any back fees pursuant to Section 3-303.
- 310.4 Sources modified without a required authority to construct shall pay fees for modification pursuant to Section 3-302 and a late fee equal to 100% of the initial fee.

(Amended 7/6/83, 4/18/84, 6/4/86, 6/6/90, 7/3/91, 8/2/95, 10/8/97, 6/02/04, 6/15/05, 6/6/12)

3-311

Emission Banking Fees: An applicant to bank emissions for future use, to convert an emission reduction credit (ERC), to change assigned conditions, to transfer ownership of an ERC, or to make any administrative changes shall pay the following fees:

- 311.1 Banking ERCs: An applicant to bank emissions for future use shall pay a filing fee of ~~\$630651~~ per source plus the initial fee given in Schedules B, C, D, E, F, H, I or K. Where more than one of these schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules.
- 311.2 Converting Existing ERCs to Interchangeable Emission Reduction Credits (IERCs): An applicant to convert an existing ERC into an IERC shall pay a filing fee of ~~\$630651~~ per source plus the initial fee given in Schedules B, C, D, E, F, H, I or K. Where more than one of these schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules.
- 311.3 Transferring ERC Ownership: An applicant to transfer an ERC it currently owns to another owner shall pay a filing fee of ~~\$630651~~.
- 311.4 Evaluation of Existing ERCs for PM_{2.5}: An applicant to evaluate an existing PM₁₀ ERC shall pay a filing fee of ~~\$630651~~ per source and an evaluation fee equivalent to the total actual and reasonable time incurred by District staff at the hourly rate of ~~\$193199~~ per hour not to exceed the initial fee given in Schedules B, C, D, E, F, H, I or K. Where more than one of these schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules.
- 311.5 ERC Condition Change: An applicant to request a change in condition shall pay a filing fee of ~~\$630651~~ and an evaluation fee equivalent to the total actual and reasonable time incurred by District staff at the hourly rate of ~~\$193199~~ per hour not to exceed the initial fee given in Schedules B, C, D, E, F, H, I or K. Where more than one of these schedules is applicable to a source, the fee paid shall be the highest of the applicable schedules.

(Amended 7/6/83, 6/4/86, 7/15/87, 7/3/91, 6/15/94, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/02/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

3-312

Emission Caps and Alternative Compliance Plans: Any facility which elects to use an alternative compliance plan contained in:

- 312.1 Regulation 8 ("bubble") to comply with a District emission limitation or to use an annual or monthly emission limit to acquire a permit in accordance with the provisions of Regulation 2, Rule 2, shall pay an additional annual fee equal to fifteen percent of the total plant permit to operate fee.
- 312.2 Regulation 2, Rule 9, or Regulation 9, Rule 10 shall pay an annual fee of ~~\$1,5961,649~~ for each source included in the alternative compliance plan, not to exceed ~~\$15,95716,484~~.

(Adopted 5/19/82; Amended 6/4/86, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/23/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

3-313

Deleted May 19, 1999

3-314

Deleted August 2, 1995

3-315

Costs of Environmental Documentation: An applicant for an Authority to Construct shall pay, in addition to the fees required under Section 3-302 and in any applicable schedule, the District's costs of performing any environmental evaluation and preparing and filing any documents pursuant to the California Environmental Quality Act (Public Resources Code,

Section 21000, et seq), including the costs of any outside consulting assistance which the District may employ in connection with the preparation of any such evaluation or documentation, as well as the District's reasonable internal costs (including overhead) of processing, reviewing, or filing any environmental evaluation or documentation.

(Adopted 12/18/85; Amended 5/1/02, 6/3/15)

3-316

Deleted June 6, 1990

3-317

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

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

3-318

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

318.1 A fee of \$2,272 per application, and

318.2 The District's cost exceeding \$2,272 of preparing and distributing the public notice.

318.3 The District shall refund to the applicant the portion of any fee paid under this Section that exceeds the District's cost of preparing and distributing the public notice.

(Adopted 11/1/89; Amended 10/8/97, 7/1/98, 5/19/99, 6/7/00, 5/21/03, 6/2/04, 6/16/10, 6/15/16, 6/21/17, 6/6/18)

3-319

Major Stationary Source Fees: Any major stationary source emitting 50 tons per year of organic compounds, sulfur oxides, nitrogen oxides, or PM₁₀ shall pay a fee based on Schedule M. This fee is in addition to permit and other fees otherwise authorized to be collected from such facilities and shall be included as part of the annual permit renewal fees.

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

3-320

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

~~320.1 An applicant who qualifies as a small business under Regulation 3-209 shall pay a Toxic Inventory Fee as set out in Schedule N up to a maximum fee of \$12,477 per year.~~

(Adopted 10/21/92; Amended 5/19/99, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/20/09, 6/16/10, 5/4/11, 6/15/16, 6/21/17, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

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. Deleted XXXXXX~~

(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 6/7/95)

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, pursuant to Section 3-207.

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-Renewal fees is-are~~ applicable to all sources required to obtain permits to operate in accordance with District regulations. ~~The permit renewal invoice shall also specify-Renewal fees shall include~~ any applicable major stationary source fees based on Schedule M, toxic inventory fees based on Schedule N, major facility

review fees based on Schedule P, greenhouse gas fees based on Schedule T, refining emissions tracking fees based on Schedule W, and community air monitoring fees based on Schedule X. Where applicable, renewal fees shall be based on actual-the current usage or emission levels that have been reported to or calculated by the District.

327.1 Renewal Processing Fee: In addition, the facility shall also pay a processing fee at the time of renewal that covers each Permit Renewal Period as follows:

- 1.1 ~~\$124,128~~ for facilities with one permitted source, including gasoline dispensing facilities,
- 1.2 ~~\$246,254~~ for facilities with 2 to 5 permitted sources,
- 1.3 ~~\$490,506~~ for facilities with 6 to 10 permitted sources,
- 1.4 ~~\$736,760~~ for facilities with 11 to 15 permitted sources,
- 1.5 ~~\$977,1,009~~ for facilities with 16 to 20 permitted sources,
- 1.6 ~~\$1,221,261~~ for facilities with more than 20 permitted sources.

327.2 Assembly Bill 617 Community Health Impact Fee: An owner/operator of a permitted facility subject to Schedule P (Major Facility Review Fees) shall pay an Assembly Bill 617 community health impact fee of 5.7 percent of the facility's total renewal fee, up to a maximum fee of ~~\$122,245,126,279~~ per year per facility owner.

327.3 Criteria Pollutant and Toxic Emissions Reporting (CTR): The owner/operator of a permitted facility shall pay a CTR fee of 4.4 percent of the facility's total renewal fee, up to a maximum fee of ~~\$64,123,63,140~~ per year.

327.4 Overburdened Community renewal fee: The owner/operator of a permitted facility in an Overburdened Community shall pay a fee of 15 percent of the facility's total renewal fee, up to a maximum fee of ~~\$265,750,274,520~~ per year.

327.5 Shutdown sources: There is no refund for sources that shutdown during the permit to operate period of coverage.

(Adopted 6/7/00; Amended 6/2/04, 6/16/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/3/20, 6/16/21, 11/3/21, 6/15/22, 6/7/23, TBD)

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

(Adopted 6/7/00)

3-329 Fees for New Source Review Health Risk Assessment: Any person required to submit a health risk assessment (HRA) pursuant to Regulation 2-5-401 shall pay an appropriate Risk Assessment Fee pursuant to Regulation 3-302 and Schedules B, C, D, E, F, H, I or K. In addition, any person that requests that the District prepare or review an HRA (e.g., for determination of permit exemption in accordance with Regulations 2-1-316, 2-5-301 and 2-5-302; or for determination of exemption from emission control requirements pursuant to Regulation 8-47-113 and 8-47-402) shall pay a Risk Assessment Fee. A Risk Assessment Fee shall be assessed for each source that is proposed to emit a toxic air contaminant (TAC) at a rate that exceeds a trigger level in Table 2-5-1: Toxic Air Contaminant Trigger Levels. If a project requires an HRA due to total project emissions, but TAC emissions from each individual source are less than the Table 2-5-1 trigger levels, a Risk Assessment Fee shall be assessed for the source in the project with the highest TAC emissions.

(Adopted 6/15/05; Amended 6/21/17)

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

330.1 Expired Authority to Construct: If an applicant does not notify the District with their intent to renew the Authority to Construct prior to its expiration, the applicant shall pay ~~\$400,103~~ per application in addition to any other fees under this section if eligible to renew.

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. There is no refund for registered equipment/operations that shutdown during the period of coverage. (Adopted 6/15/05; Amended 6/7/23, TBD)

3-332 **Naturally Occurring Asbestos Fees:** After July 1, 2007, any person required to submit or amend an Asbestos Dust Mitigation Plan (ADMP) pursuant to Title 17 of the California Code of Regulations, Section 93105, Asbestos Air Toxic Control Measure for Construction, Grading, Quarrying, and Surface Mining Operations shall pay the fee(s) set out in Schedule S. (Adopted 6/6/07; Amended 6/16/10, 6/7/23, TBD)

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 6/6/07; Amended 6/5/19)

3-334 **Greenhouse Gas Fees:** Any permitted facility with greenhouse gas emissions shall pay a fee based on Schedule T. This fee is in addition to permit and other fees otherwise authorized to be collected from such facilities, and shall be included as part of the annual permit renewal fees. (Adopted 5/21/08)

Clean up

3-335 ~~**Deleted XXX Indirect Source Review Fees:** Applicants that must file an Air Quality Impact Assessment pursuant to District rules for a project that is deemed to be an indirect source shall pay a fee based on Schedule U.~~ (Adopted 5/21/08)

3-336 **Open Burning Operation Fees:** Effective July 1, 2013, any person required to provide notification to the District prior to burning; submit a petition to conduct a Filmmaking or Public Exhibition fire; receive an acreage burning allocation to conduct a Stubble fire; or submit a smoke management plan and receive an acreage burning allocation to conduct a Wildland Vegetation Management (Prescribed Burning) fire or Marsh Management fire shall pay the fee given in Schedule V. (Adopted 5/20/09)

3-337 **Exemption Fee:** An applicant who wishes to receive a certificate of exemption shall pay a filing fee of ~~\$630~~651 per exempt source. (Adopted 6/19/13; Amended 6/3/20)

3-338 **Incident Response Fee:** Any facility required to obtain a District permit, and any District-regulated area-wide or indirect source, that is the site where an incident occurs to which the District responds, shall pay a fee equal to the District's actual costs in conducting the incident response as defined in Section 3-243, including without limitation, the actual time and salaries, plus overhead, of the District staff involved in conducting the incident response and the cost of any materials. (Adopted 6/19/13)

3-339 **Refining Emissions Tracking Fees:** Any person required to submit an Annual Emissions Inventory, Monthly Crude Slate Report, or air monitoring plan in accordance with Regulation 12, Rule 15 shall pay the applicable fees set forth in Schedule W. (Adopted 6/15/16, Amended 11/03/21)

3-340 **Major Stationary Source Community Air Monitoring Fees:** Any major stationary source emitting 35 tons per year of organic compounds, sulfur oxides, nitrogen oxides, carbon monoxide or PM₁₀ shall pay a community air monitoring fee based on Schedule X. This fee is in addition to permit and other fees otherwise authorized to be collected from such facilities and shall be included as part of the annual permit renewal fees. (Adopted 6/15/16)

3-341 **Fee for Risk Reduction Plan:** Any person required to submit a Risk Reduction Plan in accordance with Regulation 11, Rule 18 shall pay the applicable fees set forth below:

341.1 ~~\$1,934~~1,998 for facilities with one source subject to risk reduction pursuant to Regulation 11, Rule 18, including gasoline dispensing facilities;

341.2 ~~\$3,868~~3,996 for facilities with 2 to 5 sources subject to risk reduction pursuant to Regulation 11, Rule 18;

341.3 ~~\$7,735~~7,990 for facilities with 6 to 10 sources subject to risk reduction pursuant to

- Regulation 11, Rule 18;
- 341.4 ~~\$15,470~~15,981 for facilities with 11 to 15 sources subject to risk reduction pursuant to Regulation 11, Rule 18;
- 341.5 ~~\$30,941~~31,962 for facilities with 16 to 20 sources subject to risk reduction pursuant to Regulation 11, Rule 18;
- 341.6 ~~\$41,254~~42,615 for facilities with more than 20 sources subject to risk reduction pursuant to Regulation 11, Rule 18.

(Adopted 6/21/17, Amended 6/5/19, 6/3/20, 6/16/21, 6/15/22, 6/7/23, TBD)

3-342 Fee for Facility-Wide Health Risk Assessment: Any person required to undergo a health risk assessment (HRA) to assess compliance with the Regulation 11, Rule 18 risk action levels shall pay a risk assessment fee for each source pursuant to Regulation 3-329 and Schedules B, C, D, E, F, H, I or K. The maximum fee required for any single HRA of a facility conducted pursuant to Regulation 11, Rule 18 shall not exceed a total of ~~\$493,377~~199,758.

If a facility retains a District-approved consultant to complete the required facility-wide HRA, the facility shall pay a fee to cover the District's costs of performing the review of the facility-wide HRA, including the costs of any outside consulting assistance which the District may employ in connection with any such review, as well as the District's reasonable internal costs (including overhead) of processing, reviewing, or approving the facility-wide HRA. The total HRA review cost shall be determined based on the District's actual review time in hours multiplied by an hourly charge of ~~\$264~~273 per hour. Facilities shall pay an HRA review fee as indicated below and the District's cost exceeding the applicable HRA review fees indicated below for performing the review of the facility-wide HRA:

- 342.1 ~~\$3,173~~3,278 for facilities with one to 10 sources subject to risk reduction pursuant to Regulation 11, Rule 18, including gasoline dispensing facilities;
- 342.2 ~~\$8,508~~8,789 for facilities with 11 to 50 sources subject to risk reduction pursuant to Regulation 11, Rule 18;
- 342.3 ~~\$48,049~~18,645 for facilities with more than 50 sources subject to risk reduction pursuant to Regulation 11, Rule 18.

The District shall refund to the applicant the portion of any fee paid under this Section that exceeds the District's cost of performing the review of the facility-wide HRA.

(Adopted 6/21/17; Amended 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

3-343 Fees for Air Dispersion Modeling: An applicant for an Authority to Construct or Permit to Operate shall pay, in addition to the fees required under Section 3-302 and 3-329 and in any applicable schedule, the District's costs of performing any air dispersion modeling needed to determine compliance with any District regulatory requirement. The total air dispersion modeling fee cost shall be determined based on the District's actual review time in hours multiplied by an hourly charge of ~~\$264~~273 per hour. This fee shall also apply for costs incurred in reviewing air dispersion modeling submittals by applicants and the costs of any outside consulting assistance which the District may employ in connection with the preparation of any such evaluation or documentation, as well as the District's reasonable internal costs (including overhead) of processing, reviewing, or approving the air dispersion modeling.

(Adopted 6/5/19; Amended 6/16/21, 6/15/22)

3-344 Rounding: Each fee will be rounded to the nearest dollar.

(Adopted 6/15/22)

3-345 Evaluation of Plans, Regulation 6: For any plan required in any rule in Regulation 6, the requestor shall pay the following fees:

- 345.1 A filing fee of ~~\$630~~651; and
- 345.2 An initial fee equivalent to the total actual and reasonable time incurred by District staff at the hourly rate or prorated of ~~\$193~~199 per hour not to exceed the minimum initial fee(s) in the schedule for the applicable source(s).

(Adopted 6/7/23, TBD)

3-346 Request for a Petition, Regulation 8: For any petition required in any rule in Regulation 8, the requestor shall pay the following fees:

- 346.1 A filing fee of ~~\$630~~651; and
- 346.2 An initial fee equivalent to the total actual and reasonable time incurred by District staff at the hourly rate or prorated of ~~\$193~~199 per hour not to exceed the minimum initial

fee in Schedule E.

(Adopted 6/7/23, TBD)

3-347 Evaluation of Reports, Organic Waste Recovery Sites: For the evaluation of any report not currently specified in Schedule K as required by federal, state or Air District rule, the owner/operator shall pay the following fees:

347.1 A filing fee of ~~\$630651~~; and

347.2 An initial fee equivalent to the total actual and reasonable time incurred by District staff at the hourly rate or prorated of ~~\$193199~~ per hour.

(Adopted 6/7/23, TBD)

3-400 ADMINISTRATIVE REQUIREMENTS

3-401 Permits: Definitions, standards, and conditions contained in Regulation 2, Permits, are applicable to this regulation.

3-402 Single Anniversary Date: The APCO may assign a single anniversary date to a facility on which all its renewable permits to operate expire and will require renewal. Fees will be prorated to compensate for different time periods resulting from change in anniversary date.

3-403 Change in Operating Parameters: See Section 2-1-404 of Regulation 2, Rule 1.

3-404 Deleted June 7, 2000

3-405 Fees Not Paid: If an applicant or owner/operator fails to pay the fees specified on the invoice by the due date, the following procedure(s) shall apply:

405.1 Authority to Construct: The application will be cancelled but can be reactivated upon payment of fees.

405.2 New Permit to Operate: The Permit to Operate shall not be issued, and the facility will be notified that operation, including startup, is not authorized.

2.1 Fees received during the first 30 days following the due date must include a late fee equal to 10 percent of all fees specified on the invoice.

2.2 Fees received more than 30 days after the due date must include a late fee equal to 25 percent of all fees specified on the invoice.

405.3 Renewal of Permit to Operate: The owner/operator of a facility must renew the Permit to Operate in order to continue to be authorized to operate the source. Permit to Operate Fees for the Permit Renewal Period shall be calculated using fee schedules in effect on the Permit to Operate Renewal Date. The permit renewal invoice will include all fees to be paid in order to renew the Permit to Operate, as specified in Section 3-327. If not renewed as of the date of the next Permit Renewal Period, a Permit to Operate lapses and further operation is no longer authorized. The District will notify the facility that the permit has lapsed. Reinstatement of lapsed Permits to Operate will require the payment of all unpaid prior Permit to Operate fees and associated reinstatement fees for each unpaid prior Permit Renewal Period, in addition to all fees specified on the permit renewal invoice.

405.4 Reinstatement of Lapsed Permit to Operate: To reinstate a Permit to Operate, the owner/operator must pay all of the following fees:

4.1 The applicable Permit to Operate Fees for the current year, as specified in Regulation 3-327, and the applicable reinstatement fee, if any, calculated as follows:

4.1.1 Fees received during the first 30 days following the due date must include all fees specified on the permit renewal invoice plus a reinstatement fee equal to 10 percent of all fees specified on the invoice.

4.1.2 Fees received more than 30 days after the due date, but less than one year after the due date, must include all fees specified on the permit renewal invoice plus a reinstatement fee equal to 25 percent of all fees specified on the invoice.

4.2 The applicable Permit to Operate Fees specified in Regulation 3-327 for each prior Permit Renewal Period for which all Permit to Operate Fees and associated reinstatement fees have not been paid. Each year's Permit to Operate Fee shall be calculated at the fee rates in effect on that year's Permit to Operate Renewal

Date. The reinstatement fee for each associated previously-unpaid Permit to Operate Fee shall be calculated in accordance with Regulation 3-405.4.1 and 4.1.2.

Each year or period of the lapsed Permit to Operate is deemed a separate Permit Renewal Period. The oldest outstanding Permit to Operate Fee and reinstatement fees shall be paid first.

405.5 Registration and Other Fees: Persons who have not paid the fee by the invoice due date, shall pay the following late fee in addition to the original invoiced fee. Fees shall be calculated using fee schedules in effect at the time of the fees' original determination.

5.1 Fees received during the first 30 days following the due date must include an additional late fee equal to 10 percent of all fees specified on the invoice.

5.2 Fees received more than 30 days after the due date must include an additional late fee equal to 25 percent of all fees specified on the invoice.

(Amended 7/6/83, 6/4/86, 11/5/86, 2/15/89, 6/6/90, 7/3/91, 8/2/95, 12/2/98, 6/15/05, 6/7/06, 6/6/12, 6/19/13, 6/4/14, 6/6/18, 6/5/19, 6/7/23)

3-406 Deleted June 4, 1986

3-407 Deleted August 2, 1995

3-408 Permit to Operate Valid for 12 Months: A Permit to Operate is valid for 12 months from the date of issuance or other time period as approved by the APCO.

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

3-409 Deleted June 7, 2000

3-410 Deleted August 2, 1995

3-411 Advance Deposit of Funds: The APCO may require that at the time of the filing of an application for an Authority to Construct for a project for which the District is a lead agency under the California Environmental Quality Act (Public Resources Code, Section 21000, et seq.), the applicant shall make an advance deposit of funds, in an amount to be specified by the APCO, to cover the costs which the District estimates to incur in connection with the District's performance of its environmental evaluation and the preparation of any required environmental documentation. In the event the APCO requires such an estimated advance payment to be made, the applicant will be provided with a full accounting of the costs actually incurred by the District in connection with the District's performance of its environmental evaluation and the preparation of any required environmental documentation.

(Adopted 12/18/85; Amended 8/2/95)

3-412 Deleted December 2, 1998

3-413 Toxic "Hot Spots" Information and Assessment Act Revenues: The APCO shall transmit to the California Air Resources Board, for deposit into the Air Toxics "Hot Spots" Information and Assessment Fund, the revenues determined by the ARB to be the District's share of statewide Air Toxics "Hot Spot" Information and Assessment Act expenses.

(Adopted 10/21/92; Amended 6/7/23)

3-414 Deleted December 2, 1998

3-415 Failure to Pay - Further Actions: When an applicant or owner/operator fails to pay the fees specified on the invoice by the due date, the APCO may take the following actions against the applicant or owner/operator:

415.1 Issuance of a Notice to Comply.

415.2 Issuance of a Notice of Violation.

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

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

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

3-416 Adjustment of Fees: The APCO or designees may, upon finding administrative error by District staff in the calculation, imposition, noticing, invoicing, and/or collection of any fee set forth in this rule, rescind, reduce, increase, or modify the fee. A request for such relief from an

administrative error, accompanied by a statement of why such relief should be granted, must be received within two years from the date of payment.

(Adopted 10/8/97)

3-417 Temporary Amnesty for Unpermitted and Unregistered Sources: The APCO has the authority to declare an amnesty period, during which the District may waive all or part of the back fees and/or late fees for sources that are currently operating without valid Permits to Operate and/or equipment registrations.

(Adopted 6/16/10)

3-418 Temporary Incentive for Online or Electronic Transactions: The APCO has the authority to declare an incentive period for transactions made using the online system or other electronic processes, during which the District may waive all or any part of the fees for these transactions.

(Adopted 6/6/18; Amended 6/7/23)

3-419 Industry Compliance School: The APCO may reduce fees by an amount deemed appropriate if the owner/operator of the source attends an Industry Compliance School sponsored by the District.

(Adopted 6/7/23)

**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>9,25610.644</u> \$ <u>4,6355.330</u>	\$ <u>1,3851.593</u> \$ <u>467537</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>5,5576.391</u> \$ <u>2,7753.191</u>	\$ <u>1,3851.593</u> \$ <u>467537</u>	
3. For each application to modify a variance in accordance with §42356 ... Plus, for each hearing in addition to the first hearing on said application to modify a variance, in accordance with §42345, necessary to dispose of the application, the additional sum of	\$ <u>3,6874.240</u> \$ <u>2,7753.191</u>	\$ <u>467537</u> \$ <u>467537</u>	
4. For each application to extend a variance, in accordance with §42357 .. Plus, for each hearing in addition to the first hearing on an application to extend a variance, in accordance with §42357, necessary to dispose of the application, the additional sum of	\$ <u>3,6874.240</u> \$ <u>2,7753.191</u>	\$ <u>467537</u> \$ <u>467537</u>	
5. For each application to revoke a variance	\$ <u>5,5576.391</u>	\$ <u>467537</u>	
6. For each application for approval of a Schedule of Increments of Progress in accordance with §41703	\$ <u>3,6874.240</u>	\$ <u>467537</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>9,25610.644</u> \$ <u>4,6355.330</u>	\$ <u>1,3851.593</u> \$ <u>467537</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>5,5576.391</u> \$ <u>2,7753.191</u>	\$ <u>1,3851.593</u> \$ <u>467537</u>	
9. For each Appeal (Permit, Banking, Title V)	\$ <u>9,25610.644</u> per hearing day	\$ <u>4,6355.330</u> per hearing day	\$ <u>4,6355.330</u> for entire appeal period

		Large Companies	Small Business	Third Party
10.	For each application for intervention in accordance with Hearing Board Rules §§2.3, 3.6 & 4.6.....	\$ <u>4,6355.330</u>	\$ <u>9321.072</u>	
11.	For each application to Modify or Terminate an abatement order	\$ <u>9,25610.644</u> per hearing day	\$ <u>4,6355.330</u> per hearing day	
12.	For each application for an interim variance in accordance with §42351	\$ <u>4,6355.330</u>	\$ <u>9321.072</u>	
13.	For each application for an emergency variance in accordance with §42359.5.....	\$ <u>2,3102.657</u>	\$ <u>467537</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	\$ <u>4,6355.330</u>	\$ <u>1,3851.593</u>	\$ <u>1,3851.593</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 applicant who believes they have a hardship for payment of fees may request a fee waiver from the Hearing Board pursuant to Hearing Board Rules.

(Amended 10/8/97, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

**SCHEDULE A
ATTACHMENT I
EXCESS EMISSION FEE**

A. General

- (1) Each applicant or petitioner for a variance from these Rules and Regulations shall pay to the Clerk or Deputy Clerk of the Hearing Board, in addition to the other filing fees required in Schedule A, an emission fee based on the total weight of emissions discharged, per source or product, other than those described in division (B) below, during the variance period in excess of that allowed by these rules in accordance with the schedule set forth in Table I.
- (2) Where the total weight of emission discharged cannot be easily calculated, the petitioner shall work in concert with District staff to establish the amount of excess emissions to be paid.
- (3) In the event that more than one rule limiting the discharge of the same contaminant is violated, the excess emission fee shall consist of the fee for violation which will result in the payment of the greatest sum. For the purposes of this subdivision, opacity rules and particulate mass emissions shall not be considered rules limiting the discharge of the same contaminant.

B. Excess Visible Emission Fee

Each applicant or petitioner for a variance from Regulation 6 or Health and Safety Code Section 41701 shall pay to the Clerk or Deputy Clerk of the Hearing Board, in addition to the filing fees required in Schedule A and the excess emission fees required in (A) above (if any), an emission fee based on the difference between the percent opacity allowed by Regulation 6 and the percent opacity of the emissions allowed from the source or sources operating under the variance, in accordance with the schedule set forth in Table II.

In the event that an applicant or petitioner is exempt from the provisions of Regulation 6, the applicant or petitioner shall pay a fee calculated as described herein above, but such fee shall be calculated based upon the difference between the opacity allowed under the variance and the opacity allowed under the provisions of Health and Safety Code Section 41701, in accordance with the schedule set forth in Table II.

C. Applicability

The provisions of subdivision (A) shall apply to all variances that generate excess emissions.

D. Fee Determination

- (1) The excess emission fees shall be calculated by the petitioner based upon the requested number of days of operation under variance multiplied by the expected excess emissions as set forth in subdivisions (A) and (B) above. The calculations and proposed fees shall be set forth in the petition.
- (2) The Hearing Board may adjust the excess emission fee required by subdivisions (A) and (B) of this rule based on evidence regarding emissions presented at the time of the hearing.

E. Small Businesses

- (1) A small business shall be assessed twenty percent (20%) of the fees required by subdivisions (A) and (B), whichever is applicable. "Small business" is defined in the Fee Regulation.
- (2) Request for exception as a small business shall be made by the petitioner under penalty of perjury on a declaration form provided by the Executive Officer which shall be submitted to the Clerk or Deputy Clerk of the Hearing Board at the time of filing a petition for variance.

F. Group, Class and Product Variance Fees

Each petitioner included in a petition for a group, class or product variance shall pay the filing fee specified in Schedule A, and the excess emission fees specified in subdivisions (A) and (B), whichever is applicable.

G. Adjustment of Fees

If after the term of a variance for which emission fees have been paid, petitioner can establish, to the satisfaction of the Executive Officer/APCO, that emissions were actually less than those upon which the fee was based, a pro rata refund shall be made.

H. Fee Payment/Variance Invalidation

- (1) Excess emission fees required by subdivisions (A) and (B), based on an estimate provided during the variance Hearing, are due and payable within fifteen (15) days of the granting of the variance. The petitioner shall be notified in writing of any adjustment to the amount of excess emission fees due, following District staff's verification of the estimated emissions. Fee payments to be made as a result of an adjustment are due and payable within fifteen (15) days of notification of the amount due.
- (2) Failure to pay the excess emission fees required by subdivisions (A) and (B) within fifteen (15) days of notification that a fee is due shall automatically invalidate the variance. Such notification may be given by personal service or by deposit, postpaid, in the United States mail and shall be due fifteen (15) days from the date of personal service or mailing. For the purpose of this rule, the fee payment shall be considered to be received by the District if it is postmarked by the United States Postal Service on or before the expiration date stated on the billing notice. If the expiration date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been postmarked on the expiration date.

**TABLE I
SCHEDULE OF EXCESS EMISSIONS FEES**

Air Contaminants All at \$~~7,748.86~~ per pound

Organic gases, except methane and those containing sulfur
Carbon Monoxide
Oxides of nitrogen (expressed as nitrogen dioxide)
Gaseous sulfur compounds (expressed as sulfur dioxide)
Particulate matter

Toxic Air Contaminants All at \$~~38,354.11~~ per pound

~~Arsenic (inorganic)~~
Asbestos
Benzene
~~Beryllium~~
~~1,3-Butadiene~~
Cadmium
Carbon tetrachloride
Chlorinated dioxins and dibenzofurans (15 species)
Diesel exhaust particulate matter
~~1,4-Dioxane~~
Ethylene dibromide
Ethylene dichloride
Ethylene oxide
Formaldehyde
Hexavalent chromium
~~Lead~~
Methylene chloride
Nickel
Perchloroethylene
~~1,3-Butadiene~~
~~Inorganic arsenic~~
~~Beryllium~~
Polynuclear aromatic hydrocarbons (PAH)
~~Trichloroethylene~~
Vinyl chloride
~~Lead~~
~~1,4-Dioxane~~
~~Trichloroethylene~~

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

For each source with opacity emissions in excess of twenty percent (20%), but less than forty percent (40%) (where the source is in violation of Regulation 6 and California Health and Safety Code Section 41701), the fee is calculated as follows:

$$\text{Fee} = (\text{Opacity} * \text{equivalent} - 20) \times \text{number of days allowed in variance} \times \$7.88$$

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

$$\text{Fee} = (\text{Opacity} * \text{equivalent} - 40) \times \text{number of days allowed by variance} \times \$7.88$$

* Where "Opacity" equals maximum opacity of emissions in percent (not decimal equivalent) allowed by the variance. Where the emissions are darker than the degree of darkness

equivalent to the allowed Ringelmann number, the percentage equivalent of the excess degree of darkness shall be used as "opacity."
(Adopted 6/7/00; Amended 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/7/23, TBD)

**SCHEDULE B
COMBUSTION OF FUEL
(Adopted June 18, 1980)**

For each source that burns fuel, which is not a flare and not exempted by Regulation 2, Rule 1, the fee shall be computed based on the maximum gross combustion capacity (expressed as higher heating value, HHV) of the source.

1. INITIAL FEE: \$90.75104.36 per MM BTU/HOUR
 - a. The minimum fee per source is: \$484557
 - b. The maximum fee per source is: \$169,292194,686

2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$630651 plus
\$90.75104.36 per MM BTU/hr
 - b. Minimum RAF for first TAC source: \$1,1661,341
 - c. RAF for each additional TAC source: \$90.75104.36 per MM
BTU/hr*
 - d. Minimum RAF per additional TAC source: \$484557*
 - e. Maximum RAF per source is: \$169,292194,686

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE: \$45.3752.18 per MM BTU/HOUR
 - a. The minimum fee per source is: \$344396
 - b. The maximum fee per source is: \$84,64697,343

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

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

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

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

(Amended 6/5/85; 6/4/86, 3/4/87, 6/6/90, 7/3/91, 6/15/94, 10/8/97, 7/1/98, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

SCHEDULE C
STATIONARY CONTAINERS FOR THE STORAGE OF ORGANIC LIQUIDS
(Adopted June 18, 1980)

For each stationary container of organic liquids which is not exempted from permits by Regulation 2 and which is not part of a gasoline dispensing facility, the fee shall be computed based on the container volume, as follows:

1. INITIAL FEE: 0.185 cents per gallon
 - a. The minimum fee per source is: \$204
 - b. The maximum fee per source is: \$27,858

2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: ~~\$630~~651 plus 0.185 cents per gallon
 - b. Minimum RAF for first TAC source: \$678
 - c. RAF for each additional TAC source: 0.185 cents per gallon *
 - d. Minimum RAF per additional TAC source: \$204 *
 - e. Maximum RAF per source is: \$27,858

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE: 0.093 cents per gallon
 - a. The minimum fee per source is: \$147
 - b. The maximum fee per source is: \$13,928

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

(Amended 2/20/85, 6/5/85, 6/4/86, 7/3/91, 6/15/94, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/20/09, 6/16/10, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

SCHEDULE D
GASOLINE TRANSFER AT GASOLINE DISPENSING FACILITIES,
BULK PLANTS AND TERMINALS
(Adopted June 18, 1980)

A. All gasoline dispensing facilities shall pay the following fees:

1. INITIAL FEE: \$~~356.05~~367.80 per single product nozzle (spn)
\$~~356.05~~367.80 per product for each multi-product nozzle (mpn)
2. PERMIT TO OPERATE FEE: \$~~136.38~~140.88 per single product nozzle (spn)
\$~~136.38~~140.88 per product for each multi-product nozzle (mpn)
3. Initial fees and permit to operate fees for hardware modifications at a currently permitted gasoline dispensing facility shall be consolidated into a single fee calculated according to the following formula:

$$\$492.42508.67 \times \{[(mpn_{proposed})(products \text{ per nozzle}) + spn_{proposed}] - [(mpn_{existing})(products \text{ per nozzle}) + spn_{existing}]\}$$

mpn = multi-product nozzles
spn = single product nozzles

The above formula includes a toxic surcharge.

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

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

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

4. RISK ASSESSMENT FEE (RAF) if required pursuant to Regulation 3-329 or 3-342 (including increases in permitted throughput for which a health risk assessment is required.) of:
 - a. \$~~3,8273,953~~ per application for a new gas dispensing facility
 - b. \$~~773-899~~ per application for all other
5. Nozzles used exclusively for the delivery of diesel fuel or other fuels exempt from permits shall pay no fee. Multi-product nozzles used to deliver both exempt and non-exempt fuels shall pay fees for the non-exempt products only.

B. All bulk plants, terminals or other facilities using loading racks to transfer gasoline or gasohol into trucks, railcars or ships shall pay the following fees:

1. INITIAL FEE: \$~~4,676.764,831~~ per single product loading arm
\$~~4,676.764,831~~ per product for multi-product arms
2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$~~5,2955,470~~
 - b. RAF for each additional TAC source: \$~~4,6774,831~~ *

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$~~1,3031,346~~ per single product loading arm
\$~~1,3031,346~~ per product for multi-product arms
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

C. Fees in (A) above are in lieu of tank fees. Fees in (B) above are in addition to tank fees.

(Amended 2/20/85, 6/5/85, 6/4/86, 7/3/91, 6/15/94, 10/8/97, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

**SCHEDULE E
SOLVENT EVAPORATING SOURCES**

(Adopted June 18, 1980)

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

1. INITIAL FEE:
 - a. The fee per source is: \$2,502,877 per 1,000 gallons
 - b. The minimum fee per source is: \$1,245,432
 - c. The maximum fee per source is: \$99,426,114,340

2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$630,651 plus initial fee
 - b. Minimum RAF for first TAC source: \$2,052,360
 - c. RAF for each additional TAC source: equal to initial fee *
 - d. Minimum RAF per additional TAC source: \$1,245,432 *
 - e. Maximum RAF per source is: \$99,426,114,340
* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE:
 - a. The fee per source is: \$1,245,432 per 1,000 gallons
 - b. The minimum fee per source is: \$898,033
 - c. The maximum fee per source is: \$49,709,571,165

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

(Amended 5/19/82, 10/17/84, 6/5/85, 6/4/86, 10/8/87, 7/3/91, 6/15/94, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

**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: \$9351,075
2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first (toxic air contaminant) TAC source in application: \$1,7562,019
 - b. RAF for each additional TAC source: \$9351,075*
 - * RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$680782
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1. List of special classifications requiring graduated fees is shown in Schedules G-1, G-2, G-3, G-4, and G-5.

G-1 FEES FOR SCHEDULE G-1. For each source in a G-1 classification, fees are:

1. INITIAL FEE: \$7,5928,731
2. RISK ASSESSMENT FEE (RAF) , if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$8,6469,908
 - b. RAF for each additional TAC source: \$7,5928,731*
 - * RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$3,7904,359
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 perc59ent. 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: \$40,02311,526
2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$41,04612,703
 - b. RAF for each additional TAC source: \$40,02311,526*
 - * RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1
3. PERMIT TO OPERATE FEE: \$5,0085,759
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

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

1. INITIAL FEE: \$52,89460,825
2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$53,75461,817
 - b. RAF for each additional TAC source: \$52,89460,825 *

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE: \$26,44130,407
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

G-4 FEES FOR SCHEDULE G-4. For each source in a G-4 classification, fees are:

1. INITIAL FEE: \$132,524152,403
2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$133,547153,579
 - b. RAF for each additional TAC source: \$132,524152,403*
 - * RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE: \$66,25876,197
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

G-5 FEES FOR SCHEDULE G-5. For each source in a G-5 classification, fees are:

1. INITIAL FEE: \$59,49168,415
2. RISK ASSESSMENT FEE (RAF) is only applicable for new and modified sources of toxic air contaminants (TACs) for which a health risk assessment is required under Regulation 2-5-401.
 - a. RAF for first TAC source in application: \$60,02269,025
 - b. RAF for each additional TAC source: \$59,49168,415*
 - * RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE: \$29,74534,207
4. TOXIC SURCHARGE is only applicable for a source that emits one or more TACs at a rate that exceeds a chronic trigger level listed in Table 2-5-1: the permit to operate fee shall be raised by ten percent. This fee shall not be assessed for TACs not listed in Table 2-5-1.

