



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

A G E N D A

MEETING, MAY 4, 2018

A meeting of the South Coast Air Quality Management District Board will be held at 9:00 a.m., in the Auditorium at SCAQMD Headquarters, 21865 Copley Drive, Diamond Bar, California.

Questions About an Agenda Item

- The name and telephone number of the appropriate staff person to call for additional information or to resolve concerns is listed for each agenda item.
- In preparation for the meeting, you are encouraged to obtain whatever clarifying information may be needed to allow the Board to move expeditiously in its deliberations.

Meeting Procedures

- The public meeting of the SCAQMD Governing Board begins at 9:00 a.m. The Governing Board generally will consider items in the order listed on the agenda. However, any item may be considered in any order.
- After taking action on any agenda item not requiring a public hearing, the Board may reconsider or amend the item at any time during the meeting.

Questions About Progress of the Meeting

- During the meeting, the public may call the Clerk of the Board's Office at (909) 396-2500 for the number of the agenda item the Board is currently discussing.

The agenda and documents in the agenda packet will be made available upon request in appropriate alternative formats to assist persons with a disability. Disability-related accommodations will also be made available to allow participation in the Board meeting. Any accommodations must be requested as soon as practicable. Requests will be accommodated to the extent feasible. Please telephone the Clerk of the Boards Office at (909) 396-2500 from 7:00 a.m. to 5:30 p.m. Tuesday through Friday.

All documents (i) constituting non-exempt public records, (ii) relating to an item on the agenda, and (iii) having been distributed to at least a majority of the Governing Board after the agenda is posted, are available prior to the meeting for public review at the South Coast Air Quality Management District Clerk of the Board's Office, 21865 Copley Drive, Diamond Bar, CA 91765.

The Agenda is subject to revisions. For the latest version of agenda items herein or missing agenda items, check the District's web page (www.aqmd.gov) or contact the Clerk of the Board, (909) 396-2500. Copies of revised agendas will also be available at the Board meeting.

CALL TO ORDER

- Pledge of Allegiance
- Opening Comments: William A. Burke, Ed.D., Chair
Other Board Members
Wayne Nastri, Executive Officer
- Presentation to Outgoing Hearing Board Alternate Member **Burke**
Thomas J. McCabe, Jr.

Staff/Phone (909) 396-

CONSENT CALENDAR (Items 1 through 23)

Note: Consent Calendar items held for discussion will be moved to Item No. 24

1. Approve Minutes of April 6, 2018 Board Meeting **Garzaro/2500**
2. Set Public Hearings to Consider Adoption of and/or **Nastri/3131**
Amendments to SCAQMD Rules and Regulations

June 1, 2018:

- A. Certify Final Environmental Assessment and Amend **Fine/2239**
Rules 1146, 1146.1, 1146.2 and Adopt Rule 1100

The adoption Resolution of the Final 2016 AQMP directed staff to achieve additional NOx emission reductions and to transition the RECLAIM program to a command-and-control regulatory structure as soon as practicable. PARs 1146, 1146.1 and 1146.2 represent the first set of command-and-control rules that establish Best Available Retrofit Control Technology requirements that RECLAIM facilities with equipment applicable to these rules will be required to meet. Proposed Rule 1100 - Implementation Schedule for NOx Facilities establishes the compliance schedule for PARs 1146 and 1146.1 equipment for facilities exiting the RECLAIM program. PAR 1146.2 includes the compliance schedule for equipment regulated under this rule. This action is to adopt the Resolution: 1) Certifying the Final Environmental Assessment for Proposed Amended Rules 1146 - Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters; 1146.1 - Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters; 1146.2 - Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers and Process Heaters; and Proposed Rule 1100 - Implementation Schedule for NOx Facilities; 2) Amending Rules 1146, 1146.1, 1146.2; and 3) Adopting Rule 1100. (Reviewed: Stationary Source Committee, April 20, 2018)

July 6, 2018:

B. Certify Final Environmental Assessment and Amend Rule 1469 – Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations

Nakamura/3105

Rule 1469 currently establishes requirements to control hexavalent chromium from electroplating and chromic acid anodizing operations. PAR 1469 proposes new requirements to control hexavalent chromium-containing tanks that are currently not regulated. In addition, PAR 1469 establishes requirements for building enclosures, housekeeping and best management practices, periodic source testing, and parameter monitoring of pollution control equipment.

PAR 1469 includes provisions for a revised chemical fume suppressant certification process that further considers toxicity and exposure, and provisions to encourage the elimination of hexavalent chromium in Rule 1469 processes. Additional proposed amendments are incorporated to align Rule 1469 with the U.S. EPA National Emission Standards for Hazardous Air Pollutants for Chromium Electroplating. This action is to adopt the Resolution: 1) Certifying the Final Environmental Assessment for Proposed Amended Rule 1469 – Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations; and 2) Amending Rule 1469 – Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations. (Reviewed: Stationary Source Committee, November 17, 2017, February 16, March 16 and April 20, 2018)

Budget/Fiscal Impact

3. Execute Contract to Develop, and Certify Near-Zero Emission Propane Engine for On-Road Medium-Duty Vehicles

Miyasato/3249

The SCAQMD helped to develop near-zero emission CNG engines that are 90% cleaner than the current heavy-duty engine standard, and those engines are now available in the market. There is a need, however, to develop and certify near-zero engines for medium-duty vehicles. Roush CleanTech proposes to modify an existing Ford 6.8-liter propane engine to achieve certification at near-zero NOx for use in Type C school buses and cutaway trucks and vans. This action is to execute a contract with Roush CleanTech to develop, demonstrate and certify a 6.8-liter near-zero emission propane engine in an amount not to exceed \$488,750 from the Clean Fuels Program Fund (31). (Reviewed: Technology Committee, April 20, 2018; Recommended for Approval)

4. Recognize Revenue, Appropriate and Transfer Funds and Issue Purchase Orders for Air Monitoring Programs and Equipment **Low/2269**

SCAQMD anticipates receiving up to \$686,579 from the U.S. EPA and the California Air Pollution Control Officers Association for the PM2.5 Program. These actions are to recognize this revenue and appropriate funds for the PM2.5 Program into Science & Technology Advancement's (STA's) FY 2017-18 Budget and carry over any unexpended funds into STA's FY 2018-19 Budget. These actions are to also appropriate up to \$178,484 for the remaining prior year's PAMS funding into STA's FY 2017-18 Budget and carry over any unexpended funds into STA's FY 2018-19 Budget; appropriate up to \$37,705 for FY 2017-18 Supplemental CARB Subvention funds into STA's FY 2017-18 Budget; reallocate \$30,000 from MATES V capital outlay savings within STA's FY 2017-18 Budget to purchase equipment; and transfer \$60,000 between Major Objects in STA's FY 2017-18 Budget to purchase a yearly subscription to a monitoring network data software system. Finally, these actions are to issue purchase orders for air monitoring equipment. (Reviewed: Administrative Committee, April 13, 2018; Recommended for Approval)

5. Approve Awards for Alternative Fuel School Bus Replacement Program **Minassian/2641**

On October 6, 2017, the Board issued a Program Announcement to solicit applications for replacement of pre-1994 diesel school buses with alternative fuel school buses. Subsequently, on April 6, 2018, the Board recognized \$3,184,875 from U.S. EPA's 2017 Targeted Air Shed Grant Program to replace diesel school buses with near-zero emission CNG buses. This action is to approve awards to replace pre-1994 diesel school buses with new, near-zero or optional low NOx alternative fuel buses in an amount not to exceed \$35,638,000, comprised of \$32,533,300 from the Carl Moyer Program AB 923 Special Revenue Fund (80) and \$3,104,700 from U.S. EPA's 2017 Targeted Air Shed Grant in the Clean Fuels Program Fund (31). This action is to also reimburse the General Fund for administrative costs up to \$80,000 for implementation of these school bus replacements. (Reviewed: Technology Committee, April 20, 2018; Recommended for Approval)

6. Modify Contract and Purchase Order for Media, Advertising and Public Outreach and Google AdWords Campaign for 2018-19 Check Before You Burn Program **Atwood/3687**

On May 5, 2017, the Board awarded a contract to Westbound Communications for \$246,000 to plan and execute a comprehensive media, advertising and public outreach campaign for the 2017-18 Check Before You Burn program. The existing contract with the firm will expire on June 30, 2018. This action is to authorize the Executive Officer to modify the contract for media, advertising and public outreach for the 2018-19 Check Before You Burn program with Westbound Communications in an amount not to exceed \$246,000 for one year from the Rule 1309.1 Priority Reserve Fund (36). This action is also to authorize the Executive Officer to modify a purchase order with Google in an amount not to exceed \$250,000 from the Rule 1309.1 Priority Reserve Fund (36) for a coinciding YouTube/AdWords campaign to promote the Check Before You Burn program. (Reviewed: Administrative Committee, April 13, 2018; Recommended for Approval)

7. **Appoint Members to SCAQMD Hearing Board** **Garzaro/2827**

The terms of office for the Hearing Board Attorney Member and Engineer Member, and their Alternates, expire June 30, 2018. An Advisory Committee was appointed as required by law. The Advisory Committee interviewed attorney member and engineer member candidates at its meeting on April 5, 2018, and made its recommendations to the Administrative Committee. The Administrative Committee interviewed candidates at its meeting on April 13, 2018, and made a final recommendation. This action is to appoint members to fill the new terms. (Reviewed: Administrative Committee, April 13, 2018; Recommended for Approval)

8. **Execute Contract for Three-Year Service Agreement for Access to On-line Legal Research Libraries** **Gilchrist/3459**

The current service agreement with Thomson Reuters-West to provide SCAQMD with on-line legal research and print libraries will expire on June 30, 2018. This action is to execute a sole source contract for a new three-year agreement with Thomson Reuters-West in an amount not to exceed \$92,350 in FY 2018-19; \$95,150 in FY 2019-20; and \$98,100 in FY 2020-21 for a total amount of \$285,600 for a three-year period. (Reviewed: Administrative Committee, April 13, 2018; Recommended for Approval)

9. **Appropriate Funds and Amend or Execute Contracts with Outside Counsel and Specialized Legal Counsel and Services** **Gilchrist/3459**

This action is to appropriate \$450,000 from the Undesignated (Unassigned) Fund Balance to Legal's FY 2017-18 Budget and amend or execute contracts for prequalified counsel approved by the Board and for specialized legal counsel and services for environmental litigation. (Reviewed: Administrative Committee, April 13, 2018; Recommended for Approval)

10. **Establish Special Revenue Fund, Recognize AB 134 Grant Revenue, Transfer, Appropriate, Redistribute Funds, and Execute Contracts** **Jain/2804**

The Board has previously recognized AB 134 revenue up to \$107.5 million from CARB into the Carl Moyer Program Fund (32); approved "Year 19" Carl Moyer Program awards from Fund 32 that include AB 134 revenues; and allowed a temporary loan up to \$51,701,413 from Carl Moyer Program AB 923 Fund (80) into Fund 32 until receipt of AB 134 revenue. To facilitate program tracking and auditing, this action is to instead 1) establish the Community Air Protection AB 134 Fund (77) and recognize CARB AB 134 grant funds into Fund 77 instead of Fund 32; 2) allow a temporary loan from Fund 80 into Fund 77 instead of Fund 32; 3) authorize the Chairman to execute contracts in an amount not to exceed \$51,701,413, as approved by the Board in November 2017, from Fund 77 instead of Fund 32; and 4) revise other previously approved transactions with AB 134 funding from the newly established Fund 77. (Reviewed: Technology Committee, April 20, 2018; Recommended for Approval)

11. **Approve Compensation Adjustments for Board Member Assistants and Board Member Consultants for FY 2018-19** **Jain/2804**

The Board Member Assistant and Board Member Consultant compensation is proposed to be amended to adjust the compensation level the SCAQMD may make per Board Member, per fiscal year, based on the Board-approved assignment-of-points methodology. The points are calculated based on the level of complexity, number of meetings and role (Chair/Vice-Chair). (Reviewed: Administrative Committee, April 13, 2018; Recommended for Approval)
12. **Execute and Amend Contracts to Provide Short- and Long-Term Systems Development, Maintenance and Support Services** **Moskowitz/3329**

SCAQMD currently has contracts with several companies for short- and long-term systems development, maintenance and support services. These contracts are periodically amended as additional needs are defined. This action is to execute one contract and amend two contracts previously approved by the Board to add funding for needed development and maintenance work. (Reviewed: Administrative Committee, April 13, 2018; Recommended for Approval)
13. **Issue Purchase Order for New Carpet** **Olvera/2309**

Carpeting on the third and fourth floors of SCAQMD Diamond Bar Headquarters is the original carpet installed in 1991. The carpet on these floors is extremely worn, and is due for replacement. This action is to authorize the Executive Officer to issue a purchase order with Mohawk Group, in an amount not to exceed \$180,000, for the purchase of carpet tiles. Funding for this replacement project is available in District General's FY 2017-18 Budget. (Reviewed: Administrative Committee, April 13, 2018; Recommended for Approval)
14. **Issue Purchase Order for Higher Efficiency HVAC Valves** **Olvera/2309**

SCAQMD Air Handlers 1, 2, 10, and 14 were retrofitted with energy efficient fan wall technology in FY 2016-17. The existing temperature control valves do not operate with sufficient precision to minimize temperature fluctuations. The upgrade to Belimo ePIV valves will provide significant energy savings through optimized temperature controls. This action is to authorize the Executive Officer to issue a purchase order for HVAC valves with Emcor Services for an amount not to exceed \$32,000 from the Infrastructure Improvement Fund (02). (Reviewed: Administrative Committee, April 13, 2018; Recommended for Approval)
15. **Approve Contract Awards Approved by MSRC** **Pettis**

As part of their FYs 2016-18 Work Program, the MSRC approved new contracts under the Local Government Partnership and County Transportation Commission Partnership Programs. At this time the MSRC seeks Board approval of the contract awards. (Reviewed: Mobile Source Air Pollution Reduction Review Committee, April 19, 2018; Recommended for Approval)

Action Item/No Fiscal Impact

16. Approve Charter for Young Leaders Advisory Council **Alatorre/3122**

This action is to approve the SCAQMD Young Leaders Advisory Council Charter. (Reviewed: Administrative Committee, April 13, 2018; Recommended for Approval)

Items 17 through 23 - Information Only/Receive and File

17. Legislative, Public Affairs, and Media Report **Alatorre/3122**

This report highlights the March 2018 outreach activities of the Legislative, Public Affairs and Media Office, which include: Environmental Justice Update, Community Events/Public Meeting, Business Assistance, Media Relations, and Outreach to Business, Federal, State and Local Government. (No Committee Review)

18. Hearing Board Report **Prussack/2500**

This reports the actions taken by the Hearing Board during the period of March 1 through March 31, 2018. (No Committee Review)

19. Lead Agency Projects and Environmental Documents Received by SCAQMD **Nakamura/3105**

This report provides, for the Board's consideration, a listing of CEQA documents received by the SCAQMD between March 1, 2018 and March 30, 2018, and those projects for which the SCAQMD is acting as lead agency pursuant to CEQA. (Reviewed: Mobile Source Committee, April 20, 2018)

20. Civil Filings and Civil Penalties Report **Gilchrist/3459**

This reports the monthly penalties from March 1, 2018 through March 31, 2018, and legal actions filed by the General Counsel's Office from March 1, 2018 through March 31, 2018. An Index of District Rules is attached with the penalties report. (Reviewed: Stationary Source Committee, April 20, 2018)

21. Rule and Control Measure Forecast **Fine/2239**

This report highlights SCAQMD rulemaking activities and public workshops potentially scheduled for 2018. (No Committee Review)

22. Report of RFPs/RFQs Scheduled for Release in May **Jain/2804**

This report summarizes the RFPs/RFQs for budgeted services over \$75,000 scheduled to be released for advertisement for the month of May. (Reviewed: Administrative Committee, April 13, 2018; Recommended for Approval)

23. Status Report on Major Ongoing and Upcoming Projects for Information Management **Moskowitz/3329**

Information Management is responsible for data systems management services in support of all SCAQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects. (Reviewed: Administrative Committee, April 13, 2018)

24. Items Deferred from Consent Calendar

BOARD CALENDAR

25. Administrative Committee (Receive & File) **Chair: Burke Nastri/3131**

26. Legislative Committee **Chair: Mitchell Alatorre/3122**

Receive and file; and take the following actions as recommended:

Agenda Item	Recommendation
AB 2091 (Grayson) Fire prevention: prescribed burns	Support with Amendments
AB 2453 (E. Garcia) Air Pollution: schools	Support with Amendments
SB 210 (Leyva) Heavy-Duty Vehicle Inspection and Maintenance Program	Support with Amendments
Proposed Amendments to 2018 SCAQMD State and Federal Legislative Goals and Objectives	Support State Legislative Goals and Objectives without Amendments Support Federal Legislative Goals and Objectives with Amendments

27. Mobile Source Committee (Receive & File) **Chair: Parker Fine/2239**

28. Stationary Source Committee (Receive & File) **Chair: Benoit Tisopoulos/3123**

29. Technology Committee (Receive & File) **Chair: Buscaino Miyasato/3249**

30. Mobile Source Air Pollution Reduction Review Committee (Receive & File) **Board Liaison: Benoit Minassian/2641**

31. California Air Resources Board Monthly Report (Receive & File) **Board Rep: Mitchell Garzaro/2500**

Staff Presentation/Board Discussion

32. Potential Strategies for Facility-Based Mobile Source Measures Adopted in Final 2016 AQMP (*Continued from April 6, 2018 Board Meeting for Board Deliberation and Action Only*) **Fine/2239**

Following the commitment made in the 2016 AQMP, staff has conducted significant public outreach over the past year to identify potential voluntary and, if needed, regulatory emission reduction strategies for sources covered by Facility-Based Mobile Source Measures. After reviewing the feedback received during this process, staff has developed a recommended approach tailored to each of the five facility sectors including airports, marine ports, new and redevelopment projects, rail yards, and warehouses. This recommendation includes a spectrum of potential voluntary and regulatory approaches that show the most promise for achieving emission reductions. Any potential rule or agreements included in this approach would be subject to a full public process, including further public outreach, environmental and economic analysis, and subsequent Board consideration. This action is to seek Board direction for next steps in the development of Facility-Based Mobile Source Measures. (Reviewed: Mobile Source Committee, February 16, 2018)

PUBLIC HEARINGS

33. Adopt Executive Officer's FY 2018-19 Proposed Goals and Priority Objectives, and Draft Budget; and Determine that Proposed Amendments to Regulation III – Fees Are Exempt from CEQA and Amend Regulation III **Jain/2804**

The Executive Officer's Proposed Goals and Priority Objectives, and Draft Budget for FY 2018-19 have been developed and are recommended for adoption. The Draft Budget includes implementation of the phased fee increase adopted by the Board on June 2, 2017 to continue cost recovery efforts. In addition, staff is proposing amendments to Regulation III – Fees. The amendments include: 1) Pursuant to Rule 320, an increase of most fees by 3.4% consistent with the Consumer Price Index; 2) new fees which are necessary to meet the requirements of recently adopted rules and state mandates; and 3) new or increased fees which are necessary to provide more specific cost recovery for other regulatory actions taken by the agency. Staff also recommends other proposed changes to Regulation III, which have no fee impact, but include clarifications, deletions, or corrections to existing rule language. The fee increases have been presented at a Budget Study Session, a Budget Advisory Committee meeting and at two public consultation meetings in March and April with recommendations and comments provided to the Board. This action is to: 1) Adopt the Executive Officer's Proposed Goals and Priority Objectives, and Draft Budget for FY 2018-19; 2) Determine that the proposed amendments to Regulation III - Fees are exempt from the California Environmental Quality Act; and 3) Amend Regulation III. (Reviewed: Special Governing Board Meeting/Budget Study Session, April 13, 2018)

34. Determine that Proposed Amendments to Rule 408 - Circumvention Are Exempt from CEQA and Amend Rule 408

Fine/2239

Proposed Amended Rule 408 would limit the existing exemption from the prohibition on suppressing emissions to cases in which the only violation is an odor nuisance. It otherwise prohibits suppressing or concealing emissions without reducing emissions that violate any air pollution requirement. The proposed amendments would also prohibit temporary alterations to normal business operations or equipment to suppress emissions for the purpose of evading detection or concealing emissions during monitoring or testing. This action is to adopt the Resolution: 1) Determining that the proposed amendments to Rule 408 – Circumvention are exempt from the requirements of the California Environmental Quality Act; and 2) Amending Rule 408 – Circumvention. (Reviewed: Stationary Source Committee, March 16, 2018)

PUBLIC COMMENT PERIOD – (Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3)

BOARD MEMBER TRAVEL – (No Written Material)

Board member travel reports have been filed with the Clerk of the Boards, and copies are available upon request.

CONFLICT OF INTEREST DISCLOSURES – (No Written Material)

Under the approval authority of the Executive Officer, the District will enter into a contract modification with the University of California, Riverside CE-CERT (C156073). The University of California, Riverside CE-CERT is a potential source of income for Governing Board Member Joseph Lyou, which qualifies for the remote interest exception of Section 1090 of the California Government Code. Dr. Lyou abstained from any participation in the making of the contract modification.

CLOSED SESSION - (No Written Material)

Gilchrist/3460

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

It is necessary for the Board to recess to closed session pursuant to Government Code sections 54956.9(a) and 54956.9(d)(1) to confer with its counsel regarding pending litigation which has been initiated formally and to which the SCAQMD is a party. The actions are:

- In the Matter of SCAQMD v. Aerocraft Heat Treating Co., Inc. and Anaplex Corp., SCAQMD Hearing Board Case No. 6066-1 (Order for Abatement);
- SCAQMD v. Anaplex, Los Angeles Superior Court Case No. BC608322 (Paramount Hexavalent Chromium);
- In the Matter of SCAQMD v. Browning-Ferris Industries of California, Inc. dba Sunshine Canyon Landfill, SCAQMD Hearing Board Case No. 3448-14;

- Communities for a Better Environment v. SCAQMD, Los Angeles Superior Court Case No. BS161399 (RECLAIM);
- Communities for a Better Environment v. South Coast Air Quality Management District, Los Angeles Superior Court Case No. BS169841; Safe Fuel and Energy Resources California, et al. v. South Coast Air Quality Management District, Los Angeles Superior Court Case No. BS169923 (Tesoro);
- People of the State of California, ex rel. SCAQMD v. Exide Technologies, Inc., Los Angeles Superior Court Case No. BC533528;
- In re: Exide Technologies, Inc., U.S. Bankruptcy Court, District of Delaware, Case No. 13-11482 (KJC) (Bankruptcy Case);
- Fast Lane Transportation, Inc., et al. v. City of Los Angeles, et al., Court of Appeals, First Appellate District, Case No. A148993 (formerly Contra Costa County Superior Court Case No. MSN14-0300) (SCIG);
- Johnson Controls, Inc., v. SCAQMD, Los Angeles Superior Court Case No. BS173108;
- Rainbow Transfer/Recycling, Inc. v South Coast Air Quality Management District, et al., Los Angeles Superior Case No. BS171620; In the Matter of SCAQMD v. Rainbow Transfer/Recycling, Inc., SCAQMD Hearing Board Case No. 4394-2;
- South Coast Air Quality Management District v. Top Shelf Consulting LLC, Los Angeles Superior Court, Case No. BC676606; In re: Top Shelf Consulting, LLC, U.S. Bankruptcy Court, Central District of California (Los Angeles), Case No. 2:18-bk-11975-ER (Bankruptcy case); and
- In the Matter of SCAQMD v. Torrance Refining Company, LLC, SCAQMD Hearing Board Case No. 6060-5 (Order for Abatement).

CONFERENCE WITH LEGAL COUNSEL – INITIATING LITIGATION

It is also necessary for the Board to recess to closed session pursuant to Government Code section 54956.9(a) and 54956.9(d)(4) to consider initiation of litigation (four cases).

- United States v. Exxon Mobil Corporation, U.S. Court of Appeals, Ninth Circuit, Case No. 18-55481 (amicus brief).

ADJOURNMENT

*****PUBLIC COMMENTS*****

Members of the public are afforded an opportunity to speak on any agenda item before consideration of that item. Please notify the Clerk of the Board, (909) 396-2500, if you wish to do so. All agendas are posted at SCAQMD Headquarters, 21865 Copley Drive, Diamond Bar, California, at least 72 hours in advance of the meeting. At the end of the agenda, an opportunity is also provided for the public to speak on any subject within the SCAQMD's authority. Speakers will be limited to a total of three (3) minutes for the Consent Calendar and Board Calendar and three (3) minutes or less for other agenda items.

Note that on items listed on the Consent Calendar and the balance of the agenda any motion, including action, can be taken (consideration is not limited to listed recommended actions). Additional matters can be added and action taken by two-thirds vote, or in the case of an emergency, by a majority vote. Matters raised under the Public Comment Period may not be acted upon at that meeting other than as provided above.

Written comments will be accepted by the Board and made part of the record, provided 25 copies are presented to the Clerk of the Board. Electronic submittals to cob@aqmd.gov of 10 pages or less including attachment, in MS WORD, PDF, plain or HTML format will also be accepted by the Board and made part of the record if received no later than 5:00 p.m., on the Tuesday prior to the Board meeting.

ACRONYMS

AQ-SPEC = Air Quality Sensor Performance Evaluation Center	NESHAPS = National Emission Standards for Hazardous Air Pollutants
AQIP = Air Quality Investment Program	NGV = Natural Gas Vehicle
AQMP = Air Quality Management Plan	NOx = Oxides of Nitrogen
AVR = Average Vehicle Ridership	NSPS = New Source Performance Standards
BACT = Best Available Control Technology	NSR = New Source Review
Cal/EPA = California Environmental Protection Agency	OEHHA = Office of Environmental Health Hazard Assessment
CARB = California Air Resources Board	PAMS = Photochemical Assessment Monitoring Stations
CEMS = Continuous Emissions Monitoring Systems	PAR = Proposed Amended Rule
CEC = California Energy Commission	PEV = Plug-In Electric Vehicle
CEQA = California Environmental Quality Act	PHEV = Plug-In Hybrid Electric Vehicle
CE-CERT =College of Engineering-Center for Environmental Research and Technology	PM10 = Particulate Matter ≤ 10 microns
CNG = Compressed Natural Gas	PM2.5 = Particulate Matter ≤ 2.5 microns
CO = Carbon Monoxide	PR = Proposed Rule
CTG = Control Techniques Guideline	RECLAIM=Regional Clean Air Incentives Market
DOE = Department of Energy	RFP = Request for Proposals
EV = Electric Vehicle	RFQ = Request for Quotations
FY = Fiscal Year	SCAG = Southern California Association of Governments
GHG = Greenhouse Gas	SIP = State Implementation Plan
HRA = Health Risk Assessment	SOx = Oxides of Sulfur
LEV = Low Emission Vehicle	SOON = Surplus Off-Road Opt-In for NOx
LNG = Liquefied Natural Gas	SULEV = Super Ultra Low Emission Vehicle
MATES = Multiple Air Toxics Exposure Study	TCM = Transportation Control Measure
MOU = Memorandum of Understanding	ULEV = Ultra Low Emission Vehicle
MSERCs = Mobile Source Emission Reduction Credits	U.S. EPA = United States Environmental Protection Agency
MSRC = Mobile Source (Air Pollution Reduction) Review Committee	VOC = Volatile Organic Compound
NATTS =National Air Toxics Trends Station	ZEV = Zero Emission Vehicle

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BOARD MEETING DATE: May 4, 2018

AGENDA NO. 1

MINUTES: Governing Board Monthly Meeting

SYNOPSIS: Attached are the Minutes of the April 6, 2018 meeting.

RECOMMENDED ACTION:

Approve Minutes of the April 6, 2018 Board Meeting.

Denise Garzaro
Clerk of the Boards

DG

FRIDAY, APRIL 6, 2018

Notice having been duly given, the regular meeting of the South Coast Air Quality Management District Board was held at District Headquarters, 21865 Copley Drive, Diamond Bar, California. Members present:

Dr. Clark E. Parker, Sr., Vice Chairman
Senate Rules Committee Appointee

Supervisor Marion Ashley (Left at 11:10 a.m.)
County of Riverside

Council Member Joe Buscaino
City of Los Angeles

Council Member Michael A. Cacciotti
Cities of Los Angeles County – Eastern Region

Dr. Joseph K. Lyou
Governor's Appointee

Mayor Larry McCallon
Cities of San Bernardino County

Mayor Pro Tem Judith Mitchell
Cities of Los Angeles County – Western Region

Council Member Dwight Robinson
Cities of Orange County

Supervisor Janice Rutherford
County of San Bernardino

Supervisor Hilda L. Solis
County of Los Angeles

Members absent:

William A. Burke, Ed.D., Chairman
Speaker of the Assembly Appointee

Mayor Ben Benoit,
Cities of Riverside County

Supervisor Shawn Nelson
County of Orange

CALL TO ORDER: Vice Chairman Parker called the meeting to order at 9:00 a.m.

- Pledge of Allegiance: Led by Mayor Pro Tem Mitchell.
- Opening Comments

Dr. Parker noted that Chairman Burke was not in attendance as he was ill.

Mayor McCallon explained that due to the absence of several Board members, he thought it would be appropriate to delay consideration of Items 18 and 23 to the May 4, 2018 Board meeting and moved that the items be continued. The motion was seconded by Supervisor Ashley.

Dr. Parker noted that a speaker from the firm that performed the public survey was scheduled to provide a presentation on the survey results and asked staff if the speaker could return at a future meeting for additional discussion.

Mr. Nastri noted that Chairman Burke, Mayor Benoit and Supervisor Nelson have been briefed about the findings and potential outcomes of the survey and the item before the Board is for discussion only. He noted that the speaker has indicated that he is available to present at a future meeting, if needed.

Mayor Pro Tem Mitchell recommended that the presentation on Item No. 18 proceed as planned in order to allow for Board member discussion. She asked if Mayor McCallon would consider separating the motion to consider Items 18 and 23 individually and clarified that the motion to continue Item 18 is related to the first item only (18A) concerning the Results of the Public Survey and Proposed Sales Tax Increase.

Mayor McCallon agreed to amend his motion to consider the continuance of Items 18 and 23 separately.

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Staff Presentation/Board Discussion

23. Potential Strategies for Facility Based Mobile Source Measures Adopted in Final 2016 AQMP (*Continued from March 2, 2018 Board Meeting for Board Deliberation and Action only*)

MAYOR MCCALLON MOVED TO CONTINUE AGENDA ITEM NO. 23 TO THE MAY 4, 2018 BOARD MEETING. THE MOTION WAS SECONDED BY SUPERVISOR ASHLEY AND CARRIED BY THE FOLLOWING VOTE:

AYES: Ashley, Buscaino, Cacciotti, Lyou, McCallon, Mitchell, Parker, Robinson, Rutherford and Solis

NOES: None

ABSENT: Benoit, Burke and Nelson

18. Legislative Committee

Agenda Item

Recommendation

Results of Public Survey Regarding Proposed Sales Tax Increase Proposal and Recommendation Regarding Potential Bill

To Full Board for Consideration

Mayor McCallon explained that his motion to continue is related to the first action item only.

MAYOR MCCALLON MOVED TO CONTINUE AGENDA ITEM NO. 18 RELATIVE TO THE RESULTS OF PUBLIC SURVEY REGARDING PROPOSED SALES TAX INCREASE PROPOSAL AND RECOMMENDATION REGARDING POTENTIAL BILL ONLY TO THE MAY 4, 2018 BOARD MEETING. THE MOTION WAS SECONDED BY SUPERVISOR ASHLEY AND FAILED BY THE FOLLOWING VOTE:

AYES: Ashley, McCallon, Robinson and Rutherford

NOES: Buscaino, Cacciotti, Lyou, Mitchell, Parker and Solis

ABSENT: Benoit, Burke and Nelson

- Opening Comments (Continued)

Council Member Cacciotti announced that he attended the San Gabriel Valley Council of Governments meeting on March 15, 2018 where a Ford Police hybrid vehicle was unveiled. He displayed photographs from the event, and also noted that he attended an event at Cal State Los Angeles highlighting the GM EcoCAR3 project, funded in part by SCAQMD where college students apply their

engineering and design skills to develop an alternative fueled police pursuit vehicle using a Chevrolet Camaro. He explained that the Mayor of Duarte, John Fasana, was present at the meeting and expressed concerns to him about the high levels of particulate matter present after fireworks displays on the 4th of July. He suggested addressing pollutants from fireworks and increasing public awareness of this issue.

- Presentation of Retirement Award to Phillip Hubbard III

Dr. Parker presented a retirement award to Phillip Hubbard III, in recognition of over 35 years of dedicated District service.

CONSENT CALENDAR

1. Approve Minutes of March 2, 2018 Board Meeting
2. Set Public Hearing May 4, 2018 to Consider Adoption of and/or Amendments to SCAQMD Rules and Regulations:
 - A. Adopt Executive Officer's FY 2018-19 Proposed Goals and Priority Objectives, and Draft Budget; and Determine that Proposed Amendments to Regulation III – Fees Are Exempt from CEQA and Amend Regulation III
 - B. Determine that Proposed Amendments to Rule 408 – Circumvention Are Exempt from CEQA and Amend Rule 408

Budget/Fiscal Impact

3. Recognize and Transfer Funds, Execute and Amend Agreements for Installation and Maintenance of Air Filtration Systems, and Reimburse General Fund for Administrative Costs
4. Recognize Revenue to Replace School and Shuttle Buses and Execute Contract for Battery Electric Shuttle Bus Replacement Project and Reimburse General Fund for Administrative Costs
5. Execute Contracts to Conduct Commercial Electric Lawn and Garden Equipment Incentive and Exchange Program in Environmental Justice Areas and Reimburse General Fund for Administrative Costs
6. Appropriate Funds and Execute Contract for Strategic Consulting Services

7. Remove Various Fixed Assets from SCAQMD Inventory
8. Approve Contract Awards and Amendments and Issue Solicitation Approved by MSRC

Action Item/No Fiscal Impact

9. Appoint Members to Deferred Compensation Plan Committee

Items 10 through 15 – Information Only/Receive and File

10. Legislative, Public Affairs and Media Report
11. Hearing Board Report
12. Civil Filings and Civil Penalties Report
13. Lead Agency Projects and Environmental Documents Received by SCAQMD
14. Rule and Control Measure Forecast
15. Status Report on Major Ongoing and Upcoming Projects for Information Management

Dr. Lyou announced his abstention on Item No. 3 because IQAir North America is a potential source of income to him.

Mayor Pro Tem Mitchell noted that she is a Board Member of the CARB which is involved with Item Nos. 3 and 5.

Mayor Benoit and Supervisor Ashley noted that they are members of the Riverside County Transportation Commission which is involved with Item No. 8.

Due to a number of requests to speak received on Consent Calendar items 2A, 4, 5, 6, 13, and 14, the vote on the Consent Calendar was deferred until after those comments were made.

16. Items Deferred from Consent Calendar

2. Set Public Hearing May 4, 2018 to Consider Adoption of and/or Amendments to SCAQMD Rules and Regulations:

- A. Adopt Executive Officer's FY 2018-19 Proposed Goals and Priority Objectives, and Draft Budget; and Determine that Proposed Amendments to Regulation III – Fees Are Exempt from CEQA and Amend Regulation III

Harvey Eder, Public Solar Power Coalition, noted that the priority goals and objectives should be developed to include solar technologies because of the cost savings and emission reduction benefits.

4. Recognize Revenue to Replace School and Shuttle Buses and Execute Contract for Battery Electric Shuttle Bus Replacement Project and Reimburse General Fund for Administrative Costs

Mr. Eder expressed support for contracts that include solar-electric buses.

5. Execute Contracts to Conduct Commercial Electric Lawn and Garden Equipment Incentive and Exchange Program in Environmental Justice Areas and Reimburse General Fund for Administrative Costs

Mr. Eder expressed support for solar-powered electric lawn and garden equipment.

Council Member Cacciotti noted that the District recently received three million dollars in grant funding from U.S. EPA and asked staff to provide information on outreach efforts.

Dr. Matt Miyasato, DEO/Science and Technology Advancement, responded that the outreach has included contact with the local COGs and city governments including targeted email messages to parks and recreation centers. Staff is also exploring the possibility of public service announcements on local cable channels and radio advertisements in multiple languages, as well as requesting that the equipment vendors assist with outreach.

6. Appropriate Funds and Execute Contract for Strategic Consulting Services

Mr. Eder stressed the importance of contracts with consultants that support solar energy alternatives.

13. Lead Agency Projects and Environmental Documents Received by SCAQMD
14. Rule and Control Measure Forecast

For Item Nos. 13 and 14, Mr. Eder spoke in support of policies that support complete solar conversion.

MOVED BY BUSCAINO, SECONDED BY CACCIOTTI, AGENDA ITEMS 1 THROUGH 15 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: Ashley, Buscaino, Cacciotti, Lyou (*except Item #3*), McCallon, Mitchell, Parker, Robinson, Rutherford and Solis

NOES: None

ABSTAIN: Lyou (*Item #3 only*)

ABSENT: Benoit, Burke and Nelson

BOARD CALENDAR

17. Administrative Committee
18. Legislative Committee
19. Stationary Source Committee
20. Technology Committee
21. Mobile Source Air Pollution Reduction Review Committee
22. California Air Resources Board Monthly Report

Agenda Item No. 18 was withheld for comment and discussion.

18. Legislative Committee

Mr. Eder expressed support for legislative bills that support solar electric technologies and noted that SB 100 supports solar conversion and encouraged the Board to support the bill.