(Amended 5/19/82, 6/5/85, 6/4/86, 6/6/90, 7/3/91, 6/15/94, 10/8/97, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

SCHEDULE G-1
(Adopted June 18, 1980)

Equipment or Process Description	Materials Processed or Produced
Asphalt Roofing Manufacturing – Asphalt Dipping	Asphalt Roofing or Related Materials
Calcining Kilns, excluding those processing cement, lime, or coke (see G-4 for cement, lime, or coke Calcining Kilns)	Any Materials except cement, lime, or coke
Chemical Manufacturing, Inorganic – Processing Units with a Capacity of 1000 Gallons/Hour or more	Any Inorganic Materials
Chemical Manufacturing, Inorganic – Processing Units with a Capacity of 5 Tons/Hour or more	Any Inorganic Materials
Chemical Manufacturing, Inorganic – Reactors with a Capacity of 1000 Gallons or more	Any Inorganic Materials
Chemical Manufacturing, Organic – Latex Dipping	Any latex materials
Chemical Manufacturing, Organic – Processing Units with a Capacity of 1000 Gallons/Hour or more	Any Organic Materials
Chemical Manufacturing, Organic – Processing Units with a Capacity of 5 Tons/Hour or more	Any Organic Materials
Chemical Manufacturing, Organic – Reactors with a Capacity of 1000 Gallons or more	Any Organic Materials
Compost Operations – Windrows, Static Piles, Aerated Static Piles, In-Vessel, or similar methods	Any waste materials such as yard waste, food waste, agricultural waste, mixed green waste, bio-solids, animal manures, etc.
Crushers	Any minerals or mineral products such as rock, aggregate, cement, concrete, or glass; waste products such as building or road construction debris; and any wood, wood waste, green waste; or similar materials
Electroplating Equipment	Hexavalent Decorative Chrome with permitted capacity greater than 500,000 amp-hours per year or Hard Chrome
Foil Manufacturing – Any Converting or Rolling Lines	Any Metal or Alloy Foils
Galvanizing Equipment	Any
Glass Manufacturing – Batching Processes including storage and weigh hoppers or bins, conveyors, and elevators	Any Dry Materials
Glass Manufacturing – Mixers	Any Dry Materials
Glass Manufacturing – Molten Glass Holding Tanks	Any molten glass
Grinders	Any minerals or mineral products such as rock, aggregate, cement, concrete, or glass; waste products such as building or road construction debris; and any wood, wood waste, green waste; or similar materials
Incinerators – Crematory	Human and/or animal remains
Incinerators – Flares	Any waste gases
Incinerators – Other (see G-2 for hazardous or municipal solid waste incinerators, see G-3 for medical or infectious waste incinerators)	Any Materials except hazardous wastes, municipal solid waste, medical or infectious waste
Incinerators – Pathological Waste (see G-3 for medical or infectious waste incinerators)	Pathological waste only

Equipment or Process Description	Materials Processed or Produced
Loading and/or Unloading Operations – Bulk Plants and Bulk Terminals, excluding those loading gasoline or gasohol (see Schedule D for Bulk Plants and Terminals loading gasoline or gasohol)	Any Organic Materials except gasoline or gasohol
Refining – Alkylation Units	Any Hydrocarbons
Refining – Asphalt Oxidizers	Any Hydrocarbons
Refining – Benzene Saturation Units/Plants	Any Hydrocarbons
Refining – Catalytic Reforming Units	Any Hydrocarbons
Refining – Chemical Treating Units including alkane, naphthenic acid, and naptha merox treating, or similar processes	Any Hydrocarbons
Refining – Converting Units including Dimersol Plants, Hydrocarbon Splitters, or similar processes	Any Hydrocarbons
Refining – Distillation Units, excluding crude oil units with capacity > 1000 barrels/hour (see G-3 for > 1000 barrels/hour crude distillation units)	Any Hydrocarbons
Refining – Hydrogen Manufacturing	Hydrogen or Any Hydrocarbons
Refining – Hydrotreating or Hydrofining	Any Hydrocarbons
Refining – Isomerization	Any Hydrocarbons
Refining – MTBE Process Units/Plants	Any Hydrocarbons
Refining – Sludge Converter	Any Waste Materials
Refining – Solvent Extraction	Any Hydrocarbons
Refining – Sour Water Stripping	Any Process or Wastewater
Refining – Storage (enclosed)	Coke or Coke Products
Refining – Waste Gas Flares(not subject to Regulation 12, Rule 11)	Any Refining Gases
Refining – Miscellaneous Other Process Units	Any Hydrocarbons
Remediation Operations, Groundwater – Strippers	Contaminated Groundwater
Remediation Operations, Soil – Any Equipment (excluding sub-slab depressurization equipment)	Contaminated Soil
Spray Dryers	Any Materials
Sterilization Equipment	Ethylene Oxide
Wastewater Treatment, Industrial – Oil-Water Separators, excluding oil-water separators at refineries (see G-2 for Refining - Oil-Water Separators)	Wastewater from any industrial facilities except refineries
Wastewater Treatment, Industrial – Strippers including air strippers, nitrogen strippers, dissolved air flotation units, or similar equipment and excluding strippers at refineries (see G-2 for Refining – Strippers)	Wastewater from any industrial facilities except refineries
Wastewater Treatment, Industrial - Storage Ponds, excluding storage ponds at refineries (see G-2 for Refining – Storage Ponds)	Wastewater from any industrial facilities except refineries
Wastewater Treatment, Municipal – Preliminary Treatment	Municipal Wastewater
Wastewater Treatment, Municipal – Primary Treatment	Municipal Wastewater
Wastewater Treatment, Municipal – Digesters	Municipal Wastewater
Wastewater Treatment, Municipal – Sludge Handling Processes, excluding sludge incinerators (see G-2 for sludge incinerators)	Sewage Sludge

(Amended 6/4/86, 6/6/90, 5/19/99, 6/7/00, 6/2/04, 6/15/05, 6/6/18, 11/3/21)

SCHEDULE G-2
(Adopted June 6, 1990)

Equipment or Process Description	Materials Processed or Produced
Asphalt Roofing Manufacturing – Asphalt Blowing	Asphalt Roofing or Related Materials
Asphaltic Concrete Manufacturing – Aggregate Dryers	Any Dry Materials
Asphaltic Concrete Manufacturing – Batch Mixers	Any Asphaltic Concrete Products
Asphaltic Concrete Manufacturing – Drum Mixers	Any Asphaltic Concrete Products
Asphaltic Concrete Manufacturing – Other Mixers and/or Dryers	Any Dry Materials or Asphaltic Concrete Products
Concrete or Cement Batching Operations – Mixers	Any cement, concrete, or stone products or similar materials
Furnaces – Electric	Any Mineral or Mineral Product
Furnaces – Electric Induction	Any Mineral or Mineral Product
Furnaces – Glass Manufacturing	Soda Lime only
Furnaces – Reverberatory	Any Ores, Minerals, Metals, Alloys, or Related Materials
Incinerators – Hazardous Waste including any unit required to have a RCRA permit	Any Liquid or Solid Hazardous Wastes
Incinerators – Solid Waste, excluding units burning human/animal remains or pathological waste exclusively (see G-1 for Crematory and Pathological Waste Incinerators)	Any Solid Waste including Sewage Sludge (except human/animal remains or pathological waste)
Metal Rolling Lines, excluding foil rolling lines (see G-1 for Foil Rolling Lines)	Any Metals or Alloys
Metal Shredding (maximum capacity of less than or equal to 150 tons per hour)	Any Metals or Alloys
Refining – Stockpiles (open)	Coke or coke products only
Refining, Wastewater Treatment – Oil-Water Separators	Wastewater from refineries only
Refining, Wastewater Treatment – Strippers including air strippers, nitrogen strippers, dissolved air flotation units, or similar equipment	Wastewater from refineries only
Refining, Wastewater Treatment – Storage Ponds	Wastewater from refineries only
Pickling Lines or Tanks	Any Metals or Alloys
Sulfate Pulping Operations – All Units	Any
Sulfite Pulping Operations – All Units	Any

(Amended 6/7/00, 11/3/21, 6/7/23)

SCHEDULE G-3
(Adopted June 18, 1980)

Equipment or Process Description	Materials Processed or Produced
Furnaces – Electric Arc	Any Metals or Alloys
Furnaces – Electric Induction	Any Metals or Alloys
Incinerators – Medical Waste, excluding units burning pathological waste exclusively (see G-1 for Pathological Waste Incinerators)	Any Medical or Infectious Wastes
Loading and/or Unloading Operations – Marine Berths	Any Organic Materials
Metal Shredding (maximum capacity greater than 150 tons per hour)	Any Metals or Alloys
Refining – Cracking Units including hydrocrackers and excluding thermal or fluid catalytic crackers (see G-4 for Thermal Crackers and Catalytic Crackers)	Any Hydrocarbons
Refining – Distillation Units (crude oils) including any unit with a capacity greater than 1000 barrels/hour (see G-1 for other distillation units)	Any Crude Oils
Phosphoric Acid Manufacturing – All Units (by any process)	Phosphoric Acid

(Amended 5/19/82; Amended and renumbered 6/6/90; Amended 6/7/00, 6/15/05, 5/2/07, 11/3/21, 6/7/23)

SCHEDULE G-4
(Adopted June 6, 1990)

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

(Amended 6/7/00, 11/3/21)

SCHEDULE G-5

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

(Adopted 5/2/07; Amended 11/3/21)

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

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

1. INITIAL FEE:

- a. The minimum fee per source is: \$~~1,0861,249~~
- b. The maximum fee per source is: \$~~86,86599,895~~

The initial fee ~~shall include the~~ fees for each type of operation listed ~~below, which is in Parts 1c and 1d~~ performed at the fabrication area. If the type of solvent operation is not listed in Parts 1c and 1d, then the minimum fee applies.:

c. SOLVENT CLEANING OPERATIONS, such as usage of:

Solvent Sinks (as defined in Regulation 8-30-214);
Solvent Spray Stations (as defined in Regulation 8-30-221);
Solvent Vapor Stations (as defined in Regulation 8-30-222); and
Wipe Cleaning Operation (as defined in Regulation 8-30-225).

The fee is based on the gross throughput of organic solvent processed through the solvent cleaning operations on an annual basis (or anticipated to be processed, for new sources):

~~\$734-844~~ per 1,000 gallon

d. COATING OPERATIONS, such as application of:

Photoresist (as defined in Regulation 8-30-215); other wafer coating;
Solvent-Based Photoresist Developer (as defined in Regulation 8-30-219); and other miscellaneous solvent usage.

The fee is based on the gross throughput of organic solvent processed through the coating operations on an annual basis (or anticipated to be processed, for new sources):

~~\$2,1802,507~~ per 1,000 gallon

2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.

- a. RAF for first toxic air contaminant (TAC) source in application: \$~~630651~~ plus initial fee
- b. Minimum RAF for first TAC source: \$~~1,8882,171~~
- c. RAF for each additional TAC source: equal to initial fee *
- d. Minimum RAF per additional TAC source: ~~\$1,0861,249~~ *
- e. Maximum RAF per source is: \$~~86,86599,895~~

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE:

- a. The minimum fee per source is: \$~~785903~~
- b. The maximum fee per source is: \$~~43,42549,939~~

The permit to operate fee ~~shall include the~~ fees for each type of operation listed ~~below, which is in Parts 3c and 3d~~ performed at the fabrication area. If the type of solvent operation is not listed in Parts 3c and 3d, then the minimum fee applies.:

c. SOLVENT CLEANING OPERATIONS, such as usage of:

Solvent Sinks (as defined in Regulation 8-30-214);
Solvent Spray Stations (as defined in Regulation 8-30-221);
Solvent Vapor Stations (as defined in Regulation 8-30-222); and
Wipe Cleaning Operation (as defined in Regulation 8-30-225).

The fee is based on the gross throughput of organic solvent processed through the solvent cleaning operations on an annual basis (or anticipated to be processed, for new sources):

~~\$369,424~~ per 1,000 gallon

d. COATING OPERATIONS, such as application of:

Photoresist (as defined in Regulation 8-30-215); other wafer coating;
Solvent-Based Photoresist Developer (as defined in Regulation 8-30-219); and other
miscellaneous solvent usage.

The fee is based on the gross throughput of organic solvent processed through the coating operations on an annual basis (or anticipated to be processed, for new sources):

~~\$1,0861,249~~ per 1,000 gallon

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

(Amended 1/9/85, 6/5/85, 6/4/86, 7/3/91, 6/15/94, 10/8/97, 7/1/98, 5/19/99, 10/20/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

**SCHEDULE I
DRY CLEANERS**
(Adopted July 6, 1983)

For permitted 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: \$744769
 - b. If the washing or drying capacity exceeds 100 pounds: \$744769 plus
For that portion of the capacity exceeding 100 pounds: \$20.9522.00 per pound

2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$630651 plus initial fee
 - b. Minimum RAF for first TAC source: \$1,3231,367
 - c. RAF for each additional TAC source: equal to initial fee*
 - d. Minimum RAF per additional TAC source: \$744769*

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE FOR A DRY CLEANING MACHINE (per drum):
 - a. If the washing or drying capacity is no more than 100 pounds: \$543561
 - b. If the washing or drying capacity exceeds 100 pounds: \$543-561 plus
For that portion of the capacity exceeding 100 pounds: \$11.0011.36 per pound

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

(Amended 10/17/84, 6/5/85, 6/4/86, 7/3/91, 6/15/94, 10/8/97, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/02/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/15/22, 6/7/23, TBD)

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

1. INITIAL FEE:
 - a. Landfill (Decomposition Process) \$8,833,10,158
 - b. Active Landfill (Waste and Cover Material Dumping Process) \$4,415,077
 - c. Active Landfill (Excavating, Bulldozing, and Compacting Processes) \$4,415,077

2. RISK ASSESSMENT FEE (RAF), if required pursuant to Regulation 3-329 or 3-342.
 - a. RAF for first toxic air contaminant (TAC) source in application: \$630,651 plus initial fee
 - b. RAF for each additional TAC source: equal to initial fee*

* RAF for additional TAC sources is only applicable to those sources that emit one or more TACs at a rate that exceeds a trigger level listed in Table 2-5-1

3. PERMIT TO OPERATE FEE:
 - a. Landfill (Decomposition Process) \$4,415,077
 - b. Active Landfill (Waste and Cover Material Dumping Process) \$2,207,538
 - c. Active Landfill (Excavating, Bulldozing, and Compacting Processes) \$2,207,538

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

5. Evaluation of Reports and Questionnaires:
 - a. Evaluation of Solid Waste Air Assessment Test Report as required by Health & Safety Code Section 41805.5(g) \$4,867,597
 - b. Evaluation of Inactive Site Questionnaire as required by Health & Safety Code Section 41805.5(b) \$2,440,806
 - c. Evaluation of Solid Waste Air Assessment Test Report in conjunction with evaluation of Inactive Site Questionnaire as required by Health & Safety Code Section 41805.5(b) \$2,440,806
 - d. Evaluation of Initial or Amended Design Capacity Reports as required by Regulation 8, Rule 34, Section 405 \$1,795,064
 - e. Evaluation of Initial or Periodic NMOC Emission Rate Reports as required by Regulation 8, Rule 34, Sections 406 or 407 \$5,132,902
 - f. Evaluation of Closure Report as required by Regulation 8, Rule 34, Section 409 \$1,795,064
 - g. Evaluation of Annual Report as required by Regulation 8, Rule 34, Section 411 \$4,491,165

6. For the purposes of this fee schedule, landfill shall be considered active, if it has accepted solid waste for disposal at any time during the previous 12 months or has plans to accept solid waste for disposal during the next 12 months.

(Amended 7/3/91, 6/15/94, 10/8/97, 7/1/98, 5/19/99, 10/6/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

SCHEDULE L
ASBESTOS OPERATIONS
(Adopted July 6, 1988)

1. Asbestos Operations conducted at single family dwellings are subject to the following fees:
 - a. OPERATION FEE: \$185 for amounts 100 to 500 square feet or linear feet.
 \$679 for amounts 501 square feet or linear feet to 1000 square feet or linear feet.
 \$988 for amounts 1001 square feet or liner feet to 2000 square feet or linear feet.
 \$1,358 for amounts greater than 2000 square feet or linear feet.
 - b. Cancellation: \$90 of above amounts non-refundable for notification processing.

2. Asbestos Operations, other than those conducted at single family dwellings, are subject to the following fees:
 - a. OPERATION FEE: \$524 for amounts 100 to 159 square feet or 100 to 259 linear feet or 35 cubic feet
 \$754 for amounts 160 square feet or 260 linear feet to 500 square feet or linear feet or greater than 35 cubic feet.
 \$1,098 for amounts 501 square feet or linear feet to 1000 square feet or linear feet.
 \$1,620 for amounts 1001 square feet or liner feet to 2500 square feet or linear feet.
 \$2,309 for amounts 2501 square feet or linear feet to 5000 square feet or linear feet.
 \$3,169 for amounts 5001 square feet or linear feet to 10000 square feet or linear feet.
 \$4,031 for amounts greater than 10000 square feet or linear feet.
 - b. Cancellation: \$248 of above amounts non-refundable for notification processing.

3. Demolitions (including zero asbestos demolitions) conducted at a single-family dwelling are subject to the following fee:
 - a. OPERATION FEE: \$90
 - b. Cancellation: \$90 (100% of fee) non-refundable, for notification processing.

4. Demolitions (including zero asbestos demolitions) other than those conducted at a single family dwelling are subject to the following fee:
 - a. OPERATION FEE: \$372
 - b. Cancellation: \$248 of above amount non-refundable for notification processing.

5. Asbestos operations with less than 10 days prior notice (excluding emergencies) are subject to the following additional fee:
 - a. OPERATION FEE: \$619

6. Asbestos demolition operations for the purpose of fire training are exempt from fees.

(Amended 9/5/90, 1/5/94, 8/20/97, 10/7/98, 7/19/00, 8/1/01, 6/5/02, 7/2/03, 6/2/04, 6/6/07, 5/21/08, 5/20/09, 6/16/10, 6/15/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16,6/5/19)

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

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

	1.	Organic Compounds	\$ 154.50 <u>159.60</u> per ton
	2.	Sulfur Oxides	\$ 154.50 <u>159.60</u> per ton
	3.	Nitrogen Oxides	\$ 154.50 <u>159.60</u> per ton
	4.	PM ₁₀	\$ 154.50 <u>159.60</u> per ton

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

(Amended 7/3/91, 6/15/94, 7/1/98, 5/9/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

SCHEDULE N
TOXIC INVENTORY FEES
(Adopted October 21, 1992)

For each stationary source emitting substances covered by California Health and Safety Code Section 44300 *et seq.*, the Air Toxics "Hot Spots" Information and Assessment Act of 1987, which have trigger levels listed in Table 2-5-1, a fee based on the weighted emissions of the facility shall be assessed based on the following formulas:

1. A fee of \$7.44 for each gasoline product dispensing nozzle in a Gasoline Dispensing Facility;
or
2. A fee calculated by multiplying the facility's weighted toxic inventory (w_i) by the following factor:

Air Toxic Inventory Fee Factor	\$1.13 per weighted pound per year
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Using the last reported data, the facility's weighted toxic inventory (w_i) is calculated as a sum of the individual TAC emissions multiplied by either the inhalation cancer potency factor for the TAC (see Regulation 2, Rule 5, Table 2-5-1, column 10) times 28.6 if the emission is a carcinogen, or by the reciprocal of the chronic inhalation reference exposure level for the TAC (see Regulation 2, Rule 5, Table 2-5-1, column 8) if the emission is not a carcinogen.

(Amended 12/15/93, 6/15/05, 5/2/07, 6/16/10, 5/4/11, 6/4/14, 6/3/15, 6/15/16, 6/6/18, 6/5/19, 6/3/20, 6/16/21, 6/15/22, 6/7/23)

SCHEDULE P
MAJOR FACILITY REVIEW FEES
(Adopted November 3, 1993)

1. MFR / SYNTHETIC MINOR ANNUAL FEES

Each facility, which is required to undergo major facility review in accordance with the requirements of Regulation 2, Rule 6, shall pay annual fees (1a and 1b below) for each source holding a District Permit to Operate. These fees shall be in addition to and shall be paid in conjunction with the annual renewal fees paid by the facility. However, these MFR permit fees shall not be included in the basis to calculate Alternative Emission Control Plan (bubble) or toxic air contaminant surcharges. If a major facility applies for and obtains a synthetic minor operating permit, the requirement to pay the fees in 1a and 1b shall terminate as of the date the APCO issues the synthetic minor operating permit.

- a. MFR SOURCE FEE ~~\$1,1371,308~~ per source
- b. MFR EMISSIONS FEE..... ~~\$44,7351.44~~ 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 ~~\$11,36313,067~~ per monitor per pollutant

2. SYNTHETIC MINOR APPLICATION FEES

Each facility that applies for a synthetic minor operating permit or a revision to a synthetic minor operating permit shall pay application fees according to 2a and either 2b (for each source holding a District Permit to Operate) or 2c (for each source affected by the revision). If a major facility applies for a synthetic minor operating permit prior to the date on which it would become subject to the annual major facility review fee described above, the facility shall pay, in addition to the application fee, the equivalent of one year of annual fees for each source holding a District Permit to Operate.

- a. SYNTHETIC MINOR FILING FEE ~~\$1,5831,820~~ per application
- b. SYNTHETIC MINOR INITIAL PERMIT FEE ~~\$1,1371,308~~ per source
- c. SYNTHETIC MINOR REVISION FEE..... ~~\$1,1371,308~~ per source modified

3. MFR APPLICATION FEES

Each facility that applies for or is required to undergo: an initial MFR permit, an amendment to an MFR permit, a minor or significant revision to an MFR permit, a reopening of an MFR permit or a renewal of an MFR permit shall pay, with the application and in addition to any other fees required by this regulation, the MFR filing fee and any applicable fees listed in 3b-h below. The fees in 3b apply to each source in the initial permit. The fees in 3g apply to each source in the renewal permit, The fees in 3d-f apply to each source affected by the revision or reopening.

- a. MFR FILING FEE ~~\$1,5831,820~~ per application
- b. MFR INITIAL PERMIT FEE ~~\$1,5831,820~~ per source
- c. MFR ADMINISTRATIVE AMENDMENT FEE ~~\$448-515~~ per application
- d. MFR MINOR REVISION FEE ~~\$2,2472,584~~ per source modified
- e. MFR SIGNIFICANT REVISION FEE ~~\$4,1894,817~~ per source modified
- f. MFR REOPENING FEE ~~\$1,3741,580~~ per source modified
- g. MFR RENEWAL FEE ~~\$668-768~~ per source

Each facility that requests a permit shield or a revision to a permit shield under the provisions of Regulation 2, Rule 6 shall pay the following fee for each source (or group of sources, if the requirements for these sources are grouped together in a single table in the MFR permit) that is covered by the requested shield. This fee shall be paid in addition to any other applicable fees.

- h. MFR PERMIT SHIELD FEE ~~\$2,3662,721~~ 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 \$~~49,33822,239~~

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

6. POTENTIAL TO EMIT DEMONSTRATION FEE

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

a. PTE DEMONSTRATION FEE \$~~270-311~~ per source, not to exceed \$~~26,58430,572~~

(Amended 6/15/94, 10/8/97, 7/1/98, 5/19/99, 6/7/00, 6/6/01, 5/1/02, 5/21/03, 6/2/04, 6/15/05, 6/7/06, 5/2/07, 5/21/08, 5/20/09, 6/16/10, 5/4/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

**SCHEDULE Q
EXCAVATION OF CONTAMINATED SOIL AND
REMOVAL OF UNDERGROUND STORAGE TANKS
(ADOPTED JANUARY 5, 1994)**

1. ~~Persons excavating contaminated soil or removing underground storage tanks subject to the provisions of Regulation 8, Rule 40, Section 401, 402, 403 or 405 are subject to the following fee:~~

a. ~~OPERATION FEE: _____ \$168~~

~~(Amended 7/19/00, 8/1/01, 6/5/02, 7/2/03, 6/2/04, 6/6/07, 5/21/08, 5/20/09, 6/16/10, 6/15/11, 6/6/12, 6/4/14, 6/3/15, 6/15/16)~~

**SCHEDULE R
EQUIPMENT REGISTRATION FEES**

1. Persons operating commercial cooking equipment who are required to register equipment as required by District rules are subject to the following fees:
 - a. Conveyorized Charbroiler REGISTRATION FEE: \$744 per facility
 - b. Conveyorized Charbroiler ANNUAL RENEWAL FEE: \$209 per facility
 - c. Under-fired Charbroiler REGISTRATION FEE: \$744 per facility
 - d. Under-fired Charbroiler ANNUAL RENEWAL FEE: \$209 per facility

2. Persons operating non-halogenated dry cleaning equipment who are required to register equipment as required by District rules are subject to the following fees:
 - a. Dry Cleaning Machine REGISTRATION FEE: \$371
 - b. Dry Cleaning Machine ANNUAL RENEWAL FEE: \$259

3. Persons operating diesel engines who are required to register equipment as required by District or State rules are subject to the following fees:
 - a. Diesel Engine REGISTRATION FEE: \$250
 - b. Diesel Engine ANNUAL RENEWAL FEE: \$166
 - c. Diesel Engine ALTERNATIVE COMPLIANCE PLAN FEE (for each plan submitted under District Regulation 11-17-402): \$250

4. Persons operating boilers, steam generators and process heaters who are required to register equipment by District Regulation 9-7-404 are subject to the following fees:
 - a. REGISTRATION FEE \$137 per device
 - b. ANNUAL RENEWAL FEE: \$115 per device

5. Persons owning or operating graphic arts operations who are required to register equipment by District Regulation 8-20-408 are subject to the following fees:
 - a. REGISTRATION FEE: \$446
 - b. ANNUAL RENEWAL FEE: \$278

6. Persons owning or operating mobile refinishing operations who are required to register by District Regulation 8-45-4 are subject to the following fees:
 - a. REGISTRATION FEE \$209
 - b. ANNUAL RENEWAL FEE \$123

(Adopted 7/6/07, Amended 12/5/07, 5/21/08, 7/30/08, 11/19/08, 12/3/08, 5/20/09, 6/16/10, 6/15/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18)

**SCHEDULE S
NATURALLY OCCURRING ASBESTOS OPERATIONS**

1. ASBESTOS DUST MITIGATION PLAN INITIAL REVIEW AND AMENDMENT FEES:

Any person submitting an Asbestos Dust Mitigation Plan (ADMP) for initial review of a Naturally Occurring Asbestos (NOA) project shall pay the following fee (including NOA Discovery Notifications which would trigger an ADMP review): \$9661,111

Any person submitting a request to amend an existing ADMP shall pay the following fee: \$495569

2. AIR MONITORING PROCESSING FEE:

NOA projects requiring an Air Monitoring component as part of the ADMP approval are subject to the following fee in addition to the ADMP fee: \$7,4528,570

3. GEOLOGIC EVALUATION FEE:

Any person submitting a Geologic Evaluation for exemption from Section 93105 shall pay the following fee: \$3,6804,232

4. INSPECTION FEES:

a. The owner of any property for which an ADMP is required shall pay fees to cover the costs incurred by the District in conducting inspections to determine compliance with the ADMP on an ongoing basis. Inspection fees shall be invoiced by the District on a quarterly basis, and at the conclusion of dust generating activities covered under the ADMP, based on the actual time spent in conducting such inspections, and the following time and materials rate: \$206-213 per hour

b. The owner of any property for which Geologic Evaluation is required shall pay fees to cover the costs incurred by the District. Inspection fees shall be invoiced by the District, based on the actual time spent in conducting such inspections, and the following time and materials rate: \$206-213 per hour

(Adopted 6/6/07; Amended 5/21/08, 5/20/09, 6/16/10, 6/15/11, 6/6/12, 6/19/13, 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/16/21, 6/15/22, 6/7/23, TBD)

**SCHEDULE T
GREENHOUSE GAS FEES**

No
increase

For each permitted facility emitting greenhouse gases, the fee shall be based on the following:
1. Carbon Dioxide Equivalent (CDE) Emissions \$0.174 per metric ton

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

Global Warming Potential Relative to Carbon Dioxide*

GHG	CAS Registry Number	GWP**
Carbon Dioxide	124-38-9	1
Methane	74-82-8	34
Nitrous Oxide	10024-97-2	298
Nitrogen Trifluoride	7783-54-2	17,885
Sulfur Hexafluoride	2551-62-4	26,087
HCFC-22	75-45-6	2,106
HCFC-123	306-83-2	96
HCFC-124	2837-89-0	635
HCFC-141b	1717-00-6	938
HCFC-142b	75-68-3	2,345
HCFC-225ca	422-56-0	155
HCFC-225cb	507-55-1	633
HFC-23	75-46-7	13,856
HFC-32	75-10-5	817
HFC-125	354-33-6	3,691
HFC-134a	811-97-2	1,549
HFC-143a	420-46-2	5,508
HFC-152a	75-37-6	167
HFC-227ea	431-89-0	3,860
HFC-236fa	690-39-1	8,998
HFC-245fa	460-73-1	1,032
HFC-365mfc	406-58-6	966
HFC-43-10-mee	138495-42-8	1,952
PFC-14	75-73-0	7,349
PFC-116	76-16-4	12,340
PFC-218	76-19-7	9,878
PFC-318	115-25-3	10,592

* Source: Myhre, G., et al., 2013: Anthropogenic and Natural Radiative Forcing (and Supplementary Material). In: Climate Change 2013: The Physical Science Basis. Contribution of Working Group I to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Stocker, T.F., et al. (eds.)]. Cambridge University Press, Cambridge, United Kingdom and New York, NY, USA. Available from www.ipcc.ch.

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

**SCHEDULE V
OPEN BURNING**

1. Any prior notification required by Regulation 5, Section 406 is subject to the following fee:

- a. OPERATION FEE: \$199
- b. The operation fee paid as part of providing notification to the District prior to burning will be determined for each property, as defined in Regulation 5, Section 217, and will be valid for one year from the fee payment date when a given fire is allowed, as specified in Regulation 5, Section 401 for the following fires:

Regulation 5 Section – Fire	Burn Period
401.1 - Disease and Pest	January 1 – December 31
401.2 - Crop Replacement ¹	October 1 – April 30
401.3 - Orchard Pruning and Attrition ²	November 1 – April 30
401.4 - Double Cropping Stubble	June 1 – August 31
401.6 - Hazardous Material ¹	January 1 – December 31
401.7 - Fire Training	January 1 – December 31
401.8 - Flood Debris	October 1 – May 31
401.9 - Irrigation Ditches	January 1 – December 31
401.10 - Flood Control	January 1 – December 31
401.11 - Range Management ¹	July 1 – April 30
401.12 - Forest Management ¹	November 1 – April 30
401.14 - Contraband	January 1 – December 31

¹ Any Forest Management fire, Range Management fire, Hazardous Material fire not related to Public Resources Code 4291, or any Crop Replacement fire for the purpose of establishing an agricultural crop on previously uncultivated land, that is expected to exceed 10 acres in size or burn piled vegetation cleared or generated from more than 10 acres is defined in Regulation 5, Section 213 as a type of Prescribed Burning and, as such, is subject to the Prescribed Burning operation fee in Section 3 below.

² Upon the determination of the APCO that heavy winter rainfall has prevented this type of burning, the burn period may be extended to no later than June 30.

- c. Any person who provided notification required under Regulation 5, Section 406, who seeks to burn an amount of material greater than the amount listed in that initial notification, shall provide a subsequent notification to the District under Regulation 5, Section 406 and shall pay an additional open burning operation fee prior to burning.

2. Any Marsh Management fire conducted pursuant to Regulation 5, Section 401.13 is subject to the following fee, which will be determined for each property by the proposed acreage to be burned:

- a. OPERATION FEE: \$744,821 for 50 acres or less
\$974,117 for more than 50 acres but less than or equal to 150 acres
\$1,224,408 for more than 150 acres

- b. The operation fee paid for a Marsh Management fire will be valid for a Fall or Spring burning period, as specified in Regulation 5, Subsection 401.13. Any burning subsequent to either of these time periods shall be subject to an additional open burning operation fee.

3. Any Wildland Vegetation Management fire (Prescribed Burning) conducted pursuant to Regulation 5, Section 401.15 is subject to the following fee, which will be determined for each prescribed burning project by the proposed acreage to be burned:

- a. OPERATION FEE: \$796 for 50 acres or less
\$1,079 for more than 50 acres but less than or equal to 150 acres

\$1,404 for more than 150 acres

- b. The operation fee paid for a prescribed burn project will be valid for the burn project approval period, as determined by the District. Any burning subsequent to this time period shall be subject to an additional open burning operation fee.
- 4. Any Filmmaking fire conducted pursuant to Regulation 5, Section 401.16 and any Public Exhibition fire conducted pursuant to Regulation 5, Section 401.17 is subject to the following fee:
 - a. OPERATION FEE: \$1,029
 - b. The operation fee paid for a Filmmaking or Public Exhibition fire will be valid for the burn project approval period, as determined by the District. Any burning subsequent to this time period shall be subject to an additional open burning operation fee.
- 5. Any Stubble fire conducted pursuant to Regulation 5, Section 401.5 that requires a person to receive an acreage burning allocation prior to ignition is subject to the following fee, which will be determined for each property by the proposed acreage to be burned:
 - a. OPERATION FEE: \$509 for 25 acres or less
\$714 for more than 25 acres but less than or equal to 75 acres
\$867 for more than 75 acres but less than or equal to 150 acres
\$1,021 for more than 150 acres
 - b. The operation fee paid for a Stubble fire will be valid for one burn period, which is the time period beginning September 1 and ending December 31, each calendar year. Any burning subsequent to this time period shall be subject to an additional open burning operation fee.
- 6. All fees paid pursuant to Schedule V are non-refundable.
- 7. All fees required pursuant to Schedule V must be paid before conducting a fire.

(Adopted 6/19/13; Amended 6/4/14, 6/3/15, 6/15/16, 6/21/17, 6/6/18, 6/5/19, 6/3/20, 6/16/21, 6/15/22, 6/7/23)

SCHEDULE W
REFINING EMISSIONS TRACKING FEES

1. ANNUAL EMISSIONS INVENTORIES:

Any Refinery owner/operator required to submit an Annual Emissions Inventory Report in accordance with Regulation 12, Rule 15, Section 401 shall pay the following fees:

- a. Initial submittal: \$89,518,102,946
- b. Each subsequent annual submittal: \$44,760,51,474

Any Support Facility owner/operator required to submit an Annual Emissions Inventory Report in accordance with Regulation 12, Rule 15, Section 401 shall pay the following fees:

- a. Initial submittal: \$5,4726,293
- b. Each subsequent annual submittal: \$2,7363,146

2. AIR MONITORING PLANS:

Any person required to submit an air monitoring plan in accordance with Regulation 12, Rule 15, Section 403 shall pay a one-time fee of \$12,43314,298.

(Adopted 6/15/16; Amended 6/5/19, 6/16/21, 11/3/21, 6/15/22, 6/7/23, TBD)

**SCHEDULE X
MAJOR STATIONARY SOURCE COMMUNITY AIR MONITORING FEES**

For each major stationary source, emitting 35 tons per year or more of Organic Compounds, Sulfur Oxides, Nitrogen Oxides, Carbon Monoxide and/or PM₁₀ within the vicinity of a District proposed community air monitoring location, the fee shall be based on the following:

1.	Organic Compounds	\$60.61 per ton
2.	Sulfur Oxides	\$60.61 per ton
3.	Nitrogen Oxides	\$60.61 per ton
4.	Carbon Monoxide	\$60.61 per ton
5.	PM ₁₀	\$60.61 per ton

Emissions calculated by the APCO shall be based on the data reported for the most recent 12-month period prior to billing. In calculating the fee amount, emissions of Organic Compounds, Sulfur Oxides, Nitrogen Oxides, Carbon Monoxide, or PM₁₀, if occurring in an amount less than 35 tons per year, shall not be counted.

(Adopted: 6/15/16; Amended: 6/21/17)



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 15

Amendments to Regulation 3, Fees

Board of Directors Meeting
May 1, 2024

Fred Tanaka
Manager, Engineering Division
ftanaka@baaqmd.gov

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)

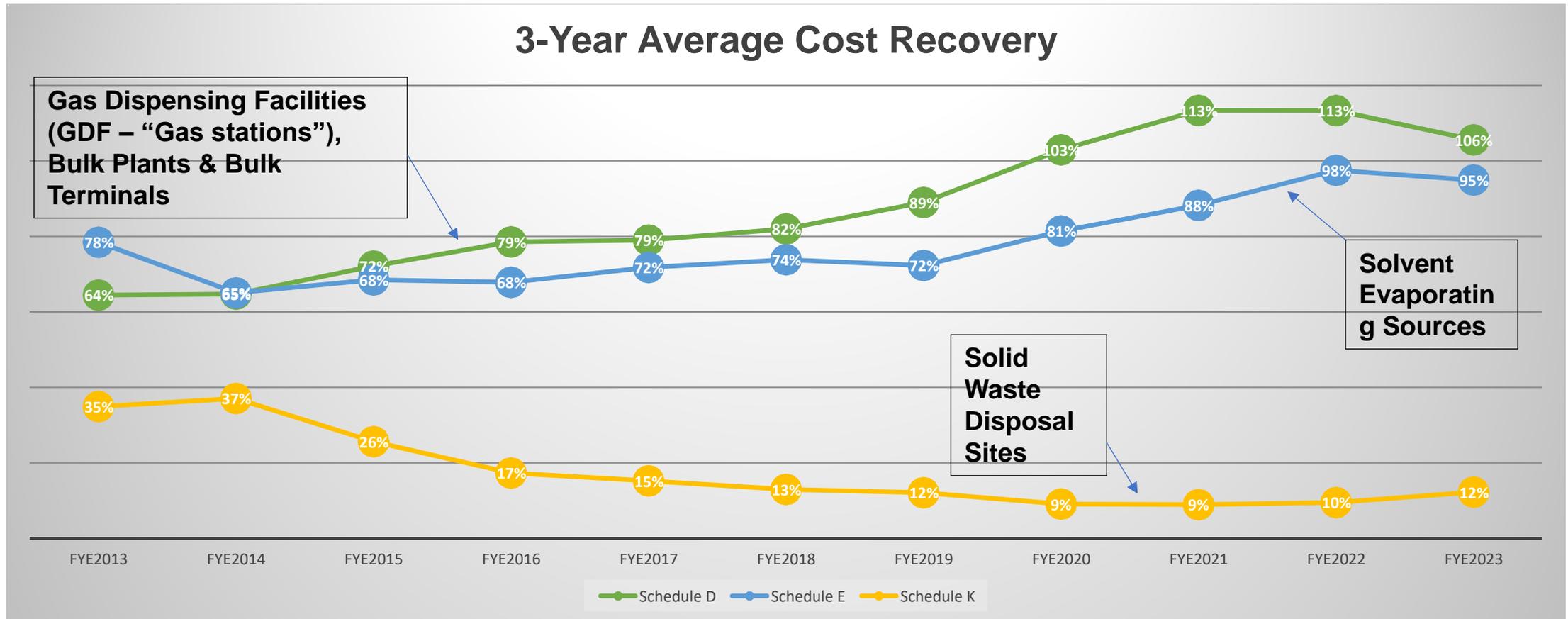
Cost Recovery Background: Limitations of Cost Recovery



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



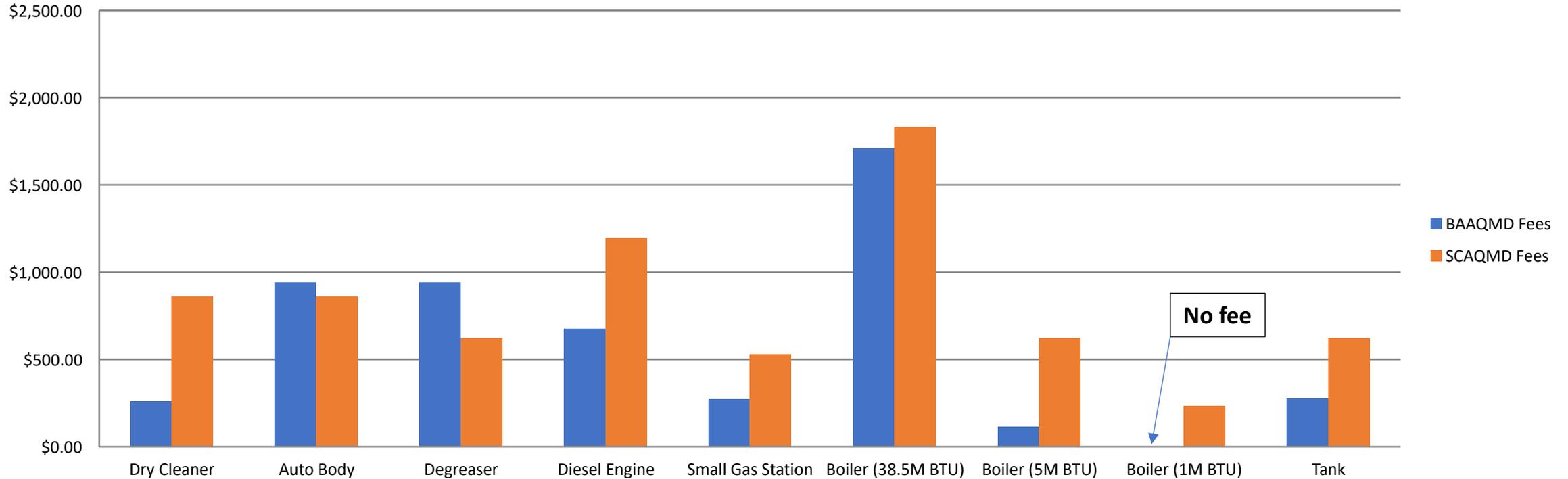
- Refinery facilities across the state differ in size and operations.
- South Coast AQMD charges fees for source test work, fence line and community monitoring, and 'Toxic Hot Spots' program separately.
 - Those fees are not reflected in their total below.
- In FYE 2022 for all refineries, the fees were:

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)

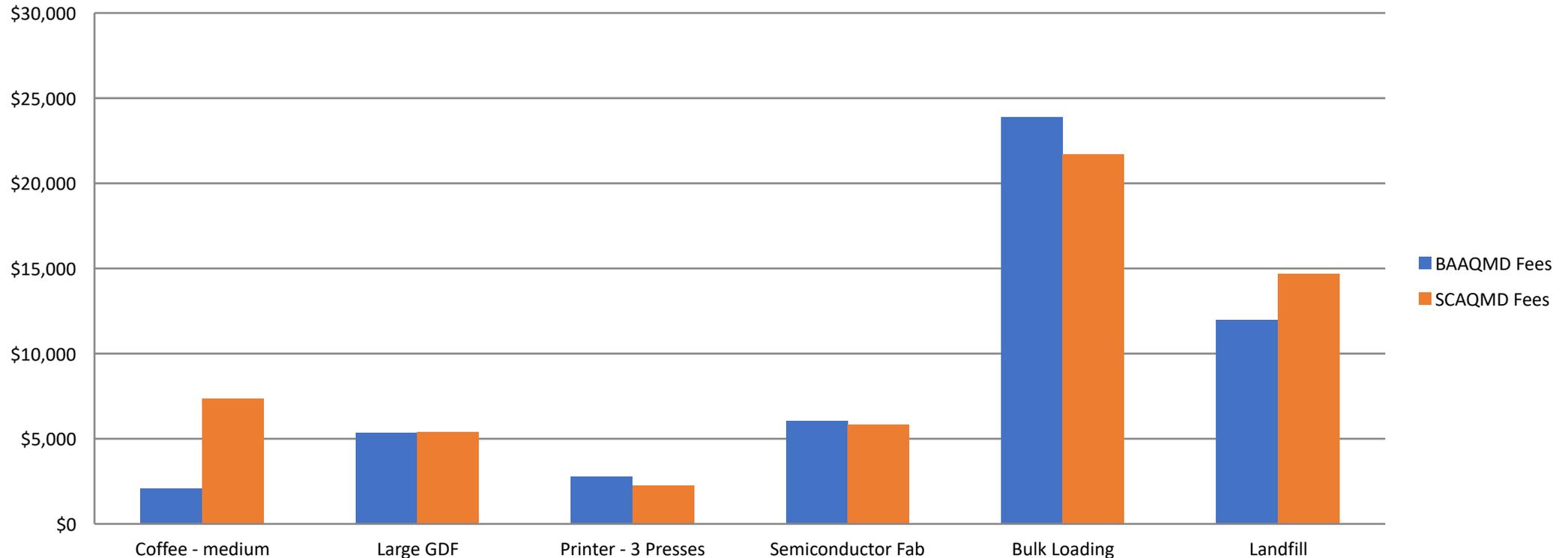


- Compare with South Coast AQMD.
- Single device/operation comparisons
- Minimum fees where applicable

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.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Davina Hurt and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: May 1, 2024

Re: Community Emissions Reduction Plan for the Richmond, North Richmond, and San Pablo Path to Clean Air (PTCA) Area

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).