18. Legislative Committee

Agenda Item	Recommendation
Results of Public Survey Regarding Proposed Sales Tax Increase Proposal and Recommendation Regarding Potential Bill	To Full Board for Consideration

Denny Zane, Move LA, highlighted the success of the Carl Moyer Program in achieving emission reductions in the District and noted the importance of increased funding opportunities to support clean air efforts. He encouraged support for incentive programs for heavy-duty truck conversion and programs that address goods movement and alternative transportation options in the region. He urged the use of other revenue options to assist in achieving clean air goals and stated that the results of the public survey show an opportunity for greater clean air efforts.

Eli Lipman, Move LA, expressed concerns about the health effects of air pollution and noted that he resides near two of the busiest freeways in Los Angeles. He encouraged support for zero-and near zero-emission vehicles and alternative transit options within the region. He noted the importance of addressing regional issues related to air pollution such as goods movement, Metrolink and the Ports. He encouraged the use of a public process to allow input by all stakeholders.

Rick Sklarz, FM3 Research, presented a summary of key findings of the recent survey done for SCAQMD.

Mayor Pro Tem Mitchell expressed interest in the results showing that a majority of respondents did not know about the SCAQMD but they noted strong interest in funding air quality initiatives. She noted the importance of public outreach to allow for greater visibility and knowledge of the SCAQMD and asked staff to provide information about how other air districts conduct public outreach.

Mr. Nastri noted that the Bay Area AQMD spends roughly two million dollars annually on public outreach through media and advertising campaigns such as the "Spare the Air" program that educates residents about air pollution and encourages actions to improve air quality in the Bay Area, including increased use of public transportation during high pollution days. Advertising is focused within the Metro, BART and municipal transportation system to promote the agency and cleaner forms of transportation.

Mayor Pro Tem Mitchell expressed support for increased public outreach efforts and increased collaboration with regional transit agencies.

Dr. Lyou acknowledged the importance of surveying registered and non-registered voters and inquired if only registered voters were surveyed in the recent survey by FM3.

Mr. Sklarz responded that only registered voters in the District were surveyed and that generally, registered voters are more engaged with public and civic affairs and more likely to know about the SCAQMD.

Dr. Lyou noted the importance of knowing the opinions of registered voters before initiating a sales tax proposal and stressed the importance of increasing public awareness of air quality issues.

Mr. Nastri explained that staff has begun the process to release an RFP for a public relations and marketing firm with expertise in public awareness campaigns to assist in these efforts. He added that public input on how to best communicate with the public is brought up at many community meetings and one of the common suggestions is to work with schools and utilize social media.

Supervisor Solis noted that the survey showed that minority groups knew very little about the SCAQMD but had the highest concerns for air quality issues. She added that it is important to know what is important to the likely voters in the different demographic categories and inquired about the over sampling of African-Americans in the survey.

Mr. Sklarz responded that in order to provide a representative sample of registered voters, the African-American population was over sampled. The demographic make-up of registered voters for other represented ethnicities in the District was sufficient to provide statistically useful data.

Supervisor Solis commented on the need to increase public awareness and the importance of branding and promoting SCAQMD projects. It is also useful to seek information from other entities that have passed sales tax measures. She added that cultural competency is needed in order to better target outreach. She suggested partnering with public health agencies to provide greater awareness of health impacts associated with air pollution. She inquired about the communications budget for the District.

Mr. Nastri responded the budget for communications and outreach is included in individual programs rather than one overall account, so that can be hard to quantify.

Mayor McCallon inquired about how the survey was administered.

Mr. Sklarz responded that 574 interviews were conducted by phone and 916 interviews were completed online and that both methods were used in order to balance the sample population and provide proportional and representative information. There were approximately 65 questions on the survey but not all questions were asked of each individual respondent because of split sampling methods. In order to be included in the sample, the entire questionnaire needed to be completed.

Council Member Cacciotti commented on the former "Rideshare Thursday" campaign promoted by Metrolink and the lack of public support and knowledge about the campaign. He recommended outreach to ethnic and faith-based communities to raise public awareness of clean air issues.

Council Member Robinson noted that it is his understanding that a sales tax increase would likely need a two-thirds vote in order to be enacted. He commented that each individual bears responsibility for doing their part to clean the air because collectively we can make a difference. He agreed that there is a lack of awareness about the SCAQMD but noted that the focus should be on cleaning the air and not branding of the District. He noted that he does not support increased sales tax and explained that housing, homelessness and transportation improvements have a greater importance to voters.

Dr. Parker commented that the population growth in California since the 1950's has resulted in increased challenges in air pollution control, transportation and housing. He noted that progress has been made in cleaning the air but more needs to be done and more funding will be necessary in order to make further progress. He expressed the importance of allowing voters to decide whether they wish to increase the sales tax to fund programs to clean the air and concurred with fellow Board Members that reducing pollution is more important than branding the SCAQMD.

Mayor Pro Tem Mitchell suggested that the Legislative Committee work on these issues and have another Board discussion in a few months.

Dr. Lyou concurred with fellow Board Members about placing more attention on the product of clean air rather than branding the SCAQMD and expressed support for the item returning to Legislative Committee for further discussion. He acknowledged the challenges associated with raising revenue through sales tax, adding that a sales tax increase may be the only way to raise the funds necessary to reach clean air attainment goals.

Dr. Parker explained that the Legislative Committee report item relative to the Results of Public Survey Regarding Proposed Sales Tax Increase Proposal and Recommendation Regarding Potential Bill was received and filed.

MOVED BY MITCHELL, SECONDED BY ASHLEY, AGENDA ITEMS 17 THROUGH 22, APPROVED AS RECOMMENDED, RECEIVING AND FILING THE COMMITTEE, AND MSRC REPORTS, AND APPROVING THE FOLLOWING POSITIONS ON LEGISLATION, BY THE FOLLOWING VOTE:

AYES: Ashley, Buscaino, Cacciotti, Lyou, McCallon, Mitchell, Parker, Robinson, Rutherford and Solis

NOES: None

ABSENT: Benoit, Burke and Nelson

Agenda Item	Recommendation
AB 2548 (Friedman) Commute benefit policies: Los Angeles County Metropolitan Transportation Authority: South Coast Air Quality Management District	Oppose Unless Amended
AB 2008 (Salas) Income taxes: exclusion: Carl Moyer Memorial Air Quality Standards Attainment Programs grants	Support With Amendments
AB 2506 (Burke) State vehicle fleet: near-zero-emission vehicles	Support With Amendments

PUBLIC HEARING

24. Determine that Proposed Amendments to Rule 1178 – Further Reductions of VOC Emissions from Storage Tanks at Petroleum Facilities and Rule 219 - Equipment Not Requiring a Written Permit Pursuant to Regulation II Are Exempt from CEQA; and Amend Rules 1178 and 219

Supervisor Ashley announced his abstention on Item No. 24 because of a financial interest in Chevron and left the room during the discussion of the item.

David DeBoer, Planning and Rules Manager, gave the staff presentation on Item No. 24.

The public hearing was opened, and there being no requests to speak, the public hearing was closed.

MOVED BY CACCIOTTI, SECONDED BY MITCHELL, AGENDA ITEM NO. 24 APPROVED AS RECOMMENDED, ADOPTING RESOLUTION NO. 18-8 DETERMINING THAT THE PROPOSED AMENDMENTS TO RULE 1178 AND RULE 219 ARE EXEMPT FROM THE REQUIREMENTS OF CEQA AND AMENDING RULE 1178 – FURTHER REDUCTIONS OF VOC EMISSIONS FROM STORAGE TANKS AT PETROLEUM FACILITIES AND RULE 219 – EQUIPMENT NOT REQUIRING A WRITTEN PERMIT PURSUANT TO REGULATION II, BY THE FOLLOWING VOTE:

AYES: Buscaino, Cacciotti, Lyou, McCallon, Mitchell, Parker, Robinson, Rutherford and Solis

NOES: None

ABSENT: Ashley, Benoit, Burke and Nelson

OTHER BUSINESS

- 25. Approve Amendment to Executive Management Agreement with General Counsel

John Olvera, Assistant DEO/Administrative and Human Resources, summarized the proposed amendment to the Executive Management Agreement with the General Counsel, which includes an increase to the base salary and noting that the amendment is comparable to the Executive Officer’s contract with regard to the payment for compensatory time off.

MOVED BY CACCIOTTI, SECONDED BY MCCALLON, AGENDA ITEM NO. 25 APPROVED AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: Buscaino, Cacciotti, Lyou, McCallon, Mitchell, Parker, Robinson, Rutherford and Solis

NOES: None

ABSENT: Ashley, Benoit, Burke and Nelson

26. Approve Three-Year Labor Agreement with SCAQMD Professional Employees Association

Mr. Olvera summarized the proposed three-year labor agreement with the SCAQMD Professional Employees association.

MOVED BY SOLIS, SECONDED BY CACCIOTTI, AGENDA ITEM NO. 26 APPROVED, AS RECOMMENDED, BY THE FOLLOWING VOTE:

AYES: Buscaino, Cacciotti, Lyou, McCallon, Mitchell, Parker, Robinson, Rutherford and Solis

NOES: None

ABSENT: Ashley, Benoit, Burke and Nelson

PUBLIC COMMENT PERIOD – (Public Comment on Non-Agenda Items, Pursuant to Government Code Section 54954.3)

Mr. Eder expressed concerns about his litigation against the District and CARB.

Barbara Baird, Chief Deputy Counsel, responded that the District has filed along with the California State Attorney General's office, a demurrer challenging the sufficiency of the complaint because this Clean Air Act case can only be heard in Federal Court.

Dr. Parker recommended that Mr. Eder direct his concerns regarding litigation to the District Counsel.

CLOSED SESSION

The Board recessed to closed session at 11:25 a.m., pursuant to Government Code sections:

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

- 54956.9(a) and 54956.9(d)(1) to confer with its counsel regarding pending litigation which has been initiated formally and to which the SCAQMD is a party. The action is:

SCAQMD v. EPA, U.S. Court of Appeals, D.C. Circuit, Case No. 15-1115 (consolidated with 15-1123, Sierra Club, et al. v. EPA) (Out-of-Area RFP Ozone).

CONFERENCE WITH LEGAL COUNSEL – INITIATING LITIGATION

- 54956.9(a) and 54956.9(d)(4) to consider initiation of litigation (two cases).

Following closed session, Mr. Gilchrist announced that a report of any reportable actions taken in closed session will be filed with the Clerk of the Board's office and made available to the public upon request.

ADJOURNMENT

There being no further business, the meeting was adjourned by Mr. Gilchrist at 11:40 a.m.

The foregoing is a true statement of the proceedings held by the South Coast Air Quality Management District Board on April 6, 2018.

Respectfully Submitted,

Denise Garzaro
Clerk of the Boards

Date Minutes Approved: _____

Dr. William A. Burke, Chairman

ACRONYMS

CARB = California Air Resources Board

CEQA = California Environmental Quality Act

COG = Council of Governments

FY = Fiscal Year

MSRC = Mobile Source (Air Pollution Reduction) Review Committee

PM = Particulate Matter

RFP = Request for Proposals

U.S. EPA = United States Environmental Protection Agency

VOC = Volatile Organic Compound

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 2

PROPOSAL: Set Public Hearings to Consider Adoption of and/or Amendments to SCAQMD Rules and Regulations

June 1, 2018:

(A) Certify Final Environmental Assessment and Amend Rules 1146, 1146.1, 1146.2 and Adopt Rule 1100

The adoption Resolution of the Final 2016 AQMP directed staff to achieve additional NO_x emission reductions and to transition the RECLAIM program to a command-and-control regulatory structure as soon as practicable. PARs 1146, 1146.1 and 1146.2 represent the first set of command-and-control rules that establish Best Available Retrofit Control Technology requirements that RECLAIM facilities with equipment applicable to these rules will be required to meet. Proposed Rule 1100 - Implementation Schedule for NO_x Facilities establishes the compliance schedule for PARs 1146 and 1146.1 equipment for facilities exiting the RECLAIM program. PAR 1146.2 includes the compliance schedule for equipment regulated under this rule. This action is to adopt the Resolution:

1) Certifying the Final Environmental Assessment for Proposed Amended Rules 1146 - Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters; 1146.1 - Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters; 1146.2 - Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers and Process Heaters; and Proposed Rule 1100 - Implementation Schedule for NO_x Facilities; 2) Amending Rules 1146, 1146.1, 1146.2; and 3) Adopting Rule 1100. (Reviewed: Stationary Source Committee, April 20, 2018)

July 6, 2018:

- (B) Certify Final Environmental Assessment and Amend Rule 1469 – Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations

Rule 1469 currently establishes requirements to control hexavalent chromium from electroplating and chromic acid anodizing operations. PAR 1469 proposes new requirements to control hexavalent chromium-containing tanks that are currently not regulated. In addition, PAR 1469 establishes requirements for building enclosures, housekeeping and best management practices, periodic source testing, and parameter monitoring of pollution control equipment. PAR 1469 includes provisions for a revised chemical fume suppressant certification process that further considers toxicity and exposure, and provisions to encourage the elimination of hexavalent chromium in Rule 1469 processes. Additional proposed amendments are incorporated to align Rule 1469 with the U.S. EPA National Emission Standards for Hazardous Air Pollutants for Chromium Electroplating. This action is to adopt the Resolution: 1) Certifying the Final Environmental Assessment for Proposed Amended Rule 1469 – Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations; and 2) Amending Rule 1469 – Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations. (Reviewed: Stationary Source Committee, November 17, 2017, February 16, March 16 and April 20, 2018)

The complete text of the proposed amendments, staff report and other supporting documents will be available from the SCAQMD's Public Information Center, (909) 396-2001 and on the Internet (www.aqmd.gov) as of May 2, 2018 for Rules 1100, 1146, 1146.1 and 1146.2, and as of June 6, 2018 for Rule 1469.

RECOMMENDED ACTION:

Set Public Hearings June 1, 2018 to adopt Rule 1100, and amend Rules 1146, 1146.1 and 1146.2 and set public hearing July 6, 2018 to amend Rule 1469.

Wayne Nastri
Executive Officer

dg

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 3

PROPOSAL: Execute Contract to Develop and Certify Near-Zero Emission Propane Engine for On-Road Medium-Duty Vehicles

SYNOPSIS: The SCAQMD helped to develop near-zero emission CNG engines that are 90% cleaner than the current heavy-duty engine standard, and those engines are now available in the market. There is a need, however, to develop and certify near-zero engines for medium-duty vehicles. Roush CleanTech proposes to modify an existing Ford 6.8-liter propane engine to achieve certification at near-zero NOx for use in Type C school buses and cutaway trucks and vans. This action is to execute a contract with Roush CleanTech to develop, demonstrate and certify a 6.8-liter near-zero emission propane engine in an amount not to exceed \$488,750 from the Clean Fuels Program Fund (31).

COMMITTEE: Technology, April 20, 2018; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Chairman to execute a contract with Roush CleanTech for the development, demonstration and certification of a 6.8-liter ultra-low emission propane fueled engine for on-road medium-duty vehicles in an amount not to exceed \$488,750 from the Clean Fuels Program Fund (31).

Wayne Nastri
Executive Officer

MMM:FM:NB:JL

Background

The 2016 AQMP highlights the need to lower NOx emissions, which are precursors to ozone formation in the South Coast Air Basin (Basin). The SCAQMD helped develop near-zero emission CNG engines that are 90% cleaner than the current heavy-duty engine standard. Those natural gas engines have been certified and are commercially available and eligible for incentives through SCAQMD programs offering funding for buses and heavy-duty trucks. There is a need, however, to develop and certify near-zero engines for medium-duty vehicles, such as Type C buses as well as cutaway trucks and

vans. Propane powered engines are preferred by some school districts and fleets and others desiring options for turning over their existing high emissions fleet vehicles to near-zero vehicles.

Proposal

This action is to execute a contract with Roush CleanTech to modify, demonstrate and certify a Ford 6.8-liter to achieve a near-zero NOx emission propane engine for use in on-road medium-duty vehicle applications. The project is intended to advance engine and aftertreatment technologies in the current 6.8-liter propane engine classification to achieve NOx emission levels that are at least 90% lower than 2010 engine emission certification standards. Roush CleanTech will be required to conduct engine and aftertreatment development tasks to achieve the ultra-low emissions target and perform validation and durability testing to confirm the robustness of their technology pathway. Once developed, the engine will be tested using both the Federal Test Procedure for emissions certification and non-certification test cycles representative of real-world use in different vocations that are prevalent in the Basin. The use of vocational specific test cycles will provide additional insight towards the engine's real-life emission reduction potential. The project will ultimately conclude with the engine being integrated into on-road heavy-duty chassis and placed in commercial service to fully validate its performance and viability.

Benefits to SCAQMD

Projects to support near-zero emissions are included in the *Technology Advancement office Clean Fuels Program 2018 Plan Update* under the category Engine Systems. Near-zero NOx propane engines will lead to further technology pathways in the advancement of near-zero NOx natural gas engines for medium-duty vehicles. Furthermore, this will expand the number of engine offerings for SCAQMD incentive programs, which will contribute toward lower emissions, particularly in environmental justice communities.

Sole Source Justification

Section VIII.B.1 of the Procurement Policy and Procedure identifies provisions by which sole source awards may be justified. This request for a sole source award is made under provision B.2.c.: The desired services are available from only the sole-source based upon one or more of the following reasons: B.2.c.(1): The unique experience and capabilities of the proposed contractor or contractor team; B.2.c.(2): The project involves the use of proprietary technology; and B.2.c.(3): The contractor has ownership of key assets required for project performance. The contractor has significant investment as a manufacturer with over 40 years of experience. As a certified Ford Qualified Vehicle Manufacturer in alternative fuels and proven capability to develop and certify these Ford engines, Roush CleanTech provides a product with emission reductions and fueling options for medium-duty vehicles.

Resource Impacts

SCAQMD’s cost-share from the Clean Fuels Program Fund (31) will not exceed \$488,750. The estimated total project costs are \$1,955,000, as summarized below:

Proposed Project Cost-Share

Funding Source	Funding Amount	% of Project
Roush CleanTech	\$1,466,250	75
SCAQMD (<i>requested</i>)	\$488,750	25
Total	\$1,955,000	100

Sufficient funds are available from the Clean Fuels Fund (31), established as a special revenue fund resulting from the state-mandated Clean Fuels Program. The Clean Fuels Program, under Health and Safety Code Sections 40448.5 and 40512 and Vehicle Code Section 9250.11, establishes mechanisms to collect revenues from mobile sources to support projects to increase the utilization of clean fuels, including the development of the necessary advanced enabling technologies. Funds collected from motor vehicles are restricted, by statute, to be used for projects and program activities related to mobile sources that support the objectives of the Clean Fuels Program.

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 4

PROPOSAL: Recognize Revenue, Appropriate and Transfer Funds and Issue Purchase Orders for Air Monitoring Programs and Equipment

SYNOPSIS: SCAQMD anticipates receiving up to \$686,579 from the U.S. EPA and the California Air Pollution Control Officers Association for the PM2.5 Program. These actions are to recognize this revenue and appropriate funds for the PM2.5 Program into Science & Technology Advancement's (STA's) FY 2017-18 Budget and carry over any unexpended funds into STA's FY 2018-19 Budget. These actions are to also appropriate up to \$178,484 for the remaining prior year's PAMS funding into STA's FY 2017-18 Budget and carry over any unexpended funds into STA's FY 2018-19 Budget; appropriate up to \$37,705 for FY 2017-18 Supplemental CARB Subvention funds into STA's FY 2017-18 Budget; reallocate \$30,000 from MATES V capital outlay savings within STA's FY 2017-18 Budget to purchase equipment; and transfer \$60,000 between Major Objects in STA's FY 2017-18 Budget to purchase a yearly subscription to a monitoring network data software system. Finally, these actions are to issue purchase orders for air monitoring equipment.

COMMITTEE: Administrative, April 13, 2018; Recommended for Approval

RECOMMENDED ACTIONS:

1. Recognize and appropriate, upon receipt, up to \$212,800 from U.S. EPA for the FY 2018 PM2.5 Monitoring Program into Science & Technology Advancement's FY 2017-18 Budget (Org 47) (\$461,000 was previously included in Salary and Employee Benefits within the FY 2017-18 Budget), as set forth in Table 1.
2. Recognize and appropriate, upon receipt, up to \$12,779 in U.S. EPA PM2.5 Grant funds (through a sub-recipient agreement with the California Air Pollution Control Officers Association) for purchasing air monitoring equipment into Science & Technology Advancement's FY 2017-18 Budget (Org 44), as set forth in Table 1.
3. Appropriate any PM2.5 funds not expended by June 30, 2018, into Science & Technology Advancement's FY 2018-19 Budget, Services and Supplies and/or Capital Outlays Major Objects (Org 47 or 44).

4. Appropriate up to \$178,484 for remaining prior year's PAMS funds from the General Fund Unassigned (Undesignated) Fund Balance into Science & Technology Advancement's FY 2017-18 Budget (Org 47), Services and Supplies Major Object, as set forth in Table 2.
5. Appropriate any PAMS funds not expended by June 30, 2018, into Science & Technology Advancement's FY 2018-19 Budget, Services and Supplies and/or Capital Outlays Major Objects (Org 47).
6. Appropriate up to \$37,705 for FY 2017-18 Supplemental CARB Subvention funds from the General Fund Unassigned (Undesignated) Fund Balance and reallocate \$30,000 from MATES V capital outlay savings into Science & Technology Advancement's FY 2017-18 Budget (Org 44), Capital Outlays Major Object, for the purchase of an ammonia gas analyzer (Table 3).
7. Transfer \$60,000 from the Capital Outlays Major Object to the Services and Supplies Major Object in Science & Technology Advancement's FY 2017-18 Budget (Org 44) to purchase a yearly subscription to Envirosuite's monitoring network data software system.
8. Authorize the Procurement Manager, in accordance with SCAQMD Procurement Policy and Procedure, to issue sole source purchase orders for:
 - a. One ammonia gas analyzer from Picarro Inc. in an amount not to exceed \$67,705 (Table 3);
 - b. One Partisol PM2.5 FRM sequential monitor from Thermo Fisher Scientific, Inc., in an amount not to exceed \$20,000 (Table 1); and
 - c. Two T640 PM2.5 continuous FEM monitors from Teledyne API in an amount not to exceed \$60,000 (Table 1).

Wayne Nastri
Executive Officer

MMM:JCL:KD:AP:AK

Background

PM2.5 Program

Since 1998, U.S. EPA has provided funds under Section 103 for a comprehensive PM2.5 Air Monitoring Program. To date, there are 20 ambient SCAQMD monitoring stations operating 23 Federal Reference Method (FRM) PM2.5 monitors under U.S. EPA funding and 17 Federal Equivalent Method (FEM) PM2.5 continuous monitors. In addition, U.S. EPA has supported the expansion of the network to collect ongoing PM2.5 mass and chemical speciation at several sites within the South Coast Air Basin. The chemical speciation of fine particulate matter helps with the characterization of PM2.5 sources, air quality conditions and health impacts. SCAQMD is expected to receive up to \$673,800 from the U.S. EPA for the annually funded PM2.5 Program.

In December 2017, the SCAQMD was informed that it can expect to receive up to \$12,778.63 in one-time U.S. EPA PM2.5 Grant funds through a sub-recipient agreement with the California Air Pollution Control Officers Association (CAPCOA) to purchase FEM equipment for monitoring PM2.5. This is part of an effort to encourage phasing out filter-based FRM sequential samplers for collecting PM2.5 filter samples for gravimetric analysis and replacing them with more advanced instruments for monitoring PM2.5 on an hourly or near real-time basis.

PAMS Program

In February 1993, the U.S. EPA promulgated the PAMS regulations for areas classified as serious, severe or extreme non-attainment for ozone. These regulations require SCAQMD to conduct monitoring for ozone precursors with enhanced monitoring equipment at multiple sites. The PAMS Program also funds the meteorological upper air profilers at five locations. Since the onset of the PAMS Program, the U.S. EPA has annually allocated Section 105 supplemental grant funds in support of this requirement.

CARB Supplemental Subvention and MATES V Funding

FY 2017-18 CARB Supplemental Subvention in the amount of \$37,705 is available for the purchase of equipment. In July 2017, the Board had approved \$72,000 for the purchase of two dilution systems under the MATES V Program and actual expenditures were below the authorized amount. A \$30,000 savings from the purchase of the dilution systems will be combined with the CARB Supplemental Subvention funding to purchase an ammonia gas analyzer in an amount not to exceed \$67,705.

Monitoring Network Data Software

The Science & Technology Advancement (STA) FY 2017-18 Budget included funding under the Capital Outlays Major Object for the purchase of a subscription to Envirosuite, an air quality monitoring network data visualization and analysis system designed to support the management of air quality data in real-time. It was later determined that Envirosuite's system is a scalable Software as a Service (SaaS) product that does not require the purchase of software or a license, and is not an intangible or capital asset. Therefore, a transfer of funds from the Capital Outlays Major Object to Services and Supplies Major Object is required before this product can be procured.

Proposal

PM2.5 Program (FYs 2017-18 and/or 2018-19)

SCAQMD anticipates receiving a U.S. EPA award of \$673,800 in Section 103 Grant funds for the continuation of the PM2.5 Program through March 31, 2019. These actions are to recognize revenue up to \$212,800 from U.S. EPA for the FY 2018 PM2.5 Monitoring Program and appropriate funds into STA's FY 2017-18 Budget (\$461,000 was previously included in Salary and Employee Benefits Major Object within the FY 2017-18 Budget), as set forth in Table 1. These actions are to also recognize revenue up to \$12,779 in U.S. EPA PM2.5 Grant funds through a sub-recipient agreement with

CAPCOA and appropriate funds into STA's FY 2017-18 Budget as partial payment for the sole source purchase of FEM equipment for monitoring PM2.5 (see Table 1). The balance required to purchase this PM2.5 monitor (approximately \$17,221) will be covered using part of the U.S. EPA Section 103 Grant funds. Any funds not expended by June 30, 2018, will be appropriated into STA's FY 2018-19 Budget.

PAMS Program (FYs 2017-18 and/or 2018-19)

There is a balance of \$178,484 from the previous year's PAMS funding. This action is to appropriate up to \$178,484 into STA's FY 2017-18 Budget, as set forth in Table 2. Any funds not expended by June 30, 2018, will be appropriated into STA's FY 2018-19 Budget.

CARB Supplemental Subvention and MATES V Funding

An ammonia gas analyzer is needed for the speciation of PM2.5 along with regional modeling efforts. Consequently, these actions are to appropriate up to \$37,705 for FY 2017-18 Supplemental CARB Subvention funds and reallocate \$30,000 from MATES V capital outlay savings into STA's FY 2017-18 Budget, Capital Outlays Major Object, for the purchase of an ammonia gas analyzer (see proposed purchases below).

Monitoring Network Data Software

This action is to transfer \$60,000 from Capital Outlays Major Object to Services and Supplies Major Object in STA's FY 2017-18 Budget to purchase the yearly subscription for Envirosuite's air quality monitoring network data visualization and analysis system. It will not be an intangible or capital asset. A monthly fee will be paid to Envirosuite to run their cloud computing system interface software on a Web browser.

Proposed Purchases through Sole Source Purchase Orders

Ammonia Gas Analyzer

An ammonia gas analyzer is needed to help with the verification of the ammonia inventory used for the speciation of PM2.5 along with regional modeling efforts. This instrument provides near real-time measurements that will coincide with the chemical speciation of fine particulate matter. Historically, the SCAQMD has used fine particulate filter samples for the analysis of ammonia. Due to the need to identify the wood smoke contribution to fine particulate matter, the filter historically used for ammonia measurements is now being analyzed for wood smoke precursors for the MATES V study. Two ammonia gas analyzers are needed to supplement the fine particulate speciation; one is being provided by the University of California Riverside and staff recommends procuring the other instrument through a sole source purchase order from Picarro Inc. The estimated cost of the ammonia gas analyzer is \$67,705 (see Table 3).

Partisol PM2.5 FRM Monitor

The U.S. EPA Section 103 grant award includes one-time funding for the purchase of one FRM sequential PM2.5 sampler from Thermo Fisher Scientific, Inc. The Partisol PM2.5 monitor is the only commercially available FRM sampler still in use in SCAQMD's air monitoring network; and it is the only monitor that would allow SCAQMD to satisfy U.S. EPA collocation requirements, which dictate that new FRM samplers added to the network must use the same sampler/method code as those that are already in operation within the network. The cost of this sampler will not exceed \$20,000 (see Table 1).

T640 PM2.5 Continuous FEM Monitor

The U.S. EPA Section 103 Grant award includes one-time funding of \$30,000 for the purchase of one Teledyne API T640 PM2.5 continuous FEM monitor. Additional funding from this Section 103 Grant award of approximately \$17,221 will be added to the funding received through the sub-recipient agreement with CAPCOA for the purchase of a second Teledyne T640 instrument (see Table 1). The Teledyne API Model T640 is the only real-time, continuous PM2.5 mass monitor that uses scattered light spectrometry for measurement and can provide one-minute or better time resolution. Because of the proprietary technology used, this instrument requires less maintenance than more traditional filter-based FEM samplers used in our network. Thus, this specific monitor has the potential to reduce operational costs associated with running the SCAQMD PM2.5 monitoring network. The cost of the two instruments will not exceed \$60,000 (see Table 1).

Sole Source Justification

Section VIII.B.2 of the Procurement Policy and Procedure identifies four major provisions under which a sole source award may be justified. The request for sole source purchases from Picarro Inc. is made under Section VIII.B.2.c (3): The project involves the use of proprietary technology. Picarro Inc. is the only manufacturer of an ammonia analyzer that is portable, rugged and capable of parts-per-billion sensitivity.

Section VIII.B.3 of the Procurement Policy and Procedure identifies four major provisions under which a sole source award funded, in whole or in part with federal funds, may be justified. Specifically, this request for two sole source awards is made under the provision B.3.a.: The item is available only from a single source. The Partisol PM2.5 monitor from Thermo Fisher Scientific, Inc., is the only instrument that would allow SCAQMD to satisfy U.S. EPA collocation requirements, which dictate that new FRM samplers added to the network must use the same sampler/method code as those that are already in operation within the network. The Teledyne API T640 FEM instrument is the only real-time, continuous PM2.5 mass monitor that uses scattered light spectrometry for measurement and can provide one-minute or better time resolution.

Resource Impacts

The U.S. EPA estimates that SCAQMD will receive a Section 103 FY-2018 PM2.5 Grant award of up to \$673,800. Of this amount, \$461,000 has already been included in STA’s budget, leaving \$212,800 to be appropriated through this Board action. Additionally, the SCAQMD may receive up to \$12,779 in PM2.5 funds through a sub-recipient agreement from CAPCOA. Accordingly, up to \$225,579 in revenue will be recognized and appropriated as set forth in Table 1. U.S. EPA Section 103 Grant funding will support the continuation of the PM2.5 Monitoring Program, including equipment and services and supplies necessary to meet the objectives of the Program.

The U.S. EPA prior year’s remaining PAMS Program funds will help support continued efforts under the PAMS Program.

FY 2018 PM2.5 funding, FY 2017-18 CARB Supplemental Subvention Funding and MATES V funding will support the purchases of air monitoring equipment for PM2.5 and ammonia measurements in amounts not to exceed \$80,000 and \$67,705, respectively, from STA’s FY 2017-18 Budget (Org 47 or 44), Capital Outlays Major Object, as indicated in Tables 1 and 3.

Attachments

Table 1 - Proposed PM2.5 Expenditures FY 2017-18 and/or 2018-19

Table 2 - Proposed PAMS Expenditures for FY 2017-18 (Remaining Prior Year’s Balance)

Table 3 - Proposed Purchase through Sole Source Purchase Order

Table 1
Proposed PM2.5 Expenditures FY 2017-18 and/or 2018-19

Account Description	Account Number	Program Code	Estimated Expenditures
Services & Supplies Major Object:			
Rents and Leases Structure	67350	47500	\$ 12,500
Maintenance of Equipment	67600	47500	37,779
Building Maintenance	67650	47500	12,500
Travel (National Ambient Air Monitoring Training Conference)	67800	47500	6,000
Laboratory Supplies	68050	47500	60,000
Office Expenses	68100	47500	6,000
Small Tools	68300	47500	10,800
Total Services & Supplies:			\$145,579
Capital Outlay Major Object:			
Partisol PM2.5 FRM Monitor (1)	77000	47500	20,000
PM2.5 Continuous FEM Monitor (2)	77000	47500/44716	60,000*
Total Capital Outlay:			\$80,000
FY 2017-18 Appropriations			
U.S. EPA Clean Air Act Section 103 Grant funds for the PM2.5 Program			212,800
Sub-recipient agreement with CAPCOA			12,779
Total FY 2017-18 Appropriations:			\$225,579
Salaries & Benefits*^			\$461,000
Total Award:			\$686,579*

Funds not expended by June 30, 2018, will be carried over to FY 2018-19.

*This includes partial funding in the amount of \$12,779 from a sub-recipient agreement for receiving EPA PM2.5 Grant Funds through CAPCOA.

*^Salaries and Benefits are already included in the adopted FY 2017-18 Budget.

Table 2
Proposed PAMS Expenditures for FY 2017-18 (Remaining Prior Year's Balance)

Account Description	Account Number	Program Code	Appropriations Not to Exceed (a)
Services & Supplies Major Object:			
Rents & Leases Structure	67350	47530	\$ 6,000
Professional and Specialized Services: Station Upgrades	67450	47530	20,000
Temp Agency Services	67460	47530	4,000
Maintenance of Equipment	67600	47530	50,000
Building Maintenance	67650	47530	16,000
Communications	67900	47530	4,000
Laboratory Supplies	68050	47530	25,000
Office Expense	68100	47530	8,000
Small Tools	68300	47530	36,000
Miscellaneous	69500	47530	9,484
FY 2017-18 Appropriations:			\$178,484

(a) Funds not expended by June 30, 2018, will be carried over to FY 2018-19.

Table 3
Proposed Purchase through Sole Source Purchase Order

Description	Qty	Funding Source	Estimated Cost
Picarro Inc. Ammonia Gas Analyzer Program Codes (44716/44443)	1	Supplemental CARB Subvention funds (\$37,705) and MATES V funds reallocation (\$30,000)	\$67,705
Total Proposed Purchase Through Sole Source Purchase Order			Not to Exceed \$67,705

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 5

PROPOSAL: Approve Awards for Alternative Fuel School Bus Replacement Program

SYNOPSIS: On October 6, 2017, the Board issued a Program Announcement to solicit applications for replacement of pre-1994 diesel school buses with alternative fuel school buses. Subsequently, on April 6, 2018, the Board recognized \$3,184,875 from U.S. EPA's 2017 Targeted Air Shed Grant Program to replace diesel school buses with near-zero emission CNG buses. This action is to approve awards to replace pre-1994 diesel school buses with new, near-zero or optional low NOx alternative fuel buses in an amount not to exceed \$35,638,000, comprised of \$32,533,300 from the Carl Moyer Program AB 923 Special Revenue Fund (80) and \$3,104,700 from U.S. EPA's 2017 Targeted Air Shed Grant in the Clean Fuels Program Fund (31). This action is to also reimburse the General Fund for administrative costs up to \$80,000 for implementation of these school bus replacements.

COMMITTEE: Technology, April 20, 2018; Recommended for Approval

RECOMMENDED ACTIONS:

1. Authorize the Chairman to execute contracts with 42 public school districts, as listed in the attached table, to replace 206 pre-1994 diesel school buses with new, near-zero or optional low NOx alternative fuel buses and infrastructure totaling an amount not to exceed \$35,638,000, comprised of \$32,533,300 from the Carl Moyer Program AB 923 Special Revenue Fund (80) and \$3,104,700 from U.S. EPA's 2017 Targeted Air Shed Grant in the Clean Fuels Program Fund (31).
2. Reimburse the General Fund up to \$80,000 from the Clean Fuels Program Fund (31) for administrative costs necessary to implement the lower-emission school bus projects funded by the EPA 2017 Targeted Air Shed Grant.

Wayne Nastri
Executive Officer

Background

Since the commencement of the Lower-Emission School Bus Program in 2001, SCAQMD has provided over \$280 million in state and local funds to replace over 1,600 highly polluting school buses with alternative fuel buses and to retrofit 3,400 newer diesel school buses with particulate traps.

On October 6, 2017 meeting, the Board issued a Program Announcement to solicit applications for replacement of pre-1994 diesel school buses with alternative fuel school buses. It was stated in the Program Announcement that in case of commercial availability at the time of awards, school buses certified at optional low NOx standard would be prioritized. Subsequently, on April 6, 2018, the Board recognized \$3,184,875 from U.S. EPA's 2017 Targeted Air Shed Grant Program into the Clean Fuels Program Fund (31) to replace diesel school buses with near-zero emission CNG buses.

Outreach

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the PA and inviting bids was published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

Additionally, potential bidders may have been notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the PA was emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at SCAQMD's website (<http://www.aqmd.gov>).

Proposal

A total of 42 public school districts applied requesting 248 school buses. Staff recommends awards to all 42 school districts not exceeding 15 buses per school district. This would result in awarding a total of 206 school buses, with 38 school districts receiving all of their requested buses.

This action is to execute contracts with 42 public school districts for the replacement of 206 pre-1994 diesel school buses with new, near-zero or optional low NOx alternative fuel buses, as listed in the attached table, in an amount not to exceed \$35,638,000, comprised of \$32,533,300 from the Carl Moyer Program AB 923 Special Revenue Fund (80) and \$3,104,700 from U.S. EPA's 2017 Targeted Air Shed Grant in the Clean Fuels Program Fund (31).