BACKGROUND

Assembly Bill 617 (AB 617), signed in 2017, focuses on improving local air quality and health in disproportionately impacted communities. The law requires the California Air Resources Board (CARB) to work with community groups, air districts and others to select locations around the state where communities and their air district will work together to reduce local air pollution. In September 2018, CARB approved the Air District's recommendation to develop a community air monitoring plan (CAMP) in Richmond-North Richmond-San Pablo to identify and understand areas of elevated air pollution exposure in these communities. The CAMP Community Steering Committee adopted the branding and name "Path to Clean Air" (PTCA). With the completion of the PTCA CAMP, the Air District recommended that Richmond-North Richmond-San Pablo (the PTCA area) begin the next phase of the AB 617 program with development of a community emissions reduction plan (CERP). In September 2020, CARB approved the Air District's recommendation to develop a CERP for the PTCA area.

On April 22, 2024, the Community Equity, Health and Justice Committee held a special meeting at City of San Pablo City Hall Council Chambers on the Path to Clean Air Draft Final PTCA Plan and the Committee voted to recommend the Board of Directors (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).

The Path To Clean Air CERP (Draft Final PTCA Plan) is available on the Richmond-North Richmond-San Pablo CERP webpage at <https://www.baaqmd.gov/PTCA-CERP>. The plan documents will be finalized upon approval by the Board of Directors.

DISCUSSION

Path to Clean Air Plan Overview

The PTCA Plan builds on work completed for the PTCA CAMP and the Air District's long history of leadership and innovation protecting air quality and public health. The PTCA Plan also represents the work of a Community Steering Committee (CSC) over a three-year period. The PTCA Plan was co-developed by the CSC, Air District, CARB, local governments, and key implementation partners. These partners participated in monthly committee meetings, ad hoc subcommittees, and writing and review teams, designed to center the CSC's community voice in the PTCA Plan.

The PTCA area includes areas of Richmond and San Pablo and unincorporated Contra Costa County, including North Richmond. The PTCA area has major pollution sources, and residents suffer from disproportionately high health burdens. To address the disproportionate pollution and health burdens, the CSC and partners set plan goals, identified major pollution sources and pollutants, and created strategies and actions to reduce local emissions and exposures. The PTCA Plan stretches beyond the Air District's existing efforts to reduce local sources of air pollution, incorporates lived experience and expertise of community members, and reflects collaboration with partner agencies, including CARB and local governments.

The Four Plan Goals of the PTCA Plan:

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.

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.

Air Pollution Overview

Keeping with the community-centered approach, the PTCA Plan's air pollution overview draws from a community mapping project. The Air District worked with six nonprofit organizations from the PTCA area to collect and analyze over 500 public comments. The community mapping goals included gathering local knowledge and gaining diverse perspectives about community air pollution concerns, locations where people gather, and community strengths and assets.

The community mapping project identified the locations of pollution sources and the populations exposed to these sources, such as nearby residents and people visiting community resources such as schools, day care, recreation, and senior care centers.

Armed with the community-identified issues and challenges, the Air District completed a comprehensive technical assessment that categorizes air pollution contributions – in terms of both emissions and exposure – for the pollution sources identified as community concerns. These pollution sources include fuel refining and other industrial activities; cargo ships, rail operations, and construction equipment; goods movement and vehicle traffic; and fireplaces and gas appliances. The technical assessment quantifies and identifies pollutants, such as fine particulate matter (PM_{2.5}) and air toxics, and attributes pollutants to each of the main sources; it also includes modeled exposure contributions.

PM_{2.5} refers to fine inhalable particles with diameters of 2.5 micrometers or smaller. Fine particles are much smaller than the width of a human hair and can travel deep into the lungs and bloodstream, where they can cause or contribute to short-term health effects like bronchitis and asthma attacks, and long-term effects like cancer, heart attack, stroke, and respiratory conditions like emphysema. The technical assessment identifies two-thirds of PM_{2.5} emitted in the PTCA area comes from permitted sources (fuel refineries and industrial uses). Sixty-three percent (63%) of local PM_{2.5} emissions are from the Chevron Refinery; 19% are from fireplaces and water heaters; 7% are from ships, aircraft, rail, and construction equipment; another 7% is from cars, trucks, and buses; and 4% is from industrial facilities, gas stations, and autobody shops. Many of the PTCA Plan's strategies seek to reduce PM_{2.5} emissions and exposure due to its potential to contribute to respiratory diseases, cancer, and heart disease.

Air toxics are pollutants that are known or suspected to cause cancer and other serious health effects such as neurological, reproductive, developmental, cardiovascular, or respiratory conditions. CARB defines over 200 chemicals as air toxics. Some examples of air toxics include diesel particulate matter; particulate metals such as arsenic, manganese, and chromium; and volatile organic gases such as benzene and formaldehyde. The technical assessment evaluates air toxics through air monitoring, emissions inventory development, and modeling. Key local sources of toxic air emissions include fuel refining, vehicle traffic, and marine and rail operations. Many of the PTCA Plan's strategies seek to reduce air toxics because exposure to air toxics increases risks for cancer and chronic health effects, such as asthma.

Turning Problems into Solutions

Community-identified issues and challenges and the technical assessment informed the CSC's development of strategies and actions. Overall, the PTCA Plan includes 140 actions that are grouped into 31 strategies across five community concerns: Commercial and Industrial, Fuel Refining, Marine and Rail, Public Health, and Mobile sources; as well as four cross-cutting issues: Compliance and Enforcement, Land Use, Properly Resourced CERP, and Urban Greening.

Community Steering Committee Brings a Strong Community Voice to the Process

To ensure a strong community voice in the development of the PTCA Plan, in March 2021 the Air District Board of Directors appointed individuals to a CSC to guide the development of the PTCA Plan. The CSC co-developed the plan with the Air District, CARB, local governments, and key implementation partners. The CSC members represent the diverse communities of the PTCA, bringing together an inclusive group of individuals with a range of knowledge and expertise. All the CSC members represent individuals who work, live, or grew up in the area. Since the CSC's first meeting on April 19, 2021, the CSC membership has included local stakeholders, including residents, community leaders, public agency staff, business representatives, and non-profit groups who have worked together and with Air District staff to create the PTCA Plan.

The Air District selected CSC community members through an application process that included completing a Conflict of Interest form. To have an adequately diverse cross-section of the population with opportunities for all to be engaged in the process, the Air District decided that the CSC would have a minimum of 27 and a maximum of 31 members, with two non-voting members to represent local business and industrial companies, including Chevron.

Beginning in April 2021, the CSC scheduled monthly steering committee meetings that were open to the public. The CSC operated under the Brown Act from April 2021 through March 2023, which made community building a challenge. However, one-on-one conversations between CSC members were held in the first few months, laying a foundation of collaboration and trust.

The CSC decided at the February 2023 CSC meeting to request transition to a community-governed governance structure. The Board of Directors voted to dissolve the board-appointed CSC in April 2023. The creation of a community-governed CSC allowed for more community building without the formalities and rigidity that compliance with the Brown Act requires. The community-governed CSC also designated city and government representatives as non-voting members and expanded the two non-voting members of business and industrial companies to include trade unions.

During both the board-appointed CSC and the community-led CSC periods, to keep momentum going between monthly meetings, the CSC formed ad hoc working groups of CSC member volunteers who focused on specific issues and met more frequently than the monthly CSC meetings. These ad hoc working groups worked on CSC Governance issues, Community Outreach, the PTCA Plan’s Vision and Principles, Technical Assessment, and Community Description. The ad hoc groups included strategy and action writing and review teams.

Public Comments and Revisions to Draft Path to Clean Air Plan:

On December 13, 2023, the Air District and the CSC released the Draft PTCA Plan. The public comment and review of the Draft PTCA Plan ended on Friday, January 19, 2024. A Public Workshop was held on January 11, 2024. The Public Workshop was attended by over 70 people, representing Richmond, North Richmond and San Pablo residents, community leaders, business owners, and other stakeholders.

CSC Co-chairs Y’Anad Burrell and Alfredo Angulo and the Air District’s Environmental Justice and Community Engagement Officer, Suma Peesapati made opening remarks at the public workshop. After opening comments, a plenary session provided attendees with an overview AB 617; described the Draft PTCA Plan, including the goals, needs and purposes; highlighted the air quality concerns and sources of air pollution; and spotlighted solutions to air pollution developed in the Draft PTCA Plan. Next, attendees rotated through three breakout rooms to take a closer look at topical areas: Fuel Refining Strategies; Vehicles and Trucks, Streets and Freeways, and Logistics and Warehouses Strategies (“Mobile” Strategies) and Key Leads and Partners. By visiting each of the three breakout rooms, attendees learned more about the selected strategies and how these strategies address air quality and other community concerns the CSC identified in PTCA area. After breakout groups, attendees reconvened together for a final question and answer session.

Forty-eight individuals and organizations submitted comment emails on the Draft PTCA Plan. From the 48 comment emails, Air District staff identified 223 specific comments. These comments, along with staff responses, are summarized in Attachment A. The full text of each comment email is compiled in Attachment B.

The key themes that emerged from the comments include suggestions related to the Draft PTCA Plan’s strategies and actions, calls for more certainty about plan implementation, comments related to air pollution health and the need for popular education, and comments and questions about the technical analysis. The comment summaries are grouped into four key themes: strategies and actions, implementation, health and education, and technical basis.

Air District staff organized the 223 comments into these four themes and evaluated each comment to determine if a substantive or non-substantive change to the Draft PTCA Plan was needed. Substantive changes are modifications that change the meaning, intent, or direction of a strategy or action; identify new action implementation leads; modify the timeline for implementation or impact; or add new findings or factual information. Air District staff made only non-substantive changes to the Draft PTCA Plan to create the Draft Final PTCA Plan. These non-substantive changes included clerical and grammatical changes, and clarifications to make the PTCA Plan more accessible and understandable to the public.

On March 25, 2024, the CSC unanimously approved the Draft Final PTCA Plan.

Compliance with CEQA:

Air District staff have reviewed all aspects of the PTCA Plan and determined that it is exempt from CEQA.

First, as an overall matter, the PTCA Plan is being adopted to benefit the environment and the health of residents of the PTCA area, and all the action items within the PTCA Plan support this goal. Because the PTCA Plan's goal is to protect air quality and public health, its adoption is exempt from CEQA review under Guidelines Section 15308 – Actions by Regulatory Agencies for Protection of the Environment.

Second, all the individual strategies set forth in the PTCA Plan would be exempt if they were implemented on their own, apart from adoption of the PTCA Plan. Strategies that would either not cause any physical changes to the environment or involve such minimal physical changes that it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment fall within the commonsense exemption in CEQA Guidelines section 15061(b)(3). Strategies that call for feasibility and planning studies are exempt under Public Resources Code section 21150 and CEQA Guidelines section 15262. Strategies that would result only in the modification of existing facilities or the construction of new minor facilities are exempt under CEQA Guidelines sections 15301 (“Existing Facilities”; class 1) and 15303 (“New Construction or Conversion of Small Structures”; class 3). Strategies that call for information collection, inspections, enforcement, education, and workplace regulations are exempt under CEQA Guidelines sections 15306 (“Information Collection”; class 6), 15309 (“Inspections”; class 9), 15321 (“Enforcement Actions by Regulatory Agencies”; class 21), 15322 (“Educational or Training Programs Involving No Physical Changes”; class 22), and 15324 (“Regulations of Working Conditions”).

Appendix I of the PTCA Plan *Applicability Analysis for California Environmental Quality Act* is attached to this memo as Attachment C.

BUDGET CONSIDERATION/FINANCIAL IMPACT

Resources to prepare the *Path to Clean Air* are included in the FYE 2024 budget. Initial implementation of the approved PTCA Plan is resourced in the FYE 2025 budget; however, ongoing implementation will require additional resources from the state, Air District, and others.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Alison Kirk
Reviewed by: Wendy Goodfriend

ATTACHMENTS:

1. Attachment A: PTCA Draft Plan Comment Summary and Responses
2. Attachment B: Public Comments Submitted on PTCA Draft Plan
3. Attachment C: Appendix I. Applicability Analysis for CEQA
4. Attachment D: PTCA Strategies
5. Path to Clean Air Richmond-North Richmond-San Pablo Community Emissions Reduction Plan Presentation

Attachment A: Summary of Public Comments and Staff Responses for Draft Path to Clean Air (PTCA) Plan

February 20, 2024

Background

On December 13, 2023, the Air District and the Path to Clean Air (PTCA) Community Steering Committee released the Draft PTCA Community Emissions Reduction Plan (Draft PTCA Plan). The public comment period extended for five weeks from December 13, 2023 until January 19, 2024. The following document summarizes the public comments. A total of 48 public comments were received which covered 223 specific comment topics. The commenters had the following breakdown of affiliations.

- Thirty-eight (38) individuals
- Six physicians or nurses
- Two community-based organizations (Communities for a Better Environment and Sunflower Alliance)
- One industry (Chevron)
- One local jurisdiction (City of Richmond City Council)

Attachment 1 contains a table of all commenters and their affiliation. Attachment 2 contains a response to each comment received. Copies of all emails and comment letters received are included as Attachment 3 to this document.

Approach to Reviewing and Summarizing Public Comments

After logging all comments into a spreadsheet, and assigning a theme, Air District staff evaluated each discrete comment to determine if a substantive or non-substantive change to the Draft PTCA Plan was needed and provided a response to each comment. As put forward in the “Path to Clean Air Strategy Review Process Guidance” a substantive change is defined as:

Significant **modifications that change the meaning, intent, or direction of a strategy or action**; identifies new action implementation leads; modifies the timeline for implementation or impact; adds new findings or factual information.

Key Themes

The key themes that emerged included suggestions related to the Draft PTCA Plan’s strategies and actions, calls for more certainty about plan implementation, comments related to air pollution health and need for popular education, and comments and questions about the technical analysis. Each of these themes are summarized below. The comment summaries are grouped by the key themes as follows:

- Strategies and actions
- Implementation
- Health and education

- Technical basis

Summary responses to comment themes are provided below.

Strategies and Actions

Strengthen and Accelerate Reductions

Commenters commended commitments to update specific refinery regulations. Commenters asked for inclusion of legislative strategies to put limits on exports and require fuels be made from cleaner feedstocks. Additional comments asked for updates to regulations addressing the fuel refining process and for requirement of specific best available control technology. Commenters asked for enhancements to Rule 11-18 health risk assessment benchmarks, focused on tightening thresholds and upgrading certain facilities in the Rule 11-18 workload priority. Comments addressed specific sources such as unfiltered fireplaces and called out specific industrial facilities to be added to the Draft PTCA Plan's facilities of concern. Finally, comments related to odors reporting, asking for check boxes for health-related symptoms.

Summary Response to Comment Theme

Please refer to the Draft PTCA Plan Chapter 7 *Key Issues and Strategies*. Fuel Refining (FR) strategy 4 includes actions to reduce exposure and public health impacts from Toxic Air Contaminants (TACs) emitted by the fuel refining sector. Actions of note include FR 4.1 'amend Rule 11-18' (health risk-based rule) and FR 4.5 'evaluate and implement target single-source category controls.' We note that for Rule 11-18, facilities were assigned a ranking based on the current prioritization score. These rankings are a guide and will be reassessed each year. Fuel Refining strategy 5 lists actions to reduce exposure from particulate matter and other criteria air pollutants emitted by the fuel refining sector. Actions of note include FR 5.1 'implement Rule 6-5' (reduce emissions of particulate matter from petroleum refinery fluidized catalytic cracking units (FCCU)) and FR 5.5. initiate rule development to evaluate controls to reduce SO₂ emissions and Secondary PM⁴⁵ generated by Chevron and related industries in the PTCA area'. Please also refer to Public Health (H) action H 2.5 'reduce exposure to wood burning'.

Improve Understanding of Emissions and Their Impacts

A variety of comments were put forward to improve understanding of emissions and their impacts. Commenters made specific suggestions about which pollutants to monitor and equipment to use, including calling for studies of new measurement technology. Commenters called for a comprehensive analysis of emissions and health impacts from major flaring events, like the one that occurred on November 27, 2023, as well as better alerts during flaring events. Commenters also called for specific actions for dust from contaminated clean-up sites and coordination with the California Department of Public Health on air monitoring improvements.

Summary Response to Comment Theme

Please refer to Fuel Refining (FR) action FR 3.14 which includes improvements to emissions monitoring for Chevron and related fuel refining facilities. In response to comments calling for specific monitoring technology, please refer to Fuel Refining strategies 2 and 3 (actions FR 2.4, FR 3.13, FR 3.14) that will consider the use of Fluxsense and other technologies. In response to comments calling for a comprehensive assessment of emissions from flaring events, please refer to Appendix C *Supplemental*

Technical Information – Emissions and Modeling which includes a detailed analysis of potential flaring impacts, which includes impacts under worst-case conditions rather than specific historical events. Please also refer to Fuel Refining strategy 2 related to providing more information and improving communication during and after incidents, specifically actions FR 2.2, FR 2.4 and FR 2.5. The Air District recognizes that contaminated sites undergoing cleanup and remediation are important concerns in the community. The Air District coordinates routinely with other state agencies (such as Department of Toxic Substances Control) and federal agencies (such as Environmental Protection Agency) that have jurisdictional authority or oversight with site cleanup and remediation. The Air District is continually working to improve these partnerships to help enhance monitoring study design, data accessibility, and communication of air monitoring results.

Strengthen Compliance and Penalties / Improve Transparency and Reporting

Comments centered on more effective penalties and enforcement to improve industry practices and further emissions reductions. Commenters also called for making inspection documents public (for inspections of large industrial plants). Conversely, industry commented that enforcement should not be a public process.

Summary Response to Comment Theme

Please refer to Fuel Refining strategy 3 for legal, enforcement and accountability actions. Further, please refer to Fuel Refining strategy 2 for flaring actions related to improvements to the Community Warning System and improvements to the Air District's incident response program.

Fuel Refining and Flaring

Commenters expressed appreciation for the updated flaring regulations included in the Draft PTCA Plan, however, there were repeated comments for more definitive goals and timelines for action around flaring events. Commenters wanted better flaring incident response strategies and accountability from Chevron. Commenters asked about best practices related to controlling flaring incidents and information on flaring standards in other countries.

Summary Response to Comment Theme

Please refer to the objectives for Fuel Refining strategy 2 to reduce flaring events to the lowest levels possible (in terms of frequency and emissions), including during emergencies/upset, via more consistent and competent operations, with an ultimate goal of zero routine or planned flaring.

Warehouse Development, Active Transportation and Truck Impacts

Commenters expressed concern around warehouse developments within their community, in addition to truck and car traffic diverting from the Richmond Parkway to residential neighborhoods. Commenters also requested more public electric vehicle (EV) charging stations be made available. Finally, commenters supported more strategies for active transportation options such as cycling and walking.

Summary Response to Comment Theme

Please refer to Vehicles and Trucks, Streets and Freeways, Logistics and Warehouses (Mobile) strategies 3.1 and 3.2 actions related to a Truck Management Plan (TMP) to address issues related to trucks traveling on residential streets. In addition, please refer to Mobile strategies 1.3 and 1.4 for potential regulatory approaches to guide development of truck attracting businesses and further study of a Bay

Area Indirect Source (Magnet Source) Rule to regulate indirect sources (i.e., warehouses, distribution centers) that attract mobile sources of pollution. See Mobile strategy 5.3 which includes education, outreach, and incentives to support the transition of light-duty vehicles towards electrification. Additionally, businesses and fleets within the Draft PTCA Plan area may be eligible for Air District incentive or grant funding to help offset the cost of the electrification infrastructure. To learn more about Air District funding programs please visit <https://www.baaqmd.gov/funding-and-incentives/businesses-and-fleets/infrastructure>.

Port Electrification

Commenters expressed the need for shore power electrification at the Chevron wharf.

Summary Response to Comment Theme

Please refer to Marine and Rail strategy 2.1, which discusses the implementation and enforcement of CARB's At-Berth Regulation, with the intention of reducing emissions from ocean-going vessels.

Climate Mitigation

Comments around climate mitigation were focused on incorporating strategies to address impacts of sea level rise in the San Francisco and San Pablo Bay as an impact of sea level rise could include an increase in polluted groundwater.

Summary Response to Comment Theme

Climate mitigation measures to address sea level rise in the San Francisco and San Pablo Bay are not included in the Draft PTCA Plan.

Legislative Authority

Comments related to legislative authority called for stronger action at the state level to aid in pollution reduction, enforcement, and regulation of industries. Commenters noted statewide policy addressing use of best-available technology, setting limits on fuel refining permitting, cleaner emissions, and reducing flaring activities could strengthen implementation of the Draft PTCA Plan.

Summary Response to Comment Theme

Please refer to Chapter 9 *Implementation and Reporting* of the Draft PTCA Plan. A Legislative Ad Hoc Committee, whose purpose will be to organize Community Steering Committee (CSC) support for legislative proposals that protect public health and reduce air pollution, is proposed. During the implementation phase of the PTCA Plan the Legislative Ad Hoc Committee, if formed, would work together to discuss statewide policy opportunities for emissions reduction, and, if necessary, advocate for legislation.

Broader Applicability of Draft Plan Strategies

Comments called for refinery regulations to apply across the Air District's jurisdiction and for measures adopted in one plan to be replicated in other communities.

Summary Response to Comment Theme

Air District rules and regulations are regional in nature; they apply across the entire Bay Area jurisdiction. Therefore, any updates made to Air District regulations would inherently be applied to all relevant sources in the Bay Area, not just those in the PTCA area. Measures included in community plans from within and outside the Bay Area were considered in developing the Draft PTCA Plan, and the PTCA Plan will be shared publicly to inform other communities.

[Just Transition and Community Benefits Policy](#)

Commenters are in support of the Just Transition and Community Benefits Policy strategies. Commenters noted that further clarity was needed in regard to oversight of the Community Benefits Policy strategy and the inclusion of community members in the process.

Summary Response to Comment Theme

Please refer to Fuel Refining strategy 1 and strategy 3 in Chapter 7 and Appendix A *Detailed Action Descriptions* for specific action details related to the Just Transition and Community Benefits Policy strategies.

[Implementation / Process](#)

[Timeline](#)

Commenters asked for a more concrete timeline for implementation.

Summary Response to Comment Theme

Please refer to the strategies in Chapter 7 and detailed actions in Appendix A which include estimated timelines. Please also refer to Chapter 9, which describes the proposed implementation approach.

[Accelerated Goals and Targets](#)

Commenters noted a lack of specific emission reduction targets and inadequate discussion of critical success factors. Commenters also questioned the feasibility of achieving reduction goals. Comments included asking for a target of reducing TACs by 30-50% by 2025.

Summary Response to Comment Theme

Please refer to the objectives for Fuel Refining strategy 4 which include reducing exposure burden from TACs to the lowest level feasible and reducing Toxicity Weighted Emissions from the fuel refining sector with a goal of a 30-50% reduction before 2035. See also Appendix A which includes metrics for all actions. Furthermore, Goal #2 in the Draft PTCA Plan in Chapter 3: *Vision and Principles and Plan-levels Goals* states that “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.”

[Accountability: Comments Addressing Chevron Accountability](#)

Comments demanded more accountability from Chevron in protecting public health. Commenters asked for Chevron to further regulate its emissions in the PTCA area and urged Chevron senior officials to participate in plan implementation. Many commenters expressed a desire to further impose fines on

Chevron. The commenters noted the failed promise of the Chevron Modernization Plan (2014) that was meant to reduce emissions but has not done so.

Summary Response to Comment Theme

Please refer to Fuel Refining strategy 3 which includes numerous accountability actions related to transparent inclusive updates, improved enforcement approaches, and improved fence-line and community monitoring.

[Accountability: Comments Addressing Air District and Other Agency Accountability and Partnerships.](#)

Commenters asked for the Air District to take a more active role in emissions reductions, especially as it relates to the Chevron Modernization Plan, serve as regional conveners of community, labor, and industry sectors towards renewable energy goals, all while improving the health of the community. Further, the Air District was implored to further regulate emissions with more ambitious goals and targets. Additional comments implored the accountability of other agencies, including the California Air Resources Board. Commenters shared a desire to begin implementation hastily and expressed the need for more coordination with the public health sector, the Richmond City Council, and the Contra Costa County Hazardous Materials Commission.

Summary Response to Comment Theme

Please refer to Chapter 9 which discusses the role of the Air District during implementation and notes the many agencies whose partnership will be needed to ensure success.

[Funding/Budget](#)

Commenters asked about the total budget for implementing the actions in the Draft PTCA Plan and where the funding will come from. Comments also included suggestions for potential sources of funding (including funding from polluters and funding from the government and imposing taxes to fund specific actions such as fireplace filters).

Summary Response to Comment Theme

Please refer to Chapter 7 and Appendix A where potential funding sources (such as incentives and grants) are discussed. Further work to identify specific funding sources will occur during implementation as discussed in Chapter 9.

[Engagement](#)

Engagement comments related to finding unconventional ways to reach people to expand involvement in this work including suggestions for improved engagement materials and presentations on the Draft PTCA Plan. Commenters also called for a summary table of strategies to be shared.

Summary Response to Comment Theme

As noted in Chapter 9, the CSC and its committees, including the Community Engagement Standing Committee, will continue to leverage personal and professional networks to engage community during implementation.

Health and Education

Comments noted the need to educate the community about air pollution and its health impacts on the body. Commenters provided personal accounts and physicians' patient's accounts of health issues from living in the study area (i.e., childhood and adult asthma, respiratory issues, etc.). More research was requested, including analysis of how COVID is transmitted through poor air quality, indoors and out.

Summary Response to Comment Theme

Please refer to Health strategy 2.1 which includes increasing access to home retrofit programs, Health strategy 2.2 which includes supporting transition to electric appliances and Health strategy 2.3 which calls for improving rental standards to include indoor air filtration. In addition, see Land Use (LU) strategy 1 and Urban Greening (UG) strategy 1. The goal of LU 1 is to focus on land use regulations, conditions of approval, and to create protective zones to reduce the cumulative impact and concentration of polluting sources within the PTCA area. The goal of UG 1 is to reduce exposure at the neighborhood level through increased tree canopies in priority areas.

Technical Basis

Emissions Data and Analysis

Commenters expressed a need to better understand the increase in TACs from the Chevron Refinery, including calling on improvements to the Chevron Refinery Modernization Plan. Commenters asked for a list of all permitted facilities and a list of all refinery combustion sources.

Summary Response to Comment Theme

Please refer to Attachment 2 for information regarding air pollution trends and permitted sources.

Modeling Data and Analysis

Comments related to the modeling data and analysis asked if pollutants were mischaracterized and noted that data was provided without citation.

Summary Response to Comment Theme

Please refer to Attachment 2 for information regarding interpretation of modeling results and data sources.

Monitoring Data and Analysis

Comments related to the monitoring data and analysis stated that the Air District should be wary of drawing conclusions of limited pollutant data sets. Comments stated that certain monitoring data was omitted. Comments further stated that data from ground level monitors should not be used for certain analyses. Comments also stated the rules for which compliance is achieved with ground level monitors.

Summary Response to Comment Theme

Please refer to Attachment 2 for information regarding monitoring data and analyses.

Enforcement Data and Analysis

Comments called out exclusion of woodsmoke complaints, requested a list of all emission-related penalties and further information about specific permit violations. Comments were also made about the number of inspectors assigned to the Chevron Richmond facility and about the facility's notices of violations.

Summary Response to Comment Theme

Comments related to exclusion of woodsmoke and the number of inspectors at the Chevron Richmond facility are respectfully noted. Requests for further information about specific penalties and permit information should be made via the to the Air District's Public Records Act requests portal: <https://www.baaqmd.gov/contact-us/request-public-records>.

Attachment 1: Table of Commentors and their Affiliation

First Name	Last Name	Organization
Tarnell	Abbott	Richmond resident
Emily	Adamson	Physician at Lifelong Medical's William Jenkins Clinic
Yadira	Alvarez	Unknown
Floy	Andrews	Attorney in Richmond, CA
Maureen	Brennan	Contra Costa County Hazardous Materials Commission member
Y'Anad	Burrell	PTCA CSC co-chair, resident, Glasshouse Communications
Angel	Chavarin	Resident
Leticia	Chavez	North Richmond resident
Claudia	Citroen	Richmond resident
Suzanne	Coffee	PTCA CSC member, resident
Karen	De La Cruz	Resident, youth council
Steve	Early	Richmond resident, author of Author of Refinery Town: Big Oil, Big Money, and the Remaking of an American City (Beacon Press, 2017)
Gail	Eierweiss	Resident
Scott	Gelfand	Richmond resident
Megan	Goetz	Lifelong Medical Care, Americorps Fellow
Manuel	Gomez	Resident
Suzanne	Gordon	Point Richmond resident
Brent	Green	Unknown
Martha	Gruelle	Resident
Julie	Harris	Nurse in El Sobrante
Janis	Hashe	Richmond resident
Gary	Hurlburt	President and Executive Director, Richmond Tennis Association
Brenda	Illescas	Resident
Joel	Iniguez	Unknown
Trina	Jackson-Lincoln	City of Richmond City Council Liaison and Project Coordinator
Martine	Johanessen	NorCal Staff Researcher, Communities for a Better Environment
Janet	Johnson	Co-coordinator, Sunflower Alliance
Catalin	Kaser	Resident
Jeannette	Kortz	Unknown
Alison	LaBonte	A La Bonte advisors
Daniel	Lanis	Resident
Jackelyn	Ledesma	Richmond resident
Diana	Martinez	Resident
Jan	Mignone	Richmond resident
Carla	Morales	Resident
Jennifer	Mourelatos	Lifelong Medical Care Director
Niyi	Omotoso	PTCA CSC member and physician
Todd	Osterberg	Chevron
Hazel	Padilla	Resident

Summary of Comments and Responses
February 20, 2024

First Name	Last Name	Organization
Jaime	Perez	Richmond resident
Joseph	Puleo	Resident
Jacob	Rico	Resident
Laurie	Swiadon	East Richmond Heights resident
Sally	Tobin	Resident
Priya	V	Richmond resident
Kanwal	Waknis	Physician at Lifelong Medical's William Jenkins Clinic
Jan	Warren	Resident (Walnut Creek)
Susan	Wehrle	Richmond resident

Attachment B: Full Text of All Comments Submitted on the Public Draft Path to Clean Air

From: [Angel Chavarin](#)
To: [Air Quality Planning](#)
Subject: (PTCA) path to clear air
Date: Thursday, January 18, 2024 12:03:06 PM

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I like this plan to address air pollution in our community
-Angel Chavarin

From: [Emily Adamson](#)
To: [Air Quality Planning](#)
Subject: Path To Clean Air
Date: Thursday, December 21, 2023 11:31:17 AM

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To Whom It May Concern,

My name is Dr. Emily Hunter-Adamson and I am a family medicine physician providing primary care to underserved residents of Richmond at Lifelong Medical's William Jenkins clinic. It is well known among healthcare providers in the Richmond area that asthma rates in particular are very high among the community we serve and that this is likely very deeply connected with the levels of air pollution the residents of these areas face on a daily basis. As I raise my own infant daughter, I am grateful for the privilege that I have for her to live in an area free of refineries and other industrial emissions that would increase her risk for poor health outcomes. My heart aches for the kids I see daily in clinic with preventable chronic health conditions that they suffer from simply because they must live in areas that have been deemed acceptable for high levels of air pollution.

On behalf of my patients, I would like to express my extreme support for the Path to Clean Air, and for any plan to dramatically reduce or eliminate fossil fuel emissions and to transition of the area to green energy. I believe it is an essential piece for equity and good health for the residents of Richmond and for our planet.

Thank you for your time,
Dr. Hunter-Adamson

From: [Laurie Swiadon](#)
To: [Air Quality Planning](#)
Subject: wood smoke complaints
Date: Thursday, December 14, 2023 12:14:06 PM

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Dear Planners,

In my neighborhood of East Richmond Heights, I dread the onset of cold weather every year because of the fireplace users who don't have EPA filters and are numerous and stubborn. Many people burn really stinking toxic materials as well as wood in my neighborhood, and my lungs and eyes are extremely sensitive. I have offered to buy EPA fireplace filters for these people very nicely, as I want to continue good relationships with my neighbors, and so far, only one family agreed to stop burning the wood (next to my house).

I noticed that the reduction plan contains the following language: "Air quality complaint confirmation rates exclude woodsmoke complaints."

Woodsmoke is toxic not just to sensitive people with reactive lungs, like me, and asthma, but everybody. What can we do to protect our population from these negative effects? I call for a ban on unfiltered fireplace burns. And maybe create a new tax to provide for installation of EPA-certified fireplace inserts for everyone who requests one. PLEASE!!

Sincerely,
Laurie Swiadon

[REDACTED]

From: [Niyi Omotoso](#)
To: [Air Quality Planning](#)
Subject: Public comment for PTCA draft plan
Date: Saturday, January 6, 2024 3:28:53 PM

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I wholly support the PTCA plan. As a physician working with families with multiple generations with asthma and heart disease, and seeing their health impacted by the air pollution, I support the just transition principle set in the plan and strategies on public health to address this health inequity.

From: [Yadira Alvarez](#)
To: [Air Quality Planning](#)
Subject: Clean Air
Date: Monday, January 8, 2024 9:36:16 AM

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I support the intention of this plan!!

[Sent from Yahoo Mail for iPhone](#)

From: [Kanwal Merchant](#)
To: [Air Quality Planning](#)
Subject: Path to Clean Air Plan
Date: Wednesday, January 10, 2024 8:55:22 AM

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Hello,

My name is Kanwal Merchant Waknis. I am a physician working in Richmond. I would like to comment on the "Path to Clean Air Plan". I want to express my support for this plan overall, in order to improve the air quality and health outcomes of my patients, all living in the area. Specifically I appreciate Chapter 7 - Strategy 4 Large Industrial Sources. I believe that reducing particulate matter and toxic air contaminant emissions from large facilities will help to reduce health hazards.

Thank you,
Kanwal Merchant Waknis, MD
[REDACTED]

From: [Jeannette Kortz](#)
To: [Air Quality Planning](#)
Subject: My Comments Regarding the North Richmond-Richmond-San Pablo Community Emissions Reduction Plan
Date: Thursday, January 11, 2024 1:13:15 AM

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Hello,

I have concerns regarding this plan. To me it does not go far enough to protect these communities. Please see my comments below. We need:

1. A full analysis of the emissions and health impacts of major flaring events - like the one we had on Nov 27th (4 flares spewing full bore for 12 hours plus additional flaring for 2 days)
2. A plan to reduce flaring 75% by next year. Get back to pre-Modernization project levels and aim for industry best practice levels.
3. A plan to reduce the top toxic contaminants by 30-40% with milestones between now and 2035 with critical success factors (PM and the top ten toxic contaminants)
4. A plan to force Chevron to participate actively in this emissions reduction process
5. A plan to improve our understanding of individual emission health risks
6. A plan to investigate legislative strategies for reducing pollution such as limits on exports or requirements to process cleaner crude oil with lower sulfur content. (Should Chevron get to pollute our community so that it can export jet fuel to China? Should Chevron get to refine dirtier oil in order to save \$5 or \$10 per barrel?)

Thank you for your time. I hope you will address my concerns.

Kind regards,

Jeannette Kortz



From: [julie Harris](#)
To: [Air Quality Planning](#)
Subject: AB 617; The Path to Clean Air Richmond, North Richmond & San Pablo DRAFT Community Emissions Reduction Plan
Date: Tuesday, January 16, 2024 6:45:39 PM

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AB 617; The Path to Clean Air Richmond, North Richmond & San Pablo DRAFT Community Emissions Reduction Plan

PLEASE PLEASE pass it, do it, make it happen.

I am a retired Registered Nurse in El Sobrante with pollution-related COPD. Also helping to raise three small grandchildren in El Sobrante. Witnessing scary numbers of kindergarteners and preschoolers with asthma in West Contra Costa Unified School District classrooms. Make our air healthier, PLEASE.

Sincerely,
Julie Harris
El Sobrante

From: [Brent Green](#)
To: [Air Quality Planning](#)
Subject: Toxic Air, Public Health, & AB617
Date: Wednesday, January 17, 2024 10:05:47 AM

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The Plan (AB 617) must be strengthened prior to sending it for CARB approval.
Among several urgent needs are:

- Stronger regulation of emissions
- More effective penalties & enforcement
- More accountability for major sources
- More accountability for BAAQMD
- More accountability for CARB
- Better help for major project reviews
- Better monitoring of emission spikes & flaring events with better alerts

Chevron MUST partner in good faith to address urgent public health issues from emissions.

As a public health professional we are ALL affected.

Thank you in advance.

Brent Green, Ph.D., MPH

From: [Floy Andrews](#)
To: [Air Quality Planning](#)
Subject: Richmond-North Richmond-San Pablo Community Emissions Reduction Plan
Date: Wednesday, January 17, 2024 8:46:41 PM

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January 17, 2024

Attn: Planning and Climate Protection Division
Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105

Dear Planning and Climate Protection Division:

After years of effort expended by so many on the AB 617 Community Planning Committee in West Contra Costa County, as well as BAAQMD staff and many others, it's disappointing that even now we cannot articulate the true cost of a refinery like Chevron's on our community members' health.

We know PM2.5 emissions impact the human respiratory system as well as many other biological functions. After years of administrative review, BAAQMD finally set a date certain by when the local refineries, including Chevron, must install wet gas scrubbing technology, after the full-force advocacy of environmental groups, healthcare providers, local community leaders and members, elected officials and so many others. This is, however, only one step on the path to clean air and health in our communities.

At present, we still have no clear understanding of the impacts of so many other toxic contaminants refineries release into the air—the same air we breathe all day and at night as we sleep. Chevron is my neighbor in Richmond. Every year, on many occasions in the dark fall and winter months, I wander outside in the late or early hours of the night and notice a strong and pungent odor. What is the cause? Why only in the dead of night? I have never experienced such odors living anywhere but here, next to Chevron. My suspicions run wild, especially with the lack of information and data. How can I learn what contaminants are present in the air in my garden?

We know refineries exhaust toxins like sulfuric acid, benzene, nickel, manganese, arsenic, hydrogen cyanide, hydrogen chloride, formaldehyde, acrolein and cadmium. But

we haven't demanded adequate investment in research to understand how these chemicals, independently and especially in combination, impact human health. Where is the science?

As an attorney experienced in environmental issues, I have watched as the scientific and industrial hygienist communities have identified health concerns associated with many, many chemicals we had previously assumed were perfectly safe. We know that living next door to the Chevron refinery can result in elevated chronic health problems, even though cancer rates remain close to regional norms. Now we need to know which chemicals or combination of chemicals are the source of our community's health problems. Getting funding from the US EPA for this work is critical. It should be a top priority for BAAQMD, senior management at Cal EPA, CARB and OEHHA. Personally, I believe the polluter should bear a substantial portion of the cost of this effort.

I ask: Is it fair or right that local populations living adjacent to Chevron bear the cost, in terms of poorer health, for the fossil fuel economy Chevron's operations support, while Chevron's investors earn outsized returns on capital in the form of profits?

Sincerely,

Floy Elizabeth Andrews
Attorney (SBN 187375)

[REDACTED]
[REDACTED]
[REDACTED]

From: [Joel Iniguez](#)
To: [Air Quality Planning](#)
Subject: My community
Date: Thursday, January 18, 2024 9:22:19 AM

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Good morning hope this finds you well I'm sending this because I would like this plan to address air pollution in my community
Sent from my iPhone

Comments on AB 617 Draft CERP Plan

Gail Eierweiss

Fri 1/19/2024 3:42 PM

To: Air Quality Planning <aqplanning@baaqmd.gov>

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Thank you for the opportunity to comment on the draft plan. I appreciate the hours of work by both staff and community members. I attended the workshop, and I have read the 170 page document and some of the appendices. In particular, I am glad that the plan specifically calls for a 35-50% reduction in exposure for our disproportionately harmed residents over the next 10 years and that it also includes a focus on exposure reduction in our community through urban greening, traffic control, street sweeping, residential ventilation improvements, etc. We need it all.

I have lived in Richmond for 12 years and have followed the Chevron modernization plan from the beginning. I have seen the manifold increase in flaring that has become such a significant issue for our community SINCE the modernization project went online. I appreciate the data provided about individual emissions and their various sources - and the confirmation that our air has gotten significantly worse since 2018. I have also seen the complete lack of progress in either doming the Chevron storage tanks, or bringing shore power to the Chevron tankers. Any issue that has involved Chevron has seemed ignored or adjudicated in the company's favor. As a result of what I have witnessed living here, I put forward the following comments for your consideration:

- 1. Please include a plan for a 75% reduction in flaring at the Chevron facility in Richmond by 2026 at the latest.** This was a request made clearly by the Richmond City Council last May. Flaring has been increasing at an alarming rate ever since the " Modernization Project" went online in late 2018. BAAQMD approved the project in 2014. BAAQMD needs to fix the problem now - its credibility in the community is on the line here. In your document, there are no specific plans or goals.. There must be an aggressive and bullet proof plan to bring flaring down to a level equal to or lower than pre-Modernization project levels. What are the best practice numbers for refinery flaring incidents? What are the standards in Europe and Japan?
- 2. We need more focus on the toxic air contaminants - better data, analysis and milestones.** The plan says that BAAQMD does not know what toxic elements are released in these major flaring events. Or what emission reductions will be delivered by Rule 11-18. These deficiencies are not ok. There was a significant flaring event Nov 27 and there has been no public information describing what the emissions were, their potency, or their dispersal. No counter to Chevron's assertion that there was "no health impact." Nor does there seem to be much focus on the health impacts from the changes in "regular" operational emissions. There is more focus on PM2.5, NOx and DPM than on sulfuric acid, nickel, hydrogen cyanide, etc. Since "Modernization" there have been increases in 8 of the 10 most dangerous TAC emissions for chronic health, and yet the Plan is silent about the possible health impacts. How damaging was a 225% increase in sulfuric acid from 2019 to 2021? Did these emissions go up even more in 2022 and 2023? How long before we know? We need to better understand the sources and health risks of these top ten pollutants so that we can be focused on the most important

emission reductions and on the strategies that will deliver them. Maybe Chevron has to process lower sulfur crude for us to hit our goals. We need more analysis to get to a solid plan for 2027, 2030 and 2035.