The U.S. EPA Targeted Air Shed Grant targets the replacement of pre-1994 diesel school buses in disadvantaged communities or environmental justice areas with CNG buses certified to meet CARB's optional low NOx or near-zero emission standard.

Using CalEPA's CalEnviroScreen mapping tool, which helps identify disadvantaged communities in California, over 76 percent of the school districts that are proposed for replacement awards include disadvantaged communities.

This program will fund 115 Type D CNG school buses certified to meet the optional low NOx standard of 0.02 g/bhp-hr and 91 Type C propane school buses certified to meet the optional low NOx standard of 0.05 g/bhp-hr for a total of 206 replacements. The recommended awards provide up to \$192,000 for a Type D CNG bus and \$121,000 for a Type C propane bus, including sales tax. The school districts will be required to provide a minimum local match of \$15,000 per CNG bus and \$10,000 per propane bus. In addition, the award will include \$4,500 per bus for the optional fire suppressant system as well as fueling infrastructure funding up to \$14,000 per CNG and \$5,000 per propane bus for those school districts that have requested it. School districts will have to pay for any discretionary options they may choose to include on the bus. The diesel buses will be permanently destroyed by licensed dismantlers.

Benefits to SCAQMD

The successful implementation of the Lower-Emission School Bus Replacement Program will provide less polluting and safer transportation for school children and reduce public exposure to toxic diesel PM emissions. In addition, it would reduce air pollution in low-income, high-diesel and high-PM10 exposure areas as well as enhance the objectives of the Environmental Justice and Children's Health Initiatives adopted by the Board.

Resource Impacts

Total funding for the recommended awards will not exceed \$35,638,000, comprised of \$32,533,300 from the Carl Moyer Program AB 923 Special Revenue Fund (80) and \$3,104,700 from U.S. EPA's 2017 Targeted Air Shed Grant in the Clean Fuels Program Fund (31). In addition, the General Fund will be reimbursed up to \$80,000 from the Clean Fuels Program Fund (31) for administrative costs necessary to implement the lower-emission school bus projects funded by the EPA Targeted Air Shed Grant.

Any of the schools listed in the attached table may opt to replace a pre-1994 diesel school bus with an electric, zero emission school bus but will only receive the amount of funding shown in the table.

Attachment

Table: Recommended Awards for Pre-1994 School Bus Replacements

Table: Recommended Awards for Pre-1994 School Bus Replacements

#PA2018-02 Applicant	County	Number of Buses	Fuel Type	School Match Minimum (\$15,000/CNG) (\$10,000/Propane)	U.S. EPA Funds	Bus Award AB 923 Funds (Up to \$192,000/CNG & \$121,000/Propane)	Fire Suppressant AB 923 Funds (\$4,500/bus)	Infrastructure AB 923 Funds (\$14,000/CNG \$5,000/Propane)	Total AB 923 Funds	Total Award
ABC USD	LA	3	CNG	\$45,000	\$117,900	\$458,100	\$13,500	\$42,000	\$513,600	\$631,500
Baldwin Park USD	LA	4	Propane	\$40,000	\$0	\$484,000	\$18,000	Not requested	\$502,000	\$502,000
Bellflower USD	LA	1	CNG	\$15,000	\$39,300	\$152,700	\$4,500	\$14,000	\$171,200	\$210,500
Downey USD	LA	4	CNG	\$60,000	\$157,200	\$610,800	\$18,000	\$56,000	\$684,800	\$842,000
Inglewood USD	LA	4	Propane	\$40,000	\$0	\$484,000	\$18,000	\$20,000	\$522,000	\$522,000
Newhall SD	LA	1	Propane	\$10,000	\$0	\$121,000	\$4,500	Not requested	\$125,500	\$125,500
Pupil Transportation Coop.	LA	5	CNG	\$75,000	\$196,500	\$763,500	\$22,500	\$70,000	\$856,000	\$1,052,500
Rowland USD	LA	3	CNG	\$45,000	\$117,900	\$458,100	\$13,500	Not requested	\$471,600	\$589,500
Rowland USD	LA	1	Propane	\$10,000	\$0	\$121,000	\$4,500	Not requested	\$125,500	\$125,500
Saugus USD	LA	2	Propane	\$20,000	\$0	\$242,000	\$9,000	Not requested	\$251,000	\$251,000
Sulphur Springs USD	LA	3	Propane	\$30,000	\$0	\$363,000	\$13,500	Not requested	\$376,500	\$376,500
Walnut Valley USD	LA	4	CNG	\$60,000	\$0	\$768,000	\$18,000	\$56,000	\$842,000	\$842,000
West Covina USD	LA	1	Propane	\$10,000	\$0	\$121,000	\$4,500	Not requested	\$125,500	\$125,500
Total Los Angeles County		36		\$460,000	\$628,800	\$5,147,200	\$162,000	\$258,000	\$5,567,200	\$6,196,000
Anaheim Elementary SD	OR	9	Propane	\$90,000	\$0	\$1,089,000	\$40,500	\$45,000	\$1,174,500	\$1,174,500
Anaheim Union HSD	OR	15	Propane	\$150,000	\$0	\$1,815,000	\$67,500	\$75,000	\$1,957,500	\$1,957,500
Capistrano USD	OR	15	CNG	\$225,000	\$0	\$2,880,000	\$67,500	\$210,000	\$3,157,500	\$3,157,500
Cypress SD	OR	1	CNG	\$15,000	\$39,300	\$152,700	\$4,500	Not requested	\$157,200	\$196,500
Fountain Valley SD	OR	1	CNG	\$15,000	\$39,300	\$152,700	\$4,500	Not requested	\$157,200	\$196,500
Fullerton Joint Union HSD	OR	4	CNG	\$60,000	\$157,200	\$610,800	\$18,000	Not requested	\$628,800	\$786,000

#PA2018-02 Applicant	County	Number of Buses	Fuel Type	School Match Minimum (\$15,000/CNG) (\$10,000/Propane)	U.S. EPA Funds	Bus Award AB 923 Funds (Up to \$192,000/CNG & \$121,000/Propane)	Fire Suppressant AB 923 Funds (\$4,500/bus)	Infrastructure AB 923 Funds (\$14,000/CNG \$5,000/Propane)	Total AB 923 Funds	Total Award
Fullerton SD	OR	4	Propane	\$40,000	\$0	\$484,000	\$18,000	Not requested	\$502,000	\$502,000
Garden Grove USD	OR	15	Propane	\$150,000	\$0	\$1,815,000	\$67,500	\$75,000	\$1,957,500	1,957,500
Huntington Beach UHSD	OR	15	CNG	\$225,000	\$589,500	\$2,290,500	\$67,500	\$210,000	\$2,568,000	\$3,157,500
La Habra City SD	OR	1	Propane	\$10,000	\$0	\$121,000	\$4,500	Not requested	\$125,500	\$125,500
Los Alamitos USD	OR	4	CNG	\$60,000	\$0	\$768,000	\$18,000	\$56,000	\$842,000	\$842,000
Newport-Mesa USD	OR	6	CNG	\$90,000	\$0	\$1,152,000	\$27,000	Not requested	\$1,179,000	\$1,179,000
Ocean View SD	OR	10	Propane	\$100,000	\$0	\$1,210,000	\$45,000	\$50,000	\$1,305,000	\$1,305,000
Orange USD	OR	1	CNG	\$15,000	\$39,300	\$152,700	\$4,500	\$14,000	\$171,200	\$210,500
Placentia-Yorba Linda USD	OR	6	CNG	\$90,000	\$235,800	\$916,200	\$27,000	\$84,000	\$1,027,200	\$1,263,000
Savanna USD	OR	1	Propane	\$10,000	\$0	\$121,000	\$4,500	\$5,000	\$130,500	\$130,500
Westminster USD	OR	2	Propane	\$20,000	\$0	\$242,000	\$9,000	\$10,000	\$261,000	\$261,000
Total Orange County		110		\$1,365,000	\$1,100,400	\$15,972,600	\$495,000	\$834,000	\$17,301,600	\$18,402,000
Banning USD	RV	2	CNG	\$30,000	\$0	\$384,000	\$9,000	\$28,000	\$421,000	\$421,000
Beaumont USD	RV	3	CNG	\$45,000	\$0	\$576,000	\$13,500	\$42,000	\$631,500	\$631,500
Coachella Valley USD	RV	2	Propane	\$20,000	\$0	\$242,000	\$9,000	Not requested	\$251,000	\$251,000
Hemet USD	RV	5	CNG	\$75,000	\$196,500	\$763,500	\$22,500	\$70,000	\$856,000	\$1,052,500
Nuview Union SD	RV	5	Propane	\$50,000	\$0	\$605,000	\$22,500	\$25,000	\$652,500	\$652,500
San Jacinto USD	RV	2	CNG	\$30,000	\$78,600	\$305,400	\$9,000	\$28,000	\$342,400	\$421,000
Total Riverside County		19		\$250,000	\$275,100	\$2,875,900	\$85,500	\$193,000	\$3,154,400	\$3,429,500
Alta Loma SD	SB	2	CNG	\$30,000	\$78,600	\$305,400	\$9,000	Not requested	\$314,400	\$393,000
Bear Valley USD	SB	2	CNG	\$30,000	\$0	\$384,000	\$9,000	Not requested	\$393,000	\$393,000
Chaffey Joint Union HSD	SB	6	CNG	\$90,000	\$235,800	\$916,200	\$27,000	Not requested	\$943,200	\$1,179,000

#PA2018-02 Applicant	County	Number of Buses	Fuel Type	School Match Minimum (\$15,000/CNG) (\$10,000/Propane)	U.S. EPA Funds	Bus Award AB 923 Funds (Up to \$192,000/ CNG & \$121,000/ Propane)	Fire Suppressant AB 923 Funds (\$4,500/bus)	Infrastructure AB 923 Funds (\$14,000/CNG \$5,000/Propane)	Total AB 923 Funds	Total Award
Redlands USD	SB	11	Propane	\$110,000	\$0	\$1,331,000	\$49,500	\$55,000	\$1,435,500	\$1,435,500
Rialto USD	SB	13	CNG	\$195,000	\$510,900	\$1,985,100	\$58,500	\$182,000	\$2,225,600	\$2,736,500
Rim of the World USD	SB	3	CNG	\$45,000	\$117,900	\$458,100	\$13,500	\$42,000	\$513,600	\$631,500
Upland USD	SB	4	CNG	\$60,000	\$157,200	\$610,800	\$18,000	\$56,000	\$684,800	\$842,000
Total San Bernardino Co.		41		\$560,000	\$1,100,400	\$5,990,600	\$184,500	\$335,000	\$6,510,100	\$7,610,500
Total, all Applicants		206		\$2,635,000	\$3,104,700	\$29,986,300	\$927,000	\$1,620,000	\$32,533,300	\$35,638,000

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 6

PROPOSAL: Modify Contract and Purchase Order for Media, Advertising and Public Outreach and Google AdWords Campaign for 2018-19 Check Before You Burn Program

SYNOPSIS: On May 5, 2017, the Board awarded a contract to Westbound Communications for \$246,000 to plan and execute a comprehensive media, advertising and public outreach campaign for the 2017-18 Check Before You Burn program. The existing contract with the firm will expire on June 30, 2018. This action is to authorize the Executive Officer to modify the contract for media, advertising and public outreach for the 2018-19 Check Before You Burn program with Westbound Communications in an amount not to exceed \$246,000 for one year from the Rule 1309.1 Priority Reserve Fund (36). This action is also to authorize the Executive Officer to modify a purchase order with Google in an amount not to exceed \$250,000 from the Rule 1309.1 Priority Reserve Fund (36) for a coinciding YouTube/AdWords campaign to promote the Check Before You Burn program.

COMMITTEE: Administrative, April 13, 2018; Recommended for Approval

RECOMMENDED ACTIONS:

1. Authorize the Executive Officer to modify the contract with Westbound Communications for media, advertising and public outreach for the 2018-19 Check Before You Burn program in an amount not to exceed \$246,000 for one year from the Rule 1309.1 Priority Reserve Fund (36).
2. Authorize the Executive Officer to modify a purchase order with Google in an amount not to exceed \$250,000 from the Rule 1309.1 Priority Reserve Fund (36) for a coinciding YouTube/AdWords campaign to promote the 2018-19 Check Before You Burn program.

Wayne Natri
Executive Officer

Background

SCAQMD's Check Before You Burn program and its regulatory framework, Rule 445 – Wood-Burning Devices, are key measures in the 2016 Air Quality Management Plan to achieve the federal health-based air quality standard for PM2.5. Check Before You Burn and Rule 445 seek to reduce PM2.5 emissions from wood burning in residential fireplaces from November 1 through the end of February every year on days when unhealthy PM2.5 air quality is forecast.

On April 1, 2016, the Board approved release of an RFP to solicit proposals from firms with the necessary expertise to plan and execute a comprehensive media, advertising and public outreach campaign to promote awareness of and compliance with the Check Before You Burn program during the 2016-17 fall/winter season. The Board approved funding for this outreach effort from the Rule 1309.1 Priority Reserve Funds in an amount not to exceed \$250,000.

Based on the overall quality of their proposed campaign and their presentation to the Administrative Committee, the committee recommended awarding a contract to Westbound Communications. The Board approved the contract on July 8, 2016 in an amount not to exceed \$246,000, with an option to extend the contract for two additional one-year contracts. On May 5, 2017, the Board extended the contract for one year. This action would extend the contract with Westbound Communications for a third and final year before SCAQMD issues another RFP to solicit proposals from firms to promote the program.

Proposal

For the 2017-18 Check Before You Burn program, Westbound Communications developed and implemented a comprehensive media, advertising and public outreach campaign to:

- Increase awareness of and support for SCAQMD's Check Before You Burn program;
- Promote awareness of and compliance with no-burn days; and
- Increase signups to AirAlerts.org.

The Westbound 2017-18 campaign achieved more than 3.14 million impressions through paid advertising on radio and cable TV, and an additional 7.53 million impressions from "earned" media (news stories).

In addition, program representatives explained the program to thousands of residents at 20 community events and secured more than 2,100 new AirAlerts signups. All program outreach efforts resulted in more than 5,550 AirAlerts signups from September 2017 through February 2018. This is more than three times the number of AirAlerts signups during the same period in the prior year.

There is a strong need to continue increasing awareness of the Check Before You Burn program and building on the momentum gained over the past five years of program outreach.

Based on the overall quality and comprehensive design of the campaign developed and implemented by Westbound Communications, and to ensure an outreach campaign is in place before the 2018-19 Check Before You Burn season begins, staff recommends that the contract with Westbound Communications be extended for one additional year in an amount not to exceed \$246,000 from the Rule 1309.1 Priority Reserve Fund (36).

Staff also recommends modifying a purchase order with Google in an amount not to exceed \$250,000 from the Rule 1309.1 Priority Reserve Fund (36) for a YouTube/AdWords campaign to coincide with the 2018-19 Check Before You Burn outreach campaign.

Proposed Budget

The proposed budget is \$246,000 to be allocated for a one-year contract extension with Westbound Communications, and \$250,000 for a coinciding YouTube/Google AdWords campaign to promote the program.

Resource Impacts

Funding is available in the Rule 1309.1 Priority Reserve Fund (36) to implement the 2018-19 Check Before You Burn outreach program and YouTube/AdWords campaign.

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BOARD MEETING DATE: May 4, 2018

AGENDA NO. 7

PROPOSAL: Appoint Members to SCAQMD Hearing Board

SYNOPSIS: The terms of office for the Hearing Board Attorney Member and Engineer Member, and their Alternates, expire June 30, 2018. An Advisory Committee was appointed as required by law. The Advisory Committee interviewed attorney member and engineer member candidates at its meeting on April 5, 2018, and selected the top three candidates for attorney member and the top three candidates for engineer member, who were recommended for interview by the Administrative Committee. The Administrative Committee interviewed the candidates at its meeting on April 13, 2018, and made a final recommendation to the full Board to appoint members to fill the new terms.

COMMITTEE: Administrative, April 13, 2018; Recommended for Approval.

RECOMMENDED ACTION:

Appoint/reappoint the following individuals to the SCAQMD Hearing Board, effective July 1, 2018, with terms ending June 30, 2021:

Julie Prussack, Attorney Member

Alternate: Douglas Lofgren

Mohan Balagopalan, Engineer Member

Alternate: Edward Camarena

Wayne Nastri
Executive Officer

DG

Background

Health and Safety Code Section 40501.1(b) requires the SCAQMD to appoint a Hearing Board Advisory Committee composed of one representative appointed by each of the Counties of Los Angeles, Orange, Riverside, and San Bernardino, and the City of Los Angeles. The following individuals, with a variety of professional experience, served on the Advisory Committee for this recruitment:

City of Los Angeles	Raymond Regalado, Project Supervisor, County of Los Angeles
County of Los Angeles	Teresa Villegas, Environmental/Public Works Deputy, County of Los Angeles Supervisor Hilda L. Solis
County of Orange	Ben Seybold, Senior Vice President, CBRE
County of Riverside	Buford Crites, Board Consultant to Governing Board Member Marion Ashley
County of San Bernardino	Dr. William Sterling, President, BCM Group, Inc.

The current Attorney Member, Julie Prussack, and the current Engineer Member, Edward Camarena, as well as the Attorney Member Alternate, Douglas W. Lofgren, all requested reappointment.

Based on the criteria developed by the Advisory Committee, the Committee members and selected SCAQMD staff – the Deputy Executive Officer of Science & Technology Advancement and an Assistant Deputy Executive Officer of Planning, Rule Development & Area Sources – evaluated the resumes of 63 attorney member candidates and 23 engineer member candidates, and ranked the individuals according to their scores. Based on the ranking, the Committee then narrowed the candidates to short lists of 5 attorney candidates and 5 engineer candidates who were interviewed by the Advisory Committee. (Alternate Attorney candidate Douglas Lofgren was unavailable for the scheduled interview, but based on his strong application materials and current incumbent alternate member status, the Advisory Committee recommended he be interviewed by the Administrative Committee.) After interviewing all nine (9) candidates, the Advisory Committee deliberated and unanimously agreed upon a recommendation to refer the top three attorney candidates and top four engineer candidates (ranked as enumerated below) to the Administrative Committee for interviews as follows:

Attorney Member Candidates

- 1) Julie Prussack*
- 2) Douglas Lofgren**
- 3) Phillip Jay

Engineer Member Candidates

- 1) Edward Camarena*
- 2) Robert Pease
- 3) Mohan Balagopalan
- 4) Traci Minamide^

**incumbent member*

***incumbent alternate*

^withdrew from consideration

Proposal

After interviewing each of the six candidates, the Administrative Committee recommended that the Board reappoint Julie Prussack as Attorney Member, reappoint Douglas Lofgren as Alternate Attorney Member, appoint Mohan Balagopalan as Engineer Member, and appoint Edward Camarena as Alternate Engineer Member, for terms commencing July 1, 2018 and ending June 30, 2021. The individuals recommended for appointment were subsequently contacted, and each indicated their willingness to serve. A summary of the qualifications of each is set forth below.

Attorney Member

Julie Prussack – Ms. Prussack joined the Hearing Board as the Attorney Member in July 2009; and had ten years of experience as a litigating attorney, most recently serving as a Senior Attorney and the Director of the Southern California Clean Air Program of the Natural Resources Defense Council (NRDC). While at the NRDC, she served as lead counsel on lawsuits brought against air polluters and government agencies, as well as a lawsuit defending important SCAQMD rules. During this time, she also served on a variety of working groups and committees at the SCAQMD and, therefore, became very familiar with the District’s rulemaking process. She also served as a Board Consultant to Governing Board Member Dr. Joseph Lyou, and, thus, kept current on air quality issues. Ms. Prussack holds a B.S. in Accounting from the State University of New York at Albany and received her Juris Doctorate from the New York University School of Law.

Alternate Attorney Member

Douglas W. Lofgren – Appointed to the Hearing Board in June 2012, Mr. Lofgren has been a practicing attorney for 43 years, as a military lawyer (both prosecutor and defense attorney) in the U.S. Army JAG Corps for three years, a federal prosecutor for seven years, and an in-house corporate litigator for seven years; and has had his own practice specializing in complicated civil litigation and white collar criminal defense for the past 27 years. His cases have included matters involving contaminated soil, state water regulatory issues, and other technical issues. Mr. Lofgren holds an A.B. cum laude in Government from Harvard University and received his Juris Doctorate from the University of Southern California Law School.

Engineer Member

Mohan Balagopalan – Mr. Balagopalan brings over 37 years of engineering experience to the Hearing Board, including holding the positions of Senior Air Quality Engineer, Air Quality Analysis and Compliance Supervisor and Senior Permitting Manager at the SCAQMD. After 32 years with the SCAQMD, Mr. Balagopalan began serving as an instructor with the National Air Compliance Training Program teaching courses on air pollution permitting and controls, an extension instructor on air pollution permitting at University of California, Riverside and as a non-tenured Clinical Instructor of Public

Health at Loma Linda University. Mr. Balagopalan holds a B.S. in Mechanical Engineering from Madras University, India and a Masters of Business Administration from Azusa Pacific University.

Alternate Engineer Member

Edward Camarena – Mr. Camarena brings over five decades of air pollution experience to the Hearing Board. Prior to beginning his service on the Hearing Board in July 1994, he was Deputy Executive Officer of Operations for the SCAQMD where his responsibilities at various times included the engineering, permitting, enforcement, technical services, information systems, technology development and human resource programs. In addition to his service on the Hearing Board, Mr. Camarena also serves on the SCAQMD's Budget Advisory Committee and has previously served on the SCAQMD's BACT/Scientific Review Committee. After 33 years with the SCAQMD, Mr. Camarena served as an air quality policy and technical consultant to the staff of the World Bank in Latin America, the Mexico City Commission for the Prevention and Control of Air Pollution and the Mexico City Transportation and Roads Commission. Current affiliations include the National Association of Administrative Law Judges and the National Association of Hearing Officials. Past affiliations included the California Air Pollution Control Officers Association, National Society of Professional Engineers, California Society of Professional Engineers, American Chemical Society, American Institute of Chemists, and Orange County Engineering Council. Mr. Camarena holds a B.A. in Chemistry from Occidental College, Los Angeles and a Master of Science in Environmental Engineering from the University of California, Irvine.

Fiscal Impacts

Sufficient funds are budgeted each year to compensate those who serve on the Hearing Board.

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BOARD MEETING DATE: May 4, 2018

AGENDA NO. 8

PROPOSAL: Execute Contract for Three-Year Service Agreement for SCAQMD Access to On-line Legal Research Libraries

SYNOPSIS: The current service agreement with Thomson Reuters-West to provide SCAQMD with on-line legal research and print libraries will expire on June 30, 2018. This action is to execute a sole source contract for a new three-year agreement with Thomson Reuters-West in an amount not to exceed \$92,350 in FY 2018-19; \$95,150 in FY 2019-20; and, \$98,100 in FY 2020-21 for a total amount of \$285,600 for a three-year period.

COMMITTEE: Administrative, April 13, 2018; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Executive Officer to enter into a three-year agreement with Thomson Reuters-West to provide access to on-line legal research libraries and print publications in an amount not to exceed \$92,350 in FY 2018-19; \$95,150 in FY 2019-20; and, \$98,100 in FY 2020-21 for a total amount of \$285,600 for a three-year period.

Wayne Natri
Executive Officer

BTG:vmr

Background

Legal staff utilize electronic legal databases in its course of work on the SCAQMD's behalf. Thomson Reuters-West has presented an offer for access to its electronic legal research libraries (Westlaw), as well as print publications, at a substantially discounted rate. In addition, the new contract provides for access to an increased number of electronic legal libraries—including PeopleFinder, a tool used for investigative purposes—and a continuing legal education component at a reduced cost, making it easier and more cost-effective for attorneys to achieve compliance with minimum continuing legal education requirements.

Proposal

Staff seeks to enter into a three-year contract with Thomson Reuters-West. The three-year contract will be funded in the fiscal year beginning July 1, 2018 and continue through June 30, 2021. Subsequent funding will be requested in the budget process for Fiscal Years 2019-20 and 2020-21. The three-year contract price shall not exceed \$285,600.

Sole Source Justification

A sole source contract is necessary since SCAQMD is securing print publications through this agreement at a substantially lower cost than the open market. SCAQMD Procurement Policy, Section VIII(B)(2), provides for a waiver of formal bid processes under certain circumstances based upon documentation justifying a sole source award. The award to Thomson Reuters-West is justified pursuant to Procurement Policy Sections VIII(B)(2)(a): the cost of labor for preparation of the described documents exceed the possible savings that could be derived from such detailed documents; and VIII(B)(2)(c)(2): the project involves the use of proprietary technology.

Resource Impacts

Sufficient funds will be available in Legal's FY 2018-19 Budget, Subscription Services Account, and subsequent funding for FY 2019-20 and FY 2020-21 to support this contract will be requested in future budgets.

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 9

PROPOSAL: Appropriate Funds and Amend or Execute Contracts with Outside Counsel and Specialized Legal Counsel and Services

SYNOPSIS: This action is to appropriate \$450,000 from the Undesignated (Unassigned) Fund Balance to Legal's FY 2017-18 Budget and amend or execute contracts for prequalified counsel approved by the Board and for specialized legal counsel and services for environmental litigation.

COMMITTEE: Administrative, April 13, 2018; Recommended for Approval

RECOMMENDED ACTIONS:

1. Appropriate \$450,000 from Undesignated (Unassigned) Fund Balance to Legal's FY 2017-18 Budget, Services and Supplies Major Object, Professional and Special Services Account.
2. Authorize the Chairman or the Executive Officer, depending on whether the amount exceeds \$75,000, to amend or execute contracts with legal counsel handling existing matters, as well as prequalified counsel approved by the Board, and specialized legal counsel and services, as the need arises. This action will bring the total amount of outside counsel costs approved by the Board in FY 2017-18 to \$1,079,500.

Wayne Nastri
Executive Officer

BTG:vmr

Background

The FY 2017-18 Budget for Legal included \$279,500 for litigation expenses in environmental law cases and specialized legal counsel and services. The total amount currently allocated will not cover current and anticipated costs of legal counsel and specialized counsel and services.

SCAQMD will require an additional amount of up to \$450,000 for these services. Monies will be expended on lawsuits and legal proceedings, including a bankruptcy case in the Exide matter; court proceedings in a challenge to the Board's adoption of the December 2015 RECLAIM amendments; the Anaplex case resulting from toxics monitoring in the Paramount area; and defending the challenge to the SCAQMD's environmental analysis of the Tesoro Los Angeles Refinery Integration and Compliance Project. In the Tesoro case, Tesoro will reimburse the SCAQMD for attorney's fees and other costs once the case is completed. Accordingly, staff is requesting an appropriation of funds in the amount of \$450,000, for a total expected expenditure of \$1,079,500 this fiscal year.

Proposal

In order to defend on-going litigation, it is necessary to appropriate additional funds for expenditures by outside counsel. It is expected that ongoing lawsuits will require that the additional \$450,000 for attorney's fees and costs for prequalified counsel approved by the Board and with specialized legal counsel and services, as the need arises.

Resource Impacts

Sufficient funds will be available in Legal's FY 2017-18 Budget upon approval of this Board letter.

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 10

PROPOSAL: Establish Special Revenue Fund, Recognize AB 134 Grant Revenue, Transfer, Appropriate, Redistribute Funds, and Execute Contracts

SYNOPSIS: The Board has previously recognized AB 134 revenue up to \$107.5 million from CARB into the Carl Moyer Program Fund (32); approved “Year 19” Carl Moyer Program awards from Fund 32 that include AB 134 revenues; and allowed a temporary loan up to \$51,701,413 from Carl Moyer Program AB 923 Fund (80) into Fund 32 until receipt of AB 134 revenue. To facilitate program tracking and auditing, this action is to instead 1) establish the Community Air Protection AB 134 Fund (77) and recognize CARB AB 134 grant funds into Fund 77 instead of Fund 32; 2) allow a temporary loan from Fund 80 into Fund 77 instead of Fund 32; 3) authorize the Chairman to execute contracts in an amount not to exceed \$51,701,413, as approved by the Board in November 2017, from Fund 77 instead of Fund 32; and 4) revise other previously approved transactions with AB 134 funding from the newly established Fund 77.

COMMITTEE: Technology, April 20, 2018; Recommended for Approval

RECOMMENDED ACTIONS:

1. Establish the Community Air Protection AB 134 Fund (77) and recognize revenue, upon receipt, up to \$107.5 million for the AB 134 grant award into the new fund instead of the Carl Moyer Program Fund (32).
2. Transfer up to \$51,701,413 as a temporary loan, as needed, from the Carl Moyer Program AB 923 Fund 80, into the Community Air Protection AB 134 Fund (77), instead of the Carl Moyer Program Fund (32).
3. Authorize the Chairman to execute contracts in an amount not to exceed \$51,701,413, as approved by the Board in November 2017, from the Community Air Protection AB 134 Fund (77) instead of the Carl Moyer Program Fund (32).
4. Authorize the Executive Officer to redistribute the source of funds between the Carl Moyer Program (32), Carl Moyer Program AB 923 (80), and the Community Air Protection AB 134 (77) Funds in order to expeditiously meet the program encumbrance and expenditure targets in accordance with any applicable guidance or direction from CARB.

5. Transfer and appropriate up to \$561,792, as approved by the Board in January 2018, from the Community Air Projection AB 134 Fund (77) to the FY 2017-18 General Fund Budget.

Wayne Natri
Executive Officer

MMM:FM:LCM:DAH

Background

In November 2017, the Board approved “Year 19” Carl Moyer Program awards including awards using AB 134 revenues. In December 2017, the Board recognized AB 134 revenue up to \$107.5 million from CARB into the Carl Moyer Program Fund (32). In January 2018, the Board approved the transfer of funds to implement AB 134.

These funds are part of the \$250 million allocation to CARB resulting from a 2017 Budget Act amendment. The funds will be distributed by CARB for implementation of projects pursuant to the Carl Moyer Memorial Air Quality Standards Attainment Program, except that up to 40% of the funds may be used for truck projects meeting the criteria of the Proposition 1B Goods Movement Program.

Proposal

These actions are to establish the Community Air Protection AB 134 Fund (77) and recognize revenue, upon receipt, up to \$107.5 million for the AB 134 grant award into the new fund instead of the Carl Moyer Program Fund (32) as previously requested in the December 2017 Board letter.

In November 2017, when the Board approved “Year 19” Carl Moyer Program awards, some of the awards were funded using AB 134 revenue, with the intent at the time to recognize AB 134 revenue and administer the funding in the Carl Moyer Program Fund (32). However, for program tracking and audit purposes, the AB 134 revenue will now be recognized into a new special revenue fund (Fund 77), instead of the Carl Moyer Program Fund (32). As a result of this change: a) the temporary loan transfer, as needed, will be from the Carl Moyer Program AB 923 Fund (80) to the Community Air Protection AB 134 Fund (77); b) contracts using AB 134 funding will be executed from this new special revenue fund (Fund 77), subject to CARB approval of AB 134 projects; and c) the prior approval granted to the Executive Officer will allow for the redistribution of the source of funds between Carl Moyer Program SB 1107 (32), AB 923 (80) and Community Air Protection AB 134 (77) special revenue funds.

Finally, the January 2018 Board letter authorized the transfer and appropriation of funds from the Carl Moyer Program Fund (32) to the General Fund Budget for AB 134 implementation. The transfer will now come from the newly created Community Air Protection AB 134 Special Revenue Fund (77). All of these transactions are proposed to be revised to reflect the new AB 134 fund in the Recommended Actions in this Board letter.

Resource Impacts

The grant agreement with CARB for the AB 134 revenue has been executed and AB 134 funding, upon receipt, will be recognized into the Community Air Protection AB 134 Fund (77) established in this Board letter. The transactions described in the Proposal above will be executed from this new special revenue fund.

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 11

PROPOSAL: Approve Compensation Adjustments for Board Member Assistants and Board Member Consultants for FY 2018-19

SYNOPSIS: The Board Member Assistant and Board Member Consultant compensation is proposed to be amended to adjust the compensation level the SCAQMD may make per Board Member, per fiscal year, based on the Board-approved assignment-of-points methodology. The points are calculated based on the level of complexity, number of meetings and role (Chair/Vice-Chair).

COMMITTEE: Administrative, April 13, 2018; Recommended for Approval

RECOMMENDED ACTION:

Approve adjustments to compensation for Board Member Assistants and Board Member Consultants for FY 2018-19 in accordance with the Administrative Code and described in Attachment A.

Wayne Natri
Executive Officer

SJ:jk

Background

Board members must address an ever-increasing range of complex issues related to performance of their duties, requiring increased assistance, and it is appropriate to make adjustments to the maximum support level expenditure the SCAQMD may make per Board Member, per fiscal year, based on the assignment-of-points methodology that was approved at the July 2015 Board meeting and incorporated into the Administrative Code.

The Administrative Code describes an assignment-of-points methodology that is based on factors including the level of complexity, number of meetings, and role (Chair/Vice-Chair). Additionally, the Administrative Code defines the minimum and maximum amounts that may be allocated per Board Member.

Proposal

This action is to approve the support level of expenditures for Board Member Assistants and Board Member Consultants for FY 2018-19 in accordance with the Administrative Code. Upon approval, Board Members will select Board Assistants and Consultants and allocate their funds. These selections and allocations are anticipated to be reviewed and approved by the Administrative Committee in May or June 2018.

Resource Impacts

Sufficient funding will be requested in the FY 2018-19 Budget to accommodate the recommended adjustments.

Attachment

- A. Proposed Board Member Committee/Advisory/Other Group Assignment Points Calculation for FY 2018-19.

ATTACHMENT A

Board Member Proposed Committee/Advisory/Other Group Assignment Points Calculation for FY 2018-19

Governing Board Member	Committee/Advisory/Other Group Assignment Points *	Calculated Maximum Support Level **
Ashley	61	\$39,624
Cacciotti	44	\$39,624
Robinson	79	\$39,624
McCallon	85.5	\$42,172
Nelson	96	\$47,352
Solis	108	\$53,270
Buscaino	122	\$60,176
Rutherford	125	\$61,656
Lyou	161	\$79,412
B. Benoit	242.5	\$118,872
Mitchell	263	\$118,872
Parker (Vice-Chair)	241	\$118,872
Burke (Chair)	233	\$118,872
* Point Calculation does not account for additional responsibilities for Chair and Vice-Chair.		
** Calculated Maximum Support Level based on the Board Member's total points in comparison to the Vice-Chair's total points (not to go below \$39,624 and above \$118,872).		

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 12

PROPOSAL: Execute and Amend Contracts to Provide Short- and Long-Term Systems Development, Maintenance and Support Services

SYNOPSIS: SCAQMD currently has contracts with several companies for short- and long-term systems development, maintenance and support services. These contracts are periodically amended as additional needs are defined. This action is to execute one contract and amend two contracts previously approved by the Board to add funding for needed development and maintenance work.

COMMITTEE: Administrative, April 13, 2018; Recommended for Approval

RECOMMENDED ACTIONS:

1. Transfer \$21,000 from Information Management's FY 2017-18 Budget, Services and Supplies, Professional and Specialized Services account to Information Management's FY 2017-18 Capital Outlays Major Object, Capital Outlays account for continuation of Mobile Source Emissions Tracking System and Asbestos Notification System development work.
2. Authorize the Chairman to execute a contract for systems development and support services with Prelude Systems in the amount of \$15,000.
3. Authorize the Executive Officer to execute amendments to the contracts for systems development services to add funds in the amount of \$162,000 to Sierra Cybernetics and \$236,000 to Varsun eTechnologies from the FY 2017-18 budget for the specific task orders listed in the Attachment.

Wayne Natri
Executive Officer

RMM:OSM:jga

Background

At the March 2, 2018 meeting, the Board authorized staff to initiate level-of-effort contracts with two of the four qualified vendors for systems development, maintenance and support services. At that time, it was expected that contracts with the other two qualified vendors would be executed in the future and that the approved contracts would

be modified to add funding as system development requirements were identified and sufficiently defined and task orders were prepared.

System development and maintenance efforts are currently needed (see Attachment) to enhance system functionality and to provide SCAQMD staff with additional automation for improving productivity. The estimated cost to complete the work on these additional tasks exceeds the amount of funding in the existing contracts. The contracts are for one year with the option to renew for two one-year periods.

This item is listed on the “Status Report on Major Projects for Information Management.”

Proposal

Staff proposes a transfer of \$21,000 from Information Management’s FY 2017-18 Budget Services and Supplies to the Capital Outlays Major Object.

In addition, staff proposes a contract be executed in the amount of \$15,000 to Prelude Systems; and two contracts be amended to add funds in the amount of \$162,000 to Sierra Cybernetics and \$236,000 to Varsun eTechnologies for the specific task orders listed in the Attachment.

Resource Impacts

Upon Board approval, sufficient funding will be available in the FY 2017-18 Budget.

Attachment

Task Order Summary

Attachment

Task Order Summary

Section A – Funding Totals for all Systems Development Contracts

CONTRACTOR	PREVIOUS FUNDING	THIS ADDITION	TOTAL FUNDING
Prelude Systems	\$0	\$15,000	\$15,000
Sierra Cybernetics	\$255,500	\$162,000	\$417,500
Varsun eTechnologies	\$215,800	\$236,000	\$451,800
TOTAL	\$471,300	\$413,000	\$884,300

Section B – Task Orders Scheduled for Award

TASK	DESCRIPTION	ESTIMATE	AWARDED TO
Title V Compliance Web Application Development	Develop new Title V Web application to facilitate the filing of deviation, semi-annual and annual reports; source testing protocols; Title V Inspection forms; and facilitate the tracking and reporting of compliance data to EPA.	\$200,000	Varsun
CLASS Systems Maintenance and Database Support	Minor enhancements, upgrades and support for CLASS Applications, CLASS Databases and Business Intelligence modules	\$75,600	Sierra
CLASS Web Application Maintenance and Support	Minor enhancements, upgrades and support for CLASS Web Applications, Web Services and Web Application Program Interfaces	\$79,400	Sierra
R1113 Architectural Coatings System Enhancements	Modifications and enhancements for invoicing, auditing and reporting; and public product search modifications needed to support any R314 and R1113 rule changes	\$30,000	Varsun
Mobile Source Emission System Tracking System Enhancements	Additional funding to support new system development of the Mobile Source Emission Tracking system to allow online R2202 plan submission	\$15,000	Prelude
NAICS System Enhancements	User requested enhancements to the Socio-econ web-tool used to maintain the North American Industry Classification System (NAICS) data used by PRDAS and other divisions requiring NAICS information	\$7,000	Sierra
R1403 System Enhancements	Minor user requested enhancements to the asbestos notification system	\$6,000	Varsun
TOTAL		\$413,000	

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 13

PROPOSAL: Issue Purchase Order for New Carpet

SYNOPSIS: Carpeting on the third and fourth floors of SCAQMD Diamond Bar Headquarters is the original carpet installed in 1991. The carpet on these floors is extremely worn, and is due for replacement. This action is to authorize the Executive Officer to issue a purchase order with Mohawk Group, in an amount not to exceed \$180,000 for the purchase of the carpet tiles. Funding for this replacement project is available in District General's FY 2017-18 Budget.

COMMITTEE: Administrative, April 13, 2018; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Executive Officer to issue a purchase order with Mohawk Group for the purchase of 5,240 square yards of 24" x 24" Mohawk GT314 Enthralled Eco Flex NXT carpet tiles in an amount not to exceed \$180,000 from District General's FY 2017-18 Budget, Services and Supplies Major Object, Building Maintenance Operation Account.

Wayne Natri
Executive Officer

AJO:BJ:lm

Background

SCAQMD moved into the Diamond Bar Headquarters in October 1991. Beginning in 2007, replacement of heavily-worn carpeting in various areas of the building began, utilizing Mohawk Group carpet tiles. The use of carpet tiles, rather than rolled broad loom carpeting, significantly reduces the labor cost associated with installation by lifting work stations and eliminating the need to disassemble office stations and associated furniture from the floor. Currently, the only floors with originally installed carpet are the third and fourth floors.

Mohawk's quote for 5,240 square yards of carpet is based on the California Multiple Award Schedules (CMAS) pricing, which permits the SCAQMD to purchase goods and services under the CMAS, a cooperative purchasing agreement, in accordance with the SCAQMD Procurement Policy and Procedure. CMAS, offered through the State of

California General Services Administration, utilizes bid solicitations and competitively awarded contracts transacted by the United States General Services Administration. The CMAS Unit then establishes an independent California agreement for the same products and services at equal or lower prices. The CMAS pricing through Mohawk for the carpeting is approximately \$180,000. Building Maintenance staff will be seeking competitive bids for the labor as needed for the carpet installation. Installation of the carpet is anticipated during FY 2018-19.

Proposal

Staff recommends authorization for the Executive Officer to issue a purchase order with Mohawk Group for an amount not to exceed \$180,000 from District General's FY 2017-18 Budget, Services and Supplies Major Object, Building Maintenance Operation Account for the purchase of 5,240 square yards of 24" x 24" of Mohawk GT314 Enthralled Eco Flex NXT carpet tiles.

Resource Impacts

Sufficient funds are available in District General's FY 2017-18 Budget, Building Maintenance Operations Account for this carpet replacement project.

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 14

PROPOSAL: Issue Purchase Order for High Efficiency HVAC Valves

SYNOPSIS: SCAQMD Air Handlers 1, 2, 10 and 14 were retrofitted with energy efficient fan wall technology in FY 2016-17. The existing temperature control valves do not operate with sufficient precision to minimize temperature fluctuations. The upgrade to Belimo ePIV valves will provide significant energy savings through optimized temperature controls. This action is to authorize the Executive Officer to issue a purchase order for HVAC valves with Emcor Services for an amount not to exceed \$32,000 from the Infrastructure Improvement Fund (02).

COMMITTEE: Administrative, April 13, 2018; Recommended for Approval

RECOMMENDED ACTION:

Authorize the Executive Officer to issue a purchase order with Emcor Services for an amount not to exceed \$32,000 from the Infrastructure Improvement Fund (02) to provide and install high efficiency HVAC valves.

Wayne Natri
Executive Officer

AJO:BJ:lm

Background

SCAQMD Air Handlers 1, 2, 10, and 14 were retrofitted with energy efficient fan wall technology in FY 2016-17. The current water control valves use constant actuation and flow response to moderate water flow used for building temperature control of comfort air. Upgrading the temperature control mechanism will better maximize the cost savings and energy usage rate of the building's HVAC system.

Proposal

Staff recommends authorization for the Executive Officer to issue a purchase order with Emcor Services to provide and install Energy Pressure Independent Valve for Air Handlers 1, 2, 10, and 14 at SCAQMD Diamond Bar Headquarters. The addition of Belimo ePIV valves will provide increased efficiency by eliminating the need for constant balancing within the system and will result in significant energy savings from

elimination of wasteful cooling overflow by each air handler. The proposed new valves will also maintain precise and constant flow for a more consistent ambient temperature for each floor.

Sole Source Justification

Section VIII.B.2 of the Procurement Policy and Procedure identifies circumstances under which a sole source purchase award may be justified. This request for a sole source award is made under provision VIII.B.2.d(6): The project requires compatibility with existing specialized equipment. The refurbishment of the PACE air handlers was completed by EMCOR. The operation of the Belimo ePIV valves must share control with the equipment originally installed by EMCOR.

Resource Impacts

Sufficient funds are available in the Infrastructure Improvement Fund (02) for this project.

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 15

PROPOSAL: Approve Contract Awards Approved by MSRC

SYNOPSIS: As part of their FYs 2016-18 Work Program, the MSRC approved new contracts under the Local Government Partnership and County Transportation Commission Partnership Programs. At this time the MSRC seeks Board approval of the contract awards.

COMMITTEE: Mobile Source Air Pollution Reduction Review, April 19, 2018, Recommended for Approval

RECOMMENDED ACTIONS:

1. Approve contract awards totaling \$5,081,695 under the Local Government Partnership Program, as part of approval of the FYs 2016-18 Work Program, as described in this letter and as follows:
 - a. A contract with the City of Anaheim in an amount not to exceed \$221,500 to procure up to five light-duty zero-emission vehicles and install electric vehicle charging infrastructure;
 - b. A contract with the City of Redlands in an amount not to exceed \$87,000 to procure one medium/heavy-duty zero-emission vehicle and install electric vehicle charging infrastructure;
 - c. A contract with the City of Agoura Hills in an amount not to exceed \$50,000 to install electric vehicle charging infrastructure;
 - d. A contract with the City of West Hollywood in an amount not to exceed \$50,000 to install electric vehicle charging infrastructure;
 - e. A contract with the City of San Fernando in an amount not to exceed \$10,000 to procure a light-duty zero-emission vehicle;
 - f. A contract with the City of Yorba Linda in an amount not to exceed \$87,990 to install electric vehicle charging infrastructure;
 - g. A contract with the City of Malibu in an amount not to exceed \$50,000 to install electric vehicle charging infrastructure;
 - h. A contract with the City of Culver City in an amount not to exceed \$51,000 to procure up to eight heavy-duty near-zero-emission vehicles;
 - i. A contract with the City of Santa Ana in an amount not to exceed \$365,000 to procure up to six light-duty zero-emission vehicles, procure up to nine heavy-duty near-zero-emission vehicles, and install electric vehicle charging infrastructure;
 - j. A contract with the City of Whittier in an amount not to exceed \$113,910 to procure up to five heavy-duty near-zero-emission vehicles;

- k. A contract with the City of Lynwood in an amount not to exceed \$93,500 to procure up to three medium/heavy-duty zero-emission vehicles;
- l. A contract with the City of Downey in an amount not to exceed \$148,260 to install electric vehicle charging infrastructure;
- m. A contract with the City of Irvine in an amount not to exceed \$330,490 to procure a medium/heavy-duty zero-emission vehicle and install electric vehicle charging infrastructure;
- n. A contract with the City of Rancho Cucamonga in an amount not to exceed \$227,040 to procure up to nine light-duty zero-emission vehicles, procure up to two medium/heavy-duty zero-emission vehicles, install electric vehicle charging infrastructure and install a limited-access CNG fueling station;
- o. A contract with the City of Garden Grove in an amount not to exceed \$53,593 to procure up to four light-duty zero-emission vehicles and install electric vehicle charging infrastructure;
- p. A contract with the City of Paramount in an amount not to exceed \$72,580 to install electric vehicle charging infrastructure;
- q. A contract with the City of La Habra Heights in an amount not to exceed \$9,200 to procure a light-duty zero-emission vehicle;
- r. A contract with the City of Long Beach in an amount not to exceed \$622,220 to install electric vehicle charging infrastructure;
- s. A contract with the City of Chino in an amount not to exceed \$103,868 to install electric vehicle charging infrastructure;
- t. A contract with the City of Carson in an amount not to exceed \$106,250 to procure up to five light-duty zero-emission vehicles and install electric vehicle charging infrastructure;
- u. A contract with the City of Perris in an amount not to exceed \$86,174 to procure a medium/heavy-duty zero-emission vehicle and install electric vehicle charging infrastructure;
- v. A contract with the City of Glendale in an amount not to exceed \$260,500 to install electric vehicle charging infrastructure;
- w. A contract with the County of Los Angeles in an amount not to exceed \$1,367,610 to procure up to twenty-nine light-duty zero-emission vehicles, procure a medium/heavy-duty zero-emission vehicle, procure up to seven heavy-duty near-zero-emission vehicles, and install electric vehicle charging infrastructure;
- x. A contract with the City of Moreno Valley in an amount not to exceed \$25,000 to procure a heavy-duty near-zero-emission vehicle;
- y. A contract with the City of Beaumont in an amount not to exceed \$25,000 to procure a heavy-duty near-zero-emission vehicle;
- z. A contract with the City of Riverside in an amount not to exceed \$383,610 to expand existing CNG fueling stations; and
- aa. A contract with the City of Eastvale in an amount not to exceed \$80,400 to procure up to two medium/heavy-duty zero-emission vehicles and install electric vehicle charging infrastructure;

2. Approve sole source contract award to San Bernardino County Transportation Authority in an amount not to exceed \$2,000,000 for a Metrolink San Bernardino Line Fare Discount Program, under the County Transportation Commission (CTC) Partnership Program, as part of the approval of the FYs 2016-18 Work Program;
3. Authorize MSRC the authority to adjust contract awards up to five percent, as necessary and previously granted in prior work programs; and
4. Authorize the Chairman of the Board to execute contracts under the FYs 2016-18 Work Program, as described above and in this letter.

Greg Pettis,
Chair, MSRC

MMM:FM:CR

Background

In September 1990 Assembly Bill 2766 was signed into law (Health & Safety Code Sections 44220-44247) authorizing the imposition of an annual \$4 motor vehicle registration fee to fund the implementation of programs exclusively to reduce air pollution from motor vehicles. AB 2766 provides that 30 percent of the annual \$4 vehicle registration fee subvented to the SCAQMD be placed into an account to be allocated pursuant to a work program developed and adopted by the MSRC and approved by the Board.

At its April 19, 2018 meeting, the MSRC considered recommended awards under the Local Government Partnership and County Transportation Commission Partnership Programs. Details are provided below in the Proposals section.

Outreach

In accordance with SCAQMD's Procurement Policy and Procedure, public notices advertising the Local Government Partnership Invitation to Negotiate were published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin. In addition, the solicitation was advertised in the Desert Sun newspaper for expanded outreach in the Coachella Valley.

Additionally, potential bidders may have been notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the solicitation was e-mailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at SCAQMD's website (<http://www.aqmd.gov>). Further, the solicitation was posted on the MSRC's website at

<http://www.cleantransportationfunding.org> and electronic notifications were sent to those subscribing to this website's notification service.

Proposals

At its April 19, 2018 meeting, the MSRC considered recommendations from its MSRC-TAC and approved the following:

FYs 2016-18 Local Government Partnership Program

The MSRC approved the release of Local Government Partnership PON2018-01 under the FYs 2016-18 Work Program. The Invitation to Negotiate (ITN), with a targeted funding level of \$21,180,650, focuses on providing funds for projects to support SCAQMD's 2016 AQMP. Cities and counties which have opted into the AB 2766 motor vehicle registration surcharge fee program are eligible to participate. The majority of participants would be allocated maximum funding equivalent to their annual AB 2766 Subvention Fund allocation; however, those whose annual Subvention Fund allocation is less than \$50,000 would be eligible to receive a maximum of \$50,000, and the maximum allocation for any single city or county would be \$3,000,000. MSRC funding could be used for light-duty zero emission vehicle purchases and leases; medium- and heavy-duty zero emission vehicle purchases, near-zero emission heavy-duty alternative fuel vehicle purchases and repower, electric vehicle charging station installation, and construction or expansion of alternative fuel refueling infrastructure, subject to match funding requirements as outlined in the ITN. Additionally, those jurisdictions eligible for a maximum contribution of \$50,000 would have the option to pursue traffic signal synchronization, bicycle active transportation, and first mile/last mile strategies. The ITN includes an open application period commencing with its release on September 1, 2017, and closing August 2, 2018. The MSRC previously approved awards totaling \$782,021 in response to this solicitation. The MSRC approved 27 additional awards as part of the FYs 2016-18 Work Program, as follows:

- a. A contract with the City of Anaheim in an amount not to exceed \$221,500 to procure up to five light-duty zero-emission vehicles and install electric vehicle charging infrastructure;
- b. A contract with the City of Redlands in an amount not to exceed \$87,000 to procure one medium/heavy-duty zero-emission vehicle and install electric vehicle charging infrastructure;
- c. A contract with the City of Agoura Hills in an amount not to exceed \$50,000 to install electric vehicle charging infrastructure;
- d. A contract with the City of West Hollywood in an amount not to exceed \$50,000 to install electric vehicle charging infrastructure;
- e. A contract with the City of San Fernando in an amount not to exceed \$10,000 to procure a light-duty zero-emission vehicle;
- f. A contract with the City of Yorba Linda in an amount not to exceed \$87,990 to install electric vehicle charging infrastructure;
- g. A contract with the City of Malibu in an amount not to exceed \$50,000 to install electric vehicle charging infrastructure;

- h. A contract with the City of Culver City in an amount not to exceed \$51,000 to procure up to eight heavy-duty near-zero-emission vehicles;
- i. A contract with the City of Santa Ana in an amount not to exceed \$365,000 to procure up to six light-duty zero-emission vehicles, procure up to nine heavy-duty near-zero-emission vehicles, and install electric vehicle charging infrastructure;
- j. A contract with the City of Whittier in an amount not to exceed \$113,910 to procure up to five heavy-duty near-zero-emission vehicles;
- k. A contract with the City of Lynwood in an amount not to exceed \$93,500 to procure up to three medium/heavy-duty zero-emission vehicles;
- l. A contract with the City of Downey in an amount not to exceed \$148,260 to install electric vehicle charging infrastructure;
- m. A contract with the City of Irvine in an amount not to exceed \$330,490 to procure a medium/heavy-duty zero-emission vehicle and install electric vehicle charging infrastructure;
- n. A contract with the City of Rancho Cucamonga in an amount not to exceed \$227,040 to procure up to nine light-duty zero-emission vehicles, procure up to two medium/heavy-duty zero-emission vehicles, install electric vehicle charging infrastructure and install a limited-access CNG fueling station;
- o. A contract with the City of Garden Grove in an amount not to exceed \$53,593 to procure up to four light-duty zero-emission vehicles and install electric vehicle charging infrastructure;
- p. A contract with the City of Paramount in an amount not to exceed \$72,580 to install electric vehicle charging infrastructure;
- q. A contract with the City of La Habra Heights in an amount not to exceed \$9,200 to procure a light-duty zero-emission vehicle;
- r. A contract with the City of Long Beach in an amount not to exceed \$622,220 to install electric vehicle charging infrastructure;
- s. A contract with the City of Chino in an amount not to exceed \$103,868 to install electric vehicle charging infrastructure;
- t. A contract with the City of Carson in an amount not to exceed \$106,250 to procure up to five light-duty zero-emission vehicles and install electric vehicle charging infrastructure;
- u. A contract with the City of Perris in an amount not to exceed \$86,174 to procure a medium/heavy-duty zero-emission vehicle and install electric vehicle charging infrastructure;
- v. A contract with the City of Glendale in an amount not to exceed \$260,500 to install electric vehicle charging infrastructure;
- w. A contract with the County of Los Angeles in an amount not to exceed \$1,367,610 to procure up to twenty-nine light-duty zero-emission vehicles, procure a medium/heavy-duty zero-emission vehicle, procure up to seven heavy-duty near-zero-emission vehicles, and install electric vehicle charging infrastructure;
- x. A contract with the City of Moreno Valley in an amount not to exceed \$25,000 to procure a heavy-duty near-zero-emission vehicle;

- y. A contract with the City of Beaumont in an amount not to exceed \$25,000 to procure a heavy-duty near-zero-emission vehicle;
- z. A contract with the City of Riverside in an amount not to exceed \$383,610 to expand existing CNG fueling stations; and
- aa. A contract with the City of Eastvale in an amount not to exceed \$80,400 to procure up to two medium/heavy-duty zero-emission vehicles and install electric vehicle charging infrastructure.

FYs 2016-18 County Transportation Commission Partnership Program

The MSRC approved release of an Invitation to Negotiate for the CTC Partnership Program under the FYs 2016-18 Work Program. The ITN, with a targeted funding level of \$8,000,000, seeks to stimulate the demonstration of innovative projects, as well as expand “tried and true” air quality improvement strategies. CTCs within SCAQMD are eligible to participate. Other public and private entities could participate as subcontractors to a CTC. Each CTC is eligible to receive a maximum of \$2,000,000 on a sole-source contract award basis. Eligible project types include, but are not necessarily limited to: capital improvement projects, capital purchase projects including fleet vehicle purchases that meet, at a minimum, ARB’s optional 0.02 g/bhp-hr NOx emissions standard, traffic signal coordination, ridesharing programs, active transportation programs including bicycle sharing projects, transit pass incentive programs, freeway service patrols, first mile/last mile strategies, and information technology projects that focus on air quality improvement. The ITN includes an open application period commencing with its release on December 1, 2017, and closing June 29, 2018. The MSRC previously approved awards totaling \$2,000,000 in response to this solicitation. The MSRC considered recommendations concerning a work plan submitted by San Bernardino County Transportation Authority (SBCTA). SBCTA proposes to implement a fare discount program for the Metrolink San Bernardino line in partnership with the Los Angeles County Metropolitan Transportation Authority (LA Metro). The program is intended to test the effectiveness of lowering fares to increase overall ridership and revenue. It would reduce fares for all ticket types, except the Weekend Day Pass, by 25%. SBCTA intends to apply funding from MSRC’s CTC Partnership Program towards their portion of the discount, for approximately four years. It is anticipated that increased ridership, and, in turn, fare box revenue would obviate the need for funding assistance beginning with the fifth year. The MSRC approved a contract award to SBCTA in an amount not to exceed \$2,000,000 as part of the FYs 2016-18 for the fare discount program.

Sole Source Justification

As an element of its FYs 2016-18 Work Program, the MSRC allocated \$8 million for a program to stimulate the development of innovative projects, as well as expand “tried and true” air quality improvement strategies. As discussed in Proposals above, this program will be implemented by initiating sole-source contracts with CTCs. While the MSRC and SCAQMD strive to retain technical services on a competitive basis, the SCAQMD’s Procurement Policy and Procedure recognizes that, at times, the required services are

available from only one source, making the pursuit of a competitive procurement futile. The Metrolink San Bernardino Line is a continuous commuter rail line spanning 57.7 miles from San Bernardino to Los Angeles. SBCTA and LA Metro fund San Bernardino Line operations in a 40/60 split based on geographic placement of the line's route miles. Thus, SBCTA is the entity responsible for funding operations on the San Bernardino County portion of the line. This request for a sole source award is made under provision VIII.B.2.c.(1): The desired services are available from only the sole source due to the unique experience and capabilities of the proposed contractor or contractor team.

Resource Impacts

The SCAQMD acts as fiscal administrator for the AB 2766 Discretionary Fund Program (Health & Safety Code Section 44243). Money received for this program is recorded in a special revenue fund (Fund 23) and the contracts specified herein, as well as any contracts awarded in response to the solicitation, will be drawn from this fund.

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BOARD MEETING DATE: May 4, 2018

AGENDA NO. 16

PROPOSAL: Approve Charter for SCAQMD's Young Leaders Advisory Council

SYNOPSIS: This action is to approve the Young Leaders Advisory Council Charter.

COMMITTEE: Administrative, April 13, 2018; Recommended for Approval

RECOMMENDED ACTION:

Approve the Charter for the SCAQMD Young Leaders Advisory Council that details the formation of the Advisory Council, which will provide advice and input to SCAQMD staff regarding issues, concerns, values and priorities about air quality of young adults (aged 18-30) in the region.

Wayne Nastri
Executive Officer

FW:MK:jf

Background

The focus and mission of the Young Leaders Advisory Council (YLAC) is to identify air quality issues and concerns of young adults (aged 18-30) in the region. Through the YLAC, SCAQMD seeks to educate and engage young adults regarding the region's clean air issues and at the same time garner from them greater insight into their generation's concerns, values and priorities about air quality. This would be the first SCAQMD advisory group that seeks to engage this generation specifically, and to benefit from their passion, commitment, and urgency to help improve our air.

The YLAC reflects the ethnic and geographic diversity of the South Coast Air Basin. Members represent a variety of backgrounds and expertise, including, but not limited to, representatives of environmental justice groups, community organizations, schools and universities, businesses, and health organizations. The advisory group held their first meeting and the group discussed their goals and objectives.

The goals of the YLAC include: (1) helping strengthen and build upon SCAQMD's relationships and alliances with young adults by supporting SCAQMD outreach efforts; (2) assisting the SCAQMD in making meaningful and continuous progress towards cleaning the air through its decision-making and activities; and (3) maximizing the opportunity for young adults to learn more about SCAQMD, air quality and clean technology issues.

The YLAC will achieve its goals by meeting quarterly to, among other things: (1) share information about ways to engage young adults on air quality, environmental sustainability, and clean technology issues; (2) assist with the creation and implementation of air quality related events and workshops that best address the needs of people aged 30 and under; and (3) empower young leaders with more information and knowledge about air quality, air quality management, SCAQMD, and the intersection of air pollution, clean technology and other environmental laws and issues.

YLAC will consist of no more than 20 members, with at least two members from each county within the SCAQMD jurisdictional boundaries in Los Angeles, Orange, Riverside, and San Bernardino counties. The potential members, who represent some of the most highly impacted communities within SCAQMD's jurisdiction, will serve a one-year term with the possibility of being reappointed for additional one-year terms.

Charter Proposal

The will be a detailed document that includes the YLAC mission, goals, objectives, membership qualifications and composition, operational guidelines and compensation.

Resource Impacts

There will be a cost of \$100 per diem per meeting and reimbursement of actual and necessary mileage and parking expenses for attending meetings of the YLAC for each participating Advisory Council standing member. There are sufficient funds in the Legislative, Public Affairs and Media Department budget to cover these costs.

Attachment

SCAQMD Young Leaders Advisory Council Charter



South Coast Air Quality Management District Young Leaders Advisory Council (YLAC)

Charter

Synopsis of History

The South Coast Air Quality Management District (SCAQMD) established the Young Leaders Advisory Council (YLAC) in 2017, to identify the air quality issues and concerns of young adults (aged 18-30) in the region. This group seeks to engage this generation specifically, and to benefit from their passion, commitment, and urgency to help improve our air.

Advisory Council Mission

The mission of the Young Leaders Advisory Council is for SCAQMD to educate and engage young adults regarding the region's clean air issues and at the same time to garner from them greater insight into their generation's concerns, values and priorities about air quality.

Goals

1. Establish a geographically and ethnically diverse advisory council that will provide guidance to SCAQMD on addressing air quality issues in the South Coast Air Basin that are of particular concern to young adults (ages 18-30);
2. Help strengthen and build upon SCAQMD's relationships and alliances with young adults by supporting SCAQMD's outreach efforts;
3. Ensure that SCAQMD makes meaningful and continuous progress towards cleaning the air through its decisions and activities;
4. Maximize the opportunity for young adults to learn more about SCAQMD, air quality and clean technology issues.

Objectives

The Young Leaders Advisory Council shall achieve its goals by meeting quarterly to:

1. Obtain information from participating parties regarding their efforts to help clean the air;
2. Report on their communities' concerns regarding air pollution;
3. Share information about ways to engage young adults on air quality, environmental sustainability, and clean technology issues;

4. Promote communication among related agencies, YLAC Members, and community stakeholders;
5. Assist with the creation and implementation of air quality related events and workshops that best address the needs of people aged 30 and under;
6. Empower young leaders with more information and knowledge about air quality, air quality management, SCAQMD, and the intersection of air pollution, clean technology and other environmental laws and issues; and
7. Identify next steps and action items.

Membership Qualifications and Composition

The Young Leaders Advisory Council shall reflect the ethnic and geographic diversity of the South Coast Air Basin. Members shall represent a variety of backgrounds and expertise, including, but not limited to, representatives of environmental justice groups, community organizations, schools and universities, businesses, and health organizations.

YLAC will consist of no more than 20 members, with at least two members from each county within the SCAQMD jurisdictional boundaries in Los Angeles, Orange, Riverside, and San Bernardino counties. Appointments will be made by the Governing Board Chairman with consideration for Board Member input, and following review by the Administrative Committee. The same process, as above, applies for reappointments to fill any vacancy or for removal of a member. The potential members, who represent some of the most highly impacted communities within SCAQMD's jurisdiction, will serve a one-year term with the possibility of being reappointed for additional one-year terms.

Operational Guidelines

Agendas for the meetings will be prepared and distributed to members pursuant to any SCAQMD and state requirements and any relevant laws. Members may submit questions, comments, and guest speaker recommendations to SCAQMD staff, to be considered for upcoming meetings. Meetings may be held at SCAQMD, off site, or via teleconference. A quorum shall consist of a majority of the total number of individuals serving on the panel.

Reporting

The Governing Board's Administrative Committee shall be the Young Leaders Advisory Council's Board liaison. The Advisory Council shall provide the Administrative Committee and Governing Board with an annual written report addressing the YLAC's goals and objectives as stated above, describing the council's accomplishments, and proposing its agenda for the coming year.

Compensation

The standing members of this Advisory Council shall be eligible for per diem of \$100 per meeting and reimbursement of actual and necessary mileage and parking expenses for attending meetings of the YLAC.

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BOARD MEETING DATE: May 4, 2018

AGENDA NO. 17

REPORT: Legislative, Public Affairs and Media Report

SYNOPSIS: This report highlights the March 2018 outreach activities of the Legislative, Public Affairs and Media Office, which include: an Environmental Justice Update, Community Events/Public Meetings, Business Assistance, Media Relations and Outreach to Business and Federal, State, and Local Government.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Wayne Natri
Executive Officer

DJA:LTO:DM

BACKGROUND

This report summarizes the activities of the Legislative, Public Affairs and Media Office for March 2018. The report includes five major areas: Environmental Justice Update; Community Events/Public Meetings (including the Speakers Bureau/Visitor Services, Communications Center, and Public Information Center); Business Assistance; Media Relations; and Outreach to Business and Governments.

ENVIRONMENTAL JUSTICE UPDATE

The following are key environmental justice-related activities in which staff participated during March 2018. These events involve communities which suffer disproportionately from adverse air quality impacts.

March 13

Staff presented on environmental justice to a group of graduate students at Caltech in Pasadena. The presentation provided general background on environmental justice, and included case studies in which air pollution has affected disadvantaged communities throughout the South Coast Air Basin. Students asked about SCAQMD's inter-departmental approach to addressing air quality issues in marginalized neighborhoods.

March 13

Staff held a community meeting in Wilmington on AB 617 and AB 134, which are focused on reducing air pollution in environmental justice communities throughout the state. The purpose of the meeting was to provide information on the new laws and to receive public input on community prioritization, air quality projects, and suggestions for outreach materials.

March 14

Staff presented on environmental justice to a group of undergraduate students in an Urban Pollution class at California State University Los Angeles. The presentation provided general background information and case studies in which air pollution has affected disadvantaged communities throughout the South Coast Air Basin. Students asked about incentive programs available to individuals from low-income communities. Students were particularly interested in the Replace Your Ride Program.

March 27

Staff held a community meeting in Riverside on AB 617 and AB 134, which are focused on reducing air pollution in environmental justice communities throughout the state. The purpose of the meeting was to provide information on the new laws and to receive public input on community prioritization, air quality projects, and suggestions for outreach materials.

COMMUNITY EVENTS/PUBLIC MEETINGS

Each year SCAQMD staff engage with thousands of residents, providing valuable information about the agency, incentive programs and ways individuals can help reduce air pollution through events and meetings sponsored solely by SCAQMD or in partnership with others. Attendees typically receive the following information:

- Tips on reducing their exposure to smog and its health effects;
- Clean air technologies and their deployment;
- Invitations or notices of conferences, seminars, workshops and other public events;
- SCAQMD incentive programs;
- Ways to participate in SCAQMD's rule and policy development; and
- Assistance in resolving air pollution-related problems.

SCAQMD staff attended and/or provided information and updates at the following events:

March 1

- Cities and Schools - Building Sustainable Partnerships, Sierra Lakes Golf Club, Fontana.

March 10

- 39th Annual Los Angeles Environmental Education Fair, Los Angeles County Arboretum & Botanic Garden, Arcadia.

March 16

- S.T.E.M. Day, Auto Club Speedway, Fontana, California.

March 24

- SCAQMD, Cesar Chavez, Day of Remembrance Event, California State University, Los Angeles.

March 24

- Sustainable Paramount Eco-Fair, Civic Center, Paramount.

March 30

- Discover and Drive Event, Inland Center Mall, San Bernardino.

SPEAKERS BUREAU/VISITOR SERVICES

SCAQMD regularly receives requests for staff to speak on air quality-related issues from a wide variety of organizations, such as trade associations, chambers of commerce, community-based groups, schools, hospitals and health-based organizations. SCAQMD also hosts visitors from around the world who meet with staff on a wide range of air quality issues.

March 8

- Staff presented an update on air quality in Southern California and in the San Gabriel Valley to 30 members of the Men's Club at the Westminster Garden Retirement Community at Packard Hall in Duarte.

March 16

- Sixteen law students from the University of California, Los Angeles, visited SCAQMD, and were provided presentations on SCAQMD regulations, enforcement, compliance, and issues related to mobile sources. They were given a tour of SCAQMD and the laboratory.
- Staff presented on SCAQMD rules and the permitting programs for stationary diesel fuel combustion engines and compression ignition engines to 25 members from Consulting Electrical Engineers in Sherman Oaks.

March 20-23

- Five government officials from the Jiangsu Provincial Environmental Protection Department in China visited SCAQMD. The visit included presentations and information on SCAQMD air pollution control standards, regulations, air quality forecasting, rule development, enforcement program, and stationary source site visits.

COMMUNICATION CENTER STATISTICS

The Communication Center handles calls on SCAQMD’s main line, the 1-800-CUT-SMOG® line, the Spanish line, and after-hours calls to each of those lines. Total calls received in the month of March were:

Calls to SCAQMD’s Main Line and 1-800-CUT-SMOG® Line	3,432
Calls to SCAQMD’s Spanish-language Line	<u>39</u>
Total Calls	3,471

PUBLIC INFORMATION CENTER STATISTICS

The Public Information Center (PIC) handles phone calls and walk-in requests for general information. Information for the month of March is summarized below:

Calls Received by PIC Staff	136
Calls to Automated System	<u>597</u>
Total Calls	733
Visitor Transactions	302
Email Advisories Sent	244,523

BUSINESS ASSISTANCE

SCAQMD notifies local businesses of proposed regulations so they can participate in the agency’s rule development process. SCAQMD also works with other agencies and governments to identify efficient, cost-effective ways to reduce air pollution and shares that information broadly. Staff provides personalized assistance to small businesses both over the telephone and via on-site consultation. The information is summarized below:

- Provided permit application assistance to 293 companies;
- Issued 60 clearance letters;
- Conducted 6 free on-site consultations; and
- Provided assistance in filing 1 request for variance.

Types of businesses assisted

Auto Body Shops	Dry Cleaners	Furniture Refinishing Facilities
Plating Facilities	Gas Stations	Engineering, Construction, & Architecture Firms
Auto Repair Centers	Restaurants	
Manufacturing Facilities	Printing Facilities	

MEDIA RELATIONS

The Media Office handles SCAQMD outreach and communications with television, radio, newspapers and all other publications and media operations.

Total Media Inquiries: 85

Press Releases Issued: 6

Media Advisories: 1

Major Media Topics for March

All inquiries closed unless noted as pending

- **Air Quality and Climate Change Training Program (ACT):** University of California, Riverside (UCR) submitted a draft news release on the ACT Training Program for SCAQMD review and approval. Staff reviewed the article, and provided a quote to UCR.
- **Proposed Sales Tax Increase:** Following the March 2, 2018 Board meeting, Inside Washington publishing inquired whether the Board had taken any action on the proposed sales tax measure. Staff responded that testimony was heard but the item was deferred to the April Board meeting.
- **Facility-Based Measures:** L.A. Times reporter requested copies of any written comments, letters or messages submitted by members of the public or interested parties related to agenda item 32 from the March 2, 2018 Board meeting. A KPCC reporter also inquired about the discussion at the Board meeting. Staff responded to both requests.
- **Grant Applications:** L.A. Times requested information regarding an August 2017 grant proposal submitted by Build Your Dreams (BYD) and the City of Los Angeles, to fund two electric refuse-collection trucks. Pending.
- **Check Before You Burn:** L.A. Times has submitted extensive public records requests for funds spent on the annual program, number of No-Burn days called and enforcement data going back to 2012.
- **Flaring:** Freelance journalist requested records of Wilmington refinery flaring events for 2018. Pending.
- **Air Quality Issues:** Freelance reporter inquired whether SCAQMD air monitoring data excluded data involving natural environmental factors such as wildfire smoke.

- **BYD:** L.A. Times requested a copy of SCAQMD's policy as well as all correspondence between SCAQMD Board Members and staff, regarding the acceptance of gifts by Board Members and Board Assistants from entities interested in business opportunities.
- **Ultramar Flaring Mitigation Plan:** The Daily Breeze requested, and staff provided, assistance in finding the Ultramar Flaring Mitigation Plan.
- **Interview Request from Healthy African-American Families (HAAF):** HAAF Staff participated in a live internet radio interview on health equity and environmental justice, aired on April 25, 2018.
- **Prop 1B/Carl Moyer:** SoCalGas requested a supporting quote by SCAQMD staff regarding the utility company's efforts to assist fleet owners in applying for Prop 1B/Carl Moyer funding.
- **E-Highway Demonstration:** NY Times interviewed staff in regards to the E-Highway demonstrated by SCAQMD..

Media Campaigns

Annual Check Before You Burn Program:

This annual program ended on February 28, 2018. The contractor delivered the final report presentation on March 28, providing recommendations for future campaigns.

The Right to Breathe Signature Film update

The film has been completed and is now live on YouTube and the SCAQMD website. Staff is seeking estimates for translation and subtitling services.