3. We need to get the community involved to combat Chevron's delaying tactics. Chevron is battling in court against the Cat Cracker wet scrubber rule that is a top priority. BAAQMD wishes they weren't. Please explain in the plan what we can do to defeat Chevron's tactics. I'm very uncomfortable that such an important legal matter is being handled behind closed doors with little public input or organized pressure for "the system" to do the right thing. There should be buses full of people going to Sacramento to demand that this delay is put to an end. Same thing for the shore power issue.

4. Make the plan more accessible and goal-oriented. It really is overwhelming as well as somewhat fragmented. Few will read 700 pages. We need a clear way of understanding the total plan and how it will deliver our goals. I think we need two things. Firstly, we need a better slide deck that is simpler and more focused on goals, milestones and critical success factors. The City Council would appreciate this as well, and if it was presented at a City Council meeting, many residents would hear it - many Richmond residents tune in to watch City Council meetings. I can think of no better single forum for presenting the plan. Secondly, to make the complete plan more accessible, I strongly suggest that summary tables be added that allow the reader to see all of the emission reduction strategies together (including flaring!) and all of the non-emission reduction strategies in another. Each table would need columns for milestones, critical success factors, responsible agency and funding needs. And the emission reduction strategies table would need milestone reduction goals. Ideally, no more than 5 or 6 pages.

Thanks again for all the effort put into this

Gail Eierweiss
Richmond resident

Draft PTCA Community Emissions Reduction Plan

Jenny [REDACTED]

Fri 1/19/2024 7:06 PM

To: Air Quality Planning <aqplanning@baaqmd.gov>

[REDACTED] [Learn why this is important](#)

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Hello,

I am writing to express my support for the draft Path to Clean Air Community Emissions Reduction Plan. Thank you for engaging with the community to prepare a thoughtful and detailed report of the air quality issues that affect Richmond and surrounding communities, and identifying strategies to address them. The following are recommendations for an already excellent plan:

1. Strategy Mobile 5: Consider including an action that incentivizes and supports the development of electric vehicle (EV) charging for public use. This could be through shared infrastructure or land use zoning that encourages new multi-family development to include EV charging infrastructure if that development includes vehicular parking spaces.
2. Strategy Mobile 6: consider including actions that would encourage the development of infrastructure that makes walking and biking safer, and therefore a more desirable mode of transportation (for example, high visibility crosswalks , protected bike lanes, etc).
3. Overall, include strategy metrics that track whether implementation of the action led to more equitable outcomes.

Too often good plans, like this one, do not receive the institutional, political, and financial support necessary to implement the strategies identified. I hope that once the implementation plan is complete the decision making bodies of the affected communities within the CERP boundary take up this work with haste and full support.

I know these comments are coming after the 5 pm deadline, but hope you will consider them nevertheless.

Thank you,
Jenny Delumo
Richmond Resident

Comments, Richmond-N. Richmond-San Pablo PTCA CERP

Janet at Sunflower Alliance [REDACTED]

Fri 1/19/2024 1:33 PM

To: Air Quality Planning <aqplanning@baaqmd.gov>

📎 1 attachments (315 KB)

SFA AB617 CERP comment 240119.pdf;

[REDACTED] [Learn why this is important](#)

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Good afternoon,
Please find Sunflower Alliance's comments on the AB 617 PTCA CERP, attached. I would appreciate an email confirming receipt.
Thank you!
~janet

--
Janet Scoll Johnson
pronouns: she/her
Co-Coordinator, Sunflower Alliance
Co-Chair, Richmond Shoreline Alliance

I actively occupy and benefit from stolen land of the Ohlone Chochenyo people, who looked after this land for centuries and still live here. I advocate and support efforts for Indigenous land to be returned to Indigenous ownership and management. Learn more at <https://sogoreate-landtrust.org>.



January 19, 2024

Attn: Planning and Climate Protection Division
Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105
Sent via email to:
aqplanning@baaqmd.gov

Re: Comments on Draft PTCA Community Emissions Reduction Plan (CERP)

Dear BAAQMD staff and AB 617 CERP Steering Committee members,

Sunflower Alliance supports the efforts of the Richmond-North Richmond-San Pablo Path to Clean Air (PTCA) Community Steering Committee (CSC) and the Community Emissions Reduction Plan (CERP). We are especially encouraged by the CERP's focus on transparency and just transition planning.

In the comments that follow, we begin with some important oil refinery emission reduction measures that include those shared by the Wilmington Carson, West Long Beach (WCWLB) CERP. We then address other community concerns, notably air monitoring during remediation of contaminated sites and upgrading the priority of the City of Richmond Wastewater Treatment Plant. Our recommendations are noted in **bold**.

1. Refinery-related recommendations.

1.a) **Since the WCWLB CERP was one of the first developed in California, we recommend that some measures secured in it be considered by the Richmond Steering Committee for inclusion in the Richmond CERP.** We urge the CSC and BAAQMD to advocate with California Air Resources Board (CARB) to require that **measures adopted in one community be replicated in others**, so that each community does not have to reinvent the wheel.¹

The follow-up implementation of the WCWLB CERP has resulted in development of new refinery regulations in the South Coast that will cut substantial oil refinery emissions for a number of primary pollutants. **We recommend that BAAQMD follow SCAQMD's lead, as follows:**²

¹ California Environmental Justice Alliance, May 27, 2020, CARB, "An approach that focuses on reducing pollution in specific sectors and reducing overall cumulative emissions burdens will help ensure that impacted communities not selected for CERPs are not left further behind." and "Statewide, sector-based approaches tied to strong regulatory guidelines can mitigate harms such as these and lead to emissions reductions."

² Table 5b-2: Refinery Emission Reduction Goals by 2030, WCWLB CERP, p. 5b-5, available at <https://ww2.arb.ca.gov/sites/default/files/2020-01/Final%20CERP%20WCWLB.pdf>.² Table 5b-2: Refinery Emission Reduction Goals by 2030, WCWLB CERP, p. 5b-5, available at: <https://ww2.arb.ca.gov/sites/default/files/2020-01/Final%20CERP%20WCWLB.pdf>.

1.a.1) **Adopt a plan to cut refinery emissions by substantial percentages.** The adopted WCWLB CERP included a commitment to cut a minimum of 50% of refinery emissions of Nitrogen Oxides (NOx), Volatile Organic Compounds (VOCs), and Sulfur Oxides (SOx) by 2030, or earlier if feasible.

1.a.2) **A commitment to adopt tightened refinery regulations to accomplish the following emissions reductions:**

1.a.2.1) NOx – South Coast reductions are achieved primarily through an updated Refinery Boilers and Heaters regulation (SCAQMD Rule 1109.1). This rule requires addition of Selective Catalytic Reduction (SCR) on most refinery heaters, boilers, and other combustion units. **We recommend that BAAQMD adopt a similar regulation.**

1.a.2.2) **We recommend that BAAQMD adopt an updated Refinery Storage Tank Regulation to address fugitive VOCs.** In the South Coast, a Fluxsense study published in 2017 found that every oil refinery measured had far higher VOC emissions (including benzene) than were included in the emissions inventory.³ Most reductions in the South Coast will be achieved by updating the Refinery Storage Tanks regulation (Proposed SCAQMD Rule 1178).⁴ The SCAQMD draft Rule 1178 includes the following requirements:

- adding a second roof to external floating roof tanks;
- vapor recovery for fixed roof tanks (cutting 98% of emissions);
- weekly OGI (Optical Gas Imaging) to identify leaks on all tanks.

We recommend that BAAQMD carry out a complete Fluxsense-type study of refineries in the project area and perform OGI imaging to identify storage tank leaks.

1.a.2.3) SOx – This was achieved in the South Coast area primarily through Refinery Flare Rule tightening (SCAQMD Rule 1118). Through this process, the WCWLB CERP CSC received detailed data from specific refinery flaring events and their causes over the previous three years. **We recommend the adoption of refinery flaring prevention measures included in their plan:**

- improve Flare Minimization Plans;
- tighten requirements to carry out root cause analysis;
- impose much higher fines;
- ensure refineries have sufficient compressor capacity;
- slow down planned flaring; and
- provide better public access to flaring data and other measures.

In addition, to further reduce refinery flaring **we recommend that the District provide a list of refinery flaring events and root causes to evaluate what kinds of events are causing flaring and how to prevent them.**

³ "Emission Measurements of VOCs, NO₂ and SO₂ from the Refineries in the South Coast Air Basin Using Solar Occultation Flux and Other Optical Remote Sensing Methods"

<https://www.courthousenews.com/wp-content/uploads/2017/06/FluxSense-Study.pdf>

<https://www.cbecal.org/wp-content/uploads/2017/05/CBE-Decoder-Socal-Refinery-Study-Emissions-Underreported.pdf>

⁴ <https://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/proposed-rules/rule-1178>

1.a.3) The WCWLB CERP also provided the community with a list of all oil refinery combustion sources (boilers, heaters, furnaces, etc.) that included their size, emissions, and whether they were controlled with SCR or not, which helped the community and SCAQMD prepare for the rule-making process. **We recommend that a similar list be provided to the PTCA CSC.**

1.b) **Improved enforcement:** Regulations require a commitment to strong enforcement to ensure emissions reductions from all regulations are achieved. **We recommend the following:**

- Ensure the concerted implementation of the Draft PTCA Plan Fuel Refining Strategy Actions 3.13, 3.14 & 3.15 for more robust fence line and community monitoring of refinery emissions from Chevron and other major industrial sites.
- Most importantly, support Strategy Actions: 3.13, to improve Refinery Air Monitoring and Data Accessibility;
- 3.14, to improve refinery fence line and community air monitoring programs; and
- 3.15, to improve source emissions monitoring and reporting for sources at the Chevron Refinery and fuel refining–related facilities.

1.c) **The Air District should install CCD cameras pointed at refinery flare stacks.** This will provide the community and the Air District with accessible visual documentation of the flaring behind their complaints, and there will be a historical record of each flaring event.

1.d) **The Air District should make sure that all complaints of reported (and possible) particulate matter depositions are followed up with CAM-17 testing.** In the past, there has been inconsistent and arbitrary use of different data analysis methods of heavy metals and particulate matter; at times, no analysis has been performed. This inconsistency can prevent the accurate identification of the specific metal types emitted by the emission source (i.e., its metals signature, or speciation). This inconsistency will then, by default, tend to nullify a complaint's validity or defeat its potential ability to help identify the emission source. When responding to complaints of visible particulate matter depositions in refinery communities, BAAQMD uses “semi-quantitative” and inferior heavy metal detection methods (i.e. EDS/Energy Dispersive X-ray Spectroscopy) that are known to lack the more accurate, regulatory-level metals speciation capabilities of the CAM-17 method (i.e. ICP-MS/Inductively Coupled Plasma Mass Spectrometry). At times, refinery community members have been forced to pay, at considerable expense, for regulatory-level CAM-17 samples testing. Yet at other times, government agencies performed CAM-17 on deposits, as when both BAAQMD and the Contra Costa Health Department responded to the Thanksgiving 2022 Martinez PBF refinery releases.

1.e) **The Air District should adopt more sensitive methane detection methods.** Fugitive methane not only poses explosive risks, it is also an ozone-forming compound and so contributes to respiratory disease. A recent airborne laser flyover study conducted by BAAQMD in collaboration with the Jet Propulsion Laboratory and Stanford researchers found 6 to 23 times higher levels of methane than previously estimated by the US EPA, CARB or BAAQMD.⁵ The airborne laser survey assessment significantly surpassed the findings from traditional methods using EPA Methods 21 (Optical Gas Imaging, or OGI) and 18 (Flame Ionization Detection, or FID).

⁵ Guha et al. Assessment of Regional Methane Emissions Inventories through Airborne Quantification in the San Francisco Bay Area. <https://pubs.acs.org/doi/10.1021/acs.est.0c01212>

The EPA and Aeris Technologies, a company based in the Bay Area, have developed an advanced methane detector known as the MIRA Pico, which potentially enables detection from beyond the refinery fence line in certain scenarios and distinguishes landfill methane from natural gas methane. This ultrasensitive device can identify methane plumes from over 100 yards away at parts per billion concentrations, a significant improvement over the parts per million sensitivity of EPA Methods 21 and 18, which require close proximity to potential leaks. The MIRA Pico is particularly effective in distinguishing natural gas leaks.⁶

The capabilities of the MIRA Pico underscore the limitations of EPA Method 21, which although generally superior to Method 18, is still not designed for both remote and standoff leak detection and cannot map the extensive boundaries of methane plumes effectively.

1.f) Along with the WCWLB CERP Community Steering Committee, **we recommend that the CERP consider adding a measure to begin planning refinery phaseout.** As part of California's Greenhouse Gas (GHG) Scoping Plan, the state will need to begin reviewing the phasedown of oil refining statewide. In 2035, gas-fired vehicles will not be sold in California. Refinery phasedown will result in eliminating harmful local air pollution and global climate-destroying GHGs.

2. Other recommendations.

2.a) Increased monitoring for VOCs. The Richmond-N.Richmond-San Pablo area is highly industrialized. For this reason **we recommend that the CSC request that BAAQMD perform regular and frequent VOC monitoring of all sites that process plastics or use solvents or other petrochemicals in their processes.**

2.b) Shore Power: **Shore power must be available by 2027, and all vessels must use shore power by 2032.**

2.c) Improved air monitoring and reporting at toxic cleanup sites. **We recommend that BAAQMD advocate with the California Department of Toxic Substances Control (DTSC) and/or USEPA to improve air monitoring and reporting at cleanup sites, as follows:**

- air monitoring data be reported in real time and be presented in a form that is understandable and readily accessible to all community members;
- monitor for smaller particle size (PM 2.5 vs the current PM 10);
- timely analysis to determine if dust particles carry contaminants of concern.

We recommend that the Air District and CSC (1) ask the CA Dept of Public Health what improvements in air monitoring they suggest, and (2) how can DPH better follow up with a community for “harm” after a suspected dust release at a contaminated site. In the two-year unsuccessful remediation at Richmond’s Superfund-qualified AstraZeneca site starting in 2004-2005, more than 300 community members in the downwind Harbor Front Tract small business area reported serious, life-threatening illnesses (many thyroid cancers, endocrine-related health issues, etc. including deaths). During the cleanup operation, street lights turned on during the day; visibility was reduced to something seen in the worst CA wildfire areas of 2020. The community was so traumatized that when the CA Dept of Health several years later knocked on doors at the behest of the Richmond Southeast Shoreline Area Community Advisory Group, community members still remaining in the area would not talk to them.

⁶ MIRA Pico Mobile LDS Natural Gas Leak Detection System w/GPS by Aeris Technologies.
https://aerissensors.com/wp-content/uploads/2019/12/MIRA-PicoMobile-LDS_191208_FINAL_quartz.pdf

2.d) Rule 11-18: Reprioritize the City of Richmond Wastewater Treatment Plant. **We recommend that the Air District upgrade the Rule 11-18 priority of this facility from “Medium” to “Top.”**⁷

From December 4 through 6, 2023, sensors recorded hydrogen sulfide (H₂S) concentrations greater than 60 ppb, the limit set by Richmond’s Water Resource Recovery Program; these levels reached a high of 345.6, nearly six times the limit. Nor was this an isolated event: at a special Richmond City Council meeting called to address the problem, a community member noted that the facility exceeded the 60 ppb threshold more than a hundred times in 2023.⁸

Richmond residents have experienced health impacts even at levels below the 60 ppb alert limit. Washington Elementary School is located only 1/3 of a mile from the facility, as is a residential neighborhood.

Thank you for your consideration. If you have questions, please feel free to contact us at action@sunflower-alliance.org

Sincerely,

Janet Scoll Johnson
Co-Coordinator, Sunflower Alliance

7

https://www.baaqmd.gov/~media/files/ab617-community-health/facility-risk-reduction/hra-facilities/20231231_rule_1118_phase_ii_facilities_2023-pdf.pdf?rev=751be65001334e438c8c454b1303070e

⁸ <https://www.ci.richmond.ca.us/ArchiveCenter/ViewFile/Item/13568>

From: [Jan Mignone](#)
To: [Air Quality Planning](#)
Subject: Comments on Path to Clean Air
Date: Friday, January 19, 2024 8:09:20 AM

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BAAQMD Members,

I was born and raised in Richmond and have had contact with this city for over 65 years. I have lived all around the Bay Area when I did not live in Richmond. I returned to Richmond in 2007 and in 2010 was diagnosed with asthma. There are days when it hurts to breathe and I must stay in the house. I enjoy walking my dog and being out in the parks in Richmond. Please make sure you do all you can do to protect our air and make it breathable for all.

Jan Mignone
Richmond, CA

comments on draft PTCA community emissions reduction plan (CERP)

Jan Warren [REDACTED]

Fri 1/19/2024 4:42 PM

To: Air Quality Planning <aqplanning@baaqmd.gov>

📎 1 attachments (16 KB)

Comments on Draft Richmond PTCA.docx;

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Attn: Planning and Climate Protection Division of BAAQMD,

Date: January 19, 2024

Attn: Planning and Climate Protection Division BAAQMD,

Comments on Draft Richmond/N.Richmond, San Pablo Path to Clean Air Plan (PTCA)

Plan does a great job of educating the community, showing the history and ongoing harm from pollution that has negatively impacted the health of residents for generations.

The organization of areas of concern, visuals, key concerns, and areas of pollution are easy to follow.

In general, there needs to be more specific timelines for the action suggestions under strategies. As an example, strategy 1 uses the words evaluate, advocate, analyze. Under strategy 2 similar words are used: undertake, conduct, and evaluate. Under strategy 4, only 2 out of 6 strategies have a hint of specificity; implement rule 11-18. Let's add no later than (date?), particularly since BAAQMD has been working on an amendment to this reg for years. Check each action item to make sure it is actionable.

Under strategy 5, please add Veolia wastewater treatment plant since excessive ongoing flaring of hydrogen sulfide continues, with no public notifications to the public, enforcement measures, or assurance that the causal issues have been resolved.

While the flaring rule was originally incorporated as a safety feature, it has become an excuse to hide causes. Add to this plan that within a specific period of time the location, date of flaring, notice when BAAQMD was notified, amount of fine, date and specific action(s) taken to remedy the cause of flaring. This information should be easily available to the public and the incident updated.

In Chapter 5 it is stated that PM 2.5 and certain toxic air contaminants (TACs) have not improved over the past 10 years. The Richmond community has worked on the PTCA for 3 years. Now the plan talks about implementation over the next 10 years.

Under #4 actions on page 100, add/rephrase "during the year after final adoption of PTCA work to put a timeline on the action implementation statements.

Under #5 actions rephrase the objective to reduce the fuel refining section by 30-50%, to breakdown the term fuel refining to VOCs, TACs, GHGs, with each of their own target percentage reductions. Add a baseline to measure the reductions by 2035.

Name the role BAAQMD can play to bring members of the community, labor, and industry together to address how to move to renewable energy, maintain living wage jobs, and

improve the health of the community?

Because Richmond/N Richmond and San Pablo are impacted individually and cumulatively by freeways, port, rails, and large industrial plants, add inspections of these areas to document visible, and odorous sites that need to be documented, addressed, and if needed, referred to other agencies. Implement as part of BAAQMD outreach to engage and give stipends to young adults in the community to engage with the community on what they're experiencing that is affecting their health. Document and share with BAAQMD for follow-up how to address.

Update odor rule to adapt the reporting form to include check off boxes. People can't always describe what they're experiencing; however, they know what they're feeling. Add terms like headaches, nausea, eye irritation, breathing difficulties, metallic taste in mouth, heavy air. Ask those on PTCA to help describe other experiences.

Portable H2S monitors could be used in neighborhoods that are consistently reporting these types of experiences. Monitoring in general needs lots of improvements. Seek a grant to get handheld monitoring units for people to borrow for a week or two at a time to use in their kitchen to test the indoor health. Have them document on a created form the results. For those who participate and have asthma, help them fill out forms to get clean air filtering devices, etc.

Find more ways to go to where the people meet. Pay community ambassadors to educate, listen, and find out what people most need and want. Then seek grants and work with the community to implement the programs.

The Mobile 3 strategy actions for goods movement looks like a good start.

The Mobile 4 strategy actions for street sweeping needs some promoting, or incentivizing. I recently heard about a city that had access to some environmental funds and so they bought a street sweeping machine. It's now not being used because people wouldn't move their cars. These machines can go around if it's just a few cars not moved. If it's most of the cars that aren't moved, or the street is too narrow to go around, it won't work.

I believe it was Richmond who got a grant for elderly and/or disabled to access a pick up to ride in a clean, new EV within a central area. The zero emission bus fleets by 2040 is great.

It would have been helpful at the recent January 11 workshop a way could have been allowed to add public comments that were actually kept. I couldn't find my notes.

Thanks for the opportunity to share some comments. Every time I've read through this plan I've seen something else. I trust after it is adopted work will continue to implement the priorities first, while continuing to engage the local community for improvements.

Jan Warren

Walnut Creek, CA 94598

FW: Path to Clean Air public comment

Diana Ruiz [REDACTED]

Fri 1/19/2024 4:58 PM

To: Air Quality Planning <aqplanning@baaqmd.gov>

See below.

Diana

From: Maureen Brennan [REDACTED]

Sent: Friday, January 19, 2024 4:54 PM

To: Diana Ruiz [REDACTED]

Subject: Path to Clean Air public comment

[REDACTED] [Learn why this is important](#)

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1/19, 2024

I hope I am sending my public comment to the right address, for the "Path to Clean Air" draft. Please forward as needed.

I've read through the draft and find it formative and comprehensive. I appreciate the thoughtful work that has gone into this document. I also like that the studies spread the blame around, as it were. It's not just the refinery with toxic emissions, but a variety of sources, that create health harms. I have to remind my colleagues on the Hazmat Commission, that AB617 is state law. It's time we support the law, and stop denying it's existence. I think the study group has done a great job identifying the problem, and have come up with a variety of very workable solutions. Thanks.

Maureen Brennan, Rodeo CA
[REDACTED]

Path to Clean Air comments

Martha Gruelle [REDACTED]

Fri 1/19/2024 3:10 PM

To: Air Quality Planning <aqplanning@baaqmd.gov>

[REDACTED] [Learn why this is important](#)

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Friends,

I am a Richmond resident and live within 2 miles of most of the stacks at the Chevron Richmond refinery. I appreciate that under AB 617, serious efforts are underway to reduce the health impacts of air pollution in our community. The unacceptably high levels of asthma among our kids is just one distressing example of these effects.

Yet I am concerned that the BAAQMD is not completely fulfilling the promise of the AB 617 process:

- Flaring at the refinery is quite frequent and has increased. We need a full accounting of the effects of these events, and we need action by Chevron to greatly reduce the number of flaring events to industry-low levels.
- There are high levels of multiple toxics from the refinery. We need a serious plan to reduce the most dangerous rather quickly. Chevron needs to take positive action on this, whether or not they find it convenient.
- Discussions of toxic air contaminants and their health effects get very technical, very fast. The Richmond community has a right to plain-English (and Spanish) explanations of what we are facing when we breathe every day.

Richmond City Council also provided comments, in the form of a council resolution, in May 2023. At the very least, these comments from our elected leaders should be thoroughly addressed in the final report.

Thank you for your work and your attention to these comments.

Martha Gruelle
[REDACTED]

PTCA CERP Comment Letter

Martine Johannessen [REDACTED]

Fri 1/19/2024 12:49 PM

To: Air Quality Planning <aqplanning@baaqmd.gov>
[REDACTED]

 1 attachments (326 KB)

CBE PTCA CERP Comment Letter.pdf;

[REDACTED] [Learn why this is important](#)

CAUTION: This email originated from outside of the BAAQMD network. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Dear BAAQMD team,

Thank you for the opportunity to comment on the draft PTCA CERP. I am submitting the attached letter on behalf of Communities for a Better Environment. Thank you for your consideration!

All the best,
Martine



January 19, 2024

(Submitted via electronic mail to aqplanning@baaqmd.gov)

Re: Draft Path to Clean Air Community Emissions Reduction Plan

Dear BAAQMD and the Community Steering Committee,

Thank you for the opportunity to comment on the draft Path to Clean Air (PTCA) Community Emissions Reduction Plan (CERP). We want to first commend the work that the Community Steering Committee (CSC) has completed in collaboration with BAAQMD since 2018, and the great achievement of publishing this plan. Given the tight turnaround for public comment and the winter recess, Communities for a Better Environment (CBE) is submitting comments focused on the *Fuel Refining, Storage Facilities, Support, and Distribution* section in *Key Issues and Strategies*. In the future, we strongly encourage BAAQMD to present the plan within one week of releasing the draft and expand the public comment window beyond 30 days to ensure the public has time to thoroughly read, digest, and comment on hundreds of pages of dense content.

The following comments are informed by CBE's decades of experience organizing and working alongside community leaders in Richmond to achieve environmental health and justice, as well as technical knowledge of the oil refining process, feasible emissions reductions, and reduction commitments in the South Coast Wilmington-Carson-West Long Beach (WCWLB) and South LA CERPs.

First, we want to celebrate the plan's strengths. We were pleased to see Key Issue #4 in *Fuel Refining, Storage Facilities, Support, and Distribution*: "Move towards a Just Transition." We wholeheartedly agree that a transition away from fossil fuels that centers community health and the impacts of the transition on workers and communities is imperative to the future of Richmond. We support the inclusion of this critical framework in the Richmond-North Richmond-San Pablo Plan.

We also commend BAAQMD and the CSC for including commitments to update specific refinery regulations namely (1) refinery combustion sources (i.e., boilers, heaters, and other combustion sources) and (2) flare regulations. These commitments suggest promising collaboration between Air Districts across the state. Regarding combustion sources, the South Coast Air District demonstrated that these regulatory agreements were achievable through their updated and adopted Boilers & Heaters regulation, which will result in an over 75% reduction in

NOx.¹ Regarding flaring, we appreciate BAAQMD updating its flare regulation as the South Coast rewrites its own regulation, expected for adoption in April or May. The South Coast is also using BAAQMD's flare reporting system as a model to improve its public reporting of flare emissions online, indicating that tools and strategies can move effectively across districts.

There are weaknesses, however, in the *Fuel Refining, Storage Facilities, Support and Distribution Section* that should be updated to strengthen the PTCA CERP. One key refinery regulation in the South Coast CERP for Wilmington, Carson, and West Long Beach is missing from the PTCA CERP – an updated Refinery Storage Tanks regulation, newly adopted by SCAQMD last year.² Storage tanks are major sources of VOCs including toxic benzene emissions, which have been shown in multiple venues to be grossly underestimated. **We urge BAAQMD to add a commitment to update its Refinery Storage Tanks regulation, reviewing the already-adopted South Coast update and others as measures to include in Bay Area rule updates.**

SCAQMD also hosted and published the Fluxsense study in 2017, which corrected historical underestimates of VOC emissions,³ finding that VOCs (including benzene) were drastically underestimated at every single refinery in the jurisdiction.⁴ Similar results were found

¹ SQAQMD staff found an overall 7.7 to 7.9 tons per day reduction out of approximately 10 tons per day, in other words a 77 to 79% reduction. (“Certify the Final Subsequent Environmental Assessment for Proposed Rule 1109.1,” November 5, 2021, <https://www.aqmd.gov/docs/default-source/Agendas/Governing-Board/2021/2021-Nov5-034.pdf?sfvrsn=6>, 1; “Rule 1109.1 - Landing Rule for Refineries Working Group Meeting #1,” <https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1109.1/pr1109-1-wgm1-final.pdf?sfvrsn=20>, slide 12).

² South Coast Air Quality Management District, “Rule 1178: Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities,” Proposed Amended Rule 1178 § (September 2023), <https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1178/par-1178-draft-rule-language-final.pdf?sfvrsn=6>.

³ Johan Mellqvist et al., “Emission Measurements of VOCs, NO₂ and SO₂ from the Refineries in the South Coast Air Basin Using Solar Occultation Flux and Other Optical Remote Sensing Methods,” April 11, 2017, [https://www.aqmd.gov/docs/default-source/fenceline_monitoring/project_1/fluxsense_scaqmd2015_project1_finalreport\(040717\).pdf](https://www.aqmd.gov/docs/default-source/fenceline_monitoring/project_1/fluxsense_scaqmd2015_project1_finalreport(040717).pdf).

⁴ VOCs were found to be on average six times higher, and benzene on average 34 times higher compared to the District inventory. The Fluxsense study found that the standard EPA emissions assessment (the “TANKS” model) couldn't account for tank degradation over time. See Johan Mellqvist et al., “Emission Measurements of VOCs, NO₂ and SO₂ from the Refineries in the South Coast Air Basin Using Solar Occultation Flux and Other Optical Remote Sensing Methods,” p. 94-5, which states: “the observed discrepancies between measured emissions and reported inventories (based on the AP-42 standard (US-EPA 2013)) are considerably higher than what can be explained by measurement uncertainties or short-term sampling alone...Refineries and tank farms are complex environments with a large number of installations and numerous potential emission sources (e.g. tank seals, valves, gauges, flares, vapor recovery units, etc.). Many of these components can show degrading performance over time, and to accurately account for the impact of non-ideal performance in emissions inventory reporting is, we believe, an impossible task.”

Also see CBE's decoder of Fluxsense study: Julia May, “Full Report on Innovative Study Now Available – LA Oil Refineries' VOC & Benzene Emissions Grossly Underestimated,” April 20, 2017, <https://www.cbecal.org/wp-content/uploads/2017/05/CBE-Decoder-Socal-Refinery-Study-Emissions-Underreported.pdf>.

in Texas⁵ and other regions, and affirmed by many experts.⁶ **The Bay Area would greatly benefit from carrying out the same Fluxsense study for Chevron and other Bay Area refineries to understand and verify the full scope of emissions.** Still, the commitment to update the Refinery Storage Tanks regulation should not wait for the completion of that study. As stated previously, BAAQMD can begin by reviewing measures in other state regulations such as the recently upgraded South Coast Storage Tanks rule.

Another issue in the *Fuel Refining, Storage Facilities, Support, and Distribution* section is the lack of specific emission reduction targets that have been set and achieved in other parts of the state (specifically, the other major refinery region of California – the South Coast District). The Richmond-North Richmond-San Pablo Plan does not include commitments for percentage reductions in emissions for refineries in the area, namely the Chevron Refinery. By contrast, the WCWLB CERP included a measure to cut emissions *50% or more in NO_x, SO_x, and VOC emissions by 2030 or sooner* if feasible for all the refineries in the region.⁷ **We urge adding these targets, and strengthening the PTCA CERP’s existing PM 2.5 reduction goal of “30-50% by 2034” to match the other reduction goals – 50% or more by 2030.** In fact, a 50% emission reduction is likely too low at this juncture, since South Coast rulemaking has shown much higher reductions were achievable.⁸ BAAQMD should consider more ambitious reduction targets of 75% or higher.

⁵ Johansson et al., “Emission Measurements of Alkenes, Alkanes, SO₂, and NO₂ from Stationary Sources in Southeast Texas over a 5 Year Period Using SOF and Mobile DOAS,” *Journal of Geophysical Research: Atmospheres* 119 (January 4, 2014), <https://doi.org/10.1002/2013JD020485>.

⁶ For example, Daniel Hoyt and Loren H. Raun found that emissions factors provided unreliable results, causing consistent underestimation of emissions, particularly at storage tanks. As Hoyt and Raun put it, “*The results of this study indicate estimated emissions were never higher and commonly lower than the measured emissions. At one source location, VOC emissions were found to be largely representative of those measured (i.e., the catalytic reformer), but more often, emissions were significantly underestimated (e.g., up to 448 times greater than estimated at a floating roof tank). The sources with both the largest relative error between the estimate and the measurement and the largest magnitude of emissions in this study were a wastewater treatment process, an aromatics concentration unit and benzene extraction unit process area, and two sets of tanks.*” See Daniel Hoyt and Loren H. Raun, “Measured and Estimated Benzene and Volatile Organic Carbon (VOC) Emissions at a Major U.S. Refinery/Chemical Plant: Comparison and Prioritization,” *Journal of Air & Waste Management* 65, no. 8 (June 11, 2015): 1020–31.

⁷ Refineries include 2 Tesoro, 2 Phillips 66, and 1 Valero refinery. The “Minimum emission reduction goal by 2030 or earlier if feasible” is given at 50% for VOCs, NO_x, and SO_x, in the WCWLB CERP. See South Coast Air Quality Management District, “Community Emissions Reduction Plan,” September 2019, <https://ww2.arb.ca.gov/sites/default/files/2020-01/Final%20CERP%20WCWLB.pdf>, p. 5b-5.

⁸ For example, SCAQMD’s combustion regulation (i.e., Rule 1109.1, the Boilers & Heaters rule) showed a 95% reduction in NO_x was achievable through meeting BARCT (Best Available Retrofit Control Technology) SCR controls, according to SCAQMD, “Rule 1109.1 - Refinery Equipment,” <https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1109.1/pr1109-1-wgm4.pdf?sfvrsn=6>. As stated in Footnote 1, SCAQMD staff reported a 77 to 79% reduction in the adopted regulation Governing Board packet. See “Certify the Final Subsequent Environmental Assessment for Proposed Rule 1109.1,” November 5, 2021, <https://www.aqmd.gov/docs/default-source/Agendas/Governing-Board/2021/2021-Nov5-034.pdf?sfvrsn=6>, p. 1 and “Rule 1109.1 - Landing Rule for Refineries Working Group Meeting #1,” <https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1109.1/pr1109-1-wgm1-final.pdf?sfvrsn=20>, slide 12).

In addition, we urge BAAQMD to update its refinery regulations to achieve these emission reduction percentages District-wide, not only in the PTCA CERP area, so that all residents in the Air District will be protected by technology and requirements *already demonstrated as achievable in the South Coast*. SCAQMD did not stop at implementing new rulemaking solely for the refineries in the cities covered by the WCWLB CERP; it extended rulemaking to the whole South Coast District, to include the Torrance and Chevron El Segundo refineries.⁹ In the Bay Area, extending BAAQMD rulemaking beyond the cities covered by the PTCA CERP is particularly critical for neighboring communities including Rodeo, Martinez, and Benicia, which are greatly impacted by oil refineries and their emissions, but have not been selected for a similar CERP process.

We want to reinforce this point, as updating refinery rulemaking District-wide is also consistent with CARB's updated AB617 Community Air Protection Blueprint.¹⁰ The Blueprint highlights the importance and urgency of best available retrofit technology for refineries, encouraging “Air District development of expedited schedules to implement best available retrofit pollution controls on certain industrial sources by 2023, including facilities such as oil refineries, cement plants, glass manufacturers, and oil and gas operations” for “communities impacted by stationary sources.” These technology requirements are also mandated by state Health & Safety Code § 40920.6(c). Although the 2023 statutory deadline has already passed, it is still imperative for the PTCA CERP to include best available retrofit control technology for refinery equipment, commit to implementing these technologies quickly, and expand these standards District-wide.

Finally, we want to emphasize that while the majority of this letter has focused on strengthening and clarifying regulations for existing refineries, we support the CERP not only as a way to reduce emissions and exposure to those emissions, but as part of the path towards a larger transition *away from fossil fuels*, and towards a Richmond, North Richmond, and San Pablo beyond Chevron. As such, Just Transition principles – decommissioning the fossil fuel industry while centering community health and the impact on workers and local communities – should guide the implementation of the entire plan, particularly the distribution of economic and technological resources, not just those strategies listed under Key Issue #4, Just Transition. **Language similar to that included in FR 3.9 (Development of a Community Benefits Policy guided by criteria based on Just Transition principles) would be a welcome addition throughout the CERP, and the implementation process, better linking the wide range of goals to a Just Transition.** One example could be in FR 5 (Reduce Exposure to and Health Impacts from PM2.5 and other CAPs Emitted by Refineries). BAAQMD could connect these strategies to FR 3, and the broader Just Transition goal by including a commitment to greater public accountability and input on these reductions (1) making all newly collected data on

⁹ SCAQMD, “Proposed Rule 1109.1: Emissions of Oxides of Nitrogen from Petroleum Refineries and Related Operations,” <https://www.aqmd.gov/docs/default-source/rule-book/Proposed-Rules/1109.1/pr1109-1-presentation---community.pdf?sfvrsn=6>, slide 4.

¹⁰ CARB, Community Air Protection Blue Print, October 2018. https://ww2.arb.ca.gov/sites/default/files/2020-03/final_community_air_protection_blueprint_october_2018_acc.pdf.

refinery emissions publicly accessible in multiple languages (e.g., Spanish, Mandarin, Lao) including notices and public records and (2) working with the Just Transition Subcommittee specifically to explore how the outcomes of emissions and related public health studies could legally and politically support a transition away from fossil fuels District-wide.

Given the outsized impact of oil refineries, particularly the Chevron Refinery, on air pollution and community health, we believe that updating the plan to include all of these measures is critical. We celebrate the milestone reached to get to this point of an important public process and thank you for your consideration.

Sincerely,

Martine Johannessen

NorCal Staff Researcher

Communities for a Better Environment

Kerry Guerin

Attorney & Just Transition Fellow

Communities for a Better Environment

Lazuli Trujano

Richmond Community Organizer

Communities for a Better Environment

Comments on Path to Clean Air draft plan

Suzanne Coffee [REDACTED]

Fri 1/19/2024 4:44 PM

To: Air Quality Planning <aqplanning@baaqmd.gov>

[REDACTED] [Learn why this is important](#)

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As a member of the CSC I consider it a great honor and privilege to have been part of this process. I believe that the commitment to represent the voice and the needs of the community is its greatest strength of this plan. There are a multitude of strategies laid out in this plan and even with my inside view as a CSC member I know it is going to take time to take it all into consideration. It is a complex problem and there is no direct path, but I believe this plan with its multiple strategies has the potential to have highly effective results long term because it engages with the the problem in so many ways. Not the least of with is the commitment to engaging with the community. Many people living in the project area, myself included, are unaware of the extent and affects of air pollution in our community. I believe in order to continue to improve air quality and hold polluters accountable we will have to have a greater demand for change from the public. I believe the engagement and education of the public as strategy will be a driver of many of the changes that will lead to cleaner air in our future.

Public Comment Submission - AB 617 Community Emissions Reduction Plan

Trina Jackson-Lincoln [REDACTED]

Fri 1/19/2024 2:27 PM

To: Air Quality Planning <aqplanning@baaqmd.gov>

📎 2 attachments (567 KB)

Jimenez Martinez BAAQMD List of Improvements Letter - AB617.pdf; List of Requested Improvements to the D...sions Reduction Plan for Richmond.pdf;

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Hello,

On behalf of the City of Richmond, the attached Cover Letter and List of Improvements the Draft AB 617 Community Emissions Reduction Plan for Richmond, San Pablo, and North Richmond from the Richmond City Council is being sent for review and consideration.

Best regards,

Mrs. Trina Jackson-Lincoln
City Council Liaison and Project Coordinator
Richmond City Council Office





Office of the Richmond City Council

January 18, 2024,

Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105

Subject: Public Comments on Path to Clean Air (PTCA) Community Emissions Reduction Plan Submission

To whom it may concern,

At the January 16, 2024, meeting of the Richmond City Council, the City Council approved a list of improvement requests; and directed staff to submit them to Bay Area Air Quality Management District before the deadline for Public Comments on January 19, 2024.

The Community Emissions Reduction Plan (CERP) Steering committee is committed to work in collaboration with Bay Area Air Quality Management District (BAAQMD) to create this draft plan. Due to the community engagement work, this draft plan is the first community plan to name Just Transition of all 19 communities across the state, to bring the local union into regulatory practices, to ask for community benefits policy, and to ask for a 35 percent – 50 percent reduction in exposure for disproportionately harmed residents in 10 years.

While the draft plan is directionally positive and provides much valuable information about our pollution problems and many positive strategy ideas, the Richmond City Council finds it lacking in its distillation of the critical success factors for significant emissions reduction and missing the aggressive milestones expected for its top strategies for public health improvement.

The City of Richmond is hereby submitting public comments to be taken into consideration for the final plan. Please refer to the attached list of improvement requests.

Best regards,

Claudia Jimenez

Claudia Jimenez, Vice Mayor
Elected Council Member, District 6
City of Richmond

Eduardo Martinez

Eduardo Martine, Mayor
City of Richmond

Attachment: List of Requested Improvements to the Draft AB 617 Community Emissions Reduction Plan for Richmond, San Pablo, and North Richmond from the Richmond City Council

CC: Richmond City Council

List of Requested Improvements to the Draft AB 617 Community Emissions Reduction Plan (CERP) for Richmond, San Pablo, and North Richmond from the Richmond City Council

Richmond City Council would like to thank the work that CERP Steering committee in collaboration with BAAQMD has done. Here some major gains in the plan:

1. It is the first community plan to name Just Transition of all 19 communities across the state
2. It is the first plan to bring the local union into regulatory practices
3. It is the only plan to ask for community benefits policy.
4. It is the only plan to ask for a 35%-50% reduction in exposure for disproportionately harmed residents in 10 years

In the spirit of collaboration and the project’s purpose, we are submitting public comments to assist with the discussion on how to strengthen the plan so that the plan gets implemented. First, we would like to request BAAQMD for an extension of public comment period. We deeply appreciate the work of the CERP Steering Committee. However, this draft was not released until Dec 13, 2023, when many organizations were closed or community members were with family for the holidays.

Our comments fall into the following themes:

1. A need for greater focus on the critical success factors for our key emission reduction strategies.
2. More aggressive timelines and milestones for our key strategies.
3. The need to receive critical missing data and better analyzed data.