News Releases & Media Advisories Issued

- SCAQMD Releases Updated “Right to Breathe” Documentary on Environmental Justice, March 27, 2018
- SCAQMD Hosts Cesar Chavez Day of Remembrance, March 24, 2018
- SCAQMD Hearing Board Adopts Order to Reduce Lead Emissions from Trojan Battery Co. in Santa Fe Springs, March 22, 2018
- SCAQMD Inspections Help Prevent Excess Truck Idling, March 21, 2018
- News Release: SCAQMD Inspections Help Prevent Excess Truck Idling, March 21, 2018
- Clean Technology and Clean Fuels Programs Continue to Improve Southland Air Quality, March 15, 2018
- Southern California’s Unusually Dry Winter Brought Record Number of No-Burn Days, March 1, 2018

Website

- AB 167 & AB 134 webpage: Coordinated with staff across the agency to prepare and launch this new page

OUTREACH TO COMMUNITY GROUPS AND FEDERAL, STATE, AND LOCAL GOVERNMENTS

Field visits and/or communications were conducted with elected officials or staff from the following cities:

Alhambra	Hawaiian Gardens	Pomona
Aliso Viejo	Hawthorne	Rancho Cucamonga
Anaheim	Hemet	Rancho Palos Verdes
Arcadia	Hermosa Beach	Redondo Beach
Artesia	Huntington Beach	Riverside
Avalon	Huntington Park	Rialto
Azusa	Industry	Rolling Hills
Baldwin Park	Irvine	Rolling Hills Estates
Bell	Irwindale	Rosemead
Bellflower	Inglewood	Santa Ana
Bell Gardens	Jurupa Valley	San Dimas
Brea	La Cañada Flintridge	San Bernardino
Bradbury	Laguna Woods	San Gabriel
Burbank	La Palma	San Fernando
Buena Park	La Puente	San Marino
Carson	La Verne	Santa Ana
Calimesa	Lake Elsinore	Santa Clarita
Canyon Lake	Lake Forest	Santa Fe Springs
Cerritos	Lawndale	Sierra Madre
Claremont	Lakewood	Signal Hill
Compton	Lomita	South El Monte
Commerce	Los Angeles	South Gate
Corona	Long Beach	South Pasadena
Covina	Lynwood	Temecula
Colton	Manhattan Beach	Temple City
Cudahy	Menifee	Torrance
Cypress	Monrovia	Tustin
Dana Point	Monterey Park	Upland
Diamond Bar	Moreno Valley	Vernon
Duarte	Montebello	Walnut
Eastvale	Murrieta	West Covina
El Monte	Newport Beach	Wilmington
El Segundo	Norwalk	Wildomar
Fontana	Palos Verdes Estates	Whittier
Fountain Valley	Pico Rivera	Yucaipa
Gardena	Pasadena	
Glendale	Paramount	
Glendora	Perris	

Visits and/or communications were conducted with elected officials or staff from the following state and federal offices:

- U.S. Senator Dianne Feinstein
- U.S. Senator Kamala Harris
- U.S. Congresswoman Nanette Barragán
- U.S. Congressman Lou Correa
- U.S. Congresswoman Judy Chu
- U.S. Congressman Raul Ruiz
- U.S. Congressman Ted Lieu
- U.S. Congressman Brad Sherman
- U.S. Congressman Mark Takano
- U.S. Congresswoman Mimi Walters
- Senator Steven Bradford
- Senator Mike Morrell
- Senator Anthony Portantino
- Senator Richard Roth
- Senator Henry Stern
- Assembly Member Sabrina Cervantes
- Assembly Member Ed Chau
- Assembly Member Stephen Choi
- Assembly Member Paul Cook
- Assembly Member Tom Daly
- Assembly Member Mike Gipson
- Assembly Member Chris Holden
- Assembly Member Chad Mayes
- Assembly Member Jose Medina
- Assembly Member Al Muratsuchi
- Assembly Member Jay Obernolte
- Assembly Member Patrick O'Donnell
- Assembly Member Eloise Reyes
- Assembly Member Sharon Quirk-Silva

Staff represented SCAQMD and/or provided updates or a presentation to the following governmental agencies and business organizations:

Anaheim Chamber of Commerce
Carson Chamber of Commerce
California Department of Transportation
Consulting Electrical Engineers, Sherman Oaks.
Five Mountain Communities Government Affairs Council
Fountain Valley Chamber of Commerce
Gateway Cities Council of Governments
Greater Monterey Park Chamber of Commerce
Inland Empire Resource Conservation District
International Brotherhood of Electrical Workers
Imperial Irrigation District
Jiangsu Provincial Environmental Protection Department, China
Los Angeles Center for Urban Natural Resources Sustainability
Los Angeles County Fire Department, Forestry Division
League of California Cities, Los Angeles County Division
League of California Cities, Orange County Division
Long Beach Chamber of Commerce
Newport Beach Chamber of Commerce
North Orange County Chamber of Commerce
Orange County Council of Governments

Orange County Business Council
Orange County Association of Realtors
Orange County Transportation Authority
Orange County Community Engagement Collaborative
Riverside County Flood Control and Water Conservation District
Riverside County Transportation Commission
Riverside Transit Agency
Riverside County Agricultural Commissioners
San Bernardino County Transportation Authority
Santa Ana Chamber of Commerce
San Gabriel Parks and Recreation Department
San Gabriel Valley Council of Governments
San Gabriel Valley Economic Partnership
San Gabriel Valley Water District
San Pedro Chamber of Commerce
South Bay Association of Chambers of Commerce
South Bay Cities Council of Governments
South Pasadena Chamber of Commerce
Southern California Association of Governments
Southern California Gas Company
Tustin Chamber of Commerce
Yucaipa Chamber of Commerce
Western Municipal Water District
Western Riverside Council of Governments
Wilmington Chamber of Commerce
Wilmington Neighborhood Council

Staff represented SCAQMD and/or provided updates or a presentation to the following community and educational groups and organizations:

American Cancer Society
American Lung Association
Altadena Senior Center
Anderson Memorial Senior Citizen Center, San Pedro
Arcadia Senior Center
Arcadia Community Center
Azusa Pacific University
Baldwin Park, Julia McNeill Senior Center
Betty Hill Senior Citizen Center, Los Angeles
Boyle Heights Senior Citizen Center, Los Angeles
Breathe California of Los Angeles County
Big Brothers Big Sisters of Orange County
California State University, Los Angeles
California State University, San Bernardino

California Institute of Technology, Pasadena
California Communities Against Toxics
Canoga Park Senior Center, Los Angeles
Claude Pepper Senior Center, Los Angeles
Coalition for a Safe Environment
Community Center, Compton
Costello Senior Center, Los Angeles
Comite Civico Del Valle
Duarte Senior Center
El Sereno Senior Center, Los Angeles
Expo Center, Ahmanson Senior Center, Los Angeles
Fairfax Senior Center, Los Angeles.
Felicia Mahood Multipurpose Center, Los Angeles
Garvey Center, City of Rosemead
Green Meadows Recreation Center, Los Angeles
Griffith Park Adult Community Center, Los Angeles
Glassell Park Senior Center, Los Angeles
Glendale Adult Recreation Center
Highland Park Adult Senior Center, Los Angeles
Hollywood Multi-Purpose Senior Center, Los Angeles
Jim Gilliam Senior Center, Los Angeles
Joslyn Adult Recreation Center, Burbank
Las Palmas Senior Center, Los Angeles
Leadership Counsel for Justice & Accountability, California
Lincoln Park Senior Center, Los Angeles
Lincoln Heights Senior Center, Los Angeles
Los Angeles Unified School District Nursing Services
Los Nietos Senior Center, Whittier
Mid-Valley Senior Center, Panorama
Monrovia Community Center
Monterey Park Langley Senior Center
Montecito Heights Senior Center
North Hollywood Senior Center
Orange County United Way
Orange County Community Engagement Collaborative
Pasadena Neighborhood Connections
Pan Pacific Senior Activities Center, Los Angeles
Park La Brea Clean & Green, Los Angeles
Praises of Zion Baptist Church, Los Angeles
People Coordinated Service, Los Angeles
Reach Out, Inland Valley
Rim of the World School District
Royal Oaks Senior Living Community, Pasadena
Robert M. Wilkinson Multi-Purpose Center, Northridge

Torch Middle School, La Puente
Tree People, Los Angeles
Twenty-Nine Palms Band of Mission Indians
San Bernardino Valley Community College
Santa Ana Unified School District
San Pedro & Peninsula Homeowners Association
Sherman Oaks East Valley Adult Center
Slauson Multi-Purpose Center, Los Angeles
Sparr Heights Senior Citizen Center
South Los Angeles Sports Activity Center
Sunland Senior Center
Sunshine Canyon Community Advisory Committee
University of California, Riverside
University of Southern California, Keck School of Medicine
University of California, Irvine
Van Metter Senior Center, Los Angeles
Van Ness Rec-Senior Center, Los Angeles
Vineyard Recreation Center/Senior Center, Los Angeles
Watts Senior Center, Los Angeles
Westchester Senior Center, Los Angeles
Westminster Garden Retirement Community, Duarte
Wilmington Neighborhood Council

[↑ Back to Agenda](#)

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 18

REPORT: Hearing Board Report

SYNOPSIS: This reports the actions taken by the Hearing Board during the period of March 1 through March 31, 2018.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Julie Prussack
Chairman of Hearing Board

DG

Two summaries are attached: **March 2018 Hearing Board Cases and Rules From Which Variances and Orders for Abatement Were Requested in 2018.** An Index of District Rules is also attached.

The total number of appeals filed during the period March 1 to March 31, 2018 is 0; and total number of appeals filed during the period of January 1 to March 31, 2018 is 0.

Report of March 2018 Hearing Board Cases

Case Name and Case No. (SCAQMD Attorney)	Rules	Reason for Petition/Hearing	District Position/ Hearing Board Action	Type and Length of Variance or Order	Excess Emissions
1. SCAQMD vs. City of Palm Springs Case No. 6084-1 (M. Reichert)	203(b) 1110.2(d)(1)(L)	Comply with emission limits on new, cleaner-burning co-gen equipment.	Stipulated/Issued	Mod. O/A issued commencing 3/29/18 and continuing through 1/31/2019. The Hearing Board shall retain jurisdiction over this matter until 1/31/2019.	N/A
2. SCAQMD vs. Industrial Battery Engineering, Inc. Case No. 6100-1 (N. Feldman)	203(a) 203(b) 1407 1420.2	Control lead emissions.	Stipulated/Issued	O/A issued commencing 3/1/18 and continuing through 2/28/19. The Hearing Board shall retain jurisdiction over this matter until 2/28/19.	N/A
3. SCAQMD vs. Nimeh E. Khaif (aka Nick Khaif) dba Nick Auto Body & Paint Case No. 6096-1 (B. Tomasovic)	109(c)(1) 203(a)	Unpermitted equipment and insufficient recordkeeping.	Not Stipulated/Issued	O/A issued commencing 3/8/18 and continuing through 7/24/19. The Hearing Board shall retain jurisdiction over this matter until 7/24/19.	N/A
4. SCAQMD vs. Torrance Refining Company Case No. 6060-5 (D. Hsu)	N/A	Status report.	No Action	The Hearing Board received a status report and determined no action was necessary to modify the O/A.	N/A
5. SCAQMD vs. Trojan Battery Company LLC Case No. 6099-1 (N. Feldman & B. Tomasovic)	1420.2	Comply with lead monitoring, permitting and venting regulations.	Stipulated/Issued	O/A issued commencing 3/21/18 and continuing through 12/31/18. The Hearing Board shall retain jurisdiction over this matter until 12/31/18.	N/A

Acronyms

MOD O/A: Modification of an Order for Abatement

O/A: Order for Abatement

Rules from which Variances and Orders for Abatement were Requested in 2018

	2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total Actions
# of HB Actions Involving Rules														
109(c)(1)				1										1
203(a)				2										2
203(b)		2	4	2										8
1110.2(d)(1)(L)				1										1
1147(c)(1)		1												1
1407				1										1
1420.2				2										2
2004(f)(1)		2	3											5
2011(c)(2)(A)		1												1
2011(c)(2)(B)		1												1
2011(e)(1)		1												1
2012(c)(2)(A)		1												1
2012(c)(2)(B)		1												1
2012(g)(1)		1												1
3002(c)		1												1
3002(c)(1)		1	3											4

**DISTRICT RULES AND REGULATIONS INDEX
FOR 2018 HEARING BOARD CASES AS OF MARCH 31, 2018**

REGULATION I – GENERAL PROVISIONS

Rule 109 Recordkeeping for Volatile Organic Compound Emissions

REGULATION II – PERMITS

Rule 203 Permit to Operate

REGULATION XI - SOURCE SPECIFIC STANDARDS

Rule 1110.2 Emissions from Gaseous- and Liquid-Fueled Internal Combustion Engines

Rule 1147 NOx Reductions from Miscellaneous Sources

REGULATION XIV – TOXICS AND OTHER NON-CRITERIA POLLUTANTS

Rule 1407 Control of Emissions of Arsenic, Cadmium, and Nickel from Non-Ferrous Metal Melting Operations

Rule 1420.2 Emission Standard for Lead from Metal Melting Facilities

REGULATION XX - REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

Rule 2004 Requirements

Rule 2011 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Sulfur (SOx) Emissions

Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NOx) Emissions

REGULATION XXX - TITLE V PERMITS

Rule 3002 Requirements

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 19

REPORT: Lead Agency Projects and Environmental Documents Received By SCAQMD

SYNOPSIS: This report provides, for the Board's consideration, a listing of CEQA documents received by the SCAQMD between March 1, 2018 and March 31, 2018, and those projects for which the SCAQMD is acting as lead agency pursuant to CEQA.

COMMITTEE: Mobile Source, April 20, 2018; Reviewed

RECOMMENDED ACTION:
Receive and file.

Wayne Natri
Executive Officer

PF:SN:MK:LS:LW

CEQA Document Receipt and Review Logs (Attachments A and B) – Each month, the SCAQMD receives numerous CEQA documents from other public agencies on projects that could adversely affect air quality. A listing of all documents received and reviewed during the reporting period March 1, 2018 through March 31, 2018 is included in Attachment A. A list of active projects from previous reporting periods for which SCAQMD staff is continuing to evaluate or has prepared comments is included in Attachment B. A total of 108 CEQA documents were received during this reporting period and 40 comment letters were sent. There are no notable projects to highlight in this report.

The Intergovernmental Review function, which consists of reviewing and commenting on the adequacy of the air quality analysis in CEQA documents prepared by other lead agencies, is consistent with the Board's 1997 Environmental Justice Guiding Principles and Environmental Justice Initiative #4. As required by the Environmental Justice Program Enhancements for FY 2002-03 approved by the Board in October 2002, each of the attachments notes those proposed projects where the SCAQMD has been contacted regarding potential air quality-related environmental justice concerns. The SCAQMD has established an internal central contact to receive information on projects with potential air quality-related environmental justice concerns. The public may

contact the SCAQMD about projects of concern by the following means: in writing via fax, email, or standard letters; through telephone communication; as part of oral comments at SCAQMD meetings or other meetings where SCAQMD staff is present; or by submitting newspaper articles. The attachments also identify for each project the dates of the public comment period and the public hearing date, if applicable, as reported at the time the CEQA document is received by the SCAQMD. Interested parties should rely on the lead agencies themselves for definitive information regarding public comment periods and hearings as these dates are occasionally modified by the lead agency.

At the January 6, 2006 Board meeting, the Board approved the Workplan for the Chairman's Clean Port Initiatives. One action item of the Chairman's Initiatives was to prepare a monthly report describing CEQA documents for projects related to goods movement and to make full use of the process to ensure the air quality impacts of such projects are thoroughly mitigated. In response to describing goods movement, CEQA documents (Attachments A and B) are organized to group projects of interest into the following categories: goods movement projects; schools; landfills and wastewater projects; airports; general land use projects, etc. In response to the mitigation component, guidance information on mitigation measures were compiled into a series of tables relative to: off-road engines; on-road engines; harbor craft; ocean-going vessels; locomotives; fugitive dust; and greenhouse gases. These mitigation measure tables are on the CEQA webpages portion of the SCAQMD's website at: <http://www.aqmd.gov/home/regulations/ceqa/air-quality-analysis-handbook/mitigation-measures-and-control-efficiencies>. Staff will continue compiling tables of mitigation measures for other emission sources, including airport ground support equipment and other sources.

As resources permit, staff focuses on reviewing and preparing comments for projects: where the SCAQMD is a responsible agency; that may have significant adverse regional air quality impacts (e.g., special event centers, landfills, goods movement, etc.); that may have localized or toxic air quality impacts (e.g., warehouse and distribution centers); where environmental justice concerns have been raised; and those projects for which a lead or responsible agency has specifically requested SCAQMD review. If staff provided written comments to the lead agency as noted in the column "Comment Status," there is a link to the "SCAQMD Letter" under the Project Description. In addition, if staff testified at a hearing for the proposed project, a notation is provided under the "Comment Status." If there is no notation, then staff did not provide testimony at a hearing for the proposed project.

During the period March 1, 2018 through March 31, 2018, the SCAQMD received 108 CEQA documents. Of the total of 135 documents* listed in Attachments A and B:

- 40 comment letters were sent;
- 38 documents were reviewed, but no comments were made;
- 27 documents are currently under review;
- 18 documents did not require comments (e.g., public notices);
- 0 documents were not reviewed; and
- 12 documents were screened without additional review.

* These statistics are from March 1, 2018 to March 31, 2018 and may not include the most recent “Comment Status” updates in Attachments A and B.

Copies of all comment letters sent to lead agencies can be found on the SCAQMD’s CEQA webpage at the following internet address:

<http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>.

SCAQMD Lead Agency Projects (Attachment C) – Pursuant to CEQA, the SCAQMD periodically acts as lead agency for stationary source permit projects. Under CEQA, the lead agency is responsible for determining the type of CEQA document to be prepared if the proposal is considered to be a “project” as defined by CEQA. For example, an Environmental Impact Report (EIR) is prepared when the SCAQMD, as lead agency, finds substantial evidence that the proposed project may have significant adverse effects on the environment. Similarly, a Negative Declaration (ND) or Mitigated Negative Declaration (MND) may be prepared if the SCAQMD determines that the proposed project will not generate significant adverse environmental impacts, or the impacts can be mitigated to less than significance. The ND and MND are written statements describing the reasons why proposed projects will not have a significant adverse effect on the environment and, therefore, do not require the preparation of an EIR.

Attachment C to this report summarizes the active projects for which the SCAQMD is lead agency and is currently preparing or has prepared environmental documentation. As noted in Attachment C, the SCAQMD continued working on the CEQA documents for five active projects during March.

Attachments

- A. Incoming CEQA Documents Log
- B. Ongoing Active Projects for Which SCAQMD Has or Will Conduct a CEQA Review
- C. Active SCAQMD Lead Agency Projects

**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
March 01, 2018 to March 31, 2018**

<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Waste and Water-related</i> LAC180301-12 Draft Removal Action Work Plan (RAW) for Industrial Polychemical Services Corporation (IPS)	The proposed project consists of remedial actions to clean up elevated levels of volatile organic compounds in surface soil, soil vapor, and groundwater. The project is located at 17109 South Main Street near the northwest corner of South Main Street and West Walnut Street in the City of Gardena. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/rawips-032018.pdf Comment Period: 2/23/2018 - 3/26/2018 Public Hearing: N/A	Draft Remediation Plan	Department of Toxic Substances Control	SCAQMD staff commented on 3/20/2018
<i>Waste and Water-related</i> LAC180302-03 DeMenno-Kerdoon - Class 1 Permit Modification	The proposed project consists of inclusion of testing method for chlorine in used oil. The project is located at 2000 North Alameda Street on the southeast corner of East Pine Street and Alameda Street in the City of Compton. Comment Period: N/A Public Hearing: N/A	Permit Modification	Department of Toxic Substances Control	Document reviewed - No comments sent
<i>Waste and Water-related</i> LAC180306-04 Berths 238-239 [PBF Energy] Marine Oil Terminal Wharf Improvements Project	The proposed project consists of demolition of existing platforms, and construction of marine platform, mooring and breasting dolphins, marine oil terminal platform, two new breasting dolphins, and four new upland mooring dolphins. The project will also include installation of tenant topside improvements on 20.54 acres. The project is located at 799 South Seaside on the southwest corner of Miner Street and South Crescent Avenue, and at 401 Ferry Street on the southwest corner of Ferry Street and Terminal Way in the Port of Los Angeles. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndberths238239-033018.pdf Comment Period: 3/2/2018 - 4/2/2018 Public Hearing: N/A	Mitigated Negative Declaration	City of Los Angeles Harbor Department	SCAQMD staff commented on 3/30/2018
<i>Waste and Water-related</i> LAC180309-01 Biogas Renewable Generation Project	The proposed project consists of construction of a 12-megawatt power generation facility, a 0.67-mile natural gas pipeline, a one-mile water pipeline, and two water tanks on a 2.2-acre portion of 95 acres within the 535-acre Scholl Canyon Landfill. The project is located at 3001 Scholl Canyon Road on the northwest corner of North Figueroa Street and Scholl Canyon Road. Reference LAC170927-01 and LAC170912-01 Comment Period: N/A Public Hearing: 3/21/2018	Notice of Public Hearing	City of Glendale	Document does not require comments

- Project has potential environmental justice concerns due to the nature and/or location of the project. Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
March 01, 2018 to March 31, 2018**

<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Waste and Water-related</i> LAC180323-03 Berths 167-169 Shell Marine Oil Terminal Wharf Improvements Project	The proposed project consists of seismic and ground improvements, piping replacement and foundation support improvements, and topside equipment replacement on 12 acres. The project is located near the southwest corner of Fries Avenue and La Paloma in the Port of Los Angeles. Reference LAC160415-02 and LAC150630-17 Comment Period: 3/27/2018 - 5/10/2018 Public Hearing: 4/11/2018	Draft Environmental Impact Report	Port of Los Angeles	Under review, may submit written comments
<i>Waste and Water-related</i> LAC180327-07 Cabrillo Mole Ferry Terminal Revitalization Project (Project ID #1617-006)	The proposed project consists of updates and repairs to existing ferry terminal, including reinforcement of wharf structure and installation of pedestrian shade structures. The project is located near the northeast corner of Crescent Avenue and Claressa Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndcabrillomoleferry-042418.pdf Comment Period: 3/27/2018 - 4/25/2018 Public Hearing: 5/16/2018	Mitigated Negative Declaration	City of Avalon	SCAQMD staff commented on 4/24/2018
<i>Waste and Water-related</i> LAC180327-10 West Basin Ocean Water Desalination Project Building	The proposed project consists of construction of ocean water desalination facility with a capacity ranging from 20 to 60 million gallons per day of potable drinking water. The project would also include construction of ocean water intake and concentrate discharge infrastructure and water conveyance system. The project is located at 301 Vista Del Mar on the northeast corner of Ocean Drive and 45th Street within the City of El Segundo. Reference LAC150901-03 Comment Period: 3/27/2018 - 5/25/2018 Public Hearing: 4/25/2018	Draft Environmental Impact Report	West Basin Municipal Water District	Under review, may submit written comments
<i>Waste and Water-related</i> ORC180320-02 Rehabilitation and Expansion of Lenain Water Treatment Plant	The proposed project consists of construction of a 20,124-square-foot reservoir outlet building, installation of emergency backup generator, and improvements to reservoir outlet valves, pipelines, and roadways on 1.8 acres. The project is located at 6751 East Walnut Canyon Road on the northeast corner of East Walnut Canyon Road and Access Road. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndlenainwater-041018.pdf Comment Period: 3/19/2018 - 4/20/2018 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Anaheim	SCAQMD staff commented on 4/10/2018

- Project has potential environmental justice concerns due to the nature and/or location of the project.
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
March 01, 2018 to March 31, 2018**

<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Waste and Water-related</i> RVC180302-05 Proposed Cleanup Plan for Clow Valve Company in Corona	The proposed project consists of development of corrective measures study to remediate contaminated soil on 16 acres. The remedial actions would include 1) excavation and disposal of contaminated soil to a permitted off-site treatment and disposal facility, 2) construction of an asphalt and concrete pavement as cap, 3) development of a soil handling plan, and 4) a land use covenant to limit site use to commercial and industrial purposes. The project is located at 1375 Magnolia Avenue on the northeast corner of Magnolia Avenue and El Camino Avenue in the City of Corona. Comment Period: 3/1/2018 - 3/30/2018 Public Hearing: N/A	Community Notice	Department of Toxic Substances Control	Document reviewed - No comments sent
<i>Waste and Water-related</i> RVC180309-07 Fox Tank Project	The proposed project consists of demolition of existing tank, and construction of a 1.0-million gallon (MG) tank, a 0.15-MG detention basin, and a pipeline of 12 inches in diameter on 3.35 acres. The project is located on the southeast corner of Headly Road and Fox Street in the community of Mead Valley in Riverside County. Reference RVC170926-01 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndfoxtank-040418.pdf Comment Period: 3/8/2018 - 4/6/2018 Public Hearing: 5/2/2018	Notice of Intent to Adopt a Mitigated Negative Declaration	Eastern Municipal Water District	SCAQMD staff commented on 4/4/2018
<i>Utilities</i> LAC180313-06 Grayson Repowering Project	The proposed project consists of improvements to electric generation equipment to increase transmission line capacity and renewable energy supplies. The proposed project is located at 800 Air Way on southeast corner of Flower Street and Air Way. Reference LAC170919-02 and LAC161220-09 Comment Period: N/A Public Hearing: N/A	Notice of Availability of a Final Environmental Impact Report	City of Glendale	Document reviewed - No comments sent
<i>Utilities</i> RVC180330-04 Riverside Transmission Reliability Project	The proposed project consists of the following components, including: 1) construction of two miles of 230-kV underground double-circuit duct bank and 0.4 miles of overhead 230-kV transmission line and route; 2) relocation of existing overhead distribution lines or a different overhead location to accommodate the new 230-kV transmission line; and 3) temporary uses of two marshalling yards to store construction materials. The project is located near the southeast corner of State Route 60 and Interstate 15 within the cities of Jurupa Valley, Norco, and Riverside. Reference RVC170124-01 and RVC150512-02 Comment Period: 4/2/2018 - 5/17/2018 Public Hearing: 4/24/2018	Draft Subsequent Environmental Impact Report	Public Utilities Commission	Under review, may submit written comments

- Project has potential environmental justice concerns due to the nature and/or location of the project.
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
March 01, 2018 to March 31, 2018**

<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Transportation</i> ORC180327-06 Western Extension of The Tracks at Brea Trail Project	The proposed project consists of construction of a 1.35-mile trail and associated improvements. The project is located between the intersection of Lambert Road and Palm Street and the Brea Canyon Channel. Comment Period: 3/22/2018 - 4/10/2018 Public Hearing: 4/17/2018	Mitigated Negative Declaration	City of Brea	Document reviewed - No comments sent
<i>Transportation</i> RVC180308-02 Temescal Canyon Road Bridge and Road Realignment Project	The proposed project consists of construction of a four-lane bridge of 98 feet in width, 375 feet in length, and five feet in depth over Temescal Wash. The project will also include construction of 200-foot roadways north and south of the bridge and a 649-foot roadway transition from the bridge to existing Temescal Canyon Road. The project is located on the southwest corner of Lake Street and Temescal Canyon Road. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndtemescalcanyon-040418.pdf Comment Period: 3/9/2018 - 4/9/2018 Public Hearing: 5/8/2018	Mitigated Negative Declaration	City of Lake Elsinore	SCAQMD staff commented on 4/4/2018
<i>Transportation</i> SBC180315-03 Base Line Bridge Replacement Project	The proposed project consists of demolition of bridge of 72 feet in width and 42 feet in length, and construction of a replacement bridge of 95.4 feet in width and 600 feet in length. The project is located along Base Line Street between Boulder Avenue and Yarnell Road. Reference SBC180208-04 Comment Period: N/A Public Hearing: N/A	Response to Comments	City of Highland	Document reviewed - No comments sent
<i>Institutional (schools, government, etc.)</i> LAC180320-06 John Adams Middle School Auditorium Replacement Project	The proposed project consists of demolition of existing auditorium and construction of a 20,000-square-foot auditorium on 1.07 acres. The project is located at 2425 16th Street on the southeast corner of 16th Street and Pearl Street in the City of Santa Monica. Comment Period: 3/20/2018 - 4/18/2018 Public Hearing: N/A	Mitigated Negative Declaration	Santa Monica-Malibu Unified School District	Document reviewed - No comments sent

- Project has potential environmental justice concerns due to the nature and/or location of the project.
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
March 01, 2018 to March 31, 2018**

<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Medical Facility</i> LAC180301-02 City of Hope Campus Plan (General Plan Amendment & Zone Change 15-01)	The proposed project consists of demolition of 387,500 square feet of existing buildings and construction of 1,426,000 square feet of new buildings on 116 acres. The project is located on the southeast corner of Duarte Road and Cinco Robles Drive. Reference LAC171116-04 and LAC151016-02 Comment Period: N/A Public Hearing: 3/13/2018	Final Environmental Impact Report	City of Duarte	Document reviewed - No comments sent
<i>Medical Facility</i> LAC180309-06 City of Hope Campus Plan (General Plan Amendment & Zone Change 15-01)	The proposed project consists of demolition of 387,500 square feet of existing buildings and construction of 1,426,000 square feet of new buildings on 116 acres. The project is located on the southeast corner of Duarte Road and Cinco Robles Drive. Reference LAC180301-02, LAC171116-04 and LAC151016-02 Comment Period: N/A Public Hearing: 3/21/2018	Notice of Public Hearing	City of Duarte	Document does not require comments
<i>Medical Facility</i> LAC180315-02 Kaiser Permanente Watts Learning Center and Health Pavilion Project (ENV-2017-1063): 1453-1525 E. 103rd St. & 10220 S. Success Ave.	The proposed project consists of demolition of two existing buildings, and construction of a 60,000-square-foot medical building and subterranean parking on 1.78 acres. The project is located on the northeast corner of 103rd Street and Success Avenue in the community of Southeast Los Angeles. Comment Period: 3/15/2018 - 4/16/2018 Public Hearing: N/A	Mitigated Negative Declaration	City of Los Angeles	Document reviewed - No comments sent
<i>Medical Facility</i> RVC180320-05 Makena Hills (TPM-2017-1314 and EA-2017-1315)	The proposed project consists of construction of two medical office buildings totaling 103,800 square feet and two hotels with 206 rooms on 14.56 acres. The project is located on the southeast corner of Baxter Road and Antelope Road. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndmakenahills-041018.pdf Comment Period: 3/16/2018 - 4/15/2018 Public Hearing: N/A	Mitigated Negative Declaration	City of Murrieta	SCAQMD staff commented on 4/10/2018

- Project has potential environmental justice concerns due to the nature and/or location of the project.
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A
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SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Retail</i> LAC180301-09 Tentative Parcel Map No. 82014	The proposed project consists of subdivision of 6.133 acres for future development of a hotel with 110 rooms and subterranean parking. The project is located on the southwest corner of Telegraph Boulevard and Norwalk Boulevard. Reference LAC180209-02 Comment Period: N/A Public Hearing: 3/12/2018	Notice of Public Hearing	City of Santa Fe Springs	Document does not require comments
<i>Retail</i> LAC180309-04 South Bay Galleria Improvement Project	This document changes the public hearing date from March 15, 2018 to April 19, 2018 for the proposed project. The proposed project consists of construction of 224,464 square feet of retail uses on 29.85 acres. The project would also include construction of a hotel with 150 rooms and a 650,000-square-foot building with 650 apartment units. The project is located at 1815 Hawthorne Boulevard on the southeast corner of Artesia Boulevard and Kingsdale Avenue. Reference LAC180213-05, LAC180201-05, LAC170801-04 and LAC151006-03 Comment Period: N/A Public Hearing: 4/19/2018	Revised Notice of Public Hearing	City of Redondo Beach	Document does not require comments
<i>Retail</i> LAC180329-07 Keyes Van Nuys Honda Dealership (ENV-2017-2277-EIR)	The proposed project consists of demolition of a 48,530-square-foot building and construction of a 82,273-square-foot retail building on 3.98 acres. The project is located at 6001 Van Nuys Boulevard on the southwest corner of Van Nuys Boulevard and Aetna Street in the community of Van Nuys-North Sherman Oaks. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/nopkeyesvannuys-042418.pdf Comment Period: 3/30/2018 - 4/30/2018 Public Hearing: N/A	Notice of Preparation	City of Los Angeles	SCAQMD staff commented on 4/24/2018
<i>Retail</i> ORC180321-03 Anaheim Radisson Blu Hotel (Development Project No. 2017-00035)	The proposed project consists of construction of a hotel with 326 rooms on 3.18 acres. The project is located at 1601 South Anaheim Boulevard on the northwest corner of Anaheim Boulevard and South Anaheim Way. Comment Period: 3/22/2018 - 4/20/2018 Public Hearing: 4/30/2018	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Anaheim	Document reviewed - No comments sent

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Retail RVC180308-04 Conditional Use Permit No. 3761 - EA42962	The proposed project consists of construction of a gas station with eight pumps. The project will also include construction of a 1,975-square-foot convenience store, two underground fuel storage tanks, and a 1,632-square-foot canopy on 0.28 acres. The project is located on the northeast corner of Center Street and Iowa Avenue in the community of Highgrove. Reference RVC161115-04 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/ndcup3761-032718.pdf	Notice of Intent to Adopt a Negative Declaration	County of Riverside	SCAQMD staff commented on 3/27/2018
	Comment Period: N/A Public Hearing: N/A			
Retail RVC180313-05 Coachella Vineyard RV Resort and Townhouse/Hotel Project (Case No. TTM 37040, TPM 37083, CUP 266, EA 16-01)	The proposed project consists of construction of 100 residential units, a 230,000-square-foot hotel with 200 rooms, and 29.4 acres of recreational vehicle resort park on 47.98 acres. The project is located on the northeast corner of Tyler Street and Vista Del Norte.	Mitigated Negative Declaration	City of Coachella	Document reviewed - No comments sent
	Comment Period: 3/8/2018 - 4/9/2018 Public Hearing: N/A			
Retail RVC180322-02 MA17245 (Site Development Plan 17111 & Conditional Use Permit 17004)	The proposed project consists of construction of a 2,900-square-foot gas station with six fueling dispensers, a 4,500-square-foot convenience store, a 2,100-square-foot office, and a 2,500-square-foot restaurant on 1.1 acres. The project is located on the northwest corner of Pedley Road and Ben Nevis Boulevard. Reference RVC171108-11	Site Plan	City of Jurupa Valley	Document reviewed - No comments sent
	Comment Period: 3/12/2018 - 3/26/2018 Public Hearing: N/A			
Retail RVC180327-02 MA17245 (TPM37483 & CUP17004)	This document includes changes to the building orientation and drive thru lane for the proposed project. The proposed project consists of construction of a 2,900-square-foot gas station with six fueling dispensers, a 4,500-square-foot convenience store, a 2,100-square-foot office, and a 2,500-square-foot restaurant on 1.1 acres. The project is located on the northwest corner of Pedley Road and Ben Nevis Boulevard. Reference RVC180322-02 and RVC171108-11	Site Plan	City of Jurupa Valley	Document reviewed - No comments sent
	Comment Period: 3/22/2018 - 4/3/2018 Public Hearing: N/A			

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<i>General Land Use (residential, etc.)</i> LAC180301-08 Las Tunas Mixed Use Project (PD 17-01, TTM 17-05, LLA 18-01, MFADR 17-06, TRE 18-03, and TRH 18-03)	The proposed project consists of construction of 80 residential units and 10,987 square feet of commercial uses on 4.93 acres. The project is located at 17 West Las Tunas Drive on the northwest corner of Santa Anita Avenue and Las Tunas Drive. Comment Period: 2/22/2018 - 3/13/2018 Public Hearing: 3/27/2018	Mitigated Negative Declaration	City of Arcadia	Document reviewed - No comments sent
<i>General Land Use (residential, etc.)</i> LAC180302-01 Montecito II (ENV-2017-1504-SCEA)	The proposed project consists of construction of a 53,370-square-foot building with 68 residential units and subterranean parking on 0.78 acres. The project is located at 6650-6668 West Franklin Avenue and 1850 North Cherokee Avenue on the southwest corner of Franklin Avenue and North Cherokee Avenue in the community of Hollywood. Comment Period: 3/1/2018 - 4/2/2018 Public Hearing: N/A	Notice of Availability of Sustainable Communities Environmental Assessment	City of Los Angeles	Document reviewed - No comments sent
<i>General Land Use (residential, etc.)</i> LAC180302-02 Lakin Tires Conditional Use Permit Case No. 771-1	The proposed project consists of increase in storage capability from 50,000 to 95,000 tires. The project will also convert 18,972 square feet of existing office building for receiving, sorting, and shipping of used tires. The project is located at 15605 Cornet Street near the northwest corner of Alondra Boulevard and Cornet Street. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/smndlakintires-031418.pdf Comment Period: 2/27/2018 - 3/19/2018 Public Hearing: 4/9/2018	Supplemental Mitigated Negative Declaration	City of Santa Fe Springs	SCAQMD staff commented on 3/14/2018
<i>General Land Use (residential, etc.)</i> LAC180302-04 Bristol Parkway Mixed Use Development	The proposed project consists of construction of six buildings totaling 801,119 square feet with 712 residential units and subterranean parking on 6.26 acres. The project is located on the southwest corner of Bristol Parkway and Green Valley Circle in the community of Fox Hills. Reference LAC180301-05 Comment Period: N/A Public Hearing: N/A	Technical Data	City of Culver City	Document reviewed - No comments sent

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SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>General Land Use (residential, etc.)</i> LAC180306-01 ZC 17-03, PP 17-02, TT 77198, MND 17-03, and DR 9-17-8380	The proposed project consists of subdivision of 66,516 square feet for future development of 29 residential units on 1.527 acres. The project is located at 9958 Artesia Boulevard on the southeast corner of Artesia Boulevard and Bixby Avenue. Reference LAC180202-07 Comment Period: N/A Public Hearing: 3/26/2018	Response to Comments	City of Bellflower	Document reviewed - No comments sent
<i>General Land Use (residential, etc.)</i> LAC180306-06 Tesoro del Valle (Phases A, B, and C)	The proposed project consists of construction of 820 residential units that were originally approved in 1999 but were not constructed on a 393.6-acre portion of 1,274.6 acres. The project will also include 19.1 acres of open space. The project is located near the southwest corner of North Quail Trail and San Francisquito Canyon Road within the City of Santa Clarita. Reference LAC161011-05 and LAC100803-07 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/dseirtesorodelvalle-040418.pdf Comment Period: 2/27/2018 - 4/12/2018 Public Hearing: N/A	Draft Supplemental Environmental Impact Report	County of Los Angeles	SCAQMD staff commented on 4/4/2018
<i>General Land Use (residential, etc.)</i> LAC180308-01 Cudahy 2040 General Plan Update	The proposed project consists of construction of 1,448 residential units, 1.8 million square feet of commercial use, 1.3 million square feet of industrial use, and 0.7 million square feet of public and institutional uses on 768 acres. The project is located on the southeast corner of Walnut Street and Salt Lake Avenue. Reference LAC180102-07 Comment Period: N/A Public Hearing: 3/20/2018	Final Environmental Impact Report	City of Cudahy	Document reviewed - No comments sent
<i>General Land Use (residential, etc.)</i> LAC180309-02 Smoky Hollow Specific Plan Update	The proposed project consists of construction of six residential units and 517,094 square feet of office, commercial, and industrial uses on 120 acres. The project is located on the northwest corner of Sepulveda Boulevard and El Segundo Boulevard. Reference LAC170404-03 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/deirsmokyhollow-041018.pdf Comment Period: 3/8/2018 - 4/23/2018 Public Hearing: N/A	Notice of Availability of a Draft Environmental Impact Report	City of El Segundo	SCAQMD staff commented on 4/10/2018