Concern/Improvement	Current Plan (text or point of view)	Completion Timeframe	Specific Needs & Rationale
Include a complete profile of the November 27 th Flaring Event (4 flares full bore for twelve hours plus periodic flaring afterwards)	No complete profile or analysis of any flaring event	Q2 2024	Produce a model report based on case scenarios on: <ul style="list-style-type: none"> • Total emissions by flare and type of pollutant • Peak 1-hour emissions and dispersion of health impacts • Complete causal analysis • A dispersion model that shows the path and distance release
Faster Development of tougher Flaring Rule amendments with goals	FR 2.6. Air District will initiate a rule development effort, further evaluating potential updates to flaring rules (Rule 12-11 and Rule	2024 Q2 Draft Q3 Public Comment	Amendments are not like new rules. They can be done more quickly. We need:

	12-12), by the end of 2024. Rule development efforts will aim to incorporate health impacts analyses, enhance rule enforceability, and establish new and/or more stringent limits	Q4 Board Approval	<ul style="list-style-type: none"> • An event classification system based on cause and health impacts. • Effective Chevron reporting requirements • New penalties by type of event or total annual events, with multipliers for repeat offenses.
Discuss 75% Reduction in annual flaring events with Chevron senior management.	No suggestion in the plan that this is important. No clear analysis of the causes of the 3-4X overall increase in flaring since 2018. No specific goals, despite the fact that many large refineries keep flaring events to mid-single digits	Q2 2024	When the city council or mayor declares that these events are impacting the community negatively, Chevron should come to talk to the city council after 10 days of the incident
Discuss the health impacts of the significant 2019 to 2021 increases in 8 of 10 of the most dangerous TAC emissions from the refinery and their legal fight against the Cat Cracker wet scrubber rule (6-5) with Chevron senior management.	No analysis of why these changes happened, although we assume it is the higher sulfur content of the crude being processed. No measurement of the increase in health risks. No explanation of Chevron's arguments against Rule 6-5.	Q2 2024	When the city council or mayor declares that these events are impacting the community negatively, Chevron should come to talk to the city council after 10 days of the incident Let's hear them explain, for example, the 275% increase in sulfuric acid and their plans for reduction.
Beef up Rule 11-18. Pass the amendments by the end of 2024. Model the impact of tightening the chronic health & cancer risk thresholds in Rule 11-18 by 20 and 30%. What reductions in which emissions would these changes likely force? Analyze with Chevron and	Currently, the plan says: <ul style="list-style-type: none"> • Rule 11-18 is our key strategy for reducing TAC emissions and lays out a strategy for fixing the implementation delays (no impact in last 5 years). 	Q2-4 2024 Some of this must be in the Plan to show clear direction; further analysis can be added later in	BAAQMD needs to do 2 things to make 11-18 work. One is to make sure Chevron complies with tighter regulations that force faster emission reductions. The 2nd is setting emission reduction goals and modeling the various ways to achieve them,

<p>ChemTrade If these reductions are possible at current production levels and with current feedstock sulfur levels.</p>	<ul style="list-style-type: none"> • BAAQMD doesn't know what emission reductions to expect. • BAAQMD will need to provide better information on how they are planning to achieve any reductions within the next 4 years. (A rule passed in 2018 will have no impact until 2028 and remains highly uncertain) 	<p>annual reports</p>	<p>uncovering the limits of 11-18 and considering all possible ways to achieve the 30-40% reduction goal, including export limits.</p>
<p>Request the California Air Resources Board and OEHHA review the current state of basic health research for our ten highest impact pollutants. Evaluate whether some existing risk factors could underestimate the health impacts. Create a range of risk factors to support sensitivity analysis. Secure funding for more research on our most damaging pollutants (sulfuric acid, nickel, benzene, particulate matter (PM), etc.)</p>	<p>The plan suggests that the Air District and Community Steering Committee (CSC) advocate for basic research, track funding cycles, and make proposals.</p> <p>While it is clearly possible that the health risk factors we currently use could understate certain risks, there is no urgency or priority in the plan to test and improve our knowledge. If the toxicity rating for one TAC such as sulfuric acid was underestimated by 25-50% (very possible!), it would dramatically affect our understanding and priorities.</p>	<p>2025</p>	<p>This is the fundamental research needed by all California refinery communities and US EPA funding should be easy to obtain. We need this to ensure the best possible targeting of our emissions reduction strategies and tactics.</p>
<p>Provide a list of all emission-related penalties of \$5,000 or more over the last 5 years. Include firm, date of violation, and specific violation.</p>	<p>No data and no analysis or commentary in the plan</p>	<p>Q2 2024</p>	<p>This should be a living document that is actively updated with the most current data to provide information to the public. This can be linked to the information provided by the plan.</p>

<p>Provide a list of all permitted facilities whose emissions are included in our current emissions inventory reports.</p>	<p>Not in the plan</p>	<p>Q2 2024</p>	<p>We have the impression that there are some polluting firms or some operations of polluting firms that are not currently included. What's missing?</p>
<p>What were the 841 Title V permit violations in 2019-2022 about? What enforcement actions have been taken? What's the plan for compliance in this area?</p>	<p>Not in plan</p>	<p>Q2 2024</p>	<p>Has BAAQMD spoken with senior management at Chevron about this? How did it go?</p>
<p>Add 2 Strategy Summary tables, one for emission reduction strategies and the other for all other strategies. Target length for both together would be around 8-10 pages.</p> <p>Each row should include a clear one sentence description of the strategy, key implementation milestones, critical success factors, funding requirements if any, and responsible agency</p>	<p>The current plan is overwhelming and fragmented. It is difficult to work with. It often buries the real strategies in the individual actions, and it is difficult to see the whole picture, in part due to the lack of specific goals and firm target dates. There is no place where you can see the whole plan with milestones, responsibilities, and impacts in a few pages.</p> <p>Diving down into a single strategy, look at <u><i>Reduce Exposure and Public Health Impacts from Toxic Air Contaminants Emitted by the Fuel Refining Sector</i></u>. It includes only a general end state goal of 30-50% by 2035. That's great but it lacks crisp, aggressive milestones. We see nothing on what to expect by 2026 or 2030. Or what the critical success factors are. Also note we could have 2 strategies as 4 Actions could</p>	<p>Q2 2024</p>	<p>Maybe this format and this length is helpful to BAAQMD, but it is not good for transparency, community engagement or accountability. Who is this plan for?</p> <p>See previous point about needing to model the impact of health risk threshold reductions on the impact of Rule 11-18. Without doing this, you can't fill out the row in the requested table</p>

	be combined. all related to implementing Rule 11-18.		
What's the budget for all of this?	<p>No description of costs or funding sources in the plan</p> <p>Some of these strategies must require new funding. How and when do we find out which strategies can be funded adequately from which sources? How will we set priorities in a world of limited resources?</p>	2025	The Richmond City Council would like to participate in any discussions about priorities
Schedule a presentation of the final draft Community Emissions Reduction Plan to the Richmond City Council by BAAQMD's CEO with a focus on the critical path and key milestones for goal achievement. Show how we will get to a 30-40% reduction in PM2.5, NOx and toxicity-weighted TAC emissions by 2035 and a 75% reduction in flaring event by 2025. Review the status of the funding picture as well as our legal challenges, current delays, and possibilities.	Not in the plan	Q2 or Q3 2024	There needs to be an in-person meeting with face-to-face discussion and commitments.

Attn: Planning and Climate Protection Division: Comments to Richmond-San Pablo AB617 Draft CERP

Osterberg, Todd [REDACTED]

Fri 1/19/2024 2:46 PM

To: Air Quality Planning <aqplanning@baaqmd.gov>

📎 1 attachments (418 KB)

Final Draft Path to Clean Air Plan_CVX comments_20240119 .pdf;

[REDACTED] [Learn why this is important](#)

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Good afternoon,

Chevron appreciates the opportunity to review and comment on the Bay Area Air Quality Management District's December 2023 Path to Clean Air, Draft Community Emissions Reduction Plan. Chevron acknowledges the efforts of the community to engage with stakeholders, including emissions sources, in an effort to work collaboratively to achieve the AB 617 goals. We thank you for the opportunity to comment on these matters. If you have questions regarding our comments, please contact Todd Osterberg at (510) 242-2813. Thank you.

Todd E Osterberg

Advocacy Specialist

Chevron Richmond Refinery

Health, Safety & Environmental

Chevron Manufacturing





Kris Battleson
HSE Manager, Richmond Refinery

January 19, 2024

via email: aqplanning@baaqmd.gov

Planning and Climate Protection Division
Bay Area Air Quality Management District
375 Beale Street, Suite 600
San Francisco, CA 94105

RE: Comments on Draft AB617 Path to Community Emissions Reduction Plan

Chevron appreciates the opportunity to review and comment on the Bay Area Air Quality Management District's ("BAAQMD") December 2023 Path to Clean Air, Draft Community Emissions Reduction Plan ("the Plan"). Chevron is a major refiner and marketer of petroleum products and renewable fuels in the state of California, and Chevron's Richmond Facility is located in the BAAQMD.

The approximately 3,000 people that work at Chevron Richmond are proud of what we do and how it benefits the community and economy we share. Our business activity empowers our community with good jobs, local spending, community support and affordable, reliable and ever-cleaner energy. Chevron has a long-standing commitment to reduce emissions at our Richmond facility. Our recent major investment in our Modernization Project is a great example of efforts and increase the safety and reliability of the facility. For example, this project enabled an approximate 40 percent reduction of particulate matter emissions facility-wide. Chevron recognizes the value of complete and accurate air quality data to support the AB 617 process. In fact, for nearly 10 years the Chevron Richmond Refinery has supported an independent community air monitoring program within our neighboring communities and has made that data available publicly through the third-party website richmondairmonitoring.org. It is imperative that the Plan's focus areas are grounded by real and up to date air quality measurements and data. Chevron Richmond remains committed to working collaboratively as a member of the steering committee and with the BAAQMD throughout this process. Chevron recommends that BAAQMD consider the below overarching legal comments in addition to technical comments made herein.

Following are Chevron's comments in response to topics discussed in the Plan.

I. Legal Comments

A. There must be underlying legal authority to conduct the actions in the Plan.

The Plan includes myriad strategies and actions for achieving the core vision and principles of the Plan. Regulatory agencies such as BAAQMD and the California Air Resources Board ("CARB"), however, are creatures of statute and only possess the authority granted to them by the



legislature.¹ For example, as described in the Plan, BAAQMD and CARB have varying, and often distinct, authority based on geography and source type.² The mechanism for implementing this authority is often done pursuant to rulemaking. Rulemaking, at either the CARB or BAAQMD level, is required to be done pursuant to specific procedural processes described in the California Administrative Procedure Act (“APA”), the California Environmental Quality Act (“CEQA”) and/or the Health & Safety Code.³ This includes both the initial rulemaking for a given goal and any amendments to that rulemaking. Importantly, any actions taken by BAAQMD or CARB with respect to the Plan’s elements must be authorized either by statute or by a duly promulgated rule adopted by the agencies. Where no such authority exists in existing rules or regulations, CARB or BAAQMD must undergo rulemaking, pursuant to the requirements of the Health & Safety Code or the APA, as applicable, before any such action can be taken.

1) Permitting Activities

The Plan vaguely refers to “permitting actions to address permitted facilities.”⁴ BAAQMD issues permits and permit amendments pursuant to specific permitting regulations (e.g., BAAQMD Rule 2-1 and 2-2). These regulations, and the underlying statutes authorizing the permitting program, are limited to the construction of new sources and the modification of existing sources.⁵ BAAQMD cannot unilaterally open a permit and impose new requirements absent one of these triggering events.⁶ Accordingly, any permitting action, including the imposition of permit conditions, best available control technology, or other limitations is only authorized when triggered pursuant to actions described in the existing rules. To impose any other changes via permit, there must be rulemaking conducted pursuant to the Health & Safety Code.

2) Emissions Monitoring

The Plan discusses using enhanced monitoring and data analysis to help improve emissions modeling, rule development, compliance and enforcement, and public communication.⁷ Additionally, the Plan lists actions BAAQMD proposes to undertake to reduce pollution and negative health impacts associated with stationary sources. One of these actions is to “[i]mprove source emissions monitoring and reporting for the Chevron Refinery and fuel refining-related facilities.”⁸ Changes to monitoring and reporting requirements must be made pursuant to existing regulatory authority or by promulgating new rules. Modifications to existing permits are

¹ See California Health & Saf. Code §§39002, 39003, 40000 et seq.

² See Draft Clean Air Plan. at 58; Health & Saf. Code §§39002, 40000.

³ See Govt. Code §11340-11365; Health & Saf. Code §40725 et seq.

⁴ Draft Clean Air Plan at 86.

⁵ See BAAQMD 2-1-101 (“The purpose of Regulation 2 is to provide an orderly procedure for the review of new sources of air pollution, and of the modification and operation of existing sources, and of associated air pollution control devices, through the issuance of authorities to construct and permits to operate.”)

⁶ The only exception is that a permit can be modified upon annual renewal where a permit is found to omit conditions adequate to ensure compliance with and enforceability of rules which were in effect at the time the permit was issued or modified, or when a rule, subsequently adopted, is made retroactively applicable to the relevant equipment. See Health & Saf. Code §42301(e).

⁷ Draft Clean Air Plan. at 97.

⁸ Id. at 99.



authorized only in specific situations, as described above, and BAAQMD may not modify a permit without an underlying applicable requirement.

3) Flaring Activities

The Plan seeks to reduce flaring activities to “an ultimate goal of zero routine or planned flaring.”⁹ This objective is based on concerns over increased flaring events and emissions associated with such flaring. Flaring is a highly regulated activity within the BAAQMD and is only permitted under specific circumstances. Chevron Richmond remains focused on minimizing and preventing flaring. However, flaring is an important safety mechanism for refineries and is allowed under BAAQMD rules (e.g., BAAQMD Rule 12-11, BAAQMD Rule 12-12). Moreover, in some cases, flaring is the desired abatement for emissions associated with refinery processes (e.g., BAAQMD Rule 13-5). Thus, any action taken pursuant to this objective must be done pursuant to duly promulgated rulemaking pursuant to the Health & Safety Code, and any other applicable law, recognizing the important safety function that flares provide.

4) Out of Scope Activities

The purpose of AB617 is to “reduce emissions of toxic air contaminants and criteria air pollutants in communities affected by a high cumulative exposure burden (overburdened communities) to these forms of air pollution.”¹⁰ The Plan, however, includes action items unrelated to air pollution. For example, the Plan asserts that it is rooted in “Just Transition principles,” but these principles are not included in AB 617, nor the California Air Resources Board’s Blueprint 2.0,¹¹ which is the legal basis for this Plan. The concept of a “just transition” does not relate to emission reductions and is more akin to providing a safety net for workers and residents impacted by the State’s goals of eliminating an entire industry.¹² While certain historical and community needs and goals are important (e.g., addressing redlining, reparations, and food access), they are likewise outside of the scope of AB 617 as they do not address emission reductions and should be removed and addressed through a different process.

B. Enforcement is not a public process.

The Plan also lists as an objective to reduce pollution and negative health impacts associated with stationary sources that BAAQMD “will coordinate on enforcement with federal, state (USEPA, CARB, and the Attorney General’s Office) and local enforcement partners (District Attorneys, City and County Counsel) on fuel refining violations, enforcement, and other legal issues, as appropriate.”¹³ Such extensive coordination and resources should only be used when appropriate. The vast majority of notices of violation, or those with little or no public impact, for

⁹ *Id.* at 95.

¹⁰ CARB, *Community Air Protection Program Blueprint 2.0* at 1, https://ww2.arb.ca.gov/sites/default/files/2023-09/BP2.0_Final_Draft_9.24.2023_FD.pdf (Sept. 2023).

¹¹ *Community Air Protection Program Blueprint 2.0* at https://ww2.arb.ca.gov/sites/default/files/2023-09/BP2.0_Final_Draft_9.24.2023_FD.pdf

¹² See Executive Order N-79-20.

¹³ *Draft Clean Air Plan* at 99.



example, should not be subject to enforcement at multiple government levels because it would create an overly burdensome and inefficient process.

In addition, the Plan requires increased community engagement regarding penalties and enforcement. In particular, the Plan requires coordination with the Community Steering Committee (“CSC”). The Plan states that BAAQMD will “provide quarterly and annual updates to CSC about penalties assessed against fuel refining sector facilities and all other sources in the PTC area.” BAAQMD “will collaboratively develop, with the CSC, and pilot legal enforcement approaches for fuel refining facilities within one year of final approval of the PTCA Plan” to be expanded to cover all PTCA sources.¹⁴ Enforcement is not a public process, and penalty determinations are made pursuant to statutorily prescribed penalty amounts, mitigation factors, and long-held principles of proportionality and parity, the authority of which is bound to the air pollution control officer (and the District) exclusively and provides no authority for public input or participation.¹⁵

II. Technical Comments: Draft Plan

Chevron provides miscellaneous comments below on various aspects of the Plan.

- The below statements about Chevron’s Richmond facility are inaccurate:
 - Table 5-11 lists emissions associated with Chevron Refinery.¹⁶ As previously acknowledged by the District in the 12-15 Emissions Inventory (EI) for Reporting Year (RY) 2019, the emissions value for hexavalent chromium should be 3.17 lbs. Emissions of other TACs in Table 5-11 were inflated above the values reported in the RY2019 12-15 EI as follows: Arsenic (50%), Benzene (42%), Hydrochloric Acid (37%), Manganese (407%), Nickel (3%). These values should be corrected as shown in the table.
 - Key Issue 2 on page 91 states that there is a “*lack of accountability with respect to compliance with Air District Regulations*” because “*86% of Air District Notices of Violations within the PTCA area are associated with Chevron and other fuel-refining related sources.*”¹⁷ Chevron takes compliance with applicable rules and regulations seriously and employs dozens of full-time staff who are focused on implementing programs to ensure compliance, for such requirements such as permit conditions issued by BAAQMD. Unfortunately, the above statement is misleading for several reasons. First, Chevron Richmond is the largest regulated stationary source in the Plan’s area, having approximately 600 sources. Second, the existence of NOV’s does not equate to a “*lack of accountability.*” In fact, 90% of NOV’s for the Refinery are the direct result of Chevron self-reporting permit deviations, many of which are not related to a physical air quality exceedance (i.e., late report submittal). Third,

¹⁴ *Id.*

¹⁵ See Health & Saf. Code §§40752 (duties of APCO), 42400 et seq. (penalty limits and required mitigation factors).

¹⁶ *Draft Clean Air Plan* at 47

¹⁷ *Id.* at 91.



compliance inspections are conducted by BAAQMD enforcement staff one (1) to two (2) times per week. This is more frequent than any other facility in the Plan’s area. The Plan should utilize a more accurate analysis for determining which facilities are characterized as ‘frequent violators’ by normalizing the data to number of NOVs per source and then examining and comparing the results.

- The number of BAAQMD inspectors assigned to the Refinery is incorrectly stated on page 59¹⁸, BAAQMD has six inspectors dedicated to the Refinery, four full-time and two part-time inspectors.
- The Plan should recognize the significant progress Chevron has made regarding emissions reductions:
 - Page 21 of the Plan states that “air monitoring data shows that levels of some pollutants including fine particulate matter (PM2.5) and certain toxic air contaminants (TACs), have not improved over the past ten years.”¹⁹ The Plan should acknowledge the significant progress Chevron has made regarding emissions reductions. Chevron’s Modernization project, for example, has reduced PM2.5 from the refinery by approximately 40%. Please see below for the PM2.5 emissions reductions from 2018 – 2022 per the 12-15 EI. Additionally, Appendix B states that Chevron “emits more fine particulate matter and sulfur dioxide than all other contribution sources in our community combined[.]”²⁰ This sentence is not supported by the analysis in Chapter 5 and should be deleted. It should also be recognized that Chevron made several commitments, as part of the recent Modernization Project Conditional Use Permit with the City of Richmond, related to air quality. These include no net increase in criteria air pollutants, no net increase in health risk from TACs, and no physical increase in greenhouse gas emissions compared to the Project’s baseline.

Year	PM Emissions (tons/yr)	Reduction compared to 2018
2018	539.567	-
2020	367.704	-32%
2021	348.296	-35%
2022	229.764	-57%

¹⁸ *Id* at 59.

¹⁹ *See also id.* at 57, 91.

²⁰ *Id.* Appendix B at B-1.



- The plan mischaracterizes pollutants in the following places:
 - On page 40, the Plan incorrectly discusses ammonia as a Criteria Air pollutant when it is actually a Toxic Air Contaminant.²¹
 - On page 91, the Plan incorrectly describes PM_{2.5}, NO_x, and SO_x as “toxic emissions.”²²
 - The Plan discusses manganese emissions throughout the document.²³ However, the Plan fails to acknowledge that Health Risk Assessments (“HRA”) show that manganese does not significantly contribute to health risks because it contributes little to chronic toxicity and does not cause cancer or acute toxicity.²⁴ Also, the bioavailability of manganese differs based on whether it is ingested or bound to something and not bioavailable (such as in food, soil, and particulate). The Plan should distinguish between these two kinds of exposure in its discussion of community exposure to manganese.
 - Figure 5-16 shows benzene concentrations for January through March 2022.²⁵ BAAQMD should be wary of drawing conclusions from such a limited data set. Additional data, spanning more than three months, is needed to understand the data and emissions trends. Additional information on Benzene monitoring conducted by all US Refineries can be found on EPA’s fence line Monitoring Data Collection and Reporting website https://awsedap.epa.gov/public/extensions/Fenceline_Monitoring/Fenceline_Monitoring.html?sheet=MonitoringDashboard.
 - Table 5-10 shows emissions from selected TACs and includes acrolein emissions.²⁶ As pointed out by BAAQMD’s Air Toxics New Source Review Program HRA Guidelines, CARB has identified that there is currently no CARB-approved test method for acrolein from stationary sources. Accordingly, BAAQMD stated that they will “exclude acrolein emissions from the final HRA results on which risk management decisions will be based.”²⁷ Thus, acrolein should not be considered in any Plan activities until such time as an approved

²¹ *Draft Clean Air Plan* at 40.

²² *Id.* at 91.

²³ *Id.* Figure 4-2 at 18, 45, 52, 54.

²⁴ BAAQMD, *Air Toxics Control Program Health Risk Assessment Guidelines* at 7, https://www.baaqmd.gov/~media/dotgov/files/rules/reg-2-permits/2021-amendments/documents/20211215_hraguidelines-pdf.pdf?la=en&rev=eb18ff83f96049fa84d54552b58baee3 (Dec. 2021).

²⁵ *Draft Clean Air Plan* at 39.

²⁶ *Id.* at 46.

²⁷ BAAQMD, *Health Risk Assessment Guidelines*, at 10 (Dec. 2016) https://www.baaqmd.gov/~media/files/planning-and-research/permit-modeling/hra_guidelines_12_7_2016_clean-pdf.pdf?la=en.



test method is available.

- Page 51 discusses combined emissions values for various categories, concluding that “[f]or chronic HI, vehicles and trucks and fuel refining are again important accounting for about 90% of the...value that is attributable to local sources.”²⁸ The Plan should acknowledge that these levels (chronic HI) are 10 times below any benchmark level of concern.²⁹ Additionally, the phrase “chronic risks” is used in this section to describe pollutants. This phrase is usually associated with cancer risk discussions, and the listed chemicals are not all carcinogens (manganese, sulfuric acid). The Plan should use the phrase “health hazard” instead of “health risk.” This same change should also be made on page 54.
- The Plan should include citations for all data used. Below are instances where the Plan presents data without citations.
 - General comment: There are numerous discussions of, and references to Chevron Richmond refinery emissions. All such discussions and references should include citations for all figures and dates for those emissions.
 - Figure 5-19 shows modeled contributions from local sources to chronic hazard index and applies population weighting to the data.³⁰ Any data depiction of hazard index should include source and date of data. No citations are included for this data and the application of population weighting contradicts USEPA guidance. For example, USEPA (2009) guidance for inhalation risk assessment from a point source explains that you may use an exposure concentration to represent various microenvironments, but under USEPA guidance, such calculations do not “weight” findings according to the population of any given site under assessment.³¹
 - Figures 5-22 and 5-25 lack citations.³² Citations are essential to show the source of all data and year of analysis. Citations are also lacking for discussions of this data on page 54.
 - The Plan states that “approximately half of harbor craft and other marine vessel activity in the PTCA area are connected to Chevron and other fuel refining operations.”³³ However, there are no citations for this statement, and it is unclear how this was determined.

²⁸ *Draft Clean Air Plan* at 51.

²⁹ See BAAQMD Rule 11-18-218.

³⁰ *Draft Clean Air Plan* at 51.

³¹ See EPA *Risk Assessment Guidance for Superfund, Vol. I: Human Health Evaluation Manual (Part F, Supplemental Guidance for Inhalation Risk Assessment)* (Jan. 2009).

³² *Draft Clean Air Plan* at 53, 54, 56.

³³ *Id.* at 56.



- The section “Source Attribution Analyses” identifies emissions contributions by sources based on “areas of concern identified by the community.” The Plan should include a citation for documentation of what these areas of concern are and when they were identified by the community.³⁴
- Figures 6-9 and 1-10 are missing legends.³⁵

III. Technical Comments: Appendix C

- Appendix C, Page C-8 states “*For example, in its rulemaking for the current national 1-hour SO₂ standard of 75 parts per billion (ppb), the U.S. Environmental Protection Agency noted that exposure to SO₂ at levels as low as 200 ppb for 5-10 minutes has been experimentally shown to cause moderately or severely decreased lung function in some exercising asthmatics.*”³⁶ There is no 5–10-minute standard for SO₂. The Plan should not rely on unverified experimental results.
- Appendix C, Page C-10 states “*Insights from modeling can sometimes be corroborated by air monitoring if some of the modeled potential scenarios actually occurred. As noted above, model predictions carry a degree of uncertainty, which is generally larger for more specific predictions (like what would happen under a single set of circumstances, rather than across a range of possibilities), so it is unreasonable to expect perfect agreement. Holding this aside, if air monitoring data do not show the same distribution of SO₂ levels that the modeling predicted (in this case, 1-hour averages over 75 ppb), it still does not mean that such impacts could not occur in the future under the right combination of conditions. Predicted impacts could also have occurred in the past, but at a location that did not have an SO₂ monitor.*”³⁷ This statement appears to dismiss monitoring data. Actual monitoring data, where available, should always take precedence over modeling results.
- Appendix C, Page C-10 states “*Numerous occurrences of hourly SO₂ concentrations above typical hourly levels were observed, including some occurrences of hourly concentrations approaching 75 ppb (Figure A- 3). While none appeared to be traceable to a reported flaring event,¹⁰ the possibility still remains of flaring-related impacts at non-monitored locations, as well as the potential for future impacts at any location in the PTCA region.*”³⁸ This conclusion is not scientifically justifiable. Dismissing ambient monitoring data from BAAQMD or Chevron monitors in favor of modelling data is not a sound approach.

³⁴ *Id.* at 51.

³⁵ *Id.* at 69.

³⁶ *Id.* Appendix C at C-8.

³⁷ *Id.* Appendix C at C-10

³⁸ *Id.* Appendix C at C-10



IV. Technical Comments: Appendix D

- Appendix D, Pages D-1 and D-2, monitors operated by PSE Health Energy are omitted from the 'Background and Resources On Air Monitoring Programs And Projects' section.³⁹
- Appendix D, Page D-2, states “*These air sensors (Groundwork Richmond, Ramboll,), their siting/placement, and the data they provide do not undergo the same rigorous quality control and assurance protocols that are used for the Air District’s fixed-site air monitoring network. However, the data from these networks can still show relatively large differences between locations or times that are helpful in identifying potential sources of fine particulate matter.*”⁴⁰ Given that these low-cost air sensors do not undergo the same siting and QA/QC as Air District’s fixed-site air monitoring network, the Plan should not make assumptions about the data produced from such sensors without verifying that data utilizing trusted scientific methods.
- Appendix D, Page, D-3 states
“*Data from the refinery ground-level monitors are not subject to the NAAQS since they are inside a facility fenceline, but they do show numerous occurrences of SO2 concentrations approaching and exceeding the NAAQS (75 ppb) at the Chevron-Castro monitor.*”⁴¹
“*Data from the refinery ground-level monitors are not subject to the NAAQS since they are inside a facility fenceline, but they do show numerous occurrences of SO2 concentrations approaching and exceeding the NAAQS (75 ppb) at the Chevron-Castro monitor.*”⁴² Data gathered by GLMs cannot be compared to the NAAQS. There are several reasons for that; NAAQS monitors are designed and sited for the purpose of measuring regional air quality. Whereas Refinery GLMs are designed to measure local air quality and are sited inside the Refinery perimeter which is not appropriate for a NAAQS monitor.
- Appendix D, Page D-6, states “*Chevron operates fenceline air monitoring systems for compliance with Air District Regulation 12, Rule 15 (Rule 12-15)18 as well as the U.S. EPA’s Refinery Maximum Achievable Control Technology (MACT) Rules.19,20 These air monitoring systems are intended to provide information about refinery emissions that cross the refinery fenceline into neighboring communities*”⁴³

³⁹ *Id.* Appendix D at D-1 and D-2.

⁴⁰ *Id.* Appendix D at D-2.

⁴¹ *Id.* Appendix D at D-3.

⁴² *Id.* Appendix D at D-3.

⁴³ *Id.* Appendix D at D-6.



These GLMs were installed for compliance with BAAQMD Rules 9-1 and 9-2 prior to the existence of Rule 12-15. While GLMs are intended to provide data on potential refinery emissions, as with any ambient air monitor, GLMs measure emissions from all sources in the area. There are numerous anthropogenic and natural sources of pollution in the PTCA area that may contribute to GLM measurements.

- Appendix D, Page D-6 states *“Under an agreement with the City of Richmond, Chevron also operates three community air monitoring sites that provide measurements for several pollutants...”* This statement should be changed to the following, as Chevron presently funds the third-party operation of these monitors at the Company’s discretion. *“Chevron also funds the third-party operation of three community air monitoring sites that provide measurements for several pollutants, including PM2.5 and selected VOCs.”*

Chevron acknowledges the efforts of the community to engage with stakeholders, including emissions sources, in an effort to work collaboratively to achieve the AB 617 goals. We thank you for the opportunity to comment on these matters. If you have questions regarding our comments, please contact Todd Osterberg at [REDACTED]

Sincerely,

A handwritten signature in black ink, appearing to read "Kris Battleson", with a horizontal line extending to the right.

Kris Battleson

From: [Joseph Puleo](#)
To: [Air Quality Planning](#)
Subject: AB 617. Public comments
Date: Friday, January 19, 2024 11:22:44 AM

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In 2014 BAAQMD approved Chevron's refinery modernization plan. The modernization allowed Chevron to refine feed stock with much higher Sulphur content. This feed stock contains higher amounts of toxic elements such as heavy metals and produces other pollutants such as sulfuric acid, hydrogen cyanide, formaldehyde, and benzene among others.

This is due to both the cheaper grade of crude and the large increase in flaring to over 20 incidents per year.

BAAQMD failed to require Chevron to mitigate the dangerous effects until 2021 when it required Chevron to install wet scrubbers to reduce these pollutants. CBE had requested BAAQMD do so in 2014 but its request to install said scrubbers was ignored.

Chevron filed suit soon thereafter the wet scrubbers were required.

It is now ten years later and the refinery's pollution is much worse than in 2014.

What is BAAQMD's plan to defeat this lawsuit? Has BAAQMD any plan to pursue other avenues such as legislation, regulation or other legal venues?

We demand at least an 80% reduction in flaring and a large reduction in toxic air contaminants.

There must be a hard timeline to achieve this result with periodic goals along the way.

Fining Chevron is useless. Any such fine is just absorbed as a minor cost of doing business.

We know this reduction is eminently possible and that Chevron knows how to achieve it.

A denial of the use of cheaper high Sulphur feed stock, rather than a fine, would pose a serious penalty to Chevron's bottom line.

Respectfully submitted; Joseph Puleo

From: [Susan Wehrle](#)
To: [Air Quality Planning](#)
Subject: AB617
Date: Friday, January 12, 2024 9:51:53 PM

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My family supports the Path to Clean Air Community Emissions Reduction Plan. We are Richmond residents, and we recognize that we all have a right to clean air and good health. Let us make this a reality.

Sincerely,
Susan Wehrle

[REDACTED]

From: [TARNEL ABBOTT](#)
To: [Air Quality Planning](#)
Subject: comments - Draft Community Emissions Reduction Plan
Date: Thursday, January 18, 2024 9:01:24 AM

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The Draft Community Emissions Reduction Plan is a good start, but, as our Richmond City Council asked for, before finalization it needs significant improvement to strengthen it such as more and better analyzed data, tougher strategies, and more milestones with goals. BAAQMD should use this proposed plan to live up to its Mission Statement: "The Air District aims to create a healthy breathing environment for every Bay Area resident while protecting and improving public health, air quality, and the global climate." Instead, it allows the long-standing practice of protecting Chevron's profits over the health of residents to continue.

It is well documented that Chevron's Richmond refinery is the biggest greenhouse gas/ air polluter in the downwind communities of Richmond, North Richmond and San Pablo. These are environmental justice communities with majority low income and people of color populations, and according to CalEnviroScreen 4.00 these communities rank highest (80-100 percentile) for pollution. The cumulative impacts of toxic air pollutants that burden residents have caused higher rates of asthma, cardiovascular disease and other health problems.

Where is the plan to reduce flaring to a minimum such as 5 to 7 incidents per year instead of 20 plus? If big fines were imposed, would they upgrade their equipment to prevent flaring? There is no analysis of the emissions and health impacts of bad flaring events such as the one in November 2023. Lacking this, the plan is incomplete and unacceptable. What kind of regulations can be imposed on Chevron to "create a healthy breathing environment" ? The draft plan doesn't show how we reduce PM2.5, NOx, and toxic air contaminants by 40%. There are no milestone steps and it just seems too fuzzy and uncertain. Do we need to limit exports or force Chevron to use cleaner feedstocks to get to a 40% reduction?

Chevron is very profitable; maybe they need to pay more to protect the health of the people who live here. When will BAAQMD demand that human and environmental health needs to count for more than industry profit?

Tarnel Abbott, Richmond Resident

From: [Steve Early](#)
To: [Air Quality Planning](#)
Subject: Comments on Path to Clean Air (PTCA) Community Emissions Reduction Plan
Date: Sunday, January 14, 2024 3:48:50 PM

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1. I am a Richmond resident and Chevron refinery neighbor, responding to BAAQMD's request for comment on the draft CERP. Last year, our City Council urged to develop a plan that would reduce flaring by 75% - back to the level before the company's "Modernization Project" was approved by the city in 2014.

Reading this plan, we find that BAAQMD doesn't know what pollutants are being emitted or what the possible health impacts really are. There isn't a clear plan for forcing Chevron to reduce the number of flaring events per year - just some sort of vague commitment to having such a plan in the future. This is unacceptable. The smoke from the last major flaring event in November was worse than the fire of 2012.—I was here for that one too. Until you address this major issue appropriately for real flaring reduction, your CERP isn't ready for approval.

If our state legislature was committed to funding an effort to reduce pollution in our most polluted communities, they should be open to the possibility that completely new regulatory initiatives may be needed. While we work to make the traditional best available technology-based rules succeed and work with the legislature to create tougher penalties, we should, at the same time, look into new ideas - like export limits as a way to reduce the amount of fuel refining we permit and requiring that fuels be made from cleaner feedstocks.

These non-traditional approaches to regulation would, of course, be legally contested by Chevron. But, if implemented, they would certainly help us move faster toward our goal of reducing toxic pollution by 30-50%. And we might not be able to succeed without them. Why should Richmond be badly polluted to help Chevron sell gas and jet fuel to Asia? Or to save \$5-10/barrel on dirtier, higher-sulfur feedstocks?

In 2014 BAAQMD recommended approval of Chevron's Modernization project and said it would have no negative impact on emissions or public health. Now, ten years later in Richmond, 8 of 10 of the top TAC pollutants for chronic health risk have increased significantly, with sulfuric acid up 275% from 2019 to 2021. Chevron clearly misrepresented the impact of its project and BAAQMD accepted its projections and thus did not foresee the actual adverse health impacts.

Given how successful Chevron has been at delaying and obstructing the implementation of past process safety rule making and/or environmental protection enforcement by the state, BAAQMD should be cutting the company no slack now or in the future—on issues like flaring reduction—given this company's long history of misbehavior in our community.

Steve Early

From: [Garry Hurlbut](#)
To: [Air Quality Planning](#)
Subject: Comments on Path to Clean Air (PTCA) Draft Community Emissions Plan
Date: Friday, January 19, 2024 10:17:56 AM

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CHEVRON EMISSIONS – HEALTH RISK AND RECOMMENDATIONS

Perspective and Background: I am fortunate to have been exposed to many large-scale projects in my career and learning from a number of successful large projects as well as some missteps along the way. After serving as a fighter pilot during the Vietnam War, I went back to school to get a master's degree in Mathematics, Technology and Project Management. I was privileged to get hired by Ross Perot from Electronic data Systems (EDS) to lead projects for large companies. I had a chance to observe and learn about the factors that lead to successful implementation of big projects as well as some of the considerations that led to the failure to achieve critical objectives. I then moved to Kaiser Permanente (KP) to serve as the Chief Operations Officer of Information Technology. After the successful implementation of the Electronic Information Project at KP, I retired and moved to Point Richmond.

My wife, Maryn, and I continue to participate and manage volunteer projects within Richmond. In fact, Maryn, who consulted with me on this email, had established and managed an international company, Technology Affiliates International, which completed many successful large projects for manufacturing, airline and utility companies before she retired.

The reason that we are listing this background is to help establish some project management credibility from our experiences in the past and our observations of the shortcomings in past (and recent) 'project management' efforts by Chevron and BAAQMD.

First off: The exhibits produced by Jeff Kilbreth and Marisol Cantu relating to AB 617 that outline the health risk to our community residents (and children) are impressive and well based on the analysis and recommendations that they produced. The exhibits contain many of the critical elements necessary to achieve the success of their proposed strategy and project (actually, much more than a single project, it is a strategy that comprises many sub-projects).

Just a couple examples:

- The need for a complete analysis of the Nov. 17th flares that lasted a full 12 hours that would show the actual extent of emissions and pollutants along with remedial actions proposed and scheduled for their implementation.

- The need for specific goals and timelines and action plans necessary to achieve those goals.

The Resolution No. XX recently passed by the Richmond City Council specifies 4 strategies that need to be fleshed out and addressed:

1. 75% reduction in the number and extent of the flares
2. Aggressive plans for identifying the extent and reduction of dangerous pollutants.
3. Shore power to tankers idling at the wharf.
4. Education and information sharing to residents of plans and progress toward goals.

We hope that BAAQMD will be more assertive in pursuing specific goals, timelines and contingencies for the various initiatives that are required to produce a healthier environment for residents of Richmond and surrounding communities.

--

Garry Hurlbut
President and Executive Director
Richmond Tennis Association (RTA)



Check out "news and events" on <http://www.rta-ca.org>
Like us on <https://facebook.com/richmondtennisca>

From: [Sally Tobin](#)
To: [Air Quality Planning](#)
Cc: [Eduardo Martinez](#); [Gayle McLaughlin](#); [Claudia Jimenez@ci.richmond.ca.us](#); [soheila_bana@ci.richmond.ca.us](#); [doria_robinson@ci.richmond.ca.us](#); [Cesar Zepeda@ci.richmond.ca.us](#); [melvin_willis@ci.richmond.ca.us](#); [John Gioia](#)
Subject: Comments on the Draft PTCA Community Emissions Reduction Plan (CERP)
Date: Thursday, January 18, 2024 12:54:15 PM

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Comments on the Draft PTCA Community Emissions Reduction Plan (CERP)

To the Air District and the PTCA Community Steering Committee:

I was able to attend the first hour of the BAAQMD meeting on January 11; a very collegial, cooperative, and incremental approach was described. From one perspective, such an approach is responsible in committing to gather information and feedback from all parties as the process moves forward. However, this approach also upsets me because more and more children and adults in Richmond and the surrounding communities will be exposed to pollution and develop lifelong medical conditions as the project inches slowly forward. I hope there will be a way to accelerate the process because area residents are already suffering severely.

The Chevron refinery is unquestionably the biggest contributor to the polluted air that Richmond residents breathe. Emissions from the refinery contribute to damaging particulates and toxic emissions. Chevron seems to be using the community as disposable guinea pigs instead of using updated standards for emissions that would lower the burden of hospitalizations and diseases such as asthma for communities that live near (especially downwind from) the refinery. Over the years, Chevron has lost any ability to pretend corporate good will.

If Chevron were really serious about protecting the local community, we would have already seen actions like these:

1. Chevron would have moved to carry out direct measurements (smokestack monitoring) of the particulate matter and toxics given off by all smokestacks, including tankers moored to the Chevron Wharf, tugboats, and all refinery emissions. Fenceline monitors do not reveal the true level of Chevron's lack of responsibility to the region and to the planet because they do not identify the specific source or the magnitude of the pollution.
2. Chevron would have stopped its delaying tactics and would already have installed "shore power" on the Chevron Wharf, so that tankers would no longer need to fire up their diesel engines, some of which emit huge clouds of blue smoke, sometimes as often as every fifteen minutes. Vessels wishing to dock at the Wharf would already be pre-screened for their ability to comply with local clean air standards to protect Richmond residents.
3. Chevron would already have initiated a series of public meetings to explain the reasons for the huge increase in recent flaring activity. They would be open about the effective actions that they are instituting to reduce flares.
4. Chevron would have been proactive about their plans to deal with sea level rise. They would have already engaged an independent and reputable company to assess and characterize toxic sites on the entire Chevron property (not merely the refinery). They would have presented a public plan to protect both San Francisco Bay and San Pablo Bay from being poisoned by mobilization of toxins as sea levels rise and flood contaminated areas. In addition to flooding, sea level rise causes ground water rise, and rising ground water spreads any soil toxins. Chevron would have already presented plans to protect the public and the environment from spread of any toxins.