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General Land Use (residential, etc.) LAC180313-03 Centennial Project	This document changes the public hearing date from March 21, 2018 to April 25, 2018 for the proposed project. The proposed project consists of construction of 19,333 residential units, 7,363,818 square feet of office and warehousing uses, 1,034,550 square feet of commercial uses, 1,568,160 square feet of education and medical uses, and 5,624 acres of open space on 12,323 acres. The project is located near the northeast corner of State Route 138 and Interstate Highway 5 in the vicinity of Quail Lake south of the Kern County and Los Angeles County boundary line. Reference LAC180220-08, LAC170705-01 and LAC151001-10 Comment Period: N/A Public Hearing: 3/21/2018	Revised Notice of Public Hearing	County of Los Angeles	Document does not require comments
General Land Use (residential, etc.) LAC180315-01 7th and Witmer Project (ENV-2017-3539): 1235-1237 & 1241-1257 W. 7th St. and 1234-1236, 1242 & 1246 W. Ingraham St.	The proposed project consists of demolition of a 21,016-square-foot office building and parking lot, and construction of a 295,000-square-foot building with 306 residential units on 1.03 acres. The project is located on the northeast corner of 7th Street and Witmer Street in the community of Westlake. Comment Period: 3/15/2018 - 4/16/2018 Public Hearing: N/A	Mitigated Negative Declaration	City of Los Angeles	SCAQMD staff commented on
General Land Use (residential, etc.) LAC180315-04 College Station Project	The proposed project consists of construction of six buildings totaling 642,239 square feet with 770 residential units and subterranean parking on 4.92 acres. The project is located at 129-135 West College Street and 924 North Spring Street on the northeast corner of Spring Street and College Street in the community of Central City North. Reference LAC160607-13 and LAC140618-01 Comment Period: 3/15/2018 - 4/30/2018 Public Hearing: N/A	Draft Environmental Impact Report	City of Los Angeles	Document reviewed - No comments sent
General Land Use (residential, etc.) LAC180315-05 2002 21st Street Condominiums Project	This document includes updates on the cultural resources and transportation impact analyses for the proposed project. The proposed project consists of demolition of existing structures and construction of two buildings with 19 residential units totaling 31,711 square feet on 0.66 acres. The project is located at 2002 21st Street on the southwest corner of Virginia Avenue and 21st Street. Reference LAC120911-01 Comment Period: 3/13/2018 - 4/27/2018 Public Hearing: N/A	Notice of Availability of a Recirculated Draft Environmental Impact Report	City of Santa Monica	Document reviewed - No comments sent

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<i>General Land Use (residential, etc.)</i> LAC180320-01 Pacific Gateway (TR063296)	The proposed project consists of demolition of four existing residential units and construction of 58 townhomes totaling 118,250 square feet on 3.13 acres. The project is located on the southeast corner of West 223rd Street and Normandie Avenue within the City of Torrance. Reference LAC180214-01 Comment Period: 3/20/2018 - 4/18/2018 Public Hearing: N/A	Response to Comments	County of Los Angeles	Document reviewed - No comments sent
<i>General Land Use (residential, etc.)</i> LAC180322-04 ENV-2016-1132: 1314-1338 W. Jefferson Blvd. and 3411 S. Walton Ave.	The proposed project consist of demolition of seven buildings, and construction of a 104,958-square-foot building with 129 residential units and subterranean parking on 30,176 square feet. The project is located on the southwest corner of Jefferson Boulevard and Walton Avenue in the community of South Los Angeles. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mnd1314wjeferson-041018.pdf Comment Period: 3/22/2018 - 4/11/2018 Public Hearing: N/A	Mitigated Negative Declaration	City of Los Angeles	SCAQMD staff commented on 4/10/2018
<i>General Land Use (residential, etc.)</i> LAC180323-01 520 Mateo (ENV-2016-1795-EIR)	The proposed project consists of demolition of a 80,736-square-foot warehouse and construction of a 584,760-square-foot development with 600 residential/work units on 2.24 acres. The project is located at 520, 524, 528, and 532 South Mateo Street, and 1310 East 4th Place on the southeast corner of Mateo Street and 4th Place in the community of Central City North. Reference LAC171222-06 and LAC161118-02 Comment Period: N/A Public Hearing: 4/18/2018	Notice of Public Hearing	City of Los Angeles	Document does not require comments
<i>General Land Use (residential, etc.)</i> LAC180327-08 Lakeland Apartments	The proposed project consists of construction of seven buildings totaling 170,082 square feet with 128 residential units on 5.13 acres. The project is located on the southwest corner of Lakeland Road and Carmenita Road. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndlakelandapartments-040418.pdf Comment Period: 2/20/2018 - 4/8/2018 Public Hearing: 4/9/2018	Mitigated Negative Declaration	City of Santa Fe Springs	SCAQMD staff commented on 4/4/2018

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<p><i>General Land Use (residential, etc.)</i> LAC180329-10 ENV-2016-2824, ENV-2016-2824-APP: 4018-4030 S. Buckingham Road</p>	<p>The document consists of request to release funding for the proposed project. The proposed project consists of construction of 130 residential units on 1.5 acres. The project is located on the southeast corner of Buckingham Road and Palmyra Road in the community of South Los Angeles. Reference LAC161201-04</p> <p style="text-align: center;">Comment Period: 3/26/2018 - 4/13/2018 Public Hearing: N/A</p>	Notice of Intent to Request Release of Funds	City of Los Angeles	Document does not require comments
<p><i>General Land Use (residential, etc.)</i> LAC180329-11 Van Nuys Plaza (ENV-2016-2945: 6569-6581 N. Van Nuys Blvd. & 14506-14534 W. Kittridge St.)</p>	<p>The proposed project consists of demolition of three buildings and construction of a 157,100-square-foot building with 174 residential units and subterranean parking on 1.29 acres. The project is located on the southwest corner of Kittridge Street and Van Nuys Boulevard in the community of Van Nuys-Sherman Oaks.</p> <p style="text-align: center;">http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndvannuysplaza-041718.pdf</p> <p style="text-align: center;">Comment Period: 3/29/2018 - 4/18/2018 Public Hearing: N/A</p>	Mitigated Negative Declaration	City of Los Angeles	SCAQMD staff commented on 4/17/2018
<p><i>General Land Use (residential, etc.)</i> ORC180301-03 Rancho La Habra Specific Plan</p>	<p>The proposed project consists of demolition of existing golf course and parking lot, and construction of 402 residential units with either 20,000 square feet of commercial uses or 46 additional residential units on 151 acres. The project will also include 84.61 acres of open space. The project is located at 1400 South La Habra Hills Drive on the northeast corner of West Nicklaus Avenue and Hillsboro Drive. Reference ORC151118-04</p> <p style="text-align: center;">Comment Period: 2/26/2018 - 5/11/2018 Public Hearing: N/A</p>	Draft Environmental Impact Report	City of La Habra	Document reviewed - No comments sent
<p><i>General Land Use (residential, etc.)</i> ORC180306-02 The Farm Specific Plan Project</p>	<p>The proposed project consists of construction of 180 residential units, a 0.5-acre park, and a one-acre trail on 35 acres. The project is located at 32382 Del Obispo Street on the northwest corner of Alipaz Street and Via Positiva.</p> <p style="text-align: center;">Comment Period: 3/6/2018 - 4/5/2018 Public Hearing: N/A</p>	Mitigated Negative Declaration	City of San Juan Capistrano	Document reviewed - No comments sent

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<i>General Land Use (residential, etc.)</i> ORC180330-01 Downtown Commercial Core Specific Plan	The proposed project consists of construction of 887 residential units and 300,000 square feet of commercial and office uses on 220 acres. The project is located near the northeast interchange of Interstate 5 and State Route 55. Reference ORC180216-04 and ORC160802-02 Comment Period: N/A Public Hearing: 4/10/2018	Notice of Public Hearing	City of Tustin	Document does not require comments
<i>General Land Use (residential, etc.)</i> RVC180301-07 Planning Cases P17-0467 (GP), P17-0466 (SPA), P17-0468 (RZ), P17-0469 (PPE), P17-0470 (TPMM), P17-0471 (SV) and P17-0472 (VR)	The proposed project consists of construction of a 98,608-square-foot building with 108 residential units on 3.17 acres. The project is located at 3575 through 3661 Merrill Avenue near the northeast corner of De Anza Avenue and Merrill Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndp170467-031318.pdf Comment Period: 2/23/2018 - 3/14/2018 Public Hearing: N/A	Mitigated Negative Declaration	City of Riverside	SCAQMD staff commented on 3/13/2018
<i>General Land Use (residential, etc.)</i> RVC180306-03 PP2018-002 - Sierra Bella Specific Plan	The proposed project consists of construction of 237 residential units on 304 acres. The project is located near the southwest corner of Paseo Grande and Green River Road. Comment Period: 2/12/2018 - 3/1/2018 Public Hearing: 3/1/2018	Site Plan	City of Corona	Document reviewed - No comments sent
<i>General Land Use (residential, etc.)</i> RVC180307-01 Mill Creek Promenade Specific Plan No. 2016-246	The proposed project consists of construction of 398 residential units on a 34.52-acre portion of 58.5 acres. The project will also include development of 117,208 square feet of commercial uses, 33,288 square feet of industrial park, and 8.03 acres of open space. The project is located on the southwest corner of Garbani Road and Haun Road. Reference RVC171116-07, RVC170613-05, RVC161115-01 and RVC160308-07 Comment Period: N/A Public Hearing: N/A	Response to Comments	City of Menifee	Document reviewed - No comments sent

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<p><i>General Land Use (residential, etc.)</i> RVC180313-01 McLaughlin Village - Tentative Tract Map No. 2015-250 (TM 36937), Plot Plan No. 2015-251, and Change of Zone No. CZ 2015-252</p>	<p>This document extends the public review period from March 14, 2018 to March 28, 2018 and the public hearing date from March 14, 2018 to May 28, 2018. This document also includes updates on health risk assessment for the proposed project. The proposed project consists of subdivision of 14.34 acres for future development of 126 residential units. The project is located on the southeast corner of McLaughlin Road and Barnett Road. Reference RVC180220-03 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/revisedmndmclaughlin-031518.pdf Comment Period: 2/23/2018 - 3/28/2018 Public Hearing: 3/28/2018</p>	Revised Mitigated Negative Declaration	City of Menifee	SCAQMD staff commented on 3/15/2018
<p><i>General Land Use (residential, etc.)</i> RVC180316-02 The Ranch - Multi-Family Residential Community</p>	<p>The proposed project consists of demolition of four existing buildings and construction of 324 residential units on 11.44 acres. The project is located on the southwest corner of Jefferson Avenue and Ivy Street. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndtheranch-032718.pdf Comment Period: 3/13/2018 - 4/2/2018 Public Hearing: N/A</p>	Mitigated Negative Declaration	City of Murrieta	SCAQMD staff commented on 3/27/2018
<p><i>General Land Use (residential, etc.)</i> RVC180316-03 Tentative Tract Map No. 2018-065 (TR2018-065, TR37400)</p>	<p>The proposed project consists of subdivision of 46.9 acres for future development of 174 residential units. The project is located on the southwest corner of McLaughlin Road and Sun City Boulevard. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/sptm2018065-033018.pdf Comment Period: 3/13/2018 - 4/2/2018 Public Hearing: N/A</p>	Site Plan	City of Menifee	SCAQMD staff commented on 3/30/2018
<p><i>General Land Use (residential, etc.)</i> RVC180322-01 Moreno Valley Ranch Golf Course Apartments</p>	<p>The proposed project consists of construction of 18 buildings with 417 residential units on 21.86 acres. The project will also include 248 acres of open space. The project is located on the southeast corner of John F. Kennedy Drive and Moreno Beach Drive. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndmorenovalley-041018.pdf Comment Period: 3/22/2018 - 4/21/2018 Public Hearing: N/A</p>	Mitigated Negative Declaration	City of Moreno Valley	SCAQMD staff commented on 4/10/2018

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<i>General Land Use (residential, etc.)</i> RVC180330-03 MA17099 (TTM No. 37211)	The proposed project consists of subdivision of 10.4 acres for future development of 48 residences. The project is located on the southeast corner of Canal Street and Opal Street. Reference RVC171117-02 and RVC170530-01 <p style="text-align: center;">Comment Period: 3/30/2018 - 4/16/2018 Public Hearing: N/A</p>	Site Plan	City of Jurupa Valley	Document reviewed - No comments sent
<i>Plans and Regulations</i> LAC180322-05 ENV-2017-4076: Citywide	The proposed project consists of establishment of development and operational standards to allow pet shops to operate in commercial zones overnight. <p style="text-align: center;">Comment Period: 3/22/2018 - 4/11/2018 Public Hearing: N/A</p>	Negative Declaration	City of Los Angeles	Document reviewed - No comments sent
<i>Plans and Regulations</i> LAC180327-01 Rancho Palos Verdes General Plan Update	The proposed project consists of city-wide updates to City general plan to reflect current status of development, economic, and demographic data, land use decisions, and statutory requirements. The project is located near the southwest corner of Palos Verdes Drive North and Western Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndranchopalosverdes-041018.pdf <p style="text-align: center;">Comment Period: 3/22/2018 - 4/13/2018 Public Hearing: 4/26/2018</p>	Mitigated Negative Declaration	City of Rancho Palos Verdes	SCAQMD staff commented on 4/10/2018
<i>Plans and Regulations</i> ORC180314-03 Code Amendment CO-17-07	The proposed project consists of amendment to City ordinance Article 5 of Chapter I and Chapter VI of Title 9 and Chapter IV and Article 21 of Chapter IX of Title 13 to allow adult use of marijuana to be distributed, manufactured, researched, developed, and tested in the same locations subject to the same permitting process and restrictions as medical marijuana. <p style="text-align: center;">Comment Period: N/A Public Hearing: 3/20/2018</p>	Notice of Public Hearing	City of Costa Mesa	Document does not require comments

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<i>Plans and Regulations</i> ORC180315-06 Code Amendment CO-18-01	The proposed project consists of amendment to City ordinance Article 20 of Chapter IX of Title 9 and Chapter IV of Title 13 to prohibit marijuana cultivation, dispensaries, and retail sales to the extent allowed by the state law. <p style="text-align: center;">Comment Period: N/A Public Hearing: 3/20/2018</p>	Notice of Public Hearing	City of Costa Mesa	Document does not require comments
<i>Plans and Regulations</i> ORC180329-09 Code Amendment CO-18-02	The proposed project consists of amendment to City municipal code Chapter V, Article 2.5 of Title 13 to increase the minimum setback and parking requirements. <p style="text-align: center;">Comment Period: N/A Public Hearing: 4/9/2018</p>	Notice of Public Hearing	City of Costa Mesa	Document does not require comments
<i>Plans and Regulations</i> RVC180309-05 Beaumont General Plan Update (Beaumont 2040 Plan)	The proposed project consists of development of major strategies and physical improvements including adoption and implementation of (1) General Plan Update; (2) revised Zoning Code and Zoning Map; (3) Downtown Specific Plan; and (4) Hillside Development Ordinance on 26,566 acres. The project is located north of City of San Jacinto, south of the community of Cherry Valley and the City of Calimesa, west of the City of Banning, and east of Gilman Springs Road. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/nopbeaumont2040plan-040418.pdf <p style="text-align: center;">Comment Period: 3/9/2018 - 4/9/2018 Public Hearing: 3/13/2018</p>	Notice of Preparation	City of Beaumont	SCAQMD staff commented on 4/4/2018
<i>Plans and Regulations</i> SBC180314-02 PL11-0428 (General Plan Amendment), PL08-0369 (East Chino Specific Plan Amendment), and Certification of the Chino RV Storage Facility EIR	The proposed project consists of change to existing General Plan land use designation from Recreational/Open Space to Light Industrial for 7.19 acres. The project will also include recreational vehicle storage. The project is located on the northwest corner of Edison Avenue and Mountain Avenue. Reference SBC180213-03, SBC171011-01, SBC141205-06, SBC140307-02, SBC140214-03 and SBC140211-07 <p style="text-align: center;">Comment Period: N/A Public Hearing: 3/20/2018</p>	Notice of Public Hearing	City of Chino	Document does not require comments

- Project has potential environmental justice concerns due to the nature and/or location of the project.
Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
March 01, 2018 to March 31, 2018**

<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Plans and Regulations</i> SBC180316-04 Rialto Bioenergy Facility Project (Conditional Use Permit No. 2017-0009)	The proposed project consists of conversion of existing non-operational regional biosolids processing facility into a regional organic waste processing facility on 5.7 acres. The project is located at 503 East Santa Ana Avenue near the southeast corner of South Riverside Avenue and East Santa Ana Avenue. Reference SBC180216-01, SBC180215-02, SBC171122-05 and SBC170907-06 Comment Period: N/A	Notice of Public Hearing	City of Rialto	Document does not require comments
	Public Hearing: 3/27/2018			

- Project has potential environmental justice concerns due to the nature and/or location of the project.
 Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

ATTACHMENT B*
ONGOING ACTIVE PROJECTS FOR WHICH SCAQMD HAS
OR IS CONTINUING TO CONDUCT A CEQA REVIEW

<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Warehouse & Distribution Centers</i> LAC180208-02 ENV-2017-4389: 2803 W. Broadway	The proposed project consists of demolition of a 6,403-square-foot building and construction of a 87,084-square-foot storage building on 30,153 square feet. The project is located on the northeast corner of West Broadway and El Verano Avenue in the community of Northeast Los Angeles. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndenv20174389-030118.pdf Comment Period: 2/8/2018 - 3/1/2018 Public Hearing: N/A	Mitigated Negative Declaration	City of Los Angeles	SCAQMD staff commented on 3/1/2018
<i>Warehouse & Distribution Centers</i> RVC180131-02 Duke Warehouse at Perris Boulevard and Markham Street Project	The proposed project consists of construction of a 1,189,860-square-foot warehouse and two sanitary sewer connections on 55 acres. The project is located on the northeast corner of Markham Street and Perris Boulevard. Reference RVC170913-02 and RVC170829-02 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/deirdukewarehouse-031418.pdf Comment Period: 1/31/2018 - 3/16/2018 Public Hearing: N/A	Notice of Availability of a Draft Environmental Impact Report	City of Perris	SCAQMD staff commented on 3/14/2018
<i>Warehouse & Distribution Centers</i> SBC180206-02 West Valley Logistics Center Specific Plan	The proposed project consists of future construction of up to 3,473,690 square feet of warehouse distribution uses on 291 acres. The project is located near the southeast corner of Jurupa Avenue and Alder Avenue. Reference SBC141223-01, SBC140422-17 and SBC120713-06 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/deirwestvalleylogistics-032018.pdf Comment Period: 2/5/2018 - 3/23/2018 Public Hearing: 3/20/2018	Recirculated Draft Environmental Impact Report	City of Fontana	SCAQMD staff commented on 3/20/2018
<i>Industrial and Commercial</i> LAC180221-02 Canyon City Business Center	The proposed project consists of construction of seven industrial and warehouse buildings totaling 463,436 square feet on 23.43 acres. The project is located at 1025 North Todd Avenue on the southwest corner of West Sierra Madre Avenue and North Todd Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/nopcanyoncity-032018.pdf Comment Period: 2/21/2018 - 3/23/2018 Public Hearing: 3/14/2018	Notice of Preparation	City of Azusa	SCAQMD staff commented on 3/20/2018
<i>Industrial and Commercial</i> LAC180227-04 Sunset Gower Studios Enhancement Plan (ENV-2017-5091-EIR)	The proposed project consists of demolition of three existing structures totaling 160,500 square feet, and construction of three office buildings totaling 628,000 square feet and subterranean parking on 15.9 acres. The project is located on the southeast corner of Sunset Boulevard and Gower Street in the community of Hollywood. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/nopsunsetgower-032718.pdf Comment Period: 2/26/2018 - 3/30/2018 Public Hearing: 3/6/2018	Notice of Preparation	City of Los Angeles	SCAQMD staff commented on 3/27/2018

*Sorted by Comment Status, followed by Land Use, then County, then date received.

- Project has potential environmental justice concerns due to the nature and/or location of the project.

**ATTACHMENT B
ONGOING ACTIVE PROJECTS FOR WHICH SCAQMD HAS
OR IS CONTINUING TO CONDUCT A CEQA REVIEW**

<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Industrial and Commercial</i> SBC180223-02 Arconic Industrial Expansion - Design Review DRC2017-00141	The proposed project consists of construction of a 39,600-square-foot industrial building and two ancillary equipment buildings totaling 9,166 square feet on 17.5 acres. The project is located at 11711 Arrow Route near the southwest corner of Arrow Route and Rochester Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndarconicindustrial-032718.pdf Comment Period: 2/22/2018 - 3/28/2018 Public Hearing: 3/28/2018	Mitigated Negative Declaration	City of Rancho Cucamonga	SCAQMD staff commented on 3/27/2018
<i>Waste and Water-related</i> ORC180227-03 Biosolids Master Plan (Project No. PS15-01)	The proposed project consists of improvements to 18 biosolid handling digesters and supporting facilities. The project is located at 22212 Brookhurst Street on the southeast corner of Bushard Street and Brookhurst Street in the City of Huntington Beach. Reference ORC170718-05 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/dpeirbiosolids-033018.pdf Comment Period: 2/14/2018 - 4/2/2018 Public Hearing: 3/15/2018	Draft Program Environmental Impact Report	Orange County Sanitation District	SCAQMD staff commented on 3/30/2018
<i>Utilities</i> LAC180125-06 Power Plant 1 and Power Plant 2 Transmission Line Conversion Project	The proposed project consists of demolition of existing 115-kilovolt (kV) transmission line, and construction of new 230 kV double circuit transmission lines and associated transmission structures on a 12-mile segment of land. The project is located on the northeast corner of Interstate 5 and Interstate 210 in the community of Granada Hills-Knollwood and within the City of Santa Clarita. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/noppowerplant1-030618.pdf Comment Period: 1/24/2018 - 3/9/2018 Public Hearing: 2/7/2018	Notice of Preparation	Los Angeles Department of Water and Power	SCAQMD staff commented on 3/6/2018
<i>Transportation</i> RVC180220-01 Interstate 15 Corridor Project	The proposed project consists of construction of tolled express lanes on a 14.7-mile segment of Interstate 15 from 0.3 miles south of Cantu-Galleano Ranch Road (Post Mile 49.8) to 1.2 miles north of Duncan Canyon Road (Post Mile 12.2). The project traverses through the cities of Eastvale, Jurupa Valley, and Fontana in the counties of Riverside and San Bernardino. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndinterstate15-031518.pdf Comment Period: 2/15/2018 - 3/16/2018 Public Hearing: 3/1/2018	Notice of Intent to Adopt a Mitigated Negative Declaration	California Department of Transportation	SCAQMD staff commented on 3/15/2018
<i>Transportation</i> SBC180208-04 Base Line Bridge Replacement Project	The proposed project consists of demolition of a 72-foot-wide and 42-foot-long bridge and construction of a 95.5-foot-wide and 600-foot-long replacement bridge. The project is located along Base Line Street between Boulder Avenue and Yarnell Road. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndbaselinebridge-030618.pdf Comment Period: 2/12/2018 - 3/12/2018 Public Hearing: 3/20/2018	Mitigated Negative Declaration	City of Highland	SCAQMD staff commented on 3/6/2018

- Project has potential environmental justice concerns due to the nature and/or location of the project.

**ATTACHMENT B
ONGOING ACTIVE PROJECTS FOR WHICH SCAQMD HAS
OR IS CONTINUING TO CONDUCT A CEQA REVIEW**

<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Institutional (schools, government, etc.)</i> LAC180208-03 Roosevelt High School Comprehensive Modernization Project	The proposed project consists of demolition of 17 portable classroom buildings and construction of six administrative and classroom buildings totaling 236,000 square feet on 22.7 acres. The project is located at 456 South Mathews Street on the northeast corner of South Soto Street and East 6th Street in the community of Boyle Heights. Reference LAC171018-01 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/deirroosevelthigh-032018.pdf Comment Period: 2/6/2018 - 3/23/2018 Public Hearing: 2/21/2018	Notice of Availability of a Draft Environmental Impact Report	Los Angeles Unified School District	SCAQMD staff commented on 3/20/2018
<i>Institutional (schools, government, etc.)</i> LAC180216-03 Burroughs Middle School Comprehensive Modernization Project	The proposed project consists of demolition of four existing buildings and 12 portable classroom buildings totaling 60,500 square feet. The project will also include construction of four buildings totaling 88,000 square feet and modification to six buildings totaling 104,500 square feet on 10.4 acres. The project is located at 600 South McCadden Place in the community of Hancock Park. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/nopburroughsmiddle-032018.pdf Comment Period: 2/16/2018 - 3/20/2018 Public Hearing: 2/28/2018	Notice of Preparation	Los Angeles Unified School District	SCAQMD staff commented on 3/20/2018
<i>Institutional (schools, government, etc.)</i> SBC180213-01 California Highway Patrol San Bernardino Area Office Replacement Project	The proposed project consists of construction of a 217,000-square-foot building and ancillary improvements, including auto service bays, a 148-foot communications tower, vehicle parking areas, equipment enclosures and storage areas, a fuel island with gas tanks and two mechanized dispensers, an emergency generator, and utility improvements on 5.3 acres. The project is located on the northwest corner of Redlands Boulevard and Bryn Mawr Avenue in the City of Loma Linda. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndcaliforniahighway-031318.pdf Comment Period: 2/12/2018 - 3/13/2018 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	California Highway Patrol	SCAQMD staff commented on 3/13/2018
<i>Retail</i> RVC180202-08 Agua Caliente Casino Resort Spa Expansion Project	The proposed project consists of construction of 58,000 square feet of gaming area, 41,000 square feet of meeting space, 25,000 square feet of retail uses, 120,000 square feet of commercial uses, and a 364,000-square foot hotel with 310 rooms on 56 acres. The project is located on the southeast corner of Ramon Road and Bob Hope Drive in the City of Rancho Mirage in Riverside County. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/nopaguacalientecasino-030118.pdf Comment Period: 1/31/2018 - 3/2/2018 Public Hearing: N/A	Notice of Preparation	Agua Caliente Band of Cahuilla Indians	SCAQMD staff commented on 3/1/2018
<i>Retail</i> RVC180220-02 Moreno Valley Festival Specific Plan Amendment	The proposed project consists of construction of a 348,000-square-foot business park and 325,000 square feet of retail uses on 29 acres. The project is located on the northwest corner of Indian Street and State Route 60. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndmorenovalleyfestival-032018.pdf Comment Period: 2/19/2018 - 3/21/2018 Public Hearing: N/A	Mitigated Negative Declaration	City of Moreno Valley	SCAQMD staff commented on 3/20/2018

- Project has potential environmental justice concerns due to the nature and/or location of the project.

ATTACHMENT B
ONGOING ACTIVE PROJECTS FOR WHICH SCAQMD HAS
OR IS CONTINUING TO CONDUCT A CEQA REVIEW

SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>General Land Use (residential, etc.)</i> LAC180213-04 3200 E. Foothill Boulevard Mixed Use Project	The proposed project consists of demolition of 29 buildings totaling 212,397 square feet, and construction of eight buildings with 550 residential units totaling 544,906 square feet and subterranean parking on 8.32 acres. The project is located at 3200 East Foothill Boulevard on the southeast corner of East Foothill Boulevard and North Kinneloa Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/dscea3200foothill-030618.pdf Comment Period: 2/8/2018 - 3/9/2018 Public Hearing: 2/28/2018	Notice of Availability of a Draft Sustainable Communities Environmental Assessment	City of Pasadena	SCAQMD staff commented on 3/6/2018
<i>General Land Use (residential, etc.)</i> LAC180214-01 Pacific Gateway (TR063296)	The proposed project consists of demolition of four existing residential units and construction of 58 townhomes totaling 118,250 square feet on 3.13 acres. The project is located on the southeast corner of West 223rd Street and Normandie Avenue within the City of Torrance. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndpacificgateweay-031318.pdf Comment Period: 2/14/2018 - 3/15/2018 Public Hearing: N/A	Mitigated Negative Declaration	County of Los Angeles	SCAQMD staff commented on 3/13/2018
<i>General Land Use (residential, etc.)</i> LAC180222-03 ENV-2017-258: 3800 W. 6th Street Mixed-Use Development	The proposed project consists of demolition of 6,300 square feet of commercial spaces, a 107-student daycare center, and parking lot. The project would also include construction of a 325,794-square-foot building with 122 residential units and 192 hotel rooms on 1.03 acres. The project is located on the southwest corner of 6th Street and Hobart Boulevard in the community of Wilshire. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndenv2017258-030118.pdf Comment Period: 2/22/2018 - 3/15/2018 Public Hearing: N/A	Mitigated Negative Declaration	City of Los Angeles	SCAQMD staff commented on 3/1/2018
<i>General Land Use (residential, etc.)</i> LAC180223-03 676 Mateo Street Project (ENV-2016-3691-EIR)	The proposed project consists of demolition of a 27,000-square-foot warehouse and 20,000 square feet of parking. The project will also include construction of a 197,355-square-foot building with 185 residential units, 15,320 square feet of open space, and subterranean parking on 1.03 acres. The project is located at 676 Mateo Street near the southeast corner of Jesse Street and Mateo Street in the community of Central City North. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/nop676mateostreet-032718.pdf Comment Period: 2/23/2018 - 3/27/2018 Public Hearing: 3/12/2018	Notice of Preparation	City of Los Angeles	SCAQMD staff commented on 3/27/2018
<i>General Land Use (residential, etc.)</i> LAC180223-05 1100 E. 5th Street Project (ENV-2016-3727-EIR)	The proposed project consists of demolition of a 35,000-square-foot warehouse and 23,000 square feet of parking. The project will also include construction of a 247,000-square-foot building with 220 residential units, 22,725 square feet of open space, and subterranean parking on 1.2 acres. The project is located at 1100 East 5th Street on the southeast corner of Seaton Street and East 5th Street in the community of Central City North. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/nop1100e5thstreet-032718.pdf Comment Period: 2/23/2018 - 3/27/2018 Public Hearing: 3/15/2018	Notice of Preparation	City of Los Angeles	SCAQMD staff commented on 3/27/2018

- Project has potential environmental justice concerns due to the nature and/or location of the project.

**ATTACHMENT B
ONGOING ACTIVE PROJECTS FOR WHICH SCAQMD HAS
OR IS CONTINUING TO CONDUCT A CEQA REVIEW**

<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>General Land Use (residential, etc.)</i> LAC180227-05 Oak View Estates Specific Plan	The proposed project consists of construction of nine residential homes, a water storage tank, a loop access road, three bridges, conservation areas, and recreational amenities on a 85-acre portion of 197.7 acres. The project would also preserve 113 acres of open space. The project is located near the northwest corner of Long Canyon Road and Bliss Canyon Road. Reference LAC161117-03 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/nopoakviewestates-032718.pdf Comment Period: 2/26/2018 - 3/27/2018 Public Hearing: 3/14/2018	Notice of Preparation	City of Bradbury	SCAQMD staff commented on 3/27/2018
<i>General Land Use (residential, etc.)</i> ORC180202-02 Red Hill Avenue Specific Plan	The proposed project consists of construction of 500 residential units and 325,000 square feet of commercial, retail, and hotel uses on 43.11 acres. The project is located along Red Hill Avenue between Bryan Avenue and Sycamore Avenue. Reference ORC170411-10 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/deirredhillavenue-031418.pdf Comment Period: 2/1/2018 - 3/19/2018 Public Hearing: N/A	Notice of Availability of a Draft Environmental Impact Report	City of Tustin	SCAQMD staff commented on 3/14/2018
<i>General Land Use (residential, etc.)</i> ORC180213-02 2525 North Main Street Multi-Family Residential Project	The proposed project consists of demolition of an 81,171-square-foot building, and construction of 517 residential units totaling 623,024 square feet and a 368,171-square-foot parking structure with subterranean parking on 5.93 acres. The project will also include 92,214 square feet of open space. The project is located at 2525 North Main Street on the northeast corner of Main Street and Edgewood Road. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/nop2525northmain-031318.pdf Comment Period: 2/12/2018 - 3/13/2018 Public Hearing: 3/1/2018	Notice of Preparation	City of Santa Ana	SCAQMD staff commented on 3/13/2018
<i>General Land Use (residential, etc.)</i> ORC180216-04 Downtown Commercial Core Specific Plan	The proposed project consists of construction of 887 residential units and 300,000 square feet of commercial and office uses on 220 acres. The project is located near the northeast interchange of Interstate 5 and State Route 55. Reference ORC160802-02 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/deirdowntowncommercial-032718.pdf Comment Period: 2/15/2018 - 4/2/2018 Public Hearing: N/A	Notice of Availability of a Draft Environmental Impact Report	City of Tustin	SCAQMD staff commented on 3/27/2018
<i>General Land Use (residential, etc.)</i> RVC180220-03 McLaughlin Village - Tentative Tract Map No. 2015-250 (TM 36937), Plot Plan No. 2015-251, and Change of Zone No. CZ 2015-252	The proposed project consists of subdivision of 14.34 acres for future development of 126 residential units. The project is located on the southeast corner of McLaughlin Road and Barnett Road. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndmclaughlinvillage-031318.pdf Comment Period: 2/23/2018 - 3/28/2018 Public Hearing: 3/28/2018	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Menifee	SCAQMD staff commented on 3/13/2018

- Project has potential environmental justice concerns due to the nature and/or location of the project.

**ATTACHMENT C
ACTIVE SCAQMD LEAD AGENCY PROJECTS
THROUGH MARCH 31, 2018**

PROJECT DESCRIPTION	PROPONENT	TYPE OF DOCUMENT	STATUS	CONSULTANT
<p>Edgington Oil Company (Edgington) is proposing the following modifications at its existing Edgington Refinery site to allow for additional flexibility in using the site for terminal operations: 1) add 18 offloading arms at its existing rail tank car loading facility to allow for the offloading of distillates, biodiesel, and renewables (diesel and jet fuels), ethanol, naphtha, alkylates, reformate, and isooctane; 2) modify seven truck loading racks to allow distillates, biodiesel, and renewables to be loaded; 3) modify one rack (two arms) to allow unloading of crude oil from trucks; and 4) modify 16 existing fixed-roof asphalt storage tanks to allow storage of distillates, biodiesel, and renewables.</p>	<p>Edgington Oil Company</p>	<p>Initial Study (IS)</p>	<p>An Initial Study has been prepared by the consultant and SCAQMD staff has provided comments. The consultant is in the process of revising the Initial Study.</p>	<p>InterAct</p>
<p>The Phillips 66 (formerly ConocoPhillips) Los Angeles Refinery Ultra Low Sulfur Diesel project was originally proposed to comply with federal, state and SCAQMD requirements to limit the sulfur content of diesel fuels. Litigation against the CEQA document was filed. Ultimately, the California Supreme Court concluded that the SCAQMD had used an inappropriate baseline and directed the SCAQMD to prepare an EIR, even though the project has been built and has been in operation since 2006. The purpose of this CEQA document is to comply with the Supreme Court's direction to prepare an EIR.</p>	<p>Phillips 66 (formerly ConocoPhillips), Los Angeles Refinery</p>	<p>Environmental Impact Report (EIR)</p>	<p>The Notice of Preparation/Initial Study (NOP/IS) was circulated for a 30-day public comment period on March 26, 2012 to April 26, 2012. The consultant submitted the administrative Draft EIR to SCAQMD in late July 2013. The Draft EIR was circulated for a 45-day public review and comment period from September 30, 2014 to November 13, 2014. Two comment letters were received and the consultant has prepared responses to comments which are undergoing SCAQMD review.</p>	<p>Environmental Audit, Inc.</p>
<p>Quemetco is proposing an increase in the daily furnace feed rate.</p>	<p>Quemetco</p>	<p>Environmental Impact Report (EIR)</p>	<p>A Notice of Preparation/Initial Study (NOP/IS) has been prepared by the consultant and SCAQMD staff has provided comments. The consultant has provided a revised NOP/IS which is undergoing SCAQMD review before public release.</p>	<p>Trinity Consultants</p>

**ATTACHMENT C
ACTIVE SCAQMD LEAD AGENCY PROJECTS
THROUGH MARCH 31, 2018**

PROJECT DESCRIPTION	PROPONENT	TYPE OF DOCUMENT	STATUS	CONSULTANT
<p>Southern California Edison (SCE) is proposing to modify the air pollution control system for the Barre Peaker unit to repair current and prevent future water damage by: 1) decreasing the water-injection rate into the turbine’s combustor; 2) replacing the oxidation catalyst and increasing the overall area of catalyst beds in the selective catalytic reduction (SCR) unit; 3) replacing the ammonia injection grid to improve the deliverability of ammonia to the catalyst; and, 4) increasing the concentration of the aqueous ammonia that is delivered to the facility, stored on-site, and injected into the SCR unit from 19% to 29%. In addition, SCE is proposing to revise its SCAQMD Title V Operating Permit to allow the turbine to generate power over its full operating range, from less than one megawatt (MW) to full load (e.g., 45 MW net), while continuing to meet the emission limits in the current permit.</p>	<p>Southern California Edison</p>	<p>Addendum to the April 2007 Final Mitigated Negative Declaration for the Southern California Edison Barre Peaker Project in Stanton</p>	<p>A draft Addendum has been prepared by the consultant and SCAQMD staff has provided comments. The consultant is in the process of revising the Addendum.</p>	<p>Yorke Engineering, LLC</p>
<p>Southern California Edison (SCE) is proposing to modify the air pollution control system for the Mira Loma Peaker unit to repair current and prevent future water damage by: 1) decreasing the water-injection rate into the turbine’s combustor; 2) replacing the oxidation catalyst and increasing the overall area of catalyst beds in the Selective Catalytic Reduction (SCR) unit; 3) replacing the ammonia injection grid to improve the deliverability of ammonia to the catalyst; and, 4) increasing the concentration of the aqueous ammonia that is delivered to the facility, stored on-site, and injected into the SCR unit from 19% to 29%. In addition, SCE is proposing to revise its SCAQMD Title V Operating Permit to allow the turbine to generate power over its full operating range, from less than one megawatt (MW) to full load (e.g., 45 MW net), while continuing to meet the emission limits in the current permit.</p>	<p>Southern California Edison</p>	<p>Addendum to the April 2007 Final Mitigated Negative Declaration for the Southern California Edison Mira Loma Peaker Project in Ontario</p>	<p>A draft Addendum has been prepared by the consultant and SCAQMD staff has provided comments. The consultant is in the process of revising the Addendum.</p>	<p>Yorke Engineering, LLC</p>

[↑ Back to Agenda](#)

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 20

REPORT: Civil Filings and Civil Penalties Report

SYNOPSIS: This reports the monthly penalties from March 1 through March 31, 2018, and legal actions filed by the General Counsel's Office from March 1 through March 31, 2018. An Index of District Rules is attached with the penalty report.