But where are these efforts (and others)? Why does Chevron find it so difficult to operate a refinery that takes its community responsibilities seriously? Which brings us to the heart of the problem: Chevron's apparent absence of any sense of ethical corporate behavior that is evident in their delaying tactics. Since it can reasonably be concluded that they are uninterested in the health and well-being of area residents in their pursuit of financial gain, then the only way to ensure responsible behavior in the future would seem to be financial consequences. And such consequences are not present in the draft document. The document needs a major rewrite that includes not only substantial consequences and penalties for future noncompliance, but also project milestones, so that regular progress toward goals will be ensured. Please add some teeth!

For example, you could require Chevron to reduce flaring to pre-modernization levels. I am guessing that the numerous recent flares result from Chevron's switch to cheaper crude with a higher sulphur content. Local people should not be subjected to illness in order to increase Chevron's profits. Perhaps one milestone could be a requirement that if flaring does not decrease to pre-modernization levels over the next six months, then Chevron will be required to purchase only low-sulphur crude oil for 5 calendar years.

Residents of Richmond and the surrounding communities are getting sick while baby steps are taken. How many low birthweight babies and childhood asthma cases and premature deaths does it take for you to stand up to Big Oil?

Sincerely,
Sally Tobin

From: [Janet at Sunflower Alliance](#)
To: [Air Quality Planning](#)
Subject: Comments, Richmond-N. Richmond-San Pablo PTCA CERP
Date: Friday, January 19, 2024 1:33:13 PM
Attachments: [SFA AB617 CERP comment 240119.pdf](#)

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Good afternoon,
Please find Sunflower Alliance's comments on the AB 617 PTCA CERP, attached. I would appreciate an email confirming receipt.
Thank you!
~janet

--

Janet Scoll Johnson
pronouns: she/her
Co-Coordinator, [Sunflower Alliance](#)
Co-Chair, [Richmond Shoreline Alliance](#)

I actively occupy and benefit from stolen land of the Ohlone Chochenyo people, who looked after this land for centuries and still live here. I advocate and support efforts for Indigenous land to be returned to Indigenous ownership and management. Learn more at <https://sogoreate-landtrust.org>.

From: [daniel lanis](#)
To: [Air Quality Planning](#)
Subject: Community Emissions Reduction Plan Support
Date: Thursday, January 18, 2024 4:12:13 PM

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Hello,

I'm a Richmond resident concerned about air pollution. I support the adoption of the Community Emissions Reduction Plan and have a particular interest in viable mobility options for all ages and abilities, especially for pedestrians and bicyclists.

Kind regards,

[Dani Lanis](#)

From: [Priya V.](#)
To: [Air Quality Planning](#)
Subject: Draft PTCA Community Emissions Reduction Plan - Written Comments from Priya V.
Date: Saturday, January 13, 2024 11:21:25 PM

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Hello,

My name is Priya and I am a Richmond community member. This is my written comment for the Draft PTCA Community Emissions Reduction Plan:

Clean air includes clean indoor air. In light of the US going through one of the biggest covid surges in January 2023, it is clear that covid and other airborne viruses (such as RSV and the Flu that are peaking this winter) are still a risk to the public health of Richmond citizens. As a result, Covid and disease prevention/mitigation through clean air must be part of this comprehensive air pollution plan, since these viruses pollute the air we breathe and affect our ability to live, work, and play. Better ventilation in public spaces is critical and must be included in this plan, as well as having seasonal (if not year-round) mask requirements in healthcare settings to keep immunocompromised and disabled citizens safe from these viruses. Covid also predominantly impacts BIPOC, low-income, houseless, and other vulnerable communities who have less access to PPE, so ensuring the availability of masks is critical to keeping the air clean and keeping people safe.

A coordinated effort with the public health sector must be made to bring clean indoor air to stop the spread of these harmful viruses. The plan's Vision Statement itself discusses the "severe health risks" that pollution causes, so covid must be identified as one of these pollutants in the plan explicitly. The best way to keep our community safe and together is by ensuring our indoor air is clean and free of viruses through improving ventilation standards in public spaces and communicating public health practices. If you truly want to remove "barriers to health equity for all residents" and ensure a "significant reduction of pollution-driven respiratory illness rates in children," a plan that includes covid prevention is necessary. Continuing wastewater data is also critical in this endeavor as it can show us the prevalence of covid, flu, RSV, etc. and tell us when we may need to take stricter measures and communicate to the community to take precautions. Holding an invisible virus accountable may seem hard, but is actually quite simple through acknowledgment and inclusion in this plan to ensure a coordinated effort with the public health department that ultimately keeps our indoor air clean too. This is what community care would look like in the Bay Area.

Thank you for your time and consideration.

Sincerely,
Priya V.

From: [Diana Ruiz](#)
To: [Air Quality Planning](#)
Subject: FW: BAAQMD Workshop Confirmation
Date: Wednesday, January 17, 2024 11:06:24 AM

See below
-Diana

From: [REDACTED]
Sent: Thursday, January 11, 2024 5:00 PM
To: [REDACTED]
Subject: Re: BAAQMD Workshop Confirmation

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Hello,
I'm probably going to have to review a recording of this as I have a conflict. Can you however help answer my question about who will fund the Draft Plan actions? [This FAQ document](#) says that "BAAQMD has the primary responsibility for completing, adopting and implementing the Plan. The California Air Resources Board is the State agency responsible for implementing AB 617 and provides support for this work."

However, it seems too good to be true to think that BAAQMD and CARB have the funding in place to carry out all of the identified actions in the plan.
If you don't have the answer, if you are willing to point me to someone who does, that would be wonderful.

Sincerest thanks and appreciation,
Alison

Alison LaBonte
[REDACTED]

On Jan 11, 2024, at 4:45 PM, Bridget Brown | MIG <no-reply@zoom.us> wrote:



Hello Alison LaBonte,

Thank you for registering for BAAQMD Workshop. You can find information about this meeting below.

BAAQMD Workshop

Date & Time	Jan 11, 2024 05:30 PM Pacific Time (US and Canada)
Meeting ID	869 5409 1560

[Add to Calendar\(.ics\)](#) | [Add to Google Calendar](#) | [Add to Yahoo Calendar](#)

To edit or cancel your registration details, [click here](#).

From: [JAIME PEREZ](#)
To: [Air Quality Planning](#)
Subject: Fwd: Great Idea - A few edits
Date: Wednesday, January 17, 2024 4:05:02 PM

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Dear people,

My name is Jaime Perez. I have lived in my home at [REDACTED] since 2015. My phone number is [REDACTED]

Please find below my response as specified in your webpage <https://www.baaqmd.gov/community-health/community-health-protection-program/richmond-area-community-health-protection-program/community-emissions-reduction-work>. I hope that you will give full considerations to these comments and suggestions:

Urgent Action Needed:

Provide a comprehensive analysis of emissions and health impacts from major flaring events, like the recent Nov 27th incident.

Provide a plan to reduce flaring by 75% by 2025 or 2026, aiming for industry best practice levels.

Provide a full plan for a 30-40% reduction in the toxic contaminants causing chronic health problems by 2035, with clear milestones and critical success factors.

Force Chevron senior management to participate.

Enhance understanding of individual emission health risks. How does sulfuric acid compare to PM2.5?

Investigate legislative strategies for pollution reduction, including export limits and cleaner crude oil requirements.

Issues with Current Plan:

Lack of specific target reduction numbers and inadequate discussion of

critical success factors.

Insufficient milestones and clarity on Chevron's obligation to reduce flaring events.

Unanswered questions regarding the feasibility of achieving reduction goals.

Need for a better working relationship with Chevron and creative approaches to ensure cooperation.

No serious plan to improve our understanding of the true impacts of toxic air contaminants.

No exploration of non-traditional regulatory approaches, such as export limits and cleaner feedstocks, to expedite pollution reduction.

No recognition of past failures or the need for new ideas.

BAAQMD could use some humility. BAAQMD missed the impact of the "Modernization" project on public health. And it has struggled to make its "best available control technology" rules actually stick and get implemented. While attempting to improve these rules and strengthen penalties, we should also explore legislative measures that are more resistant to delay.

The comprehensive approach presented here is vital for the well-being of our community and effective pollution reduction.

Thankyou very much in advance for your support and best regards,

Jaime Perez

From: [Jacob Rico](#)
To: [Air Quality Planning](#)
Date: Thursday, January 18, 2024 11:59:39 AM

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“ I grew up in Richmond and I like this plan to address air pollution in my community.

From: [Suzanne Gordon](#)
To: [Air Quality Planning](#)
Cc: [REDACTED]
Subject: My comments on Path to Clean Air plan...
Date: Saturday, January 13, 2024 5:04:19 PM
Attachments: [SGsiq4.png](#)

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Dear BAAQMD Board & Staff-

I writing to comment on your AB 617 CERP draft.

I have been a close Point Richmond neighbor of the Chevron refinery for the last 12 years. I have been directly impacted by its frequent lapses and mishaps, which adversely affect workplace safety and community health, not to mention the future of the planet.

So I have a strong interest in more effective regulation of its corporate behavior, particularly in the area of pollution reduction. And, after reading it, I found your draft "Path to Clean Air" plan to be deficient in several areas:

1) Your document pretty much ignores the fact that Chevron neighbors are exposed to toxic pollutants at a level not found in other places—and I'm referring here to sulfuric acid, nickel, manganese, hydrogen cyanide, hydrochloric acid, formaldehyde, arsenic, benzene and cadmium. We need a Rule 11-18 with stronger annual benchmarks and special focus on these hazardous Richmond refinery by-products. From a regulatory standpoint, this part of the proposed plan—if implemented as is—will take much too long to have the desired impact and is overly vague in its details, goals, and milestones.

2) As someone who has taken several Chevron neighbor refinery tours and followed the company's 2014 "modernization plan" approval process, and related community benefits agreement negotiations, I am angered, but not surprised, to learn that management is now trying to avoid installing wet scrubber technology on its "Cat Cracker" equipment. The whole plan for PM2.5 reduction depends on this process change improvement—and the BAAQMD needs to be on the side of getting this done—and soon.

3) Every day, I look out my front window and see three or four tankers, docked at the Chevron wharf, burning diesel fuel, while their holds are pumped out—a daily routine that is one source of the above mentioned arsenic exposure risk for refinery neighbors (not too much fuel spills like we had not long ago).

When is the BAAQMD and its parent organization, CARB, going to do something about that? Why should a company as rich as Chevron be given many additional years to convert to shore power, when the Port of Oakland required this long ago to improve air quality and reduce toxic exposure in that city. This shore power conversion needs to happen by 2027, if not before—and definitely not ten years later! Why should one important path to cleaner air be allowed to become such a long, winding road????

I don't think allowing endless Big Oil foot-dragging is a great "alternative, innovative concept"—we need regulatory action sooner, rather than later, with no loop-holes for Chevron.

4). I've lived in Richmond long enough to know that too many residents suffer from chronic health conditions that are refinery related. I'm talking the many thousands of people, who live in downtown Richmond, North Richmond, and other neighborhoods, which are down-wind of its basic operations, not the few thousand more well-off folks, like myself, who live on the Bay side of Point Richmond and just downwind from the wharf (although hardly immune from other sources of toxicity cited in #1 above, particularly in the form of endless flaring "accidents.")

I'm no scientist, just a concerned citizen and tax-payer. As such, it seems to me that the BAAQMD should be partnering with other state and federal agencies on further research on the specific health impacts of the worst TACs - sulfuric acid, nickel, manganese, hydrogen cyanide, etc. The AB 617 effort requires this. All of our Contra Costa and Solano County refinery towns would benefit from it. And future BAAQMD community planning and advisory processes like the current one would be better informed as a result.

Best wishes, many thanks for the hard work you do, and your consideration of my in-put,

Suzanne Gordon

 *Suzanne Gordon*

Author, *Our Veterans, Wounds of War*
Senior Policy Fellow, Veterans Healthcare Policy Institute



From: [Diana Martinez](#)
To: [Air Quality Planning](#)
Subject: Path to Clean Air draft plan
Date: Thursday, January 18, 2024 5:45:42 PM

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Hello I'd like to support the intention of this plan. Thank you.

Sincerely, Diana Martinez

From: [Y'Anad Burrell](#)
To: [Air Quality Planning](#)
Subject: PTCA Draft Plan Comments
Date: Thursday, January 18, 2024 8:45:45 PM

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Here are my comments. Thank you.

Fuel Refining

Strategy 3/FR3.9 (pg. 99): Investing 'up to 100%' of the penalty money could mean as little as 2% of those funds would be invested back to the PTCA. Recommendation: 50% - 100% of the penalty money will be invested back. Additionally, there is no clarity on what 'body' will be the oversight group for the Community Benefits Policy. Members should be majority community members.

Strategy 4 (pg. 99): First line of paragraph, delete the words 'Click here to enter text.'

Marine and Rail

Strategy 1/M&R 1.3 (pg. 104): What is 'find and fund'?

Public Health

Strategy 1/H1.1 (pg. 112) - Promote and advocate to 'who' for a guaranteed income pilot?

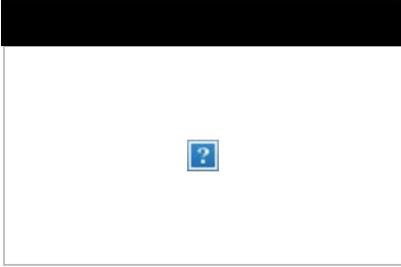
Strategy 1/H1.3 (pg. 112) - The plan is asking a county health system to move the dial on a state-wide (California) healthcare program. This is worded in a way to 'assume' if there is no movement, then CCHS did not make an effort to support this strategy.

Strategy 2/H2.1 & 2.2 - 'Support' meaning?

Strategy 4: Table/Narrative on how section: When the word 'government' is mentioned, in most contexts, there is an immediate connotation that nothing will get done. To have this wording as part of the 'success' of this strategy does not give hope to the community that it will happen. Additionally, to say that 'depending on Air District staff capacity' further discourages that this strategy has hope of even happening. Community and community partners are always willing so more emphasis should be put on their involvement in the success of this strategy. FYI/Note: There are a ton of churches in the CERP area and their buildings are large and often empty Monday - Saturday. There is an opportunity to partner with them to enhance/remodel parts of their building to become resilience centers.

--

Y'Anad Burrell, MPA/MHA
Glass House Communications
*(Public Relations, Media Relations, Public Affairs
Event Planning and Strategic Communications)*
WBE/MBE/SBE Certified
Freelance Journalist - Post News Group



From: [Jennifer Mourelatos](#)
To: [Air Quality Planning](#)
Subject: PTCA Public Comment on Draft
Date: Thursday, January 18, 2024 9:41:57 AM
Attachments: [lmclogo_color_46997572-635c-4c1e-9c0e-903bdaad7a80.png](#)
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[twitter_32x32_9dc45865-07d6-4c2d-b78d-7e36cd38f7c4.png](#)
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[youtube_32x32_7f9e5413-1642-4f01-87ad-438ca71fb273.png](#)

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Good morning,

As someone who works full-time in the area, I see the effects of air pollution, and the increased asthma rates in the children; I completely support the draft plan to improve the air quality and health of our community.

Thanks for your work in this area,
Jennifer



**Care.
Compassion.
Community.**



Jennifer Mourelatos

Center Director

LifeLong William Jenkins Health Center
P.O. Box 11247
Berkeley, CA 94712



510.981.4100 | Main



www.lifelongmedical.org

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From: [Karen De la cruz](#)
To: [Air Quality Planning](#)
Subject: PTCA
Date: Thursday, January 18, 2024 6:21:02 PM

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Hello, this is Luz from youth council and I wanted to stated that I support the intention of this plan. Thank you.
Sent from my iPhone

From: [Brenda Illescas](#)
To: [Air Quality Planning](#)
Subject: Public Comment
Date: Thursday, January 18, 2024 4:10:07 PM

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I'm a Richmond resident who suffers from asthma. I have two young children and am concerned about exposure to harmful air quality caused by Chevron and car traffic in my community. I support the Community Emissions Reduction Plan and encourage the Air District to adopt it.

Thank you,
Brenda Illescas

From: [Catalin Kaser](#)
To: [Air Quality Planning](#)
Subject: Public Comments on Community Emissions Reduction Plan
Date: Friday, January 19, 2024 1:09:06 PM

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Hello,

I'm writing to you as a Richmond resident since 2009. I love this community, which has many wonderful qualities and also much room for improvement. I am particularly interested in moving our city into a post-fossil-fuel future to remediate and reduce the current health problems in our area due to multiple sources of pollution and car-dependent infrastructure.

I write today to urge you to adopt the recommendations made in the Community Emissions Reduction Plan for Richmond/San Pablo.

I am especially eager to see better bike and pedestrian infrastructure put into place, including traffic calming measures to reduce pollution AND make it safer for more people to get around by foot and bicycle. The fewer people in cars and the more people walking and biking, the safer and more resilient our community becomes.

Thank you for your consideration and your work to improve our shared air,
Catalin Kaser

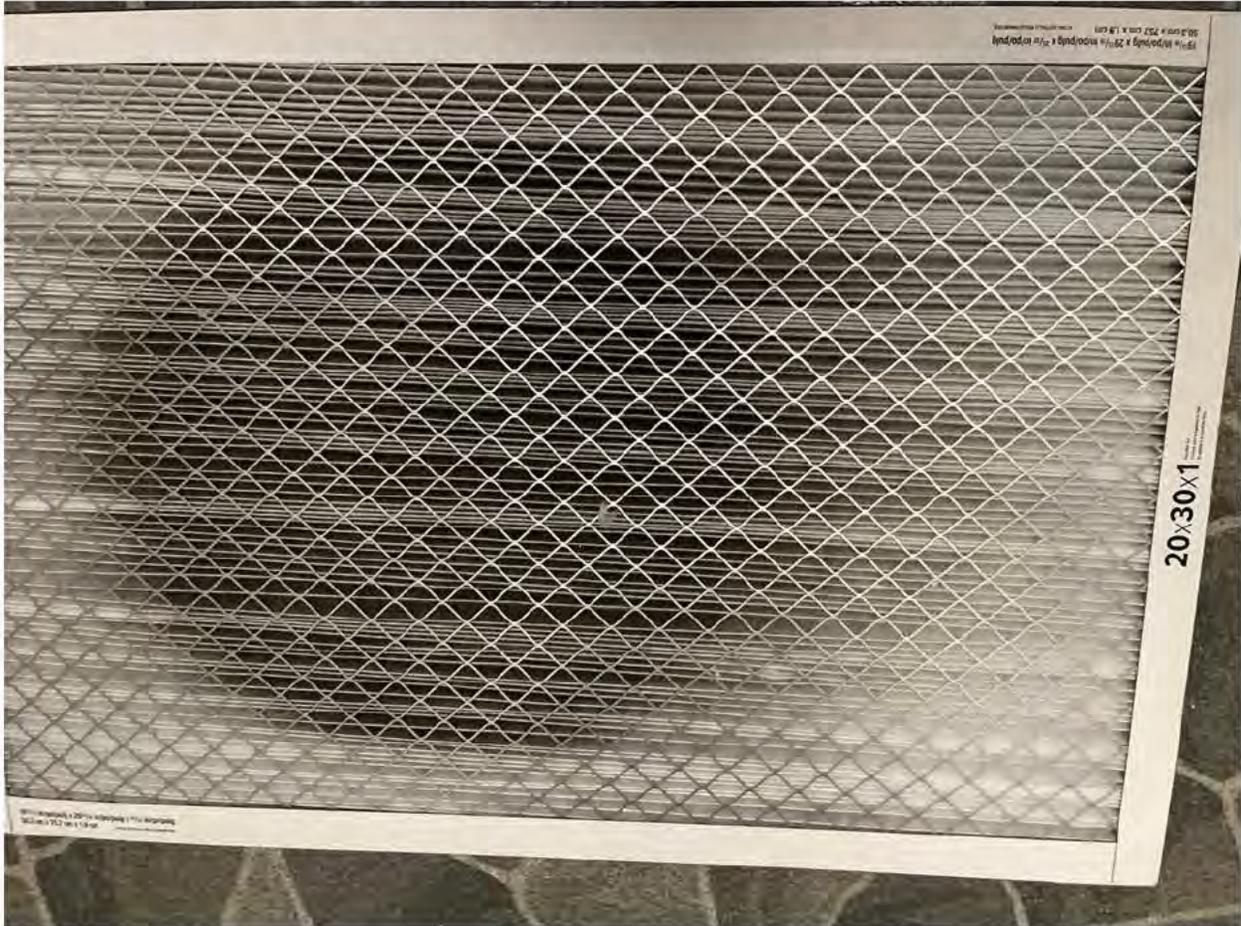
[REDACTED]

From: [redacted]
To: [redacted]
Subject: [redacted]
Date: Wednesday, June 9, 2010 9:52:52 AM

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The report lists a plethora of air monitoring data and aggregated compounding factors. However, it seems to lack actual evidence based chemical analysis of accumulated substances in residential homes' furnace filters. Attached is a photo of mine, installed on 12.01.23, replaced on 01.01.24. The 1,000sqh home (North East Richmond near Garvin 2463) has an energy efficient forced air unit which runs 4x daily for 30 minutes. Any Chevron flaring, depending on wind direction, directly impacts my health (painfully burning and swollen eyes, persistent respiratory coughing and headaches). Considering the sheer number of recent Chevron incidents it's not surprising that the high density HVAC filter turned pitch black.

My question: will you be willing to expand data collection and include analyzing hvac filters. I gladly offer mine, I am concerned! The filter usually lasts 3 months and isn't that black, one exception was the aftermath of the 2012 Chevron fire. Please ensure participating room audience can see the filter!



Best,
Candida Citroen

"Be useful. Be mindful. Be kind. Be bold."
Antonio Guterres

From: [Leticia Chavez](#)
To: [Air Quality Planning](#)
Subject: Richmond North Richmond San Pablo comm Path to clean air workshop
Date: Saturday, January 13, 2024 11:09:08 AM

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Hello, I attended to the presentation about the Richmond, North Richmond and San Pablo path to clean air thank you very much for it, and I just would like to share with you some thoughts of mine, I live in North Richmond for almost 20 years now, lately there is an increased times of a really bad smell like manure and sometimes like burned plastics in the air, I tried to reported to baaqmd but it's hard when trying to do it online because it request the address where it's happening, about this smell I always thought it came from the dump but to my surprise I passed by the refinery and the same odor was there, so it's hard to identify and address for odors, but very necessary to get it investigated so would b nice to figure a way to make it easier. And would be nice to see or hear about progress on the complaints.

Another thing is North Richmond is already affected by pollution from refinery and dump and now to add to the problem there is a bloom of warehouses and businesses with big trucks which I I fear will make the air worst for us who live here and have no choice to move to other places. Even with the request of the business having electric vehicles in the future might help the problem it's now, for kids and people living here and being affected right now. I may help having someone who is checking the business to comply with what they are only allowed to do and not over using or abusing what they are doing could help, I see many trucks in some places parked like using every little space they have and looks overcrowded to me, to be specific about one site that I could think of and pass by every day is on the corner of Pittsburg av and Fred Jackson (North Richmond), not forgetting that close by is Verde school. Adding to that we have a lot of cars who try to avoid the Richmond Prkway traffic and use ours neighborhood streets like Fred Jackson and some big trucks still use our streets even when they are not supposed to do so

I know there is a lot of work to do about environmental impacted communities and getting a clean air to breath but I'm thankful to see the work in progress, I'm just sharing trying to see if I could help a little sharing the experience of living here and thank you for your work and help to our communities.

Leticia Chavez.

From: [Carla Morales](#)
To: [Air Quality Planning](#)
Subject: Support for PTCA plan
Date: Thursday, January 18, 2024 4:59:36 PM

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I like this plan to address air pollution in my community.

From: [Megan Goetz](#)
To: [Air Quality Planning](#)
Subject: Support for the CERP & PTCA
Date: Thursday, January 18, 2024 10:05:55 AM
Attachments: [lmclogo_color_46997572-635c-4c1e-9c0e-903bdaad7a80.png](#)
[facebook_32x32_1030a511-e287-423f-89dd-151861571b1f.png](#)
[twitter_32x32_9dc45865-07d6-4c2d-b78d-7e36cd38f7c4.png](#)
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[youtube_32x32_7f9e5413-1642-4f01-87ad-438ca71fb273.png](#)

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Hi!

I'm writing today to voice my support for the Community Emissions Reduction Plan for the Path to Clean Air. I live in North Richmond and work at LifeLong William Jenkins as a health educator. We see the effects of air pollution in our patients, with increased incidence of childhood asthma and respiratory illnesses in adults. It would be amazing if this plan passed and we were able to improve the air quality and health of our community.

Thank you for your time,
Megan Goetz



**Care.
Compassion.
Community.**



Megan Goetz
AmeriCorps Health Fellow

LifeLong William Jenkins Health Center
P.O. Box 11247
Berkeley, CA 94712

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510.981.4100 | Main

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From: [Janis Hashe](#)
To: [Air Quality Planning](#)
Subject: Support for the Path to Clean Air Community Emissions Reduction Plan
Date: Thursday, January 11, 2024 4:03:33 PM

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As a Richmond resident, who lives in the frontline community of Atchison Village, I fully support the PTCA and urge all entities to implement it.

Sincerely yours,

Janis Hashe

[REDACTED]

From: [Jackelyn Ledesma](#)
To: [Air Quality Planning](#)
Subject: Support of PTCA plan
Date: Thursday, January 18, 2024 8:54:01 AM

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I like this plan to address air pollution in our community.

From: [Steve Early](#)
To: [REDACTED]
Subject: Why I don't support the plan!
Date: Friday, January 12, 2024 8 53 53 PM

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Hi Nancy and Lazuli-

Thanks for email reminder below about your briefing last night and deadline for formal comment, which I will send in this weekend.

In the meantime, since you asked for feedback, this draft plan looks, to me, like it's taking "pragmatism" much too far, while not being "aspirational" enough about much needed improvements long opposed by the our Richmond Chevron refinery, whose property line is three houses away and whose mile-long wharf extends out into the Bay, just in front of our house.

In the 12 years we've lived in this spot, we were driven indoors by a disastrous fire in the summer of 2012, have experienced endless flaring incidents and other dangerous mis-haps over the years, a diesel spill that fouled beaches in this neighborhood, and the company's refusal to do what the the Port of Oakland has long required of its container ships to do—which is shift from burning diesel fuel to using electric power while its vessels are docked and unloading their fossil fuel cargo.

As someone downwind from that daily process, I find it shocking that this proposed change is not among your recommended "strategies" for pollution reduction? Hopefully, that and other shortcomings of the draft document will be addressed by Richmond residents during the public comment period and what I know is a very concerned Richmond City Council, at its meeting this week.

If you want to better distinguish BAAQMD Community Engagement Department messaging about "clean air" efforts from that of the Chevron Public Affairs Dept. on the other side of the hill (and I have some personal experience dealing with them), the Air Quality Board and staff might want to start by putting themselves in the place of near refinery neighbors, who have seen nothing but corporate obfuscation and foot-dragging for years.

Best wishes,

Steve Early

[REDACTED]

Author of *Refinery Town: Big Oil, Big Money, and the Remaking of an American City* (Beacon Press, 2017);

For book ordering or speaking event information, visit: <http://steveearly.org/>

Hello Richmond Community,

I am forwarding this message from our community member, Nancy, who has helped develop the Path to Clean Air (PTCA) Community Emissions Reduction Plan. Join TONIGHT, **Thursday, January 11, at 5:30 PM to learn more about this plan.** The [project web page](#) will have meeting details including the Zoom link. More information is below.

Best,
Lazuli

From: Nancy Peace <>
Sent: Thursday, January 11, 2024 1:22 PM
To: Lazuli Trujano [REDACTED]
Subject: AB 617 CERP Public Comment Open

Hi Lazuli, Happy New Year!

I'm happy to share that the Path to Clean Air (PTCA) Community Emissions Reduction Plan that I've been working with fellow residents of Richmond, North Richmond, and San Pablo is now available for review and public comment. The plan includes a lot of both pragmatic and aspirational steps that our governments can take to improve the air we breathe and the health of our communities. The full plan is [here](#), and while I don't expect you to read all 160 pages, take a minute to read the executive summary, which tells the story of how this plan came about.

Most importantly, please send an email to aqplanning@baaqmd.gov saying that you support the plan. It can be one or two sentences, and feel free to personalize it with an aspect of the plan that matters to you. The public comment period closes at **5pm on January 19th**, so please send your email before then.

Lastly, mark your calendar for **Thursday, January 11, at 5:30 PM.** The Air District will host a virtual public workshop on the draft plan. The [project web page](#) will have meeting details including the Zoom link. Objectives of the public workshop are that participants will:

- Understand the AB 617 program and the activities in the PTCA

Acquire knowledge of air quality concerns in the PTCA area

- Learn about the core elements of the draft PTCA Plan

Please feel free to forward and share with our membership and networks.

Thank you so much!

Nancy

Community Emissions Reduction Plan

scott gelfand [REDACTED]

Thu 1/11/2024 4:06 PM

To: Air Quality Planning <aqplanning@baaqmd.gov>

You don't often get email from [REDACTED]

CAUTION: This email originated from outside of the BAAQMD network. Do not click links or open attachments unless you recognize the sender and know the content is safe.

To whom it may concern,

[REDACTED] wanted to voice my concern and encouragement regarding this plan, and I will vote accordingly to have leaders in our community who prioritize health and air quality over business needs and lack of accountability.

The plan as is doesn't do enough to ensure success.

PLEASE consider these changes and upgrades to the plan to address insufficiencies..

1. A true analysis of the emissions and health impacts of major flaring events. They happen too often these days. It's not enough to just say it'll be fine.
2. Reduce flaring - to health rules in 2024 -or bring accountable punishments/fines.
3. Reduce toxic contaminants all together! You can't poison children and older adults and think it's their fault for living there. The business must be held accountable for their emissions
4. Force Chevron to participate actively in this planning process, or be fined
5. Educate Richmond residents on individual emission health risks
6. Legislative strategies for reducing pollution such as limits on exports or requirements to process cleaner crude oil with lower sulfur content. Again - the business must adhere to the community health around it. It cannot do business as usual.

Thank you for allowing me to comment,

Scott Gelfand
[REDACTED]

Path to Clean Air Draft Plan

Manuel Gomez [REDACTED]

Thu 1/18/2024 9:29 AM

To: Air Quality Planning <aqplanning@baaqmd.gov>

[You don't often get email from [REDACTED]
<https://aka.ms/LearnAboutSenderIdentification>]

CAUTION: This email originated from outside of the BAAQMD network. Do not click links or open attachments unless you recognize the sender and know the content is safe.

I support this plan for the clean goals it sets to achieve in my community.
Sent from my iPhone

PTCA

Hazel Padilla [REDACTED]

Thu 1/18/2024 12:21 PM

To: Air Quality Planning <aqplanning@baaqmd.gov>

You don't often get email from [REDACTED]

CAUTION: This email originated from outside of the BAAQMD network. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Hello,

I strongly support this draft plan and believe it will help bring awareness to air pollution in our community.

Best,
Karely

Appendix I: Applicability Analysis for California Environmental Quality Act

The California Environmental Quality Act (CEQA) is a state law that requires public agencies to consider the environmental impacts of certain projects they undertake or approve. For projects that are subject to CEQA, the statute imposes specific legal requirements that agencies must follow before carrying out or approving the project. This appendix evaluates whether CEQA applies to this project – the Community Emissions Reduction Plan (CERP) for the Richmond-North Richmond-San Pablo area. As explained in more detail later in this discussion, Bay Area Air Quality Management District (Air District) staff have reviewed all aspects of the CERP and determined that it is exempt from CEQA, for multiple reasons.

First, as an overall matter, the CERP is being adopted to benefit the environment and the health of residents of the Richmond/San Pablo community, and all of the action items within the CERP support this goal. Therefore, adoption of the CERP is exempt from CEQA review under Guidelines Section 15308 – Actions by Regulatory Agencies for Protection of the Environment. This exemption applies to actions taken by regulatory agencies, as authorized by law, to “assure the maintenance, restoration, enhancement, or protection of the environment.” The Air District is a regulatory agency charged with the protection of air quality in its jurisdiction. Because the goal of the CERP is to protect air quality and public health, its adoption fits within the category of actions subject to this exemption.

Second, all of the individual strategies set forth in the CERP would be exempt if they were implemented on their own, apart from adoption of the CERP. For example:

Strategies that would either not cause any physical changes to the environment or involve such minimal physical changes that it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. These strategies fall within the common sense exemption in CEQA Guidelines section 15061(b)(3). Examples include actions that involve encouraging local governments to establish vegetative buffer zones (Urban Greening actions 1.1, 1.3), advocating for municipalities to modify their zoning or land use regulations (Land Use actions 1.1, 1.3), and developing model policies or ordinances for possible future adoption by other entities (Mobile actions 1.2, 1.4, 4.2; Health action 3.4).

Strategies that call for feasibility and planning studies, which are exempt under Public Resources Code section 21150 and CEQA Guidelines section 15262. (“A project involving only feasibility or planning studies for possible future actions which the agency . . . has not approved, adopted, or funded does not require the preparation of an EIR or negative declaration but does require consideration of environmental factors.”) Examples include preparing an initial feasibility assessment and needs analysis for a Truck Management Plan (Mobile action 3.1), conducting a study to identify areas that would benefit most from street sweeping initiatives (Mobile action 4.1), and investigating the feasibility of a Bay Area Indirect Source Rule or zero-emission vehicle zones (Marine & Rail action 1.4).

Strategies that would result only in the modification of existing facilities or the construction of new minor facilities, which are exempt under CEQA Guidelines sections 15301 (“Existing Facilities”; class 1) and 15303 (“New Construction or Conversion of Small Structures”; class 3). These strategies include the installation of air filters and monitoring equipment, the construction of electric vehicle charging stations, or the maintenance of existing roadways.

Strategies that call for information collection, inspections, enforcement, education, and workplace regulations, which are exempt under CEQA Guidelines sections 15306 (“Information Collection”; class 6), 15309 (“Inspections”; class 9), 15321 (“Enforcement Actions by Regulatory Agencies”; class 21), 15322 (“Educational or Training Programs Involving No Physical Changes”; class 22), and 15324 (“Regulations of Working Conditions”). These categorical exemptions would exempt CERP strategies that include activities like air quality monitoring or other data collection, performance inspections or compliance checks, certain enforcement actions involving permit enforcement or revocation, development of webpages or community outreach campaigns, and changes to air district staffing or coordination practices.

The Air District also considered the strategies included in the CERP that will involve undertaking rulemaking activities to address specific air quality concerns. These rulemakings include proceedings to further reduce public health impacts from toxic air contaminants, to finalize a methodology to account for health risk from Particulate Matter (PM), and to address Nitrous Oxides (NO_x) emissions from combustion sources at petroleum refineries. These rulemaking proceedings could potentially be subject to CEQA review when they occur, depending on the nature of any rules the Air District may propose to adopt in them. At this point, however, the CERP merely calls for these proceedings to be initiated in the future, generally following a period of study to determine how to approach a particular issue. The CERP has not identified, let alone committed to, any particular type of new or more stringent rule or regulation that would be developed or adopted in these rulemaking proceedings. Given that it is uncertain what the result of those regulatory proceedings would be, it is not possible at this stage to determine whether they could result in significant environmental impacts. Therefore, CEQA review is not required because the nature and extent of any environmental impacts would be too speculative for evaluation at this point. When Air District initiates a specific rulemaking process, it will determine whether and what level of CEQA review is required.

Attachment D: Draft Final Path to Clean Air Strategies				
Concern	Strategy #	Strategy Name	Key Responsible Parties	PTCA Chapter 7 Page #
Commercial & Industrial	1	Control Fugitive Dust	Air District, Local Governments	86
Commercial & Industrial	2	Utilize Permitting to Address Commercial & Industrial Sources Near Community	Air District	87
Commercial & Industrial	3	Reduce Exposure from Food Preparation	Air District	88
Commercial & Industrial	4	Reduce PM, TACs & Health Hazards from Large Industrial Sources	Air District, Local Governments	89
Commercial & Industrial	5	Address Community Concerns with Commercial & Smaller Industrial Facilities	Air District, Local Governments	91
Fuel Refining, Support Facilities, Storage & Distribution	1	Move Towards a Just Transition	CSC	94
Fuel Refining, Support Facilities, Storage & Distribution	2	Reduce Persistent Flaring & Improve Incident Response	Air District, City of Richmond, CSC	96
Fuel Refining, Support Facilities, Storage & Distribution	3	Hold Chevron and Other Emitters Accountable for Reducing Pollution & Negative Public Health Impacts from their Operations	Air District	98
Fuel Refining, Support Facilities, Storage & Distribution	4	Reduce Exposure & Public Health Impacts from Toxic Air Contaminants Emitted by the Fuel Refining Sector	Air District, CSC	101
Fuel Refining, Support Facilities, Storage & Distribution	5	Reduce Exposure & Public Health Impacts from PM and Other CAPs Emitted by the Fuel Refining Sector	Air District	102
Marine & Rail	1	Reduce Cancer & Chronic Health Risk from Rail Operations & Facilities	Air District, CARB, OEHHA	105
Marine & Rail	2	Reduce Cancer & Chronic Health Risk from Ocean Going Vessel Operations	Air District, CARB, OEHHA	106
Marine & Rail	3	Reduce Cancer & Chronic Health Risk from Commercial Harbor Craft	Air District, CARB, OEHHA	107
Marine & Rail	4	Reduce Cancer & Chronic Health Risk from Cargo Handling Equipment	Air District, CARB, OEHHA	108
Marine & Rail	5	Reduce Cancer & Chronic Health Risk from Cumulative Impact Facilities & Operations	Air District, CARB, OEHHA	109
Public Health & Reducing Exposure	1	Increase Health Resilience & Improve Social Determinants of Health	Air District, Contra Costa Health Services, CSC	111
Public Health & Reducing Exposure	2	Reduce Air Pollution at Home	Air District, Contra Costa Health Services, Local Governments	113
Public Health & Reducing Exposure	3	Promote Healthy Food Access	Contra Costa Health Services, Local Governments	114

Concern	Strategy #	Strategy Name	Key Responsible Parties	PTCA Chapter 7 Page #
Public Health & Reducing Exposure	4	Promote Resilience Centers	Air District, Local Governments, CSC	116
Public Health & Reducing Exposure	5	Pollution & Public Health Education, Outreach, Accountability, & Health Data Tracking	Contra Costa County Health Services	118
Public Health & Reducing Exposure	6	More Complete Health Risk data & HRAs, Including Pollutant Interactions	Air District, CARB, OEHHA, CSC	119
Vehicles & Trucks, Streets & Freeways, Logistics & Warehouses ("Mobile")	1	Truck-Attracting Businesses	Air District	122
Vehicles & Trucks, Streets & Freeways, Logistics & Warehouses ("Mobile")	2	Prioritize Air Quality Benefits of Traffic Calming & Other Safety Improvements on Local Streets & Freeways	Air District, Contra Costa Transportation Authority	124
Vehicles & Trucks, Streets & Freeways, Logistics & Warehouses ("Mobile")	3	Multi-Jurisdictional Truck Management Plan	Air District, West Contra Costa County Transportation Advisory Committee	125
Vehicles & Trucks, Streets & Freeways, Logistics & Warehouses ("Mobile")	4	Equitable Street Sweeping	Air District, Local Governments	127
Vehicles & Trucks, Streets & Freeways, Logistics & Warehouses ("Mobile")	5	Supporting Transition to Clean Fleets	Air District, CARB	128
Vehicles & Trucks, Streets & Freeways, Logistics & Warehouses ("Mobile")	6	Public Transit, Bike, & Pedestrian Infrastructure	Transit Agencies, City of Richmond	129
Compliance & Enforcement	1	Compliance & Enforcement	Air District	130
Land Use	1	Land Use Strategy	Air District, Local Governments, CSC	132
Resource PTCA Implementation Strategy	1	Resource PTCA Plan Implementation Strategy	Air District	134
Urban Greening	1	Urban Greening Strategy	Air District, Local Governments, CSC	135



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 16

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

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

**Diana Ruiz
Community Engagement Manager
druiz@baaqmd.gov**

**Wendy Goodfriend
Planning and Climate Protection Division Director
wgoodfriend@baaqmd.gov**

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

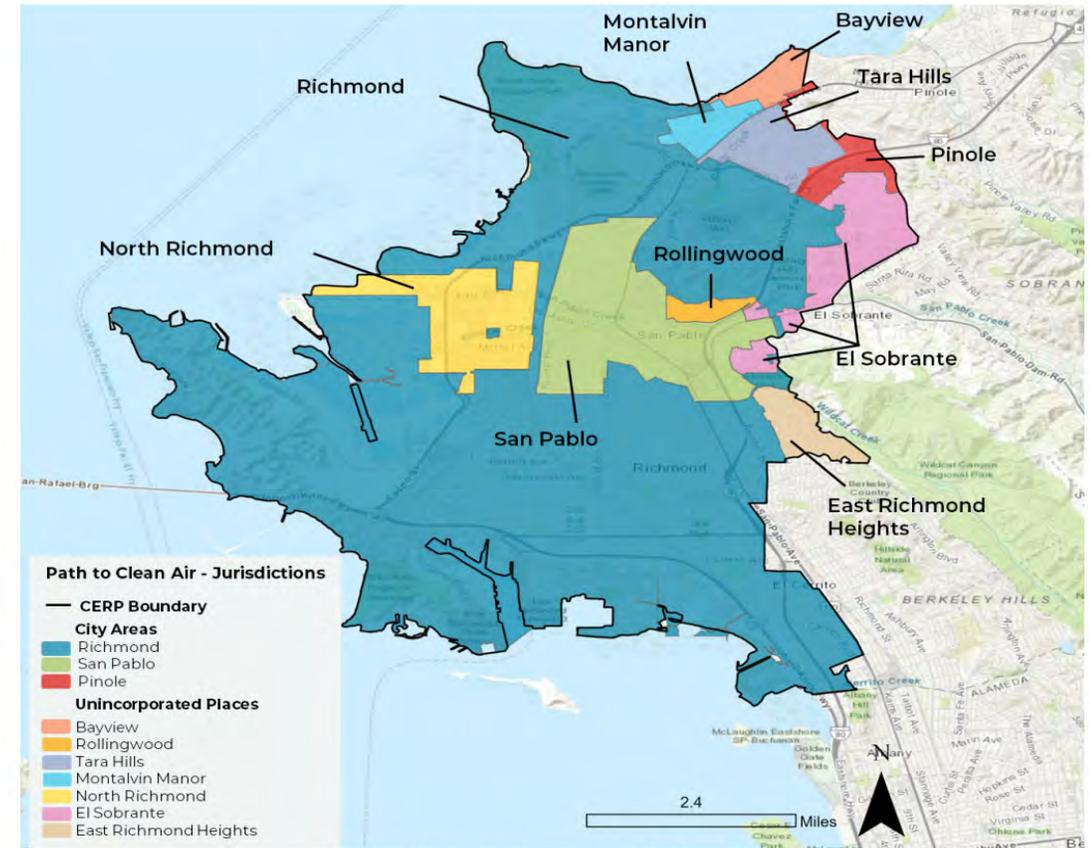


Recommend the Board of Directors (i) adopt the PTCA Plan and (ii) approve the determination that adoption of the PTCA Plan is exempt from the California Environmental Quality Act (CEQA).

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).

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Davina Hurt and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: May 1, 2024

Re: Funding Community Benefits from Penalty Funds

RECOMMENDED ACTION

Recommend the Board of Directors approve and adopt the Community Benefits Penalty Funds Policy. The policy is proposed to take effect upon approval and be retroactive to the beginning of this fiscal year.

BACKGROUND

The Air District collects penalties from individuals and businesses that violate Air District regulations. In the past five years, these funds have varied from \$700k to \$4.2M per year. These funds are treated as general fund revenue and are used to pay for enforcement staff and other expenses. For comparison, the staff and contract costs of the Air District's enforcement program exceed \$16 million per year.

Civil penalties collected through an individual settlement agreement or court judgment that requires payment from a particular regulated entity are grouped as penalty packages. A package can address more than one violation but must be with an individual entity. Most of the individual penalty packages are for less than \$50,000. However, there have typically been one or more larger penalty packages that exceed \$1 million each year. Most of the penalty money collected is from these large packages. Looking at the current and past two fiscal years, all the large penalty packages were from oil refineries and related industries. Over 90% of the penalty money received during this period was from this industrial sector.

For many years, community and environmental justice advocates have asked for penalty funds to be spent in the communities where the violations occurred. In addition, it is not good practice to depend on penalty money to fund routine Air District operations as the intent of penalties is to deter violations and encourage regulatory compliance, not to raise revenue. With the Air District's renewed focus on enforcement, staff anticipates that penalty collections will increase significantly. Therefore, staff anticipates that the Air District can allocate substantial portions of penalty funds to community benefits without significant impacts to the operating budget.

On December 20, 2023, Air District Executive Officer Dr. Philip Fine presented an informational item to the Finance and Administration Committee regarding the use of penalty money to fund community benefits. At the meeting, Dr. Fine suggested that the Board set a policy that would automatically allocate penalty funds for community benefits. The exact nature of that allocation would depend on input from community representatives and advocates. The Finance and Administration Committee was generally favorable to the idea and directed staff to consult with the Community Advisory Committee and other community groups, including the Richmond-North Richmond-San Pablo AB 617 Community Steering Committee (CSC).

The CAC heard this item on January 18, 2024, and voted to approve the following recommendations to the Board of Directors:

- 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.

The CAC heard this item again on March 21, 2024, and voted to approve the following additional recommendation to the Board of Directors:

- 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.

Staff also presented this item to the Richmond-North Richmond-San Pablo Community Steering Committee. This Community Steering Committee is developing the Community Emissions Reduction Plan for the area. The Richmond-North Richmond-San Pablo CSC voted to make the following policy recommendations to the Board of Directors:

1. Air District Board of Directors create a policy that automatically directs 90% to a Local Benefit Fund for the most impacted community and 10% to a regional benefit fund.
2. When the source and impact are within an AB617 designated community, the Air District will work with the Community Steering Committee to create the Community Benefits Policy, per strategy FR3.9 from the Community Emissions Reduction Plan (CERP), which would inform the Local Benefit Fund. The Community Steering Committee would have local oversight of the Local Benefit Fund.
3. When the source and impact are **not** within an AB617 designated community, the Air District will work with the Community Advisory Council (CAC) to identify community-based organizations that represent the impacted community and that would have local oversight of the Local Benefit Fund.
4. Air District will work in collaboration with the Community Advisory Council to create a regional policy to oversee and distribute the regional funds.

5. 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.
6. All policies and funds will have an equitable and transparent implementation plan to improve air quality and public health for impacted communities.

The Board's Finance and Administration Committee heard this item on April 17, 2024, and recommended that the Board approve the proposed policy.

DISCUSSION

Staff has developed a proposed allocation method designed to accomplish the following goals:

- Ensure that significant amounts of large penalty packages go toward benefits in the community where the violation occurred.
- Avoid the creation of local benefit funds that are too small to be practically implemented.
- Address the needs of communities outside of the refinery corridor.
- Recover reasonable staffing costs for the Air District and minimize or eliminate budget risk.

This proposal is described in detail in the attached document entitled “Funding Community Benefits from Penalty Funds.” Should the Board adopt the proposal, they would create Local Community Benefit Funds in communities where penalty packages greater than \$100,000 have been assessed. It would also create a Regional Community Benefit Fund to address the needs of communities overburdened with air pollution which may not have industrial sources that could be subject to large penalties.

The proposed policy also enables the Air District to continue to partially fund its enforcement program with penalty money and includes a method for addressing the historic year-to-year variability of penalty collections.

The proposed policy would allocate 80% of penalty funds over \$1,000,000 to Local Community Benefit Funds and 20% to either a Regional Benefit Fund or the Air District’s general fund. This 80/20 split is consistent with the recommendation of the Community Advisory Council. The proposed policy also requires the staff to provide an annual update to the Board on the implementation of the policy. Should the Board adopt this policy, the Board could take additional actions to set different allocation policies for individual penalty packages. The Board is also able to make any changes to this policy, should the need arise.

This proposed policy only addresses funding allocation. Policies governing the management and disposition of the Community Benefit Funds will be taken up in separate Board actions after consultation with the Community Advisory Council, Community Steering Committees, and others through the Board’s Community Equity, Health and Justice Committee.

BUDGET CONSIDERATION/FINANCIAL IMPACT

This proposal will not impact the budget assumptions for the current fiscal year and is designed to mitigate budget risks in future years.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Gregory Nudd
Reviewed by: Philip M. Fine

ATTACHMENTS:

- 1. Policy: Funding Community Benefits from Penalty Funds
- 2. Letter from Richmond-North Richmond-San Pablo Community Advisory Committee of March 18, 2024
- 3. Draft Minutes of the March 21, 2024 Community Advisory Committee
- 4. Funding Community Benefits from Penalty Funds Presentation

Draft Policy: Funding Community Benefits from Penalty Funds

Definitions:

Penalty Package: Civil penalties collected through an individual settlement agreement or court judgment that requires payment from a particular regulated entity. A package can address more than one violation but must be with an individual entity.

Fiscal Year Penalty Budget Assumption: The amount of assumed general fund revenue derived from penalties in a fiscal year's adopted budget.

Fiscal Year Penalty Budget Cap: The amount needed to meet the Fiscal Year Penalty Budget Assumption for the current fiscal year, plus any shortfalls from the previous two years. A shortfall occurs when actual penalties collected in a fiscal year are less than the Fiscal Year Budget Assumption for that fiscal year. Once the Fiscal Year Penalty Budget Cap has been met, any additional penalties collected will be designated for regional community benefits as described below. Since this policy is starting in FYE 2024, the Fiscal Year Penalty Budget Cap will be \$3,000,000 which is equal to the Fiscal Year Penalty Budget Assumption for FYE 2024. Also, since there is no shortfall in penalty collections in FYE 2024, the Fiscal Year Penalty Budget Cap for FYE 2025 will also be equal to the Fiscal Year Penalty Budget Assumption for FYE 2025.

Regional Community Benefits Fund: A fund that the Board of Directors has designated to reduce air pollution or mitigate the impacts of air pollution in overburdened communities or aimed at improving health outcomes in communities impacted by air pollution in the Bay Area. The program governing the disposition of these funds will be addressed in a separate document.

Local Community Benefits Fund: Funds that the Board of Directors has designated to reduce air pollution or mitigate the impacts of air pollution or aimed at improving health outcomes in the particular community that was affected by the air quality violations leading to the Penalty Package in which the funds were collected. The program governing the disposition of these funds will be addressed in a separate document.

Method of Allocating Funds:

Beginning in the fiscal year ending June 30, 2024, and retroactive to the beginning of that fiscal year, net penalty funds collected¹ shall be allocated according to the method below.

First \$100,000: Funds shall be placed in the general fund until the Fiscal Year Penalty Budget Cap for that year is met. Once the Fiscal Year Penalty Budget Cap for that year is met, the funds from these settlements shall be placed in the Regional Community Benefits fund.

Amounts greater than \$100,000 and less than or equal to \$1,000,000: Fifty percent (50%) of the funds shall be placed in a Local Community Benefits Fund associated with the community impacted by the violations leading to the Penalty Package. Fifty percent (50%) shall be placed

¹ Net penalty funds collected are all penalties obtained by the Air District through settlements or court judgments, net of any external costs associated with obtaining the penalty, such as litigation costs, costs of expert witnesses or consultant, or outside attorney fees, that are not otherwise recovered.

in the general fund or the Regional Community Benefits Fund depending on whether the Fiscal Year Penalty Budget Cap has been met.

Amounts exceeding \$1,000,000: Eighty percent (80%) of the funds shall be placed in a Local Community Benefits Fund associated with the community impacted by the violations leading to the Penalty Package. Twenty percent (20%) shall be placed in the general fund or the Regional Community Benefits Fund depending on whether the Fiscal Year Penalty Budget Cap has been met.

Annual Report:

In May of each year, staff will provide the Community Advisory Council and the Board of Directors a review of the results of this policy for the current fiscal year. The review will include the amount allocated and expended from each community benefit fund and an assessment of the effectiveness of the policy in advancing the environmental justice and equity goals of the Air District.

Attachment A: Example Calculations

Example Allocation Scenario assuming Fiscal Year Budget Target of \$3,000,000

Amount of Penalty Package	Location	Date
\$1,150,000	Richmond	7/27/2023
\$15,500	Napa	12/04/2023
\$20,000,000	Richmond	4/2/2024
\$130,000	Berkeley	5/10/2024

This example is taken from FYE24 penalty packages, but it does not include all penalties collected.

Allocation of 7/27/2023 Package

	General Fund	Regional Benefits Fund	Richmond Fund
First \$100,000	\$100,000	\$0	\$0
\$100,000 to \$1,000,000	\$450,000	\$0	\$450,000
\$1,000,000 to \$1,150,000	\$30,000	\$0	\$120,000
Totals	\$580,000	\$0	\$570,000

Allocation of 12/04/2023 Package

	General Fund	Regional Benefits Fund	Richmond Fund
First \$100,000	\$15,500	\$0	\$0

Note that the General Fund now has \$595,500. So, an additional \$2,404,500 is required to meet the Fiscal Year Penalty Budget Cap.

Allocation of the 4/2/2024 package

	General Fund	Regional Benefits Fund	Richmond Fund
First \$100,000	\$100,000	\$0	\$0
\$100,000 to \$1,000,000	\$450,000	\$0	\$450,000
\$1,000,000 to \$20,000,000	\$1,854,500	\$1,945,500	\$15,200,000
Totals	\$2,404,500	\$1,945,500	\$15,650,000

After the 4/2/2024 package, the Fiscal Year Penalty Budget Cap has been met and the funds begin to flow into the Regional Community Benefits Fund. The Richmond Community Benefits Fund now has a total of \$16,220,000 with the contribution from the 7/27/2023 and the 4/2/2024 packages.

Allocation of the 5/10/2024 package

	General Fund	Regional Benefits Fund	Berkeley Fund
First \$100,000	\$0	\$100,000	\$0

\$100,000 to \$130,000	\$0	\$15,000	\$15,000
Totals	\$0	\$115,000	\$15,000

Since the Fiscal Year Penalty Budget Cap was met with the 4/2/2024 package, all penalty funds collected the rest of the fiscal year that do not accrue to Local Community Benefit Funds will accrue to the Regional Community Benefit Fund rather than the general fund.

The application of this policy to this example set of penalty packages had the following results:

General Fund: \$3,000,000 (Fiscal Year Penalty Budget Cap met)

Regional Benefits Fund: \$2,060,500

Richmond Community Benefits Fund: \$16,220,000

Berkeley Community Benefits Fund: \$15,000

Calculation of the Fiscal Year Penalty Budget Cap

This policy is being put in place in FYE 2024 and the Fiscal Year Penalty Budget Assumption has been met for FYE 2024. Therefore, the Fiscal Year Penalty Budget Cap for FYE 2024 will be \$3,000,000, which is equal to the Fiscal Year Penalty Budget Assumption. The Fiscal Year Penalty Budget Cap for FYE 2025 will also be equal to the FYE 2025 Fiscal Year Penalty Budget Assumption (currently proposed as \$4,000,000).

The Fiscal Year Penalty Budget Cap for FYE 2026 will be equal to the Fiscal Year Penalty Budget Cap for 2026 plus any shortfall in penalty collections in FYE 2025. The Fiscal Year Penalty Budget Cap for FYE 2027 will be equal to the Fiscal Year Penalty Budget Assumption for FYE 2027 plus any shortfall in penalty collections in FYE 2026 or FYE 2025. This two-year-lookback method will apply to future Fiscal Year Penalty Budget Caps while this policy remains in place.

Example 1 (actual Budget assumptions will be set by the Board of Directors):

Fiscal Year	2025	2026	2027
Penalty Budget Assumption	\$4,000,000	\$4,000,000	\$4,000,000
Penalty Budget Cap	\$4,000,000	\$4,500,000	\$4,500,000
Actual Penalties Collected	\$3,500,000	\$4,000,000	\$5,000,000
Shortfall	\$500,000	\$0	\$0

Example 2 (actual Budget assumptions will be set by the Board of Directors):

Fiscal Year	2025	2026	2027
Penalty Budget Assumption	\$4,000,000	\$4,000,000	\$4,000,000
Penalty Budget Cap	\$4,000,000	\$4,500,000	\$4,700,000
Actual Penalties Collected	\$3,500,000	\$3,800,000	\$5,000,000
Shortfall	\$500,000	\$200,000	\$0

March 18, 2024

To:

[Bay Area Air Quality Management District](#), Board of Directors

[Community Equity Health and Justice Committee](#)

BAAQMD Executive Officer, Phillip Fine

BAAQMD Community Advisory Council

Re: Penalty Policy and Process

Background:

Chevron will pay a \$20 million fine for **678 violations (separate from Rule 6-5)**. This money has been directed to the BAAQMD General Fund and Air District staff would like to earmark a certain percentage to the most immediately impacted communities.

We acknowledge that this is the first routine policy regarding penalty funds for community benefits to be developed by an Air District in all of California. This means that 1) there are no precedents in California to refer to, and 2) this is an opportunity for BAAQMD to develop a precedent that could have significant impact locally, statewide, and nationally, as California regularly sets precedents for the rest of the country.

Statement of Purpose:

Those that are being negatively impacted by PM2.5 should be the recipients of any penalty policy fund. The money should be specifically designated to create some form of justice, by alleviating the health burdens of those impacted by the violations, through funding strategies that either improve the air quality of that area or improve the health outcomes. A policy that allocates funds from Chevron's 678 air quality notice of violations to be used regionally, outside of the impacted community, is a policy that reinforces environmental injustice. It would allow other communities to prosper off the most impacted community, in this case the Richmond people who are suffering a variety of chronic health disparities by living and breathing the direct impacts of PM2.5 emissions.

Policy Recommendations:

- 1) BAAQMD Board of Directors create a policy that automatically directs 90% to a Local Benefit Fund for the most impacted community and 10% to a regional benefit fund.
- 2) When the source and impact are within an AB617 designated community, the Air District will work with the Community Steering Committee to create the Community Benefits Policy, per strategy FR3.9 from the Community Emissions Reduction Plan ([CERP](#)), which would inform the Local Benefit Fund. The Community Steering Committee would have local oversight of the Local Benefit Fund. See link and Reference section below.
- 3) When the source and impact are **not** within an AB617 designated community, the Air District will work with the Community Advisory Council (CAC) to identify community based organizations that represent the impacted community and that would have local oversight of

the Local Benefit Fund.

- 4) Air District will work in collaboration with the Community Advisory Council to create a regional policy to oversee and distribute the regional funds.
- 5) 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.
- 6) All policies and funds will have an equitable and transparent implementation plan to improve air quality and public health for impacted communities.

Sincerely,

Richmond-North Richmond-San Pablo AB617 Community Steering Committee

Reference:

Richmond-North Richmond-San Pablo Community Emissions Reduction Plan (CERP)

FR Action 3.9

First, Air District will partner with the CSC to develop, within 1 year of PTCA Plan adoption, a Community Benefits Policy (CBP) that invests up to 100% of penalty monies from the fuel refining sector back into the PTCA area. Then, Air District will partner with the CSC to expand the Fuel Refining Community Benefits Policy (CBP) to cover the full PTCA area. • CSC will establish a CBP Subcommittee

- Air District will work with CSC and CBP Subcommittee to facilitate public engagement during development of Air District policies regarding a CBP:
 - The CSC or its CBP Subcommittee will help the Air District gather community input
 - The CSC or its CBP Subcommittee and Air District will meet with Indigenous Tribal Leaders and/or Sogorea Te' Land Trust
 - The CSC or its CBP Subcommittee will communicate with CAC to learn about its position on the CBP

Air District and the CBP Subcommittee will develop a specific CBP for the distribution of funds in the PTCA that includes:

- Criteria for investment, tied to air quality and climate protection, including criteria incorporating Just Transition principles (Cross Reference FR Strategy 1)
- A community-driven mechanism to incorporate the community voice, including the CSC in an advisory role, with respect to:

- Mechanisms to invest in community to improve air quality and public health, including:
 - Public Transportation
 - Residential Ventilation & Air Filtration
 - Urban Greening
 - Public Health Programs & Research
- Investment Mechanisms should also draw from community investment projects included throughout the PTCA Plan, including, but not limited to, Public Health Action 1.4 - Asthma management (Cross-reference)
- The CBP will speak to the following stages of implementation:
 - Length of fuel refining focused CBP
 - Fuel refining focused CBP success evaluation (criteria, timelines, and longevity)
 - Expansion from fuel-refining CBP into a PTCA-wide CBP (Step 2 below), which would include decisions about resource needs and governance
- The CBP will establish a long-term mechanism to allow the CSC and/or CBP Subcommittee to provide consultation on CBP implementation with respect to local input
- The Fuel Refining CBP will be launched within 30 days of a policy (including CBP implementation mechanisms) being approved by the Air District Board of Directors
- The Fuel Refining Community Benefits Policy will be expanded into a PTCA-wide community benefits policy. CBP Subcommittee and Air District will:
 - incorporate successes and lessons learned from the PTCA Fuel Refining CBP.
- draft a proposal for a PTCA-wide CBP and share it through a transparent and inclusive public review process.
 - CBP Subcommittee will provide guidance on public engagement for the review.

Bay Area Air Quality Management District
375 Beale Street
San Francisco, California 94105
(415) 749-5073

DRAFT MINUTES

Community Advisory Council
Thursday, March 21, 2024

1. CALL TO ORDER - ROLL CALL

The meeting Facilitator, Randolph Belle of Randolph Belle, Artist (RBA) Creative, called the Community Advisory Council (Council) in-person meeting to order at 6:00 p.m.

Roll Call:

Present, In Person: Council Co-Chairpersons Kevin John Jefferson, Latasha Washington, and Ken Szutu; and Council Members William Goodwin, Ms. Margaret Gordon, Ariann Harrison, Joy Massey, Hana Mendoza, Rio Molina, and Violet Saena.

Participated Remotely, via Zoom (remote presence does not count for quorum, but votes are counted for all action items): Council Member Fernando Campos and Mayra Pelagio (just cause).

Absent: Council Members Dr. Juan Aguilera, Dr. John Ritterman, and Kevin G. Ruano Hernandez.

Note: Dr. Aguilera listened into the meeting remotely via Zoom as member of the public since his reason for attending remotely did not fall under exemptions for “just cause,” which allows for remote participation under Assembly Bill (AB) 2449 (Rubio, 2022). Thus, he was marked as “absent.”

2. PUBLIC COMMENT ON NON-AGENDA MATTERS

CONSENT CALENDAR

3. APPROVAL OF THE DRAFT MINUTES OF THE COMMUNITY ADVISORY COUNCIL (CAC) MEETING OF JANUARY 18, 2024

Public Comments

No requests received.

Council Comments

None.

Council Action

Co-Chair Washington made a motion, seconded by Council Member Massey, to **approve** the Draft Minutes of the Community Advisory Council Meeting of January 18, 2024, and the motion **carried** by the following vote of the Council:

AYES: Campos, Goodwin, Gordon, Harrison, Jefferson, Massey, Mendoza, Molina, Pelagio, Szutu, Washington.
NOES: None.
ABSTAIN: Saena.
ABSENT: Aguilera, Ritterman, Ruano Hernandez.

Motion Approved

ACTION ITEMS

4. COMMUNITY ADVISORY COUNCIL WORK PLAN

This item was presented by the following members of the Work Plan Ad Hoc Committee: Co-Chair Ken Szutu, Council Member William Goodwin, and Council Member Rio Molina. The presentation *Community Advisory Council Workplan* included the slides: outcome; outline; requested action; initial work plan; revised work plan (March 2023 CAC meeting); developing an updated work plan; CAC Retreat – September 2023; and current CAC Work Plan – December 2023.

Public Comments

No requests received.

Council Comments

The Council and staff discussed the desire for more action agenda items and less informational agenda items.

Council Action

Co-Chair Washington made a motion, seconded by Council Member Harrison, to **adopt** the updated Community Advisory Council 2024-2025 Work Plan; and the motion **carried** by the following vote of the Council:

AYES: Campos, Goodwin, Harrison, Jefferson, Massey, Mendoza, Molina, Pelagio, Saena, Szutu, Washington.
NOES: Gordon.
ABSTAIN: None.
ABSENT: Aguilera, Ritterman, Ruano Hernandez.

Motion Approved

5. FUNDING COMMUNITY BENEFITS FROM PENALTY FUNDS

Greg Nudd, Deputy Executive Officer, Science and Policy, gave the staff presentation *Funding Community Benefits from Penalty Funds*, including: potential presentation outcomes; proposal; previous CAC vote; remaining questions; community benefit project examples; background; about the penalties; penalty percentage allocation for local and regional community benefits - Option 1: 80-20; Option 2: 70-30; Option 3: 60-40; allocation results – Fiscal Year (FY) 24.

Public Comments

Public comments were given by the following Richmond-North Richmond-San Pablo Path to Clean Air Community Emissions Reduction Plan Community Steering Committee Members: YAnad Burell (Co-Chair), Marisol Cantú, Alfredo Angulo (Co-Chair), and Nancy Peace.

Council Comments

The Council and staff discussed concern about annual increases of penalty funds that are budgeted to partially fund the Air District’s enforcement program, and the suggestion for a ceiling; whether community benefits projects can be both regionally and locally funded; whether limits could be placed on regional benefits; whether regional or local benefits could apply to law enforcement; the request for a Council orientation on how the Air District determines violations and penalty amounts; how the Air District charges fees to permitted sources based on the type of source; the cost of corrective actions; the manner in which collected penalties would be distributed to communities (who are the recipients, and the comparison of paying regional funds versus local funds); whether the penalties collected for regional benefits can be added to the Air District’s budget target; the belief that a member of the Council had not been informed well enough to be polled about penalty allocation options; whether facilities are fined for all of their violations; the manner in which new fees are added to a facility, and whether fees can be allocated for regional or local benefits; the Council’s desire for healthy relationships with all of the designated Bay Area Community Health Protection Program (AB 617) Community Steering Committees; whether there is a statute of limitations for assessing penalties for past violations; and whether the Air District must enter into tolling agreements with penalized facilities.

Council Action

Co-Chairperson Szutu made a motion, seconded by Council Member Mendoza, to 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; and the motion **carried** by the following vote of the Council:

AYES:	Campos, Goodwin, Harrison, Massey, Mendoza, Molina, Pelagio, Saena, Szutu, Washington.
NOES:	Gordon.
ABSTAIN:	Jefferson.
ABSENT:	Aguilera, Ritterman, Ruano Hernandez.

Motion Approved

THE COUNCIL RECESSED AT 7:33 P.M., AND RESUMED AT 7:45 P.M.

INFORMATIONAL ITEM

6. AIR DISTRICT STRATEGIC PLANNING UPDATE

Dr. Philip M. Fine, Executive Officer / Air Pollution Control Officer (APCO), and CAC Co-Chair, Latasha Washington, gave the presentation *Strategic Planning Update*, including: outcome; requested action; outline; Environmental Justice (EJ) plan development; inputs for development of EJ priorities; examples of EJ priorities; developing EJ strategies: January 2024 to present; Strategic Plan; early input on Strategic Plan; CAC input (survey responses); consistent engagement findings; Strategic Plan framework and definitions; Draft Revision: Air District mission, core values, 5-year vision; draft goal areas; draft strategy examples; working timelines; and next steps.

Public Comments

No requests received.

Council Comments

The Council and staff discussed appreciation for the thank you to the Council’s Environmental Justice Policy Ad Hoc Committee and Air District staff for their EJ contribution to the Strategic Plan; the manner in which small groups of Council Members may meet, regarding the Strategic Plan, without violating the Ralph M. Brown Act; the desire for distinction between EJ priorities and EJ principles; the request for a Council orientation on EJ principles so that all Council Members have the same understanding of terms and definitions; whether accountability is part of the Air District’s core values; concerns about the proposed goal of “Maintain an Effective, Efficient, and Customer-Oriented Organization”, and the suggestion of the removal of corporate-sounding language; whether the Air District’s Public Participation Plan will be relaunched; and the suggestion that the Air District hire a person to measure the success of equity initiatives.

Council Action

None; receive and file.

OTHER BUSINESS

7. ENVIRONMENTAL JUSTICE POLICY AD HOC COMMITTEE UPDATE

The Council receives an update from the Environmental Justice Policy Ad Hoc Committee from Environmental Justice Policy Ad Hoc Committee Co-Chair Washington.

Public Comments

No requests received.

8. COMMUNITY BENEFITS FUND AD HOC UPDATE

The Council received an update from the Community Benefit Fund Ad Hoc Committee from Community Benefit Fund Ad Hoc Committee Co-Chair Campos.

Public Comments

No requests received.

9. COMMUNITY ADVISORY COUNCIL MEMBER SELECTION AD HOC COMMITTEE

The Council received an update from the CAC Member Selection Ad Hoc Committee from CAC Member Selection Ad Hoc Committee Co-Chair Pelagio. 33 applications were received for the two vacant seats, and scoring will take place over the next few weeks.

Public Comments

No requests received.

Council Comments

The Council and staff discussed the anticipated timeline of the appointment of new Council Members.

10. REPORT OF THE EXECUTIVE OFFICER / AIR POLLUTION CONTROL OFFICER

Dr. Fine announced the following:

- Marcia Raymond, who has been Acting Deputy Executive Officer of Equity and Community Programs, is continuing in this role for a third extension. The hiring process for a permanent Deputy Executive Officer of Equity and Community Programs is ongoing.
- Air District staff appreciates the Council Members who attended the Board of Directors annual retreat on January 31, 2024.
- The Air District is currently sponsoring several bills: Senate Bill (SB) 1095 (Becker) - Cozy Homes Cleanup Act: building standards: gas-fuel-burning appliances; **AB 2298 (Hart, et al.)** – Coastal resources: voluntary vessel speed reduction and sustainable shipping program; and **AB 1465 (Wicks)** – Nonvehicular air pollution: civil penalties.

11. COUNCIL MEMBER COMMENTS / OTHER BUSINESS

Council Member Goodwin asked whether the Air District has a legislative policy priority platform so that interested members of the public may support and advocate for Air District-sponsored bills, or bills of interest to the Air District.

Co-Chair Jefferson thanked Dr. Fine for centering EJ as guiding principle of Air District’s work.

Council Member Gordon requested a more detailed explanation of the Air District’s harassment policy, process, procedures, and protocol. She believed that the training that the Council Members received lacked clarity.

Council Member Gordon announced the following event:

**Lau Grants for Just Climate Futures Presentation Workshops
Friday, April 5, 10 AM to 5 PM at Bauer Wurster Hall, UC Berkeley**

The College of Environmental Design will be holding presentation workshops for the Lau Grants for Just Climate Futures, featuring dialogue around climate adaptation strategies, organized by the Institute of Urban & Regional Development. Exhibitions of the five funded cross-disciplinary projects will be featured, including community partners and representatives of public agencies. At 3:00pm, there will be an exhibit called “**BAAQMAP: Bay Area Air Quality Map Analysis Project**”, which maps real-time air quality and cumulative environmental exposure. Members of the Council will be speakers at that exhibit.

Council Member Mendoza requested that hard copies of agenda packets be made available in larger font size, for those who require it.

Co-Chair Szutu registered a public harassment complaint against Co-Chair Washington for her comments made to and about him, which Co-Chair Szutu considered hostile, during Item 5 (Funding Community Benefits from Penalty Funds.) In response, Co-Chair Washington offered an apology to Co-Chair Szutu and the Council for her earlier comments, noting that she did not intend to offend Co-Chair Szutu.. Council Member Pelagio requested that staff intervene and offer proposed motion language, to assist the maker of a motion, in the future, if needed.

12. TIME AND PLACE OF NEXT MEETING

Thursday, May 16, 2024, at 6:00 p.m. at the California State University East Bay Oakland Professional Development and Conference Center, Trans Pacific Center, 1000 Broadway, Suite 109, Oakland, CA 94607. The meeting will be in-person for the Community Advisory Council members and members of the public will be able to either join in-person or via webcast.

13. ADJOURNMENT

The meeting was adjourned at 9:00 p.m.

Marcy Hiratzka
Clerk of the Boards



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 17

Funding Community Benefits from Penalty Funds

Board of Directors Meeting
May 1, 2024

Greg Nudd
Deputy Executive Officer, Science and Policy
gnudd@baaqmd.gov

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.

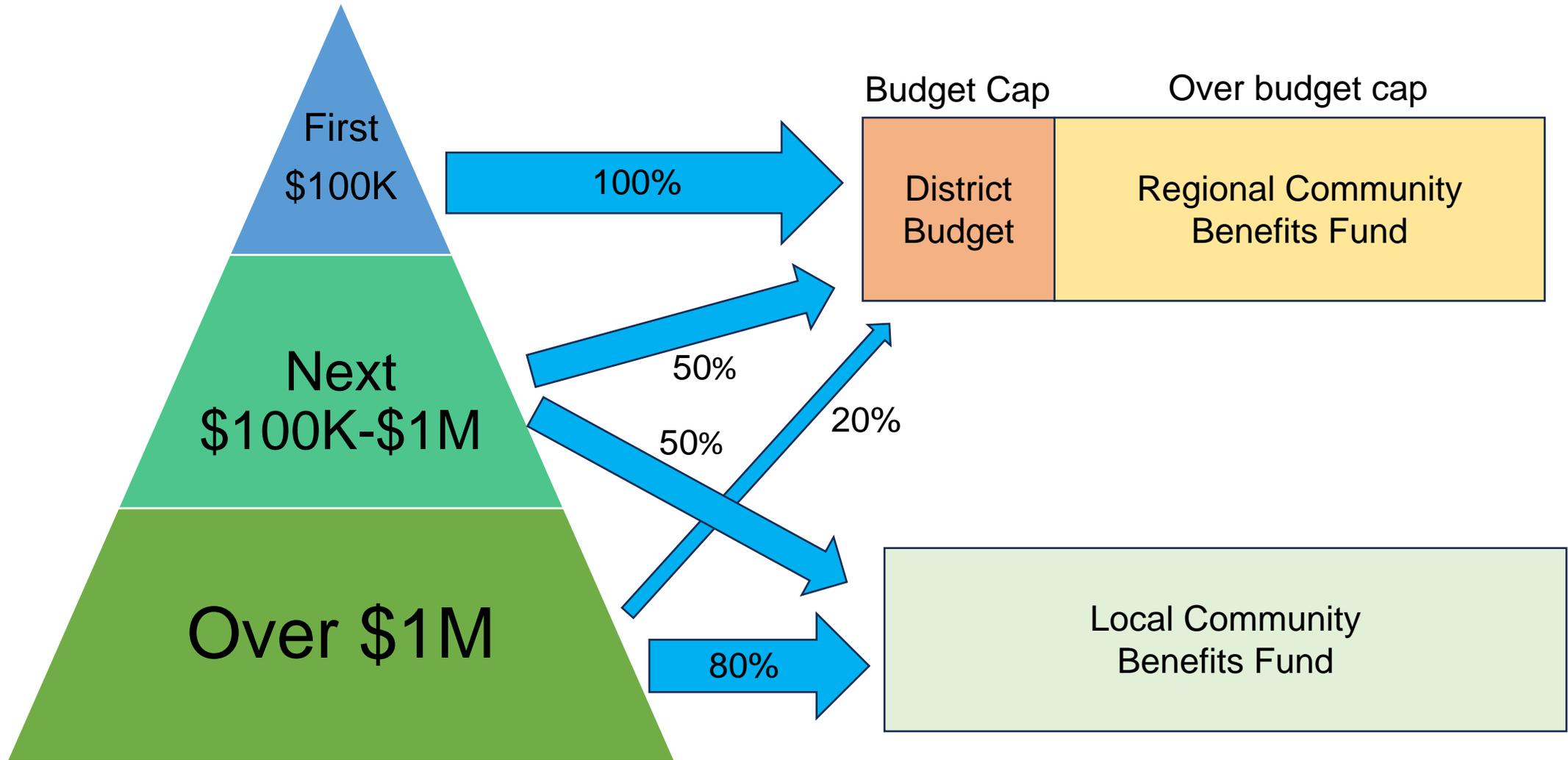
Penalty Allocation Proposal



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.

BAY AREA AIR QUALITY MANAGEMENT DISTRICT

Memorandum

To: Chairperson Davina Hurt and Members
of the Board of Directors

From: Philip M. Fine
Executive Officer/APCO

Date: May 1, 2024

Re: State Legislative Bills Update

RECOMMENDED ACTION

Approve staff's recommendation of SUPPORT for the following bill:

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

BACKGROUND

The April 17, 2024, Policy, Grants, and Technology Committee (Committee) meeting was canceled due to a lack of quorum and the next scheduled Committee meeting is May 15, 2024. Therefore, staff is presenting the above recommendation on a pending legislative bill directly to the Board of Directors.

DISCUSSION

Attached is a bill matrix of the bills that Air District staff is tracking, noting their current status and current or recommended positions to support, oppose, and work with the author during the 2024 Legislative Session.

Specifically, staff will be discussing the following bill:

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

CapitolTrack Summary: Current law requires the Department of Toxic Substances Control to adopt, and revise when appropriate, standards and regulations for the management of hazardous wastes to protect against hazards to the public health, to domestic livestock, to wildlife, or to the environment, including the operation of metal shredding facilities for appliance recycling. Current law authorizes the department to collect an annual fee from all metal shredding facilities that are subject to the requirements of the hazardous waste control laws, and to deposit those fees into a subaccount in the Hazardous Waste Control Account. Current law makes those moneys available to the department, upon appropriation by the Legislature, to reimburse the department's costs to implement the hazardous waste control laws applicable to metal shredder facilities. This

bill would require, on or before July 1, 2025, the department, in consultation with affected local air pollution control and air quality management districts, to develop requirements for facilitywide fence-line air quality monitoring at metal shredding facilities. Those requirements would include, among other things, monitoring light fibrous material, lead, zinc, cadmium, and any other substance required to be monitored by the department, and a requirement that, if the monitoring indicates a potential adverse impact on air quality or public health, the local public health department issue a community notification, as provided. The bill would also require all metal shredding facilities that are subject to the hazardous waste control laws to implement the fence-line air quality monitoring requirements. The bill would require the department to oversee and enforce the implementation of the fence-line air quality monitoring requirements on or before December 31, 2025. The bill would also authorize any regulatory costs incurred by the department in implementing the bill's requirements to be reimbursed from the subaccount in the Hazardous Waste Control Account.

Current Status: AB 2851 was double-referred to the Assembly Environmental Safety and Toxic Materials Committee and the Assembly Natural Resources Committee. The bill passed the Assembly Environmental Safety and Toxic Materials Committee on April 9, 2024, with a vote of 5-2, and passed the Assembly Natural Resources Committee on April 22, 2024, with a vote of 8-2. This bill has been referred to the Assembly Appropriations Committee - the hearing date is pending.

Staff Recommendation: Support

BUDGET CONSIDERATION/FINANCIAL IMPACT

None.