COMMITTEE: Stationary Source, April 20, 2018, Reviewed

RECOMMENDED ACTION:
Receive and file this report.

Bayron T. Gilchrist
General Counsel

BTG:ew

	<u>Civil Filings</u>	<u>Violations</u>
1.	Abdul Oil Corp. dba Abdul Shell Los Angeles Superior Court - Pomona Case No. KC070096; Filed 3.6.18 (WBW) P64328 R. 203 – Operating Without a Valid Permit to Operate R. 461 – Gasoline Transfer and Dispensing	2
2.	Visions Paint Recycling, Inc. Small Claims Court - West Covina Case No. 18WCSC00836; Filed 3.1.19 (GV) P64811 R. 314 - Fees for Architectural Coatings	1
3.	Field Energy Corporation Small Claims Court - Pasadena Case No. 18PDSC01246; Filed 3.16.18 (GV) P64272 R. 461 – Gasoline Transfer and Dispensing	1

4. Rebilt Metalizing Co
Small Claims Court - Downey
Case No. 18DWSC01437; Filed 3.21.18 (GV)
P64855
R. 1469 - Hexavalent Chromium Emissions From Chrome Plating
and Chromic Acid Anodizing Operations

1

5 Violations

Attachments

March 2018 Penalty Report

Index of District Rules and Regulations

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
General Counsel's Office**

March 2018 Settlement Penalty Report

<u>Total Penalties</u>	
Civil Settlements:	\$123,350.00
MSPAP Settlements:	\$24,598.00
Total Cash Settlements:	\$147,948.00
Total SEP Value:	\$0.00
Fiscal Year through 3 / 2018 Cash Total:	
	\$9,793,129.81
Fiscal Year through 3 / 2018 SEP Value Only Total:	
	\$2,120,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
152948	AMERICAN DOCK BOX		3/28/2018	TRB		\$500.00
		3002			P64353	
800037	DEMENNO/KERDOON		3/20/2018	SH		\$5,000.00
		2004			P60457	
		3002				
160245	GATEWAY CREMATORY, SMART CREMATION CA		3/2/2018	BST		\$55,000.00
		1147			P65767	
142311	GREENCYCLE		3/6/2018	BST		\$7,200.00
		PERP 2459			P66253	
		203(a)			P66402	
136012	HABBOR CHEVRON, BHUPINDER S MAC DBA		3/27/2018	GV		\$800.00
		41954			P61679	
		41960.2				
		461(c)				

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
134765	HYDRO SYSTEMS INC	203(b)	3/28/2018	BST	P56882 P56892 P61305	\$2,000.00
168220	LEX-RY HOLDING INC. DBA EXCELL CLEANERS	203(a)	3/27/2018	GV	P62158	\$550.00
168609	PROCARE TREE SERVICE, INC.	203 (a)	3/14/2018	KCM	P59847 P61905 P61908	\$4,500.00
113444	R M MYERS CORPORATION	1403	3/2/2018	BST	P63557	\$1,500.00
113779	R. J. NOBLE COMPANY	203 (a) 203 (b) PERP 2460	3/28/2018	VKT	P62041	\$500.00
68118	TIDELANDS OIL PRODUCTION COMPANY ETAL	2012 218 2004 3002 1173 2004(f)(1) 203 (b) 3002(c)(1) 3003	3/6/2018	KRW	P51979 P52626 P55646 P60579	\$25,000.00
36412	VILLAGE CAR WASH	203 (a) 461 461(c) 461(E)(2)(A)	3/8/2018	DH	P63116 P63127	\$800.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
22092	WESTERN TUBE & CONDUIT CORP		3/7/2018	SMP		\$20,000.00
		203			P50739	
		3002			P56998	
		3002(c)(1)				
		3004				
Total Civil Settlements: \$123,350.00						
MSPAP Settlements						
177675	AMERICAN BEEF PACKERS		3/16/2018	JS		\$4,200.00
		1415.1			P64830	
173008	AMERICAN PREMIUM GASOLINE		3/16/2018	GC		\$1,575.00
		461			P65022	
		461(c)(2)(B)				
174004	ARCO AMPM 5 POINTS		3/16/2018	GC		\$600.00
		461			P64969	
175316	FOOTHILL OIL CORPORATION, BAHMAN NATANZI		3/16/2018	GC		\$400.00
		461			P64915	
121877	G & M OIL CO, LLC #91		3/16/2018	GC		\$1,083.00
		41960.2			P65711	
		461				
149931	G & M OIL COMPANY, LLC #149		3/16/2018	GC		\$1,850.00
		203 (b)			P65702	
		41960.2				
		461				
131146	G&M OIL CO, LLC #113		3/16/2018	GC		\$2,040.00
		41960.2			P65713	
		461				

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
145861	GRIGORIAN'S INC/ARCO #166	461(E)(2)(A)	3/16/2018	GC	P64290	\$1,000.00
178369	IEH, LLC	203 (b) 41960.2 461 461(c)(2)(B)	3/16/2018	GC	P65013	\$400.00
145096	KEMP BROS. CONSTRUCTION, INC.	403	3/16/2018	TF	P65031	\$800.00
20731	LA MART	203 (a)	3/16/2018	TF	P65054	\$100.00
58622	LOS ANGELES COLD STORAGE CO	2004	3/16/2018	TF	P60587	\$800.00
185646	MK BUILDERS	1403	3/16/2018	TF	P66451	\$1,375.00
176229	OHNO CONSTRUCTION COMPANY	403	3/16/2018	TF	P65029 P65030	\$1,600.00
45746	PABCO BLDG PRODUCTS LLC,PABCO PAPER, DBA	2004	3/16/2018	TF	P57099	\$1,000.00
183208	PCH PETRO	461	3/16/2018	TF	P65732	\$375.00
178264	SOUTHWEST DEMOLITION	1403	3/16/2018	TF	P66455	\$900.00
144127	SPUNKY CANYON MARKET	461	3/16/2018	TF	P64924	\$2,100.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
183869	UNITED PACIFIC #5665	203	3/16/2018	GV	P64920	\$2,400.00

Total MSPAP Settlements: \$24,598.00

**DISTRICT'S RULES AND REGULATIONS INDEX
FOR MARCH 2018 PENALTY REPORT**

REGULATION II - PERMITS

- Rule 203 Permit to Operate (*Amended 1/5/90*)
- Rule 218 Continuous Emission Monitoring (*Amended 5/14/99*)

REGULATION IV – PROHIBITIONS

- Rule 403 Fugitive Dust (*Amended 12/11/98*) *Pertains to solid particulate matter emitted from man-made activities.*
- Rule 461 Gasoline Transfer and Dispensing (*Amended 6/15/01*)

REGULATION XI - SOURCE SPECIFIC STANDARDS

- Rule 1147 NOx Reductions from Miscellaneous Sources
- Rule 1173 Fugitive Emissions of Volatile Organic Compounds (*Amended 5/13/94*)

REGULATION XIV - TOXICS

- Rule 1403 Asbestos Emissions from Demolition/Renovation Activities (*Amended 4/8/94*)
- Rule 1415.1 Reduction of Refrigerant Emissions from Stationary Refrigeration Systems.
- Rule 1470 Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines

REGULATION XX REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

- Rule 2004 Requirements (*Amended 5/11/01*)
- Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO_x) Emissions (*Amended 5/11/01*)

REGULATION XXX TITLE V PERMITS

- Rule 3002 Requirements (*Amended 11/14/97*)
- Rule 3003 Applications (*Amended 3/16/01*)

CALIFORNIA HEALTH AND SAFETY CODE

41954 Compliance for Control of Gasoline Vapor Emissions
41960.2 Gasoline Vapor Recovery

CALIFORNIA CODE OF REGULATIONS

PERP 2459 Portable Equipment Notification
PERP 2460 Portable Equipment Testing Requirements

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 21

REPORT: Rule and Control Measure Forecast

SYNOPSIS: This report highlights SCAQMD rulemaking activities and public workshops potentially scheduled for 2018.

COMMITTEE: No Committee Review

RECOMMENDED ACTION:
Receive and file.

Wayne Natri
Executive Officer

PMF:SN:AF:RM

2018 MASTER CALENDAR

The table below summarizes changes to the schedule since last month's Rule and Control Measure Forecast Report. Staff will continue to work with all stakeholders as these projects move forward.

Symbols have been added to indicate the following:

- * This rulemaking is a potentially significant hearing.*
- + This rulemaking will reduce criteria air contaminants and assist toward attainment of ambient air quality standards.*
- # This rulemaking is part of the transition of RECLAIM to a command-and-control regulatory structure.*

Reg. IX	Standards of Performance for New Stationary Sources (NSPS)
Reg. X	National Emission Standards for Hazardous Air Pollutants (NESHAPS)
Regulations IX and X are being moved from October 2018 to November 2018 to allow additional time to collect data for rulemaking.	
Reg. XIII*#	New Source Review
Regulation XIII is being moved from July 2018 to November 2018 to allow additional time for staff to work with U.S. EPA and stakeholders to address specific issues for facilities transitioning out of RECLAIM.	

1111 ⁺	Reduction of NOx Emissions from Natural Gas Fired, Fan-Type Central Furnaces
Proposed Amended Rule 1111 is being moved from June 2018 to July 2018 to allow additional time to work with stakeholders on proposed labeling requirements for non-compliant furnace products that are utilizing the mitigation fee option.	
1118.1* ⁺ #	Control of Emissions from Non-Refinery Flares
Proposed Rule 1118.1 is being moved from July 2018 to September 2018 to allow additional time to work with stakeholders to address issues raised during working group meetings.	
1469	Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations
Proposed Amended Rule 1469 is being moved from June 2018 to July 2018 based on direction from the Stationary Source Committee to set the public hearing in May for 60 days with a public hearing in July.	

2018 MASTER CALENDAR

June	Title and Description	Type of Rulemaking
<p>1146</p> <p>1146.1</p> <p>1146.2*+##</p> <p>1100*+##</p>	<p>Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters</p> <p>Emissions of Oxides of Nitrogen from Small Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters</p> <p>Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers and Process Heaters</p> <p>Amendments to Rules 1146, 1146.1, and 1146.2 will incorporate requirements for facilities that are in RECLAIM that are required to meet BARCT emission control levels.</p> <p>Implementation Schedule for NOx Facilities</p> <p>Rule 1100 will establish the implementation schedule for specific NOx RECLAIM facilities that are transitioning to command-and-control.</p> <p><i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	<p>AQMP</p>
July		
<p>1111⁺</p>	<p>Reduction of NOx Emissions from Natural Gas Fired, Fan-Type Central Furnaces</p> <p>At the March 2018 Public Hearing to adopt amendments to Rule 1111, the Board directed staff to return with additional labeling requirements for units that are subject to a mitigation fee. Proposed Amended Rule 1111 will add labeling requirements for any furnace that is utilizing the mitigation fee alternate compliance option.</p> <p><i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	<p>AQMP</p>
<p>1410*</p>	<p>Hydrogen Fluoride Use at Refineries</p> <p>Proposed Rule 1410 will establish requirements for use of hydrogen fluoride at refineries.</p> <p><i>Michael Krause 909.396.2706 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	<p>Toxics</p>
<p>1469*</p>	<p>Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations</p> <p>Proposed Amended Rule 1469 will further reduce hexavalent chromium emissions by establishing new requirements for certain hexavalent chromium tanks that are currently not regulated, further address potential fugitive emissions from hexavalent chromium electroplating and chromic acid anodizing operations, and add a process to re-certify chemical fume suppressants.</p> <p><i>Jillian Wong 909.396.3176 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	<p>Toxics</p>

2018 MASTER CALENDAR (continued)

September	Title and Description	Type of Rulemaking
1110.2*+ [#] 1100*+ [#]	<p>Emissions from Stationary Internal Combustion Engines Rule 1110.2 will be amended to incorporate provisions for facilities that are transitioning from NOx RECLAIM to command-and-control.</p> <p>Implementation Schedule for NOx Facilities Rule 1100 will establish the implementation schedule for specific NOx RECLAIM facilities that are transitioning to command-and-control. <i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	AQMP
1118.1*+ [#]	<p>Control of Emissions from Non-Refinery Flares Proposed Rule 1118.1 will seek to reduce emissions from flaring at non-refinery facilities, including alternate uses of gases. The proposed rule will require use of flares that meet a specific emission standard at sources such as landfills, wastewater treatment plants, and oil and gas production facilities. <i>Michael Krause 909.396.2706 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	AQMP
1407* 1407.1*	<p>Control of Emissions of Arsenic, Cadmium and Nickel from Non-Ferrous Metal Operations Proposed Rule 1407 will establish additional requirements to minimize air toxics from metal operations. Staff is analyzing sources subject to Rule 1407 and may develop a separate Rule 1407.1 for the largest sources subject to Rule 1407 and expand the applicability to address ferrous metal operations and hexavalent chromium emissions. <i>Michael Morris 909.396.3282 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Toxics
1480*	<p>Toxics Monitoring Proposed Rule 1480 will establish provisions for when ambient monitoring is required and the toxic air contaminants that will be monitored. <i>Jillian Wong 909.396.3176 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Toxics
2001*+ [#] 2002 [#] *	<p>RECLAIM – Applicability RECLAIM - Allocations for Oxides of Nitrogen (NOx) and Oxides of Sulfur (SOx) Proposed Amended Rules 2001 and 2002 will incorporate provisions for facilities that elect to opt-out of RECLAIM and include provisions for facilities that exit RECLAIM through use of a compliance plan. <i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	AQMP

2018 MASTER CALENDAR (continued)

October	Title and Description	Type of Rulemaking
1134*+ [#]	<p>Emissions of Oxides of Nitrogen from Stationary Gas Turbines Proposed Amended Rule 1134 will update the emission standard to incorporate Best Available Retrofit Control Technology and incorporate provisions for facilities that are transitioning from NOx RECLAIM to command-and-control.</p>	AQMP
1100*+ [#]	<p>Implementation Schedule for NOx Facilities Rule 1100 will establish the implementation schedule for specific NOx RECLAIM facilities that are transitioning to command-and-control. <i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	
Reg. XVI	<p>Mobile Source Offset Programs Amendments to various Regulation XVI rules will be proposed to provide greater opportunity to reduce mobile source emissions and to obtain credit in the State Implementation Plan for these reductions where possible, including addressing the recent U.S. EPA proposed disapproval of Rule 1610. <i>Ian MacMillan 909.396.3244 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other
November		
Reg. IX Reg. X	<p>Standards of Performance for New Stationary Sources (NSPS) National Emission Standards for Hazardous Air Pollutants (NESHAPS) Amendments to Regulations IX and X are periodically made to incorporate by reference new or amended federal standards that have been enacted by U.S. EPA for stationary sources. Regulations IX and X provide stationary sources with a single point of reference for determining which federal and local requirements apply to their specific operations. <i>Carol Gomez 909.396.3264 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other
Reg. XIII* [#]	<p>New Source Review Amendments to Regulation XIII are needed to address New Source Review provisions for facilities that exit RECLAIM. <i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other

2018 MASTER CALENDAR (continued)

November (continued)	Title and Description	Type of Rulemaking
<p>1135*+[#]</p> <p>1100*+[#]</p>	<p>Emissions of Oxides of Nitrogen from Electric Power Generating Facilities Proposed Amended Rule 1135 will incorporate requirements for electric power generating facilities that are to transition from NO_x RECLAIM to command-and-control. <i>Michael Morris 909.396.3282 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p> <p>Implementation Schedule for NO_x Facilities Rule 1100 will establish the implementation schedule for specific NO_x RECLAIM facilities that are transitioning to command-and-control. <i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	<p>AQMP</p>
<p>1435*</p>	<p>Control of Emissions from Metal Heat Treating Processes Proposed Rule 1435 would establish requirements to reduce hexavalent chromium emissions from heat treating processes. <i>Jillian Wong 909.396.3176 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	<p>Toxics</p>
December		
<p>1109.1*+[#]</p>	<p>Refinery Equipment Proposed Rule 1109.1 will establish requirements for refineries that are transitioning from RECLAIM to command-and-control. <i>Michael Krause 909.396.2706 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	<p>AQMP</p>
<p>1403</p>	<p>Asbestos Emissions from Demolition/Renovation Activities Amendments to Rule 1403 will include specific requirements when conducting asbestos-emitting demolition/renovation activities at schools, daycare centers, and possibly establishments that have sensitive populations. Amendments may include other provisions to improve the implementation of the rule. <i>David De Boer 909.396.2329 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	<p>Toxics</p>
<p>2202</p>	<p>On-Road Motor Vehicle Mitigation Options Proposed amendments to Rule 2202 would enhance emission reductions obtained from the Employee Commute Reduction Program (ECRP) rule option. <i>Carol Gomez 909.396.3264 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	<p>Other</p>

**2018 MASTER CALENDAR
2018 To-Be-Determined**

To-Be-Determined	Title and Description	Type of Rulemaking
102	<p>Definition of Terms Staff may propose amendments to Rule 102 to add or revise definitions in order to support amendments to other Regulation XI rules. <i>David De Boer 909.396.2329 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other
120	<p>Credible Evidence Rule Proposed Rule 120 will allow any credible evidence to be used for the purpose of establishing that a person has violated or is in violation of any plan, order, permit, rule, regulation, or law. <i>Michael Krause 909.396.2706 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other
113*#	<p>Monitoring, Reporting, and Recordkeeping (MRR) Requirements for NOx and SOx Sources Proposed Rule 113 will establish MRR requirements for facilities exiting RECLAIM and transitioning to a command-and-control regulatory structure. <i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other
218	<p>Continuous Emission Monitoring Amendments to Rule 218 may be needed for facilities exiting RECLAIM and transitioning to a command-and-control regulatory structure. <i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other
218.1	<p>Continuous Emission Monitoring Performance Specifications Amendments to Rule 218.1 may be needed for facilities exiting RECLAIM and transitioning to a command-and-control regulatory structure. <i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other
223 ⁺	<p>Emission Reduction Permits for Large Confined Animal Facilities Proposed Amended Rule 223 will seek additional emission reductions from large confined animal facilities by lowering the applicability threshold. <i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	AQMP
224 ⁺	<p>Incentives for Super-Compliant Technologies Proposed Rule 224 will outline strategies and requirements to incentivize the development, establishment and use of super-compliant technologies. It may be considered as a part of Rule 219 amendments or proposed as a separate incentive rule. <i>Zorik Pirveysian 909.396.3421 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other

2018 MASTER CALENDAR
2018 To-Be-Determined (continued)

To-Be-Determined	Title and Description	Type of Rulemaking
416*	<p>Odors from Kitchen Grease Processing Proposed Rule 416 will reduce ambient odors created during kitchen grease processing operations. The proposed rule will establish best management practices, and examine enclosure requirements for wastewater treatment operations and filter cake storage. The proposed rule may also contain requirements for an Odor Mitigation Plan.</p> <p><i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other
429*+##	<p>Start-Up and Shutdown Exemption Provisions for Oxides of Nitrogen It may be necessary to amend Rule 429 to address start-up/shutdown provisions related to the transition of NOx RECLAIM to a command-and-control regulatory program and if U.S. EPA requires updates to such provisions.</p> <p><i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other
430*	<p>Breakdown Provisions This rule will be amended or replaced to address specific issues raised by U.S. EPA regarding start-ups or shutdowns associated with breakdowns.</p> <p><i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	AQMP
1106 1106.1*+	<p>Marine Coating Operations Pleasure Craft Coating Operations Rule 1106.1 is proposed to be rescinded; Rule 1106 would subsume the requirements of Rule 1106.1, revise VOC content limits for several categories in order to align limits with U.S. EPA Control Techniques Guidelines and other California air districts, and add new categories for several categories.</p> <p><i>Michael Krause 909.396.2706 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other
1107 ⁺	<p>Coating of Metal Parts and Products Potential amendments to Rule 1107 would further reduce VOC emissions and improve rule clarity and enforceability.</p> <p><i>Michael Krause 909.396.2706 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	AQMP
1109*+##	<p>Emissions of Oxides of Nitrogen from Boilers and Process Heaters in Petroleum Refineries Amendments to Rule 1109 may be needed to establish BARCT emission limits for refineries that are exiting RECLAIM and subject to command-and-control rules.</p> <p><i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	AQMP

2018 MASTER CALENDAR
2018 To-Be-Determined (continued)

To-Be-Determined	Title and Description	Type of Rulemaking
1111.1 ⁺	<p>Reduction of NOx Emissions from Natural Gas Fired Commercial Furnaces Proposed Rule 1111.1 will establish equipment-specific NOx emission limits and other requirements for the operation of commercial space heaters. <i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other
1113 ⁺	<p>Architectural Coatings Pursuant to guidance from the Stationary Source Committee, staff will amend to remove the tBAC exemption and is evaluating the impact from removing pCBtF as a VOC exempt compound. <i>Michael Krause 909.396.2706 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other
1117* ^{+#}	<p>Glass Melting Furnaces Proposed amendments will control NOx emissions from glass melting furnaces. <i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	AQMP
1123* ⁺	<p>Refinery Process Turnarounds Proposed amendments will establish procedures that better quantify emission impacts from start-up, shutdown or turnaround activities. <i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	AQMP
1136* ⁺	<p>Wood Products Coatings Amendments may be proposed to existing rule limits and other provisions. <i>David De Boer 909.396.2329 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	AQMP
1450* ⁺	<p>Control of Methylene Chloride Emissions The proposed rule would reduce exposure to methylene chloride from furniture stripping, remove potential regulatory loopholes, achieve emission reductions where possible and cost effective, include reporting requirements, and improve consistency with other SCAQMD VOC rules. <i>David De Boer 909.396.2329 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Toxics
1142*	<p>Marine Tank Vessel Operations Proposed revisions to Rule 1142 would address VOC emissions from marine tank vessel operations and provide clarifications. <i>David De Boer 909.396.2329 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other
1147.1* ^{+#}	<p>Large Miscellaneous Combustion Rule 1147.1 will include large miscellaneous combustion sources currently at RECLAIM facilities. <i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other

2018 MASTER CALENDAR
2018 To-Be-Determined (continued)

To-Be-Determined	Title and Description	Type of Rulemaking
1147.2*+ [#]	<p>Metal Melting and Heat Treating Furnaces Proposed Rule 1147.2 will reduce NOx emissions from metal melting and heat treating furnaces. <i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	AQMP
1147.3*+ [#]	<p>Emission Reductions for Equipment at Aggregate Facilities Proposed Rule 1147.3 will reduce NOx emissions from aggregate operations. <i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	AQMP
1148.1 1148.2	<p>Oil and Gas Production Wells Notification and Reporting Requirements for Oil and Gas Wells and Chemical Suppliers Amendments to Rule 1148.2 may be needed to address community notification procedures, the inclusion of water injection wells, and potentially other measures based on an evaluation of information collected since the last rule adoption. <i>Jillian Wong 909.396.3176 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other
1148.3*	<p>Requirements for Natural Gas Underground Storage Facilities Proposed Rule 1148.3 will establish requirements to address public nuisance and VOC emissions from underground natural gas storage facilities. <i>Jillian Wong 909.396.3176 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other
1150.1	<p>Control of Gaseous Emissions from Municipal Solid Waste Landfills Proposed amendments will address U.S. EPA revisions to the New Source Performance Standards for Municipal Solid Waste Landfills and Existing Guidelines and Compliance Timelines for Municipal Solid Waste Landfills, as well as CARB GHG requirements. <i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other
1151*+ [#]	<p>Motor Vehicle and Mobile Equipment Non-Assembly Line Coating Operations Pursuant to guidance from the Stationary Source Committee, staff will amend to remove the tBAC exemption and is evaluating the impact from removing pCBtF as a VOC exempt compound. <i>Michael Krause 909.396.2706 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other
1153.1*+ [#]	<p>Emissions of Oxides of Nitrogen from Commercial Food Ovens Rule 1153.1 was adopted in November 2014 and established NOx emission limits for various types of existing commercial food ovens on a specified compliance schedule. Amendments may be necessary to address applicability and technological feasibility of low-NOx burner technologies for new commercial food ovens. <i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other

2018 MASTER CALENDAR
2018 To-Be-Determined (continued)

To-Be-Determined	Title and Description	Type of Rulemaking
1159.1*+##	<p>Nitric Acid Units - Oxides of Nitrogen Proposed Rule 1159.1 will address NO_x emissions from processes using nitric acid and is needed as part of the transition of RECLAIM to command-and-control. <i>David De Boer 909.396.2329 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	AQMP
1173+	<p>Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants Proposed revisions to Rule 1173 are being considered based on recent U.S. EPA regulations and CARB oil and gas regulations. <i>Michael Krause 909.396.2706 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other
1177+	<p>Liquefied Petroleum Gas Transfer and Dispensing Potential amendments may be proposed to include additional sources of emissions from the dispensing and transfer of LPG. <i>Michael Krause 909.396.2706 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	AQMP
1188+	<p>VOC Reductions from Vacuum Trucks The proposed rule will establish VOC emission standards and other requirements associated with the operation of vacuum trucks not covered by Rule 1149 – Storage Tank and Pipeline Cleaning and Degassing. <i>David De Boer 909.396.2329 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	AQMP
1190, 1191, 1192, 1193, 1194, 1195, 1196, & 1186.1*+	<p>Fleet Vehicle Requirements Amendments to fleet rules may be necessary to improve rule implementation. In addition, the current fleet rules may be expanded to achieve additional air quality and air toxic emission reductions. <i>Zorik Pirveysian 909.396.2431 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other
1304.2*	<p>California Public Utilities Commission Regulated Electrical Local Publicly Owned Electrical Utility Fee for Use of SO_x, PM₁₀ and NO_x Offsets</p>	Other
1304.3*	<p>Local Publicly Owned Electrical Generating Facility Fee for Use of SO_x, PM₁₀ and NO_x Offsets Proposed Rules 1304.2 and 1304.3 would allow new greenfield facilities and additions to existing electricity generating facilities (EGFs) conditional access to SCAQMD internal offset accounts for a fee, for subsequent funding of qualifying improvement projects consistent with the AQMP. <i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other

2018 MASTER CALENDAR
2018 To-Be-Determined (continued)

To-Be-Determined	Title and Description	Type of Rulemaking
1415 1415.1	<p>Reduction of Refrigerant Emissions from Stationary Air Conditioning Systems Reduction of Refrigerant Emissions from Stationary Refrigeration Systems</p> <p>Amendments will align with proposed CARB Refrigerant Management Program and U.S. EPA's Significant New Alternatives Policy Rule provisions relative to prohibitions on specific hydrofluorocarbons (HFCs). <i>David De Boer 909.396.2329 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other
1426*	<p>Emissions from Metal Finishing Operations</p> <p>Proposed amendments to Rule 1426 will establish requirements to reduce nickel, cadmium and other air toxics from plating operations. <i>Jillian Wong 909.396.3176 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Toxics
1430	<p>Control of Emissions from Metal Grinding Operations at Metal Forging Facilities</p> <p>Proposed amendments to Rule 1430 may be needed related to reducing emissions from metal forging operations. <i>Jillian Wong 909.396.3176 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Toxics
1445*	<p>Control of Toxic Emissions from Laser Arc Cutting</p> <p>Proposed Rule 1445 will establish requirements to reduce toxic metal particulate emissions from laser arc cutting. <i>David De Boer 909.396.2329 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Toxics
1469.1*	<p>Spraying Operations Using Coatings Containing Chromium</p> <p>Proposed Amended Rule 1469.1 would establish additional requirements for facilities that are conducting spraying using chromium coatings to further reduce hexavalent chromium emissions. <i>Jillian Wong 909.396.31 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other
1470*	<p>Requirement for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines at Sensitive Receptors</p> <p>The proposal would address new and existing small (≤ 50 brake horsepower) diesel engines located near sensitive receptors. Staff is also considering amendments to minimize use of stationary diesel back-up engines that may include use of alternative power sources that are less polluting. <i>David De Boer 909.396.2329 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Toxics
1902	<p>Transportation Conformity</p> <p>Amendments to Rule 1902 may be necessary to align the rule with current U.S. EPA requirements. <i>Ian MacMillan 909.396.3244 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other

2018 MASTER CALENDAR
2018 To-Be-Determined (continued)

To-Be-Determined	Title and Description	Type of Rulemaking
1905	<p>Pollution Controls for Automotive Tunnel Vents This proposed rule would address emissions from proposed roadway tunnel projects that could have air quality impacts. <i>Ian MacMillan 909.396.3244 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other
Reg. XVII	<p>Prevention of Significant Deterioration (PSD) Proposed amendments to Regulation XVII will align the SCAQMD's Prevention of Significant Deterioration program with federal requirements. <i>David De Boer 909.396.2329 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other
Reg. XX*+##	<p>RECLAIM Amendments to rules within Regulation XX will be needed as facilities transition from RECLAIM to a command-and-control regulatory structure. <i>Tracy Goss 909.396.3106 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	AQMP
Reg. XXIII	<p>Facility Based Mobile Sources Regulation XXIII would contain rules related to reducing emissions from mobile sources that visit certain types of facilities. Facility types could include commercial airports, marine ports, rail yards, warehouses, and new and development projects. Regulation XXIII may include other sources as identified in the 2016 AQMP. <i>Ian MacMillan 909.396.3244 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	AQMP
Reg. XXV	<p>Intercredit Trading Regulation XXV will contain rules to allow generation of criteria pollutant Mobile Source Emission Reduction Credits (MSERCs) from various on-road and off-road sources, such as on-road heavy-duty trucks, off-road equipment, locomotives, and marine vessels. Credits will be generated by retrofitting existing engines or replacing the engines with new lower- emitting or zero-emission engines. The 2016 AQMP includes two measures that seek to accelerate early deployment of near-zero and zero emission on-road heavy-duty trucks and off-road equipment, through generation of MSERCs that could be used for purposes of recognizing mobile source emission reductions at facilities covered in the AQMP Facility-Based Measures. <i>Zorik Pirveysian 909.396.2431 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	AQMP
Reg. XXVII	<p>Climate Change Changes may be needed to Regulation XXVII to add or update protocols for GHG reductions, and other changes. <i>Zorik Pirveysian 909.396.2431 CEQA: Michael Krause 909.396.2706 and Socio: Jillian Wong 909.396.3176</i></p>	Other

2018 MASTER CALENDAR
2018 To-Be-Determined (continued)

To-Be-Determined	Title and Description	Type of Rulemaking
Reg. II, IV, XI, XIV, XXX and XXXV, XXIV*+‡	<p>Various rule amendments may be needed to meet the requirements of state and federal laws, implement OEHHA’s 2015 revised risk assessment guidance, address variance issues/ technology-forcing limits, to abate a substantial endangerment to public health or welfare, address odor nuisance issues, air toxics, or to seek additional reductions to meet the SIP short-term measure commitment. The associated rule development or amendments include, but are not limited to, SCAQMD existing rules, and new or amended rules to implement the 2012 or 2016 AQMP measures. This includes measures in the 2010 Clean Communities Plan (CCP) or 2016 AQMP to reduce toxic air contaminants or reduce exposure to air toxics from stationary, mobile, and area sources. Rule amendments may include updates to provide consistency with CARB Statewide Air Toxic Control Measures or U.S. EPA’s National Emission Standards for Hazardous Air Pollutants. Rule amendments, proposed new source-specific, or industry-specific rules within Regulation XI may be needed to meet the requirements of AB 617 and the 2016 AQMP commitment to transition the RECLAIM program to a command-and-control regulatory structure. Amendments to Regulation XIV may be needed for implementation of AB 617.</p>	Other/AQMP

 Back to Agenda

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 22

PROPOSAL: Report of RFPs/RFQs Scheduled for Release in May

SYNOPSIS: This report summarizes the RFPs/RFQs for budgeted services over \$75,000 scheduled to be released for advertisement for the month of May.

COMMITTEE: Administrative, April 13, 2018; Reviewed

RECOMMENDED ACTION:

Approve the release of RFPs/RFQs for the month of May.

Wayne Natri
Executive Officer

SJ:av

Background

At its January 8, 2010 meeting, the Board approved a revised Procurement Policy and Procedure. Under the revised policy, RFPs/RFQs for budgeted items over \$75,000, which follow the Procurement Policy and Procedure, no longer require individual Board approval. However, a monthly report of all RFPs/RFQs over \$75,000 is included as part of the Board agenda package and the Board may, if desired, take individual action on any item. The report provides the title and synopsis of the RFPs/RFQs, the budgeted funds available, and the name of the Deputy Executive Officer/Asst. Deputy Executive Officer responsible for that item. Further detail including closing dates, contact information, and detailed proposal criteria will be available online at <http://www.aqmd.gov/grants-bids> following Board approval on May 4, 2018.

Outreach

In accordance with SCAQMD's Procurement Policy and Procedure, a public notice advertising the RFPs/RFQs and inviting bids will be published in the Los Angeles Times, the Orange County Register, the San Bernardino Sun, and Riverside County's Press Enterprise newspapers to leverage the most cost-effective method of outreach to the South Coast Basin.

Additionally, potential bidders may be notified utilizing SCAQMD's own electronic listing of certified minority vendors. Notice of the RFPs/RFQs will be emailed to the Black and Latino Legislative Caucuses and various minority chambers of commerce and business associations, and placed on the Internet at SCAQMD's website (<http://www.aqmd.gov>) where it can be viewed by making the selection "Grants & Bids."

Proposal Evaluation

Proposals received will be evaluated by applicable diverse panels of technically-qualified individuals familiar with the subject matter of the project or equipment and may include outside public sector, academic or community expertise.

Attachment

Report of RFPs/RFQs Scheduled for Release in May 2018

**May 4, 2018 Board Meeting
Report on RFPs/RFQs Scheduled for Release on May 4, 2018**

(For detailed information visit SCAQMD's website
at <http://www.aqmd.gov/nav/grants-bids> following Board approval on May 4, 2018)

STANDARDIZED SERVICES

RFP #P2018-11 Issue RFP for Security Guard Services at Diamond Bar Headquarters OLVERA/2309

The current security guard services contract expires November 30, 2018. This action is to issue an RFP to solicit bids from interested parties in order to secure a new three-year contract for this service. Funds for this service are included in the FY 2018-19 Budget and will be included in subsequent budgets for the life of the contract.

REQUEST FOR QUALIFICATIONS – Prequalified Vendor List

RFQ #Q2018-17 Issue RFQ for Janitorial Products OLVERA/2309

SCAQMD intends to purchase Green Seal certified janitorial products from a list of prequalified vendors for a period of three years. Funds for the first year purchase are available in the FY 2017-18 Budget, and will be requested for the subsequent years.

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 23

REPORT: Status Report on Major Ongoing and Upcoming Projects for Information Management

SYNOPSIS: Information Management is responsible for data systems management services in support of all SCAQMD operations. This action is to provide the monthly status report on major automation contracts and planned projects.

COMMITTEE: Administrative, April 13, 2018; Reviewed

RECOMMENDED ACTION:
Receive and file.

Wayne Nastri
Executive Officer

RMM:MAH:OSM:agg

Background

Information Management (IM) provides a wide range of information systems and services in support of all SCAQMD operations. IM's primary goal is to provide automated tools and systems to implement Board-approved rules and regulations, and to improve internal efficiencies. The annual Budget specifies projects planned during the fiscal year to develop, acquire, enhance, or maintain mission-critical information systems.

Summary of Report

The attached report identifies each of the major projects/contracts or purchases that are ongoing or expected to be initiated within the next six months. Information provided for each project includes a brief project description and the schedule associated with known major milestones (issue RFP/RFQ, execute contract, etc.).