Respectfully submitted,

Philip M. Fine
Executive Officer/APCO

Prepared by: Alan Abbs
Reviewed by: Viet Tran

ATTACHMENTS:

- 1. Bills of Interest Matrix - As of April 22, 2024
- 2. AB 2851 (Bonta) - Bill Text - As Amended on April 4, 2024
- 3. State Legislative Bills Update Presentation

Bill #	Author	Subject	Last Amended	Last Status - As of 4/22/2024	Location	Notes	Position	Priority (Low/Medium/High)	Category
AB 593	Haney	Carbon emission reduction strategy: building sector.	7/13/2023	09/01/2023 - Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/14/2023)(May be acted upon Jan 2024)	09/01/2023 - Senate 2 YEAR			Low	Climate Change
AB 1992	Boerner	Coastal resources: coastal development permits: blue carbon demonstration projects.		04/10/2024 - In committee: Set, first hearing. Referred to suspense file.	04/10/2024 - Assembly APPR. SUSPENSE FILE			Low	Climate Change
AB 2008	Wallis	Reliable Energy Needs for Everyone in the West Program.	3/6/2024	03/07/2024 - Re-referred to Com. on U. & E.	02/12/2024 - Assembly U. & E.			Low	Climate Change
AB 2331	Gabriel	Voluntary carbon market disclosures.	3/21/2024	04/16/2024 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 10. Noes 0.) (April 15). Re-referred to Com. on APPR.	04/15/2024 - Assembly APPR.			Low	Climate Change
AB 2372	Bains	Greenhouse gas emissions: state board: report.		02/26/2024 - Referred to Com. on NAT. RES.	02/26/2024 - Assembly NAT. RES.			Low	Climate Change
AB 2569	Connolly	Climate change.		02/15/2024 - From printer. May be heard in committee March 16.	02/14/2024 - Assembly PRINT	Intent Bill		Low	Climate Change
AB 2572	Muratsuchi	Ocean carbon dioxide removal projects.	3/21/2024	04/01/2024 - Re-referred to Com. on NAT. RES.	03/21/2024 - Assembly NAT. RES.			Low	Climate Change
AB 2623	Arambula	Carbon dioxide transport.		04/02/2024 - In committee: Set, first hearing. Hearing canceled at the request of author.	03/21/2024 - Assembly U. & E.			Low	Climate Change
AB 2732	Papan	Grant Information Act of 2018: internet web portal: climate-related grants: childcare sector.	4/16/2024	04/17/2024 - Re-referred to Com. on HUM. S.	03/21/2024 - Assembly HUM. S.			Low	Climate Change
AB 2870	Muratsuchi	Low Carbon Fuel Standard regulations: carbon intensity calculation: avoided methane emissions from livestock manure: prohibition.	4/15/2024	04/18/2024 - Assembly Rule 56 suspended. (Pending re-refer to Com. on AGR.)	04/18/2024 - Assembly NAT. RES.			Low	Climate Change
AB 3208	Boerner	Greenhouse gases: methane.		02/17/2024 - From printer. May be heard in committee March 18.	02/16/2024 - Assembly PRINT	Spot Bill		Low	Climate Change
AB 3230	Petrie-Norris	Greenhouse gas emissions reduction: state agencies.	3/21/2024	04/01/2024 - Re-referred to Com. on NAT. RES.	03/21/2024 - Assembly NAT. RES.			Low	Climate Change
SB 308	Becker	Carbon Dioxide Removal Market Development Act.	5/18/2023	07/14/2023 - Failed Deadline pursuant to Rule 61(a)(10). (Last location was NAT. RES. on 6/8/2023)(May be acted upon Jan 2024)	07/14/2023 - Assembly 2 YEAR			Low	Climate Change
SB 422	Portantino	California Environmental Quality Act: expedited environmental review: climate change regulations.	3/20/2023	09/14/2023 - Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/12/2023)(May be acted upon Jan 2024)	09/14/2023 - Assembly 2 YEAR			Medium	Climate Change
SB 941	Skinner	California Global Warming Solutions Act of 2006: scoping plan: industrial sources of emissions.	3/18/2024	04/10/2024 - Set for hearing April 24.	04/03/2024 - Senate E.Q.			Low	Climate Change
SB 972	Min	Methane emissions: organic waste: landfills.	4/15/2024	04/15/2024 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on E.Q.	02/14/2024 - Senate E.Q.			Low	Climate Change
SB 1036	Limón	Voluntary carbon offsets: business regulation.		04/12/2024 - Set for hearing April 22.	04/09/2024 - Senate APPR.			Low	Climate Change
SB 1136	Stern	California Global Warming Solutions Act of 2006: report.		04/09/2024 - Read second time. Ordered to third reading.	04/09/2024 - Senate THIRD READING			Low	Climate Change
SB 1497	Menjivar	Polluters Pay Climate Cost Recovery Act of 2024.	3/20/2024	04/17/2024 - From committee: Do pass and re-refer to Com. on JUD. (Ayes 5. Noes 2.) (April 17). Re-referred to Com. on JUD.	04/17/2024 - Senate JUD.			Low	Climate Change
AB 124	Committee on Budget	Energy.	6/26/2023	08/14/2023 - Re-referred to Com. on B. & F.R.	08/14/2023 - Senate BUDGET & F.R.			Low	Energy
AB 1176	Zbur	General plans: Local Electrification Planning Act.	5/26/2023	07/14/2023 - Failed Deadline pursuant to Rule 61(a)(10). (Last location was GOV. & F. on 6/14/2023)(May be acted upon Jan 2024)	07/14/2023 - Senate 2 YEAR			Low	Energy
AB 1921	Papan	Energy: renewable electrical generation facilities: linear generators.	4/8/2024	04/16/2024 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 10. Noes 0.) (April 15). Re-referred to Com. on APPR.	04/15/2024 - Assembly APPR.			Medium	Energy
AB 2083	Berman	Industrial facilities' heat application equipment and process emissions.	4/1/2024	04/09/2024 - Coauthors revised. From committee: Do pass and re-refer to Com. on U. & E. (Ayes 9. Noes 0.) (April 8). Re-referred to Com. on U. & E.	04/09/2024 - Assembly U. & E.			Low	Energy
AB 2092	Mathis	Energy: small modular reactors: feasibility study.	3/18/2024	04/10/2024 - In committee: Set, first hearing. Referred to suspense file.	04/10/2024 - Assembly APPR. SUSPENSE FILE			Low	Energy
AB 2204	Bennett	Green hydrogen.	3/21/2024	04/17/2024 - In committee: Set, first hearing. Hearing canceled at the request of author.	04/15/2024 - Assembly NAT. RES.			Low	Energy
AB 2495	Muratsuchi	Electricity: state policy: joint report.	4/8/2024	04/17/2024 - In committee: Set, second hearing. Hearing canceled at the request of author.	04/15/2024 - Assembly U. & E.			Low	Energy
AB 2601	Ramos	Energy Savings Assistance Program: energy-efficient appliances.		03/28/2024 - In committee: Set, first hearing. Hearing canceled at the request of author.	03/04/2024 - Assembly U. & E.			Low	Energy
AB 2805	Essayli	Electricity: fixed charges: repeal.		03/04/2024 - Referred to Com. on U. & E.	03/04/2024 - Assembly U. & E.			Low	Energy
AB 2912	Dixon	Energy: retail gasoline pricing.		03/11/2024 - Referred to Com. on U. & E.	03/11/2024 - Assembly U. & E.			Low	Energy
AB 3118	Wallis	Solar energy: official state energy.		03/11/2024 - Referred to Com. on U. & E.	03/11/2024 - Assembly U. & E.			Low	Energy
ACR 175	Essayli	State energy policies: implications for the state.		04/11/2024 - From printer.	04/10/2024 - Assembly PRINT			Low	Energy
SB 233	Skinner	Battery electric vehicles and electric vehicle supply equipment: bidirectional capability.	9/1/2023	09/14/2023 - Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/13/2023)(May be acted upon Jan 2024)	09/14/2023 - Assembly 2 YEAR			Low	Energy

Bill #	Author	Subject	Last Amended	Last Status - As of 4/22/2024	Location	Notes	Position	Priority (Low/Medium/High)	Category
SB 438	Caballero	Carbon sequestration: Carbon Capture, Removal, Utilization, and Storage Program: incidental and unintentional residual oil production.	6/6/2023	07/14/2023 - Failed Deadline pursuant to Rule 61(a)(10). (Last location was NAT. RES. on 5/26/2023)(May be acted upon Jan 2024)	07/14/2023 - Assembly 2 YEAR			Low	Energy
SB 983	Wahab	Energy: gasoline stations and alternative fuel infrastructure.	3/21/2024	04/11/2024 - Set for hearing April 23.	04/03/2024 - Senate TRANS.			Low	Energy
SB 993	Becker	Clean energy development incentive rate tariff.	4/22/2024	04/18/2024 - From committee: Do pass as amended and re-refer to Com. on APPR. (Ayes 15. Noes 2.) (April 16). (Amended text released 4/22/2024)	04/16/2024 - Senate APPR.			Low	Energy
SB 1006	Padilla	Electricity: transmission capacity: reconductoring and grid-enhancing technologies.	4/17/2024	04/18/2024 - Withdrawn from committee. Re-referred to Com. on APPR.	04/18/2024 - Senate APPR.			Low	Energy
SB 1095	Becker	Cozy Homes Cleanup Act: building standards: gas-fuel-burning appliances.	4/8/2024	04/15/2024 - April 15 hearing: Placed on APPR suspense file.	04/15/2024 - Senate APPR. SUSPENSE FILE		Air District-Sponsored	High	Energy
SB 1148	Blakespear	Electrical service: master meters.	4/4/2024	04/17/2024 - Set for hearing April 22.	02/21/2024 - Senate E. U., & C.			Low	Energy
SB 1420	Caballero	Hydrogen.	4/8/2024	04/09/2024 - Set for hearing April 22.	04/03/2024 - Senate E. U., & C.			Low	Energy
AB 2250	Weber	Social determinants of health: screening and outreach.		04/03/2024 - Coauthors revised. From committee: Do pass and re-refer to Com. on APPR. (Ayes 15. Noes 0.) (April 2). Re-referred to Com. on APPR.	02/08/2024 - Assembly APPR.			Low	Environmental Justice
AB 2851	Bonta	Metal shredding facilities: fence-line air quality monitoring.	4/4/2024	04/10/2024 - From committee: Do pass and re-refer to Com. on NAT. RES. (Ayes 5. Noes 2.) (April 9). Re-referred to Com. on NAT. RES.	04/10/2024 - Assembly NAT. RES.		Propose Support	Medium	Environmental Justice
SB 720	Stern	Aviation: airports: report: emissions: GO-Biz.	7/10/2023	07/14/2023 - Failed Deadline pursuant to Rule 61(a)(10). (Last location was NAT. RES. on 7/5/2023)(May be acted upon Jan 2024)	07/14/2023 - Assembly 2 YEAR			Low	Environmental Justice
AB 985	Arambula	San Joaquin Valley Unified Air Pollution Control District: emission reduction credit system.	7/6/2023	09/12/2023 - Assembly refused to concur in Senate amendments. Motion to reconsider made by Assembly Member Arambula.	09/12/2023 - Assembly RECONSIDERATION			Low	General-Air District
AB 2188	Ta	Vehicles: pollution control devices.		02/26/2024 - Referred to Com. on TRANS.	02/26/2024 - Assembly TRANS.			Low	General-Air District
AB 2298	Hart	Coastal resources: voluntary vessel speed reduction and sustainable shipping program.	3/20/2024	04/17/2024 - In committee: Set, first hearing. Referred to suspense file.	04/17/2024 - Assembly APPR. SUSPENSE FILE		Air-District Co-Sponsor	High	General-Air District
AB 2522	Carrillo, Wendy	South Coast Air Quality Management District: district board: compensation.		04/18/2024 - Read third time. Passed. Ordered to the Senate. (Ayes 72. Noes 0.) In Senate. Read first time. To Com. on RLS. for assignment.	04/18/2024 - Senate RLS.	Board Approval 4/3/2024	Support	Medium	General-Air District
AB 3136	Reyes	Attorney General: Bureau of Environmental Justice.		04/02/2024 - Coauthors revised. From committee: Do pass and re-refer to Com. on E.S. & T.M. (Ayes 11. Noes 0.) (April 2). Re-referred to Com. on E.S. & T.M.	04/02/2024 - Assembly E.S. & T.M.			Low	General-Air District
SB 336	Umberg	State grant programs: negotiated indirect cost rates.	9/1/2023	09/14/2023 - Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/11/2023)(May be acted upon Jan 2024)	09/14/2023 - Assembly 2 YEAR			Low	General-Air District
SB 674	Gonzalez	Air pollution: refineries: community air monitoring systems: fence-line monitoring systems.	9/1/2023	09/14/2023 - Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/14/2023)(May be acted upon Jan 2024)	09/14/2023 - Assembly 2 YEAR	Board Approval 4/19/2023	Support	Medium	General-Air District
SB 1158	Archuleta	Carl Moyer Memorial Air Quality Standards Attainment Program.	4/16/2024	04/16/2024 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on TRANS.	03/20/2024 - Senate TRANS.	Board Approval 3/6/2024	Support	Medium	General-Air District
AB 627	Jackson	Drayage trucks: voucher incentive project.	1/22/2024	01/29/2024 - Read third time. Passed. Ordered to the Senate. (Ayes 67. Noes 1.) In Senate. Read first time. To Com. on RLS. for assignment.	01/29/2024 - Senate RLS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 637	Jackson	Zero-emission vehicles: fleet owners: rental vehicles.	9/6/2023	01/25/2024 - Read third time. Passed. Ordered to the Senate. (Ayes 70. Noes 0.) In Senate. Read first time. To Com. on RLS. for assignment.	01/25/2024 - Senate RLS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 1349	Irwin	Electric vehicle charging station networks: data fields.	6/5/2023	07/14/2023 - Failed Deadline pursuant to Rule 61(a)(10). (Last location was E. U., & C. on 6/13/2023)(May be acted upon Jan 2024)	07/14/2023 - Senate 2 YEAR			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 1567	Garcia	Safe Drinking Water, Wildfire Prevention, Drought Preparation, Flood Protection, Extreme Heat Mitigation, Clean Energy, and Workforce Development Bond Act of 2024.	5/26/2023	06/14/2023 - Referred to Coms. on N.R. & W. and GOV. & F.	06/14/2023 - Senate N.R. & W.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 1969	Hart	State Air Resources Board: Clean Off-Road Equipment Voucher Incentive Project: unmanned aerial systems.		04/10/2024 - In committee: Set, first hearing. Referred to suspense file.	04/10/2024 - Assembly APPR. SUSPENSE FILE			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 2061	Wilson	Sales and Use Tax: exemptions: zero-emission public transportation ferries.		03/11/2024 - In committee: Set, first hearing. Referred to REV. & TAX. suspense file.	03/11/2024 - Assembly REV. & TAX SUSPENSE FILE			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 2266	Petrie-Norris	California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project: vehicle eligibility.		04/04/2024 - In committee: Set, first hearing. Hearing canceled at the request of author.	02/26/2024 - Assembly TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 2401	Ting	Clean Cars 4 All Program.	4/9/2024	04/16/2024 - Coauthors revised. From committee: Do pass and re-refer to Com. on NAT. RES. (Ayes 15. Noes 0.) (April 15). Re-referred to Com. on NAT. RES.	04/15/2024 - Assembly NAT. RES.			Medium	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 2418	Patterson, Jim	Vehicular air pollution: heavy-duty trucks.		02/26/2024 - Referred to Com. on TRANS.	02/26/2024 - Assembly TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 2480	Garcia	Zero-emission schoolbus replacement grants: private contractors.	4/16/2024	04/17/2024 - Re-referred to Com. on TRANS.	03/04/2024 - Assembly TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 2626	Dixon	Advanced Clean Fleets regulations: local governments.		03/04/2024 - Referred to Coms. on TRANS. and NAT. RES.	03/04/2024 - Assembly TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade

Bill #	Author	Subject	Last Amended	Last Status - As of 4/22/2024	Location	Notes	Position	Priority (Low/Medium/High)	Category
AB 2760	Muratsuchi	Lower Emissions Equipment at Seaports and Intermodal Yards Program.	4/8/2024	04/16/2024 - From committee: Do pass and re-refer to Com. on NAT. RES. with recommendation: To Consent Calendar. (Ayes 15. Noes 0.) (April 15). Re-referred to Com. on NAT. RES.	04/15/2024 - Assembly NAT. RES.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 2796	Alvarez	Equitable Access to Zero-Emissions Vehicles Fund.		03/11/2024 - Referred to Coms. on TRANS. and NAT. RES.	03/11/2024 - Assembly TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 2815	Petrie-Norris	Clean Transportation Program: electric vehicle charging stations.	4/3/2024	04/16/2024 - From committee: Do pass and re-refer to Com. on NAT. RES. (Ayes 15. Noes 0.) (April 15). Re-referred to Com. on NAT. RES.	04/15/2024 - Assembly NAT. RES.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 3153	Dixon	Emission standards: marine vessels: exemption.		03/11/2024 - Referred to Com. on TRANS.	03/11/2024 - Assembly TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 3243	Ta	Vehicle registration fees: penalties.	4/3/2024	04/04/2024 - Re-referred to Com. on TRANS.	03/11/2024 - Assembly TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 301	Portantino	Vehicular air pollution: Zero-Emission Aftermarket Conversion Project.	9/1/2023	09/14/2023 - Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/13/2023)(May be acted upon Jan 2024)	09/14/2023 - Assembly 2 YEAR			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 638	Eggman	Climate Resiliency and Flood Protection Bond Act of 2024.	6/28/2023	07/06/2023 - July 11 hearing postponed by committee.	06/15/2023 - Assembly W.P. & W.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 867	Allen	Drought, Flood, and Water Resilience, Wildfire and Forest Resilience, Coastal Resilience, Extreme Heat Mitigation, Biodiversity and Nature-Based Climate Solutions, Climate Smart Agriculture, Park Creation and Outdoor Access, and Clean Energy Bond Act of 2024.	6/22/2023	07/06/2023 - July 10 hearing postponed by committee.	06/20/2023 - Assembly NAT. RES.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 1054	Rubio	Climate Pollution Reduction in Homes Initiative: natural gas: customer credit.	3/20/2024	04/04/2024 - Set for hearing April 22.	02/21/2024 - Senate E. U., & C.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 1135	Limón	Greenhouse Gas Reduction Fund: income taxes: credit.	4/10/2024	04/12/2024 - Set for hearing April 24.	04/09/2024 - Senate REV. & TAX			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
SB 1387	Newman	California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project: vehicle eligibility.	3/18/2024	04/17/2024 - From committee: Do pass and re-refer to Com. on TRANS. (Ayes 7. Noes 0.) (April 17). Re-referred to Com. on TRANS.	04/17/2024 - Senate TRANS.			Low	GGRF, Incentive Programs, Mobile Source, Cap and Trade
AB 817	Pacheco	Open meetings: teleconferencing: subsidiary body.	1/17/2024	01/25/2024 - Read third time. Passed. Ordered to the Senate. (Ayes 54. Noes 8.) In Senate. Read first time. To Com. on RLS. for assignment.	01/25/2024 - Senate RLS.	Board Approval 4/19/2023	Support	Medium	Other
AB 1465	Wicks	Nonvehicular air pollution: civil penalties.	7/13/2023	09/14/2023 - Failed Deadline pursuant to Rule 61(a)(14). (Last location was INACTIVE FILE on 9/6/2023)(May be acted upon Jan 2024)	09/14/2023 - Senate 2 YEAR		Air District-Sponsored	High	Other
AB 1812	Gabriel	Budget Act of 2024.		01/16/2024 - Referred to Com. on BUDGET.	01/16/2024 - Assembly BUDGET	January Budget Proposal		High	Other
AB 1857	Jackson	State Air Resources Board: air quality regulation: valleys.		04/10/2024 - In committee: Set, first hearing. Referred to suspense file.	04/10/2024 - Assembly APPR. SUSPENSE FILE			Low	Other
AB 1864	Connolly	Pesticides: agricultural use near schoolsites: notification and reporting.	4/1/2024	04/10/2024 - From committee: Do pass and re-refer to Com. on ED. (Ayes 5. Noes 1.) (April 9). Re-referred to Com. on ED.	04/10/2024 - Assembly ED.			Low	Other
AB 1866	Hart	Oil and gas: idle wells.	3/11/2024	04/10/2024 - In committee: Set, first hearing. Referred to suspense file.	04/10/2024 - Assembly APPR. SUSPENSE FILE			Low	Other
AB 1894	Ta	Nonvehicular air pollution: civil penalties.	3/11/2024	03/14/2024 - In committee: Set, first hearing. Hearing canceled at the request of author.	02/12/2024 - Assembly NAT. RES.	Board Approval 3/6/2024	Oppose	Medium	Other
AB 1922	Davies	California Conservation Corps: Green Collar Certification Program.		04/10/2024 - In committee: Set, first hearing. Referred to suspense file.	04/10/2024 - Assembly APPR. SUSPENSE FILE			Low	Other
AB 1923	Davies	Green Assistance Program.		04/10/2024 - In committee: Set, first hearing. Referred to suspense file.	04/10/2024 - Assembly APPR. SUSPENSE FILE			Low	Other
AB 2037	Papan	Weights and measures: electric vehicle chargers.	3/14/2024	04/11/2024 - Read second time. Ordered to third reading.	04/11/2024 - Assembly THIRD READING			Low	Other
AB 2153	Lowenthal	California Public Records Act: public agency employees: notice requirements: personnel and medical information.		03/13/2024 - In committee: Set, first hearing. Hearing canceled at the request of author.	02/20/2024 - Assembly JUD.			Low	Other
AB 2190	Mathis	California Environmental Quality Act: expedited judicial review: infrastructure projects: hydrogen.		03/19/2024 - In committee: Set, first hearing. Hearing canceled at the request of author.	02/26/2024 - Assembly NAT. RES.			Low	Other
AB 2208	Zbur	California Ports Development and Offshore Wind Infrastructure Bond Act of 2024.	3/21/2024	04/08/2024 - In committee: Set, first hearing. Hearing canceled at the request of author.	03/21/2024 - Assembly NAT. RES.			Low	Other
AB 2302	Addis	Open meetings: local agencies: teleconferences.		04/15/2024 - Read second time. Ordered to third reading.	04/15/2024 - Assembly THIRD READING			Low	Other
AB 2309	Muratsuchi	City attorney: state law: misdemeanor.	4/17/2024	04/18/2024 - Re-referred to Com. on PUB. S.	02/26/2024 - Assembly PUB. S.			Low	Other
AB 2394	Grayson	California Environmental Quality Act.		02/13/2024 - From printer. May be heard in committee March 14.	02/12/2024 - Assembly PRINT			Low	Other
AB 2404	Lee	State and local public employees: labor relations: strikes.	3/21/2024	04/17/2024 - From committee: Do pass and re-refer to Com. on JUD. (Ayes 5. Noes 1.) (April 17). Re-referred to Com. on JUD.	04/17/2024 - Assembly JUD.			Low	Other
AB 2432	Gabriel	Corporations: criminal enhancements.	4/10/2024	04/16/2024 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 8. Noes 0.) (April 15). Re-referred to Com. on APPR.	04/15/2024 - Assembly APPR.			Low	Other

Bill #	Author	Subject	Last Amended	Last Status - As of 4/22/2024	Location	Notes	Position	Priority (Low/Medium/High)	Category
AB 2439	Quirk-Silva	Public works: prevailing wages: access to records.	4/1/2024	04/18/2024 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 6. Noes 0.) (April 17). Re-referred to Com. on APPR.	04/18/2024 - Assembly APPR.			Low	Other
AB 2453	Villapudua	Weights and measures: electric vehicle supply equipment.	4/18/2024	04/18/2024 - From committee chair, with author's amendments: Amend, and re-refer to Com. on P. & C.P. Read second time and amended.	03/04/2024 - Assembly P. & C.P.			Low	Other
AB 2487	Fong, Mike	Deputy Secretary for Climate.	3/21/2024	04/18/2024 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 15. Noes 0.) (April 17). Re-referred to Com. on APPR.	04/17/2024 - Assembly APPR.			Low	Other
AB 2513	Pellerin	Gas stoves and ranges: warning label.	4/17/2024	04/18/2024 - Re-referred to Com. on E.S. & T.M.	03/21/2024 - Assembly E.S. & T.M.			Low	Other
AB 2561	McKinnor	Local public employees: vacant positions.	3/11/2024	04/17/2024 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 5. Noes 1.) (April 17). Re-referred to Com. on APPR.	04/17/2024 - Assembly APPR.			Low	Other
AB 2577	Irwin	Organic waste: reduction regulations.		04/10/2024 - In committee: Set, first hearing. Referred to suspense file.	04/10/2024 - Assembly APPR. SUSPENSE FILE			Low	Other
AB 2658	Bains	Short-lived climate pollutants: organic waste: reduction regulations: exemption.		03/04/2024 - Referred to Com. on NAT. RES.	03/04/2024 - Assembly NAT. RES.			Low	Other
AB 2675	Low	State agencies: electronic transmission of information.		02/15/2024 - From printer. May be heard in committee March 16.	02/14/2024 - Assembly PRINT	Spot Bill		Low	Other
AB 2715	Boerner	Ralph M. Brown Act: closed sessions.		04/09/2024 - In committee: Set, first hearing. Hearing canceled at the request of author.	03/04/2024 - Assembly L. GOV.			Low	Other
AB 2751	Haney	Employer communications during nonworking hours.	3/21/2024	04/18/2024 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 4. Noes 2.) (April 17). Re-referred to Com. on APPR.	04/18/2024 - Assembly APPR.			Low	Other
AB 2781	Irwin	Public contracting: state grants: prohibition.	4/10/2024	04/18/2024 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 21. Noes 0.) (April 17). Re-referred to Com. on APPR.	04/17/2024 - Assembly APPR.			Low	Other
AB 2900	Soria	Small agricultural truck fleet assistance program.	3/21/2024	04/16/2024 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 15. Noes 0.) (April 15). Re-referred to Com. on APPR.	04/15/2024 - Assembly APPR.			Low	Other
AB 2902	Wood	Organic waste: reduction regulations: exemptions.	4/10/2024	04/11/2024 - Re-referred to Com. on APPR.	04/09/2024 - Assembly APPR.			Low	Other
AB 2937	Wicks	California Environmental Quality Act: streamlined environmental reviews.		02/16/2024 - From printer. May be heard in committee March 17.	02/15/2024 - Assembly PRINT	Spot Bill		Low	Other
AB 2940	Muratsuchi	California Environmental Quality Act: environmental leadership development projects: transmission projects.		03/18/2024 - Referred to Coms. on NAT. RES. and JUD.	03/18/2024 - Assembly NAT. RES.			Low	Other
AB 2958	Calderon	State Air Resources Board: board members: compensation.	3/21/2024	04/17/2024 - In committee: Set, first hearing. Referred to suspense file.	04/17/2024 - Assembly APPR. SUSPENSE FILE	Board Approval 4/3/2024	Support	Medium	Other
AB 3114	Low	California Environmental Quality Act: expedited judicial review: sustainable aviation fuel projects.	3/18/2024	03/19/2024 - Re-referred to Com. on NAT. RES.	03/18/2024 - Assembly NAT. RES.			Low	Other
AB 3155	Friedman	Oil and gas wells: health protection zones: civil liability.		04/16/2024 - From committee: Do pass and re-refer to Com. on NAT. RES. (Ayes 7. Noes 3.) (April 16). Re-referred to Com. on NAT. RES.	04/16/2024 - Assembly NAT. RES.			Low	Other
AB 3233	Addis	Oil and gas: operations: restrictions: local authority.	3/21/2024	04/09/2024 - From committee: Do pass and re-refer to Com. on U. & E. (Ayes 8. Noes 3.) (April 8). Re-referred to Com. on U. & E.	04/09/2024 - Assembly U. & E.			Low	Other
SB 312	Wiener	California Environmental Quality Act: university housing development projects: exemption.	1/11/2024	01/25/2024 - Read third time. Passed. (Ayes 34. Noes 1.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.	01/25/2024 - Assembly DESK			Low	Other
SB 382	Becker	Single-family residential property: disclosures.	1/4/2024	01/18/2024 - Read third time. Passed. (Ayes 37. Noes 0.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.	01/18/2024 - Assembly DESK	Board Approval 3/6/2024 Proposed Co-Sponsor	Support	Medium	Other
SB 537	Becker	Open meetings: multijurisdictional, cross-county agencies: teleconferences.	9/5/2023	09/14/2023 - Ordered to inactive file on request of Assembly Member Bryan.	09/14/2023 - Assembly INACTIVE FILE	Board Approval 4/19/2023	Support	Medium	Other
SB 917	Skinner	Budget Act of 2024.		01/10/2024 - Introduced. Read first time. Referred to Com. on B. & F.R. To print.	01/10/2024 - Senate BUDGET & F.R.	January Budget Proposal		High	Other
SB 979	Grove	Oil and gas: operations: notices of intention: written response for denied notice.		02/14/2024 - Referred to Com. on N.R. & W.	02/14/2024 - Senate N.R. & W.			Low	Other
SB 1045	Blakespear	Composting facilities: zoning: air and water permits.	4/10/2024	04/17/2024 - Set for hearing April 24 in E.Q. pending receipt. From committee: Do pass and re-refer to Com. on E.Q. (Ayes 5.	04/17/2024 - Senate E.Q.			Medium	Other
SB 1046	Laird	Organic waste reduction: program environmental impact report: small and medium compostable material handling facilities or operations.	4/9/2024	04/12/2024 - Set for hearing April 22.	03/20/2024 - Senate APPR.			Low	Other
SB 1062	Dahle	Energy: conversion of biomass energy generation facilities.	4/3/2024	04/16/2024 - From committee: Do pass and re-refer to Com. on E.Q. (Ayes 17. Noes 0.) (April 16). Re-referred to Com. on E.Q.	04/16/2024 - Senate E.Q.			Low	Other
SB 1087	Grove	Oil imports: air quality emissions data.		04/04/2024 - Set for hearing April 22.	03/20/2024 - Senate E. U., & C.	Intent Bill		Low	Other
SB 1193	Menjivar	Airports: leaded aviation gasoline.	4/11/2024	04/15/2024 - Withdrawn from committee. Re-referred to Com. on APPR.	04/15/2024 - Senate APPR.	Board Approval 3/6/2024	Support	Medium	Other
SB 1204	Archuleta	Planning and Zoning Law: electric vehicle charging stations.		02/29/2024 - Referred to Com. on RLS.	02/15/2024 - Senate RLS.	Spot Bill		Low	Other

Bill #	Author	Subject	Last Amended	Last Status - As of 4/22/2024	Location	Notes	Position	Priority (Low/Medium/High)	Category
SB 1221	Min	Gas corporations: gas distribution infrastructure: zero-emission alternatives.	3/18/2024	04/17/2024 - Set for hearing April 22.	04/03/2024 - Senate E. U. & C.			Low	Other
SB 1232	Grove	Organic waste: collection requirements: exemption.	3/18/2024	04/17/2024 - Set for hearing April 24 in E.Q. pending receipt. April 17 set for first hearing. Failed passage in committee. (Ayes 2. Noes 4.) Reconsideration granted.	04/03/2024 - Senate E.Q.			Low	Other
SB 1298	Cortese	Certification of thermal powerplants: data centers.	4/22/2024	04/18/2024 - From committee: Do pass as amended and re-refer to Com. on APPR. (Ayes 14. Noes 0.) (April 16). (Amended text released 4/22/2024)	04/16/2024 - Senate APPR.	Board Approval 4/3/2024	Oppose unless amended	Medium	Other
SB 1308	Gonzalez	Ozone: indoor air cleaning devices.	3/18/2024	04/16/2024 - Set for hearing April 22.	04/03/2024 - Senate APPR.			Low	Other
SB 1426	Blakespear	Waste reduction: undiverted materials.	4/10/2024	04/17/2024 - Set for hearing May 1 in L. GOV. pending receipt.	04/03/2024 - Senate E.Q.			Low	Other
SB 1505	Stern	Aircraft registration.		04/09/2024 - April 9 set for first hearing canceled at the request of author.	02/29/2024 - Senate TRANS.			Low	Other
SB 1510	Stern	Permitting: electric vehicle charging.		02/29/2024 - Referred to Com. on RLS.	02/16/2024 - Senate RLS.	Intent Bill		Low	Other
SCR 136	Durazo	Equity impact analysis of legislation.		04/15/2024 - Introduced. Referred to Com. on RLS.	04/15/2024 - Senate RLS.			Low	Other
AB 6	Friedman	Transportation planning: regional transportation plans: Solutions for Congested Corridors Program: reduction of greenhouse gas emissions.	3/16/2023	07/14/2023 - Failed Deadline pursuant to Rule 61(a)(10). (Last location was TRANS. on 6/14/2023)(May be acted upon Jan 2024)	07/14/2023 - Senate 2 YEAR			Low	Transportation
AB 99	Connolly	Department of Transportation: state roads and highways: integrated pest management.	7/13/2023	09/01/2023 - Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/14/2023)(May be acted upon Jan 2024)	09/01/2023 - Senate 2 YEAR			Low	Transportation
AB 1774	Dixon	Vehicles: electric bicycles.		04/09/2024 - Coauthors revised. From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 15. Noes 0.) (April 8). Re-referred to Com. on APPR.	01/03/2024 - Assembly APPR.			Low	Transportation
AB 1778	Connolly	Vehicles: electric bicycles.	4/18/2024	04/18/2024 - Read third time and amended. Ordered to third reading.	04/10/2024 - Assembly THIRD READING			Low	Transportation
AB 1837	Papan	San Francisco Bay area: public transit: Regional Network Management Council.	3/21/2024	04/01/2024 - Re-referred to Com. on TRANS. In committee: Hearing postponed by committee.	03/21/2024 - Assembly TRANS.			Low	Transportation
AB 1953	Villapudua	Vehicles: weight limits.		04/08/2024 - Read third time. Passed. Ordered to the Senate. (Ayes 74. Noes 0.) In Senate. Read first time. To Com. on RLS. for assignment.	04/08/2024 - Senate RLS.			Low	Transportation
AB 2029	Jackson	Electric vehicle charging stations assessment.	4/22/2024	04/18/2024 - From committee: Amend, and do pass as amended and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 16. Noes 0.) (April 17). (Amended text released 4/22/2024)	04/17/2024 - Assembly APPR.			Low	Transportation
AB 2147	Mathis	Clean Transportation Program: hydrogen-fueling stations: report: job creation and workforce development.	4/1/2024	04/09/2024 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 15. Noes 0.) (April 8). Re-referred to Com. on APPR.	04/08/2024 - Assembly APPR.			Low	Transportation
AB 2234	Boerner	Vehicles: electric bicycles.	4/17/2024	04/18/2024 - Re-referred to Com. on TRANS.	02/26/2024 - Assembly TRANS.			Low	Transportation
AB 2290	Friedman	Transportation: Class III bikeways: bicycle facilities: Bikeway Quick-Build Project Pilot Program.	4/1/2024	04/09/2024 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 11. Noes 4.) (April 8). Re-referred to Com. on APPR.	04/08/2024 - Assembly APPR.			Low	Transportation
AB 2325	Lee	San Francisco Bay Area Rapid Transit District: officers: designation and appointment.		02/26/2024 - Referred to Com. on L. GOV.	02/26/2024 - Assembly L. GOV.			Low	Transportation
AB 2427	McCarthy	Electric vehicle charging stations: permitting: curbside charging.	4/2/2024	04/11/2024 - Coauthors revised. From committee: Do pass and re-refer to Com. on TRANS. (Ayes 9. Noes 0.) (April 10). Re-referred to Com. on TRANS.	04/10/2024 - Assembly TRANS.			Low	Transportation
AB 2448	Jackson	Electric Vehicle Economic Opportunity Zone: County of Riverside.		04/16/2024 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 0.) (April 16). Re-referred to Com. on APPR.	04/16/2024 - Assembly APPR.			Low	Transportation
AB 2535	Bonta	Trade Corridor Enhancement Program.	4/9/2024	04/10/2024 - Re-referred to Com. on TRANS. In committee: Hearing postponed by committee.	03/04/2024 - Assembly TRANS.			Low	Transportation
AB 2559	Petrie-Norris	Local planning: electric vehicle service equipment: permitting delays.	3/21/2024	04/16/2024 - From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 7. Noes 0.) (April 16). Re-referred to Com. on APPR.	04/16/2024 - Assembly APPR.			Low	Transportation
AB 2678	Wallis	Vehicles: high-occupancy vehicle lanes.	3/18/2024	04/09/2024 - From committee: Do pass and re-refer to Com. on APPR. (Ayes 15. Noes 0.) (April 8). Re-referred to Com. on APPR.	04/08/2024 - Assembly APPR.			Low	Transportation
AB 2697	Irwin	Transportation electrification: electric vehicle charging infrastructure.	4/9/2024	04/16/2024 - Coauthors revised. From committee: Do pass and re-refer to Com. on U. & E. (Ayes 14. Noes 0.) (April 15). Re-referred to Com. on U. & E.	04/15/2024 - Assembly U. & E.			Low	Transportation
AB 3219	Sanchez	Advanced Clean Fleets Regulation: local governments.	3/11/2024	03/12/2024 - Re-referred to Com. on TRANS.	03/11/2024 - Assembly TRANS.			Low	Transportation
SB 532	Wiener	San Francisco Bay area toll bridges: tolls: transit operating expenses.	6/29/2023	08/23/2023 - August 23 set for first hearing canceled at the request of author.	07/05/2023 - Assembly APPR.			Low	Transportation
SB 768	Caballero	California Environmental Quality Act: State Air Resources Board: vehicle miles traveled: study.	1/11/2024	01/29/2024 - Read third time. Passed. (Ayes 34. Noes 4.) Ordered to the Assembly. In Assembly. Read first time. Held at Desk.	01/29/2024 - Assembly DESK	Board Approval 4/19/2023	Work with Author	Medium	Transportation
SB 1031	Wiener	San Francisco Bay area: local revenue measure: transportation improvements.	4/16/2024	04/16/2024 - From committee with author's amendments. Read second time and amended. Re-referred to Com. on TRANS.	04/03/2024 - Senate TRANS.			Medium	Transportation
SB 1393	Niello	Advanced Clean Fleets Regulation Appeals Advisory Committee.		04/03/2024 - April 3 set for first hearing. Failed passage in committee. (Ayes 3. Noes 1.) Reconsideration granted.	02/29/2024 - Senate E.Q.			Low	Transportation
AB 1951	Fong, Vince	California Environmental Quality Act: exemption: roadside wildfire prevention projects.	3/21/2024	04/01/2024 - Re-referred to Com. on NAT. RES.	02/12/2024 - Assembly NAT. RES.			Low	Wildfire/Smoke/PSPS

Bill #	Author	Subject	Last Amended	Last Status - As of 4/22/2024	Location	Notes	Position	Priority (Low/Medium/High)	Category	
AB 2330	Holden	Endangered species: incidental take: wildfire preparedness activities.	4/1/2024	04/02/2024 - Re-referred to Com. on W., P., & W.	02/26/2024 - Assembly W.,P. & W.			Low	Wildfire/Smoke/PSPS	
SB 310	Dodd	Prescribed fire: civil liability; cultural burns.	6/28/2023	09/01/2023 - Failed Deadline pursuant to Rule 61(a)(11). (Last location was APPR. SUSPENSE FILE on 8/23/2023)(May be	09/01/2023 - Assembly 2 YEAR			Low	Wildfire/Smoke/PSPS	
SB 945	Alvarado-Gil	The Wildfire Smoke and Health Outcomes Data Act.	3/21/2024	04/17/2024 - From committee: Do pass and re-refer to Com. on APPR with recommendation: To consent calendar. (Ayes 7.	04/17/2024 - Senate APPR.			Low	Wildfire/Smoke/PSPS	
SB 1176	Niello	Wildfires: workgroup: toxic heavy metals.		04/11/2024 - Set for hearing April 24.	04/09/2024 - Senate E.Q.			Low	Wildfire/Smoke/PSPS	
Total Active Bills								155	Low: Medium: High:	133 17 5

AMENDED IN ASSEMBLY APRIL 4, 2024
AMENDED IN ASSEMBLY MARCH 21, 2024
CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL

No. 2851

Introduced by Assembly Member Bonta

February 15, 2024

An act to add Section 25150.87 to the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 2851, as amended, Bonta. Metal shredding facilities: fence-line *air quality* monitoring.

~~Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution and air pollution control and air quality management districts with the primary responsibility for the control of air pollution from all sources other than vehicular sources.~~

Existing law defines a “fence-line monitoring system,” for purposes of specified laws requiring the monitoring of toxic air contaminants from nonvehicular sources, to mean monitoring equipment that measures and records air pollutant concentrations at or adjacent to a stationary source that may be useful for detecting or estimating emissions of pollutants from the source, including the quantity of fugitive emissions, and in supporting enforcement efforts.

Existing law requires the Department of Toxic Substances Control to adopt, and revise when appropriate, standards and regulations for the

management of hazardous wastes to protect against hazards to the public health, to domestic livestock, to wildlife, or to the environment, including the operation of metal shredding facilities for appliance recycling. *Existing law authorizes the department to collect an annual fee from all metal shredding facilities that are subject to the requirements of the hazardous waste control laws, and to deposit those fees into a subaccount in the Hazardous Waste Control Account. Existing law makes those moneys available to the department, upon appropriation by the Legislature, to reimburse the department's costs to implement the hazardous waste control laws applicable to metal shredder facilities.*

This bill would require, on or before July 1, 2025, the department, in consultation with ~~the state board and~~ affected local air pollution control and air quality management districts, to develop ~~standards requirements~~ for facilitywide fence-line air quality monitoring at metal shredding facilities. ~~The bill would require the standards to require monitoring of specified substances, such as lead and zinc.~~ *facilities. Those requirements would include, among other things, monitoring light fibrous material, lead, zinc, cadmium, and any other substance required to be monitored by the department, and a requirement that, if the monitoring indicates a potential adverse impact on air quality or public health, the local public health department issue a community notification, as provided.* The bill would also require ~~each local public health department to issue a community notification regarding the adverse impacts on air quality and public health as a result of the operation of metal shredding facilities in that jurisdiction, as provided, and to provide a biannual assessment to the local governmental entity for the jurisdiction in which the metal shredding facility is located.~~ *all metal shredding facilities that are subject to the hazardous waste control laws to implement the fence-line air quality monitoring requirements.* The bill would require the department to ~~ensure the successful~~ *oversee and enforce the* implementation of ~~those the~~ fence-line air quality monitoring ~~standards requirements~~ on or before December 31, 2025. *The bill would also authorize any regulatory costs incurred by the department in implementing the bill's requirements to be reimbursed from the subaccount in the Hazardous Waste Control Account.* By imposing new duties on local public health departments, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 25150.87 is added to the Health and
2 Safety Code, to read:

3 25150.87. (a) On or before July 1, 2025, the department, in
4 consultation with ~~the State Air Resources Board and~~ affected local
5 air pollution control and air quality management districts, shall
6 develop ~~standards~~ *requirements* for facilitywide fenceline air
7 quality monitoring at metal shredding facilities, as defined in
8 Section 25150.82, that are subject to this chapter.

9 (b) ~~The standards requirements developed pursuant to~~
10 subdivision (a) shall ~~do~~ *include, but not be limited to*, all of the
11 following:

12 (1) ~~Require monitoring of the following substances previously~~
13 ~~identified by the department: Monitoring of light fibrous material,~~
14 ~~lead, zinc, cadmium, and nickel. These standards may also require~~
15 ~~the monitoring of additional substances: nickel, and any other~~
16 ~~substance required to be monitored by the department.~~

17 (2) ~~Require each local public health department to issue a~~
18 ~~community notification regarding the adverse impacts on air quality~~
19 ~~and public health as a result of the operation of metal shredding~~
20 ~~facilities in that jurisdiction and assist in identifying the underlying~~
21 ~~causes of the air pollution.~~

22 (3) ~~Require each local public health department to provide a~~
23 ~~biannual assessment to the local governmental entity for the~~
24 ~~jurisdiction in which the metal shredding facility is located.~~

25 (2) *Monitoring at prescribed frequencies of substances*
26 *monitored pursuant to paragraph (1).*

27 (3) *Reporting on the results of the monitoring required pursuant*
28 *to this subdivision to the department, the local air district or local*

1 *air quality management district, and the local public health*
2 *department.*

3 *(4) If the monitoring required pursuant to this subdivision*
4 *indicates a potential adverse impact on air quality or public health,*
5 *requiring the local public health department to issue a community*
6 *notification to the public for the area in which the metal shredding*
7 *facility is located that informs the public that the facility is causing*
8 *the potential adverse impact on air quality or public health.*

9 *(c) All metal shredding facilities subject to this chapter shall*
10 *implement the facilitywide fenceline air quality monitoring*
11 *requirements developed pursuant to this section.*

12 ~~(e)~~
13 *(d) The department shall ~~ensure the successful~~ oversee and*
14 *enforce the implementation of the facilitywide fenceline air quality*
15 *monitoring ~~standards~~ requirements developed pursuant to this*
16 *section on or before December 31, 2025.*

17 *(e) Any regulatory costs incurred by the department in*
18 *implementing this section may be reimbursed by the fee on metal*
19 *shredding facilities imposed pursuant to subdivision (a) of Section*
20 *25150.84.*

21 SEC. 2. If the Commission on State Mandates determines that
22 this act contains costs mandated by the state, reimbursement to
23 local agencies and school districts for those costs shall be made
24 pursuant to Part 7 (commencing with Section 17500) of Division
25 4 of Title 2 of the Government Code.

O



BAY AREA
AIR QUALITY
MANAGEMENT
DISTRICT

AGENDA: 18

State Legislative Bills Update

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

**Alan Abbs
Legislative Officer
aabbs@baaqmd.gov**

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