Attachment

Information Management Status Report on Major Ongoing and Upcoming Projects During the Next Six Months

ATTACHMENT
May 4, 2018 Board Meeting
Information Management Status Report on Major Ongoing and
Upcoming Projects During the Next Six Months

Project	Brief Description	Budget	Completed Actions	Upcoming Milestones
Website Evaluation & Improvements	Conduct a detailed review of the SCAQMD website to identify improvements/enhancements that can further site usability and implement items approved by Administrative Committee; improvements include new custom Calendar and changes to navigation and content organization	\$121,895	<ul style="list-style-type: none"> • Deployed new website • Completed three months of site maintenance 	This project was completed within budget and ahead of schedule.
Implementation of Enterprise Geographic Information System (EGIS)	Support accomplishment of the agency's mission through the effective and cost-efficient implementation of EGIS and related technologies	\$173,255	<ul style="list-style-type: none"> • Completed seven of the nine prioritized EGIS projects: <ul style="list-style-type: none"> ○ EGIS Program Management ○ EGIS Data Governance ○ GIS Data Maintenance Workflow Design ○ System Installation, Configuration and Phasing Plan ○ ESRI Software Installation, Configuration, Testing and Training ○ Enterprise Geodatabase Implementation ○ Enterprise GIS Data Maintenance 	<ul style="list-style-type: none"> • Continue implementation of the two remaining prioritized EGIS projects <ul style="list-style-type: none"> ○ AirVision GIS Integration ○ Open Data Portal

Project	Brief Description	Budget	Completed Actions	Upcoming Milestones
Permitting System Automation Phase 1	New Web application to automate the filing of all permit applications with immediate processing and issuance of permits for specific application types: Dry Cleaners (DC), Gas Stations (GS) and Automotive Spray Booths (ASB)	Phase 1 \$450,000 Phase 1.1 \$200,000	<ul style="list-style-type: none"> Phase 1 400A Form Filing and DC permit processing application complete and deployed to production Phase 1.1 DC with Facility ID integration completed and deployed to production Phase 1.1 GS and ASB permit processing modules enhanced to support R1401 rule changes final acceptance testing completed and staged for deployment	<ul style="list-style-type: none"> Full deployment of GS and ASB modules
Permitting System Automation Phase 2	Enhanced Web application to automate permit application process for Registration Equipment, IC Engines, and Vapor Recovery systems; and implement electronic permit folder and workflow for internal SCAQMD users	\$610,000	<ul style="list-style-type: none"> Phase 2 task order issued and awarded 	<ul style="list-style-type: none"> Start of Phase 2 development work scheduled for May 2018
Air Quality Index Rewrite and Migration	Develop new Web Service and/or Web Application Program Interface to migrate Air Quality Index function from FORTRAN computer to STA's data management system	\$83,700	<ul style="list-style-type: none"> AQI Calculation Web Service and Hourly Update development modified and enhanced to support AQ Sensors Development work and initial acceptance testing completed 	<ul style="list-style-type: none"> Parallel testing May 31, 2018

Project	Brief Description	Budget	Completed Actions	Upcoming Milestones
Information Technology Review	Complete Board requested Information Technology review and initiate work on implementation of key recommendations	\$75,000	<ul style="list-style-type: none"> • Initiated Implementation Planning and Resource Requirements for key recommendations • Completed Steering Committee charter and agenda • Conducted recruitment process to fill Systems & Programming Supervisor position • Scheduled and completed Microsoft Project Plan training for all IM Managers, Supervisors and Secretaries 	<ul style="list-style-type: none"> • Draft Implementation Plan Preparation • Information Technology Steering Committee kickoff meeting • Office 365 Deployment planning • Evaluation and selection of Project Management software for IM team
Permit Application Status and Dashboard Statistics	New Web application to allow engineers to update intermediate status of applications; create dashboard display of status summary with link to FIND for external user review	\$104,591	<ul style="list-style-type: none"> • Task order issued and awarded • Project started April 10, 2018 	<ul style="list-style-type: none"> • Requirements gathering work in progress; Business Process Model and Wire Frame deliverables
Agenda Tracking System Replacement	Replace aging custom agenda tracking system with state-of-the-art, cost-effective Enterprise Content Management (ECM) system, which is fully integrated with OnBase, SCAQMD's agency-wide ECM system	\$86,600	<ul style="list-style-type: none"> • Released RFP December 4, 2015 • Awarded contract April 1, 2016 • Continued parallel testing • Conducted survey of stakeholder satisfaction • As a result of the survey responses, the decision was made to develop a custom user interface for the application. 	<ul style="list-style-type: none"> • Revise project scope to include custom user interface • Develop plan and schedule for revised scope

Project	Brief Description	Budget	Completed Actions	Upcoming Milestones
Replace Your Ride (RZR)	New Web application to allow residents to apply for incentives to purchase newer, less polluting vehicles	\$211,820	<ul style="list-style-type: none"> Phase 2 Fund Allocation, Administration and Management Reporting modules deployed and in production 	<ul style="list-style-type: none"> Phase 3 collaboration with air districts for possible statewide RZR implementation
Fiber Cable Network Infrastructure Upgrade	Replace the existing fiber network cable infrastructure to support core computer networking (interconnect) in the agency; the Fiber Network Cable System will support higher bandwidth (min. 10 Gbps) from current (1 Gbps) to support increasing computing demands	\$311,202	<ul style="list-style-type: none"> Released RFP November 3, 2017 Awarded contract to Digital Networks Group, Inc. 	<ul style="list-style-type: none"> Fiber cable installation
Legal Division New System Development	Develop new web-based case management system for Legal Division to replace existing JWorks System	\$500,000	<ul style="list-style-type: none"> New system development for Legal Division approved March 2, 2018 	<ul style="list-style-type: none"> Task order issuance, evaluation and award

Shaded Projects – Projects completed and will be removed from this list on subsequent reports

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 25

REPORT: Administrative Committee

SYNOPSIS: The Administrative Committee held a meeting on Friday, April 13, 2018. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Dr. William A. Burke, Chair
Administrative Committee

nv

Committee Members

Present: Dr. William A. Burke/Chair (videoconference), Mayor Ben Benoit/Vice Chair, Mayor Pro Tem Judith Mitchell, and Dr. Clark E. Parker, Sr. (videoconference)

Absent: None

Call to Order

Chair Burke called the meeting to order at 10:08 a.m.

DISCUSSION ITEMS:

- 1. Board Members' Concerns:** None to report.
- 2. Chairman's Report of Approved Travel:** As noted on the travel report, Mayor Pro Tem Mitchell will present at the SCAQMD Day event in Sacramento, as well as meet with legislators in Sacramento, CA, April 25, 2018. In addition, Mayor Pro Tem Mitchell will attend the monthly CARB Board meeting as the SCAQMD Board representative in Sacramento, CA, April 26-27, 2018.
- 3. Report of Approved Out-of-Country Travel:** None to report.
- 4. Review May 4, 2018 Governing Board Agenda:** Executive Officer Wayne Nastri reported that the Facility-Based Mobile Source Measures were originally

scheduled to be considered at the March Board meeting, but were postponed to the April meeting and now postponed to the May meeting.

5. **Approval of Compensation for Board Member Assistant(s)/Consultant(s):** Supervisor Solis has selected Dr. Yifang Zhu as her Board Consultant as her existing consultant will be moving out of the country.

Moved by Benoit; seconded by Mitchell, unanimously approved.

Ayes: Benoit, Burke, Mitchell, Parker
Noes: None
Absent: None

6. **Status Report on Major Ongoing and Upcoming Projects for Information Management:** Assistant Deputy Executive Officer/Information Management Ron Moskowitz reported that the IM projects are progressing well. The website project is fully completed and will be monitored regularly. The e-GIS project is ahead of schedule with seven of the nine milestones already completed in the current fiscal year, and the two remaining milestones are expected to be completed by the end of May. The web spray booth permit application is scheduled to go live within two weeks and the permit gas station application online is expected to go live in four weeks.

7. **Report of RFPs/RFQs Scheduled for Release in May:** Assistant Deputy Executive Officer/Finance Sujata Jain reported that this item is to release RFPs and RFQs for May. The RFP is for guard services and the RFQ is for janitorial products.

ACTION ITEMS:

8. **Approve Compensation Adjustments for Board Member Assistants and Board Member Consultants for FY 2018-19:** Ms. Jain reported that this item is to determine Board Member Consultants' compensation which is based on the assignment of points per Administrative Code 112. Dr. Burke inquired as to whose compensation was being adjusted. Mr. Nastri responded that this is relative to the budget for all of the Board Consultants and Assistants for FY 2018-19.

Moved by Benoit; seconded by Mitchell, unanimously approved.

Ayes: Benoit, Burke, Mitchell
Noes: None
Absent: Parker

9. **Execute and Amend Contracts to Provide Short- and Long-term Systems Development, Maintenance and Support Services:** Mr. Moskowitz reported that this item is to execute a software development contract previously approved by the Board, as well as to amend two previously approved contracts in order to support software development and maintenance efforts. Funds are available in the FY 2017-18 budget.

Moved by Mitchell; seconded by Benoit, unanimously approved.

Ayes: Benoit, Burke, Mitchell
Noes: None
Absent: Parker

10. **Issue Purchase Order for New Carpet:** Assistant Deputy Executive Officer/Administrative & Human Resources John Olvera reported that this item is to authorize the purchase of new carpet for the third and fourth floors of SCAQMD headquarters as the original carpet was installed in 1991 and is worn. The pricing has been obtained through a cooperative purchase agreement through the State of California.

Moved by Benoit; seconded by Mitchell, unanimously approved.

Ayes: Benoit, Burke, Mitchell, Parker
Noes: None
Absent: None

11. **Issue Purchase Order for High Efficiency HVAC Valves:** Mr. Olvera reported that this item is for the purchase of temperature control valves which affect the efficiency of the SCAQMD's HVAC system. This purchase which will result in significant energy savings. The funds are available in the building's infrastructure improvement fund.

Moved by Mitchell; seconded by Parker, unanimously approved.

Ayes: Benoit, Burke, Mitchell, Parker
Noes: None
Absent: None

12. **Recognize Revenue, Appropriate and Transfer Funds and Issue Purchase Orders for Air Monitoring Programs and Equipment:** Assistant Deputy Executive Officer/Science & Technology Advancement Dr. Jason Low reported that this item is to recognize and appropriate up to \$686,579 from U.S. EPA and CAPCOA to support the PM2.5 Program, appropriate up to \$178,000 to support

the PAMS program, appropriate funds from MATES and the CARB Subvention Fund to purchase an ammonia monitor, and to reallocate money for data visualization software licensing.

Moved by Benoit; seconded by Mitchell, unanimously approved.

Ayes: Benoit, Burke, Mitchell, Parker
Noes: None
Absent: None

- 13. Modify Contract and Purchase Order for Media, Advertising and Public Outreach and Google AdWords Campaign for 2018-19 Check Before You Burn Program:** Media Manager Sam Atwood reported that this item is to lay the foundation for the upcoming Check Before You Burn outreach campaign which begins on November 1, 2018. This request is to modify a contract with Westbound Communications in an amount of \$246,000 to plan and execute a comprehensive media advertising and public relations campaign to promote the Check Before You Burn Program, and secondly, to amend a purchase order with Google for up to \$250,000 to promote the Check Before You Burn Program, using YouTube and a Google AdWords campaign.

Moved by Mitchell; seconded by Benoit, unanimously approved.

Ayes: Benoit, Burke, Mitchell, Parker
Noes: None
Absent: None

- 14. Appropriate Funds and Amend or Execute Contracts with Outside Counsel and Specialized Legal Counsel and Services:** General Counsel Bayron Gilchrist reported that this action is to appropriate \$450,000 from the undesignated/unassigned fund balance to Legal's FY 2017-18 Budget to amend or execute contracts for prequalified counsel for specialized legal counsel and services for environmental litigation.

Moved by Mitchell; seconded by Benoit, unanimously approved.

Ayes: Benoit, Burke, Mitchell, Parker
Noes: None
Absent: None

- 15. Execute Contract for Three-Year Service Agreement for SCAQMD Access to On-line Legal Research Libraries:** Mr. Gilchrist reported that the current contract with Thomson Reuters-West will expire on June 30, 2018. This action

is to execute a sole source contract with Thomson Reuters-West to provide SCAQMD with online legal research and print libraries in an amount not to exceed \$92,350 in FY 2018-19, \$95,150 in FY 2019-20; and \$98,100 in FY 2020-21 for a total amount of \$285,600 for a three-year period.

Moved by Benoit; seconded by Mitchell, unanimously approved.

Ayes: Benoit, Burke, Mitchell, Parker
Noes: None
Absent: None

- 16. Appoint Members to SCAQMD Hearing Board:** Clerk of the Boards Denise Garzaro reported that the current terms for the Attorney and Engineer Hearing Board Members and alternates will end on June 30, 2018. An advisory committee reviewed 86 resumes and interviewed nine candidates, and they have recommended the top three attorney candidates and top four engineer candidates for interview and are seeking a final recommendation by the Administrative Committee. As a note, an engineer candidate, Ms. Traci Minimide, has subsequently withdrawn from consideration. Dr. Burke inquired as to how many times during the last four years alternates were utilized on the Hearing Board. Ms. Garzaro responded that it depends on the caseload and the member they are serving for. More recently, they may serve two to three times a year, usually involving preplanned absences and vacations. Dr. Burke further commented that alternates should be better utilized rather than cancelling a meeting. Dr. Burke asked Legal Counsel if SCAQMD has the authority to change this practice. Mr. Gilchrist responded he was looking at the issue and subsequently responded that the code does not mandate that alternates be appointed but failure to do so could cause delays.

The Committee Members conducted the interviews for the attorney member and alternate member. Mr. Curt Coleman, Southern California Air Quality Alliance, provided comments. The Committee recommended that Julie Prussack be reappointed as the attorney member.

Moved by Mitchell; seconded by Benoit; unanimously approved.

Ayes: Benoit, Burke, Mitchell, Parker
Noes: None
Absent: None

The Committee Members recommended that Douglas Lofgren be reappointed as the alternate attorney member.

Moved by Mitchell; seconded by Benoit, unanimously approved.

Ayes: Benoit, Burke, Mitchell, Parker

Noes: None

Absent: None

The Committee members conducted interviews for the engineer member and alternate member. Mr. Curt Coleman and Mr. Bill LaMarr, Small Business Alliance, provided public comments. Following deliberation, the Committee recommended Mohan Balagopalan to be appointed as the engineer member and Edward Camarena to be appointed as the alternate engineer member.

Moved by Mitchell; seconded by Benoit; unanimously approved.

Ayes: Benoit, Burke, Mitchell, Parker

Noes: None

Absent: None

- 17. Approve Charter for Young Leaders Advisory Council:** Dr. Burke waived the staff presentation.

Moved by Parker; seconded by Mitchell, unanimously approved.

Ayes: Benoit, Burke, Mitchell, Parker

Noes: None

Absent: None

WRITTEN REPORT:

- 18. Local Government & Small Business Assistance Advisory Group Minutes for the February 9, 2018 Meeting:** Deputy Executive Officer/Legislative, Public Affairs & Media Derrick Alatorre reported that this item is a written report.
- 19. Environmental Justice Advisory Group Draft Minutes for the January 26, 2018 Meeting:** Mr. Alatorre reported that this item is a written report.

OTHER MATTERS:

20. **Other Business:** There was no other business.
21. **Public Comment:** There were no public comments.
22. **Next Meeting Date**
The next regular Administrative Committee meeting is scheduled for
May 11, 2018 at 10:00 a.m.

Adjournment

The meeting adjourned at 11:52 a.m.

Attachments

1. Local Government & Small Business Assistance Advisory Group Minutes
for the February 9, 2018 Meeting
2. Environmental Justice Advisory Group Draft Minutes for the January 26, 2018
Meeting



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

LOCAL GOVERNMENT & SMALL BUSINESS ASSISTANCE ADVISORY GROUP FRIDAY, FEBRUARY 9, 2018 MEETING MINUTES

MEMBERS PRESENT:

Felipe Aguirre
Rachelle Arizmendi, Mayor Pro Tempore, City of Sierra Madre
Paul Avila, P.B.A. & Associates
Geoffrey Blake, Metal Finishers of Southern California
Todd Campbell, Clean Energy
LaVaughn Daniel, DancoEN
John DeWitt, JE DeWitt, Inc.
Bill LaMarr, California Small Business Alliance
Rita Loof, RadTech International
Eddie Marquez, Paramount Petroleum
Cynthia Moran, Council Member, City of Chino Hills
David Rothbart, Los Angeles County Sanitation District

MEMBERS ABSENT:

Ben Benoit, Mayor Pro Tem, City of Wildomar and LGSBA Chairman
Janice Rutherford, Supervisor, Second District, San Bernardino County
Maria Elena Kennedy, Kennedy Communications

OTHERS PRESENT:

Mark Abramowitz, Board Member Consultant (*Lyou*)
David Czamanske, Board Member Consultant (*Cacciotti*)
Andrew Silva, San Bernardino County Administrative Office

SCAQMD STAFF:

Derrick Alatorre, Deputy Executive Officer
Fabian Wesson, Asst. Deputy Executive Officer/Public Advisor
Nancy Feldman, Principal Deputy District Counsel
Philip Fine, Ph.D., Deputy Executive Officer
Mike Morris, Program Supervisor
Elaine-Joy Hills, AQ Inspector II
Lori Langrell, Secretary
Jessica Chavez, Sr. Office Assistant
De Groeneveld, Sr. Information Technology Specialist

Agenda Item #1 - Call to Order/Opening Remarks

Mr. Derrick Alatorre called the meeting to order at 11:34 a.m.

Mr. Paul Avila recently met with the city manager of West Covina and a developer working on a project at BKK landfill. Mr. Avila ask if there was any activity of monitoring by SCAQMD. Mr. Alatorre replied that the facility was a superfund site, they went bankrupt so the Department of Toxic Substances Control (DTSC) and the federal Environmental Protection Agency (EPA) took over monitoring. However, the monitoring is not so much air, but soil and water. Mr. Alatorre indicated that he is not sure of any involvement, but he will check.

Action Item: Verify SCAQMD's involvement with BKK landfill monitoring.

Mr. Avila inquired if there is a separate committee for refineries. Mr. Alatorre responded that there is a committee made up of Governing Board Members.

Agenda Item #2 – Approval of December 8, 2017 Meeting Minutes/Review of Follow-Up/Action Items

Mr. Alatorre called for approval of the December 8, 2017 meeting minutes. The minutes were approved unanimously.

Agenda Item #3 – Follow Up/Action Items

Mr. Alatorre indicated there were no action items that arose out of the December 8, 2017 meeting.

Agenda Item #4 – Adoption of Local Government & Small Business Assistance Advisory Group 2017 Accomplishments/2018 Goals & Objectives

Mr. Alatorre presented the 2017 Accomplishments/2018 Goals & Objectives to the group for adoption.

Ms. Rita Loof advised that she recently attended a symposium at Los Angeles County Sanitation District (LACSD) consisting of industry and the public, which was regarding the availability of chromium free and hexavalent chrome free materials. Ms. Loof suggested, that in light of Rule 1469, the District host an informational event, especially for small businesses, to have some information about the availability of options, and information about what funding is available to help comply with rules. Mr. Alatorre replied that since events are outside the purview of the LGSBA Advisory Group, he can recommend this idea to Dr. Philip Fine, and that it is more in line with what planning could help partner. Mr. Rothbart indicated that the event was from a different department at LACSD. He discussed it with his former boss heading that department, Mr. David Snyder, and Dr. Fine is providing a presentation on AB 617 to that group on Tuesday so there is already some coordination making it easy to hold a special event. Mr. Alatorre requested for Mr. Snyder's contact information.

Mr. Rothbart recommended that rather than staff doing presentations, if there is anything the group can provide as a sounding board for upcoming issues or be more involved in the process. The group can provide a resource to staff.

The 2017 Accomplishments/2018 Goals & Objectives were adopted unanimously as amended.

Agenda Item #6 –Proposed Amended Rule 1420 Emissions Standard for Lead

Mr. Mike Morris provided an overview on the proposal to amend Rule 1420 to ensure compliance with the lead National Ambient Air Quality Standards and establish additional requirements for lead emitting sources.

Mr. Bill LaMarr asked who decides when monitoring is required and as a business owner, should he expect an invoice for thousands of dollars because SCAQMD decided that monitoring was necessary. Mr. Morris replied no, that this particular rule does not work that way. If there is evidence through monitoring that there may be an issue at a facility, the rule process is that we would notify the facility of the issue, give them time to respond back with any type of evidence they would like to provide, and then staff would make the determination to go back to the facility to ascertain if monitoring is required or not.

Mr. LaMarr stated that depending on the quantity that the monitoring might detect, it may be a cumulative impacts situation where there may be a facility in one place, a metal grinder on the opposite corner, and another facility on a third corner. Mr. LaMarr asked if the cost of the monitoring would be distributed evenly according to the findings. Mr. Morris indicated that cumulative impacts have been an issue, not just for smaller lead facilities, but also the larger ones. Monitoring is done upwind/downwind to try to triangulate what the source is. In that case, if we do make the determination that a facility is the source of the lead emissions, we would be confident to say that they should start doing the monitoring. Otherwise, it would be incumbent upon the District to do further monitoring until we can triangulate the source.

Mr. Avila asked what the cost of the source testing is, and Mr. Morris indicated that for a single metal facility, it is approximately \$6-\$10,000.00. Mr. Avila further asked regarding the recordkeeping variable, if it is primarily for the smaller lead producers. Mr. Morris responded that our threshold for a small lead facility is two tons, and we have found that the vast majority of our facilities are below two tons. Those facilities have to demonstrate that they are below two tons, which is what the recordkeeping is for, and they do the housekeeping, including sweeping, keeping debris in closed containers, and not spreading lead dust piles.

Mr. Avila requested for a brief explanation of lead dust, and further asked if it is heavier than normal dust and can it be seen. Mr. Morris replied yes to both questions. He indicated that it is naturally heavy, and is used for fishing weights, tire weights, and scuba diving. It is a visible, silvery, gray material.

Agenda Item #5 –AB 617 Community Identification Process

Dr. Philip Fine summarized the requirements and program elements for AB 617, including the identification of communities for monitoring.

Ms. Rita Loof asked if the focus is on toxic air emissions. Dr. Fine replied equal weight will be given to toxics and criteria pollutants, but our District will involve more toxics. Ms. Loof further asked if there will be a Best Available Control Technology for Toxics (TBACT) component on this clearinghouse. Dr. Fine responded yes, that CARB is working on it and it will be a BACT/Best Available Retrofit Control Technology (BARCT) for, not only criteria pollutants, but also for toxics, called T-BARCT. Dr. Fine indicated that the statewide clearinghouse is just informational to see what other districts have done, and it will not require them to adopt all of the components.

Mr. Eddie Marquez stated that staff provided information regarding AB 1647, which cross-referenced laws and monitoring, and asked if this will be discussed today. Dr. Fine indicated that the presentation

is not specifically on that, but there is overlap with community monitoring that will be performed; however, how it all comes together will still be a part of the process.

Mr. Felipe Aguirre stated that he attended a conference where SCAQMD promoted low-cost monitors, and asked if these are going to be part of this process. Dr. Fine replied, yes; however, going back to the previous question, if this program focuses on toxics versus criteria pollutants or particulate matter (PM), these monitors have proved to be good at PM, ok at ozone, but, to date, nothing has been found that is great for toxics. At this point, we are stuck with traditional methods or maybe very expensive methods. Mr. Aguirre inquired if the monitors are certified, if SCAQMD is certifying that the monitors are accurate, and if there is a process where the monitors can be utilized in a legal manner. Dr. Fine indicated that currently we have the Air Quality Sensor Performance Evaluation Center (AQ-SPEC) program, a whole center where the sole goal is to test all the commercially available, low-cost sensors on the market, and present the results. It is not yet a certification program and it is only certified if it is operated a certain way, calibrated a certain way, and maintained at a certain way, which is much harder to do with these low-cost sensors.

Mr. Alatorre indicated that staff has presented on AQ SPEC, and asked if the group would be interested in a lab tour here at the District, which includes the AQ SPEC and can be agendaized for a future meeting. The group responded yes.

***Action Item:** Agendaize tour of SCAQMD laboratory.*

Mr. Todd Campbell asked if staff will rely more heavily on MATES II or MATES studies to determine where the toxic concentrations are throughout the District. Dr. Fine pointed out that he will discuss community identification in subsequent slides, and stated that a lot of equipment used in MATES studies are established EPA, CARB or SCAQMD methods.

Mr. LaMarr mentioned that CARB released a concept paper for AB 617, a community identification program framework, and according to CARB's timeline, air districts are encouraged to do much of the work. However, they refer to it as recommendations and it appears that Dr. Fine is presenting it as an implementation. Mr. LaMarr asked if staff is getting ahead of CARB, as they are looking at September 2018 to accumulate input from air districts, communities and other stakeholders for the next element of their plan. He further asked how staff would know that there is not going to be any duplication or redundancies. Dr. Fine responded that he has not mentioned any implementation on our part. Previous to October 2018 is their deadline to set up those statewide structures and documents. All we're doing before then, is identifying communities, and the districts proposed that the districts be allowed to do the outreach and put together the district-level priorities for the communities. Dr. Fine stated that this is our immediate task, which will eventually take the form of a report, adopted by our Governing Board, and then sent on to CARB for their consideration.

Mr. Rothbart indicated that, on the process for ranking with CARB, the process included a criteria for notice of violations (NOVs). Mr. Rothbart is concerned that there is more emphasis on enforcement, and asked if a facility had a minor issue that is not emission-related, if this should be placed in the same boat that is a concern to the community. Dr. Fine replied that staff also has concerns with that as a metric. It is being looked at in two ways: as a criteria for community selection and a criteria for measuring progress. There are concerns for both. The metric of enforcement should not be the number of NOVs issued. If people are complying, that's good. In terms of identifying, it's very difficult to compare cross-communities and cross-sources because we don't issue NOVs for mobile sources. You

could have a very impacted community where there are no NOV's or there could be one facility with many NOV's in another community, but are not emissions-related. Dr. Fine indicated that staff is working very closely with CARB. Mr. Rothbart further asked if this is going towards a popularity contest versus having actual, factual data saying this area is impacted and quantified. Dr. Fine responded that staff is trying to make sure the CARB framework is specific enough on the types of criteria to look at in the process that they satisfy the legal requirements, and it has enough flexibility for local districts to consider their own criteria.

Ms. Loof asked regarding the capital cost of monitoring equipment, if the District is going to absorb the cost or if the communities or businesses in those communities are going to be responsible for providing the cost. Dr. Fine replied that the 10.7 million that the District received is partly going to new staffing, and will allow for equipment purchases. Rule 1180 has State law requirements that refinery facilities are going to pay for community monitoring, and conduct their own fence line monitoring so there are some cost recovery.

Mr. Alatorre announced that there will be several community meetings in the near future, and staff will email the flyer out to the LGSBA members with the dates and locations.

***Action Item:** Provide LGSBA members with the flyer regarding community meetings.*

Ms. Loof asked if businesses would have the ability to apply for funding, or if it would be something that would go through the air district, who will then allocate it to the business. Dr. Fine responded that staff does not know yet, and it is not in the budget currently. Dr. Fine explained that the way the program works is that some funding would go to CARB and some would go to the District, depending on the competitive bids.

Agenda Item #7 –Monthly Report on Small Business Assistance Activities

No comments.

Agenda Item #8 - Other Business

Mr. Alatorre announced that there will be a community presentation regarding air pollution and AB 617 on Wednesday, February 21, 2018 at the Coachella Valley Mosquito and Vector Control District in Indio. SCAQMD is co-hosting the event with IVAN Coachella, which is an Environmental Justice group.

Agenda Item #9 - Public Comment

No comments.

Agenda Item #10 – Next Meeting Date

The next regular Local Government & Small Business Assistance Advisory Group meeting is scheduled for Friday, March 9, 2018 at 11:30 a.m.

Adjournment

The meeting adjourned at 12:45 p.m.

ATTACHMENT 2

ENVIRONMENTAL JUSTICE ADVISORY GROUP FRIDAY, JANUARY 26, 2018 MEETING MINUTES

MEMBERS PRESENT:

Dr. Joseph Lyou, SCAQMD Governing Board, EJAG Chairman
Dr. Afif El-Hasan, American Lung Association
Evelyn Knight, Long Beach Economic Development Commission
Dr. Larry Beeson, Loma Linda University, School of Public Health
Rhetta Alexander, Valley Interfaith Council
Daniel Morales, National Alliance for Human Rights
Kerry Doi, Pacific Asian Consortium in Employment
Dr. Monique Hernandez, California State University, Los Angeles
Woodie Rucker-Hughes, NAACP - Riverside Branch
Mary Figueroa, Riverside Community College
Donald Smith, 136th Street Block Club

MEMBERS ABSENT:

Manuel Arredondo, Coachella Valley School District, Retiree
Suzanne Bilodeau, Knott's Berry Farm
Rafael Yanez, Member of the Public
Dr. Jill Johnston, University of Southern California
Micah Ali, Compton Unified School District
Paul Choe, Korean Drycleaners & Laundry Association
Myron Hale, SLMQM
Maria Elena Kennedy, Quail Valley Task Force
Angelo Logan, Occidental College & East Yard Communities for Environmental Justice

OTHERS PRESENT:

David McNeill, BHC
Cody Rosenfield, Coalition for Clean Air

SCAQMD STAFF:

Dr. Phillip Fine, Deputy Executive Officer, Administration
Fabian R. Wesson, Assistant Deputy Executive Officer/Public Advisor
Nancy Feldman, Principal Deputy District Counsel, Legal
Daniela Arellano, Senior Public Information Specialist
Brandee Keith, Secretary

Agenda Item #1: Call to Order/Opening Remarks

Governing Board Member Dr. Joseph Lyou called the meeting to order at 12:00 PM and welcomed everyone to the meeting. Dr. Lyou gave a brief summary preview of the meeting's key agenda items including discussion of AB 617, refinery issues related to hydrofluoric acid, RECLAIM sunset, and efforts to implement the Air Quality Management Plan.

Prior to continuing, Dr. Lyou led a brief round of introductions of members of the EJAG and SCAQMD staff present.

Agenda Item #2: Approval of October 27, 2017 Meeting Minutes

The minutes for the October 27, 2017 meeting were approved with no objections.

Agenda Item #3: Review of Follow-Up/Action Items

Ms. Fabian Wesson reviewed the follow up and action items from the April 28th meeting.

Action Item: Ms. Mary Figueroa asked if it were possible for undocumented individuals to be acknowledged when defining EJ Communities.

- Staff concluded this would not be possible due to the difficulty in identifying and reviewing data pertaining to undocumented individuals, whose undocumented status by nature excludes participation in most record-keeping or data-gathering.

Action Item: Dr. Jill Johnston asked if staff could address cases in which air monitoring data had been requested but results were difficult to access. She suggested the partnership help environmental justice communities access data more readily. Dr. Lyou indicated that certain data regarding monitoring in Paramount had been made available to the public, but recognized this might not be the case across all monitoring efforts. Dr. Johnston requested monitoring data related to an oil-drilling site in Los Angeles.

- Staff followed up with Dr. Johnston, who indicated she wanted more information about the AllenCo Oil Drilling Site in Los Angeles near USC, which a few years ago prompted hundreds of complaints due to its emissions. Staff obtained monitoring data indicating levels of styrene showed a downward trend from 2014-2017. Annual levels of BTEX have been consistently below the MATES average, but the annual average of styrene remained above the MATES IV average from 2014-2016, but in 2017 dropped below the MATES IV average. Dr. Johnston was also referred to Jason Low for more information, and encouraged to submit a public records request as well.
- Dr. Lyou shared news that SCAQMD had begun work with contractors doing very "cutting-edge" work in air monitoring at oil wells, refineries, and other facilities. Studies have been completed and findings have been made available on the SCAQMD website.

Action Item: Mr. Kerry Doi expressed a request for SCAQMD to provide outreach materials and expand outreach efforts in a broader selection of languages.

- Staff followed up with Mr. Doi for his recommendation, and he suggested further outreach in Chinese, Korean, Cambodian, and Vietnamese. He noted that while spoken Chinese divides into two distinct dialects, written Chinese will help reach

speakers of either dialect as well as a third dialect which is spoken among some of the most affected communities. Mr. Doi's recommends that materials in Chinese will help SCAQMD reach approximately 80% of the Asian-American population in the LA Area (Mr. Doi spoke up to clarify that the 80% figure applied to those in the communities who do not speak English, rather than the Asian-American population as a whole). With Mr. Doi's recommendations as well as previous and ongoing efforts by staff, SCAQMD will continue to evaluate and pursue outreach efforts and materials in a wider array of languages.

Action Item: Fabian Wesson discussed the goals and objectives for 2018. Dr. Larry Beeson requested clarification as to whether those goals and objectives had been listed in a particular order or with any indication of priority. Dr. Lyou requested that staff clarify the items do not appear in any particular order. Dr. Beeson and Dr. Johnston requested that AB 617 be added to the list of goals and objectives, as well as include a note to specify that items do not appear in any particular order.

- Staff has updated the document showing the goals and objectives as requested.

Action Item: Mr. Daniel Morales reported that Assemblymember Elias Reyes Gomez convened a meeting on air quality in San Bernardino. The meeting was attended by universities and other local groups, including Dr. Philip Fine from SCAQMD. Mr. Morales further reported on a meeting held by Dr. Louis Gonzales of South Colton, regarding dust issues caused by a local cement plant. Mr. Morales requested that SCAQMD investigate the facility, and that staff attend Dr. Gonzales' next meeting on January 13th.

- Staff followed up with Victor Yip, from the Enforcement and Compliance department of SCAQMD, who reported there have been no new updates on the facility, and SCAQMD has not received new dust complaints from the community.

Agenda Item #4: Presentation on AB617 and the Community Identification Process

Dr. Phillip Fine delivered a presentation on the effects and implementation of AB 617.

- a. David McNeill inquired as to whether there would be penalties for failing to meet deadlines specified in the bill. Dr. Fine and Dr. Lyou agreed there was a significant potential for fines.
- b. Dr. Monique Hernandez inquired as to the ways in which communities would be identified, asking if it would involve factors such as census tracts or municipal boundaries, and whether or not the criteria had already been determined. Dr. Fine responded that the determining criteria had not yet been decided, and noted several data sets which might be relevant. Staff has been working on ways to determine eligible communities, including proximity to sources or environmental hazards, and going into the communities themselves to survey the needs of individual areas.
- c. Mary Figueroa expressed concern that many members of affected communities may not be aware of the environmental problems in their areas, or that the

outreach materials and presentations may not be as easily understood by the average layman. She noted that education and awareness to these communities must be a priority. Dr. Lyou acknowledged the priority of having informed communities. He also acknowledged “bad land use decisions”, but that AB 617 focused on the issues of cumulative environmental impacts and ongoing situations.

- d. Professor Lawrence Beeson asked whether there was a central listing of available technologies, and who has final say as to the definition of “best” (as in “best possible technologies”). Dr. Fine replied that there was no complete index, but that the legislation requires one to be compiled. As to the definition of “best available control technologies”, Dr. Fine explained that the process to define “best” is left to the boards, who may take different matters into consideration when assessing what is best for their needs and communities.
- e. David McNeill asked how one would nominate a community to become involved in the program. Dr. Fine responded that the process was currently being determined and the state would release white papers in the near future. Mr. McNeill also voiced his support of education and awareness to be taken to consideration. Dr. Lyou mentioned Karen Pagliano as the head of the decision-making process at the state level.
- f. Mr. Doi pointed out a large number of angry residents attending the refinery meeting held on 1/20, concerned about hydrofluoric acid on their communities. He asked about the accuracy of SCAQMD’s monitors and whether they monitored for Hydrofluoric Acid. Dr. Fine explained that HF is not typically monitored except in the case of a specific incidence, but that in the aftermath of the HF concerns in local residents, more monitors had been implemented to detect HF. Additionally, rule-making had recently been passed to require further fence-line monitoring in the future.
- g. Mr. Doi next asked about the use of Cal EnviroScreen program and whether it scanned for compounds more appropriate to rural areas. He suggested the use of EPA Screen instead which might detect more appropriate compounds to local areas. Dr. Fine explained that the EJ Screen program used by SCAQMD differs from Cal EnviroScreen in being a relative, “extra-impact” model that analyzes information differently. He confirmed the plans in using any of the screening tools would be to utilize them on an “in-district” basis, focusing on data and information pertinent to the communities within SCAQMD’s jurisdiction and area of interest, and that information could be drawn from multiple tools to establish more accurate analysis.
- h. Daniel Morales asked for a rough idea of a timeline regarding the nomination criteria for program participants. Dr. Fine explained that the first criteria would start to become available in coming months, with a deadline of October. Mr. Morales asked for clarification on whether CARB was expected to compile a database of agencies by January 1st, 2017, which Dr. Fine acknowledged may have been a mistake. Mr. Morales additionally asked about action plans for implementation of the program. Dr. Fine explained that once monitoring and analysis went into effect, detailed action plans would be developed based on the needs of the individual communities.

- i. Evelyn Knight asked whether or not the terms “community” and “area” referred to the same locations. Dr. Fine acknowledged that for the purposes of today’s discussion the terms would indicate the same locations, because as of the meeting date the criteria for defining areas or communities had not been determined.
- j. Ms. Knight additionally asked about marijuana smoke and whether or not it would be addressed by the same legislation or considered a source which SCAQMD might be able to regulate. Dr. Fine replied that the subject of marijuana smoke and SCAQMD’s regulatory authority on the matter still needed clarification, but that the matter was in the process of being determined.
- k. Rhetta Alexander asked how improvements would be measured. Dr. Fine replied that CARB would define measurable goals and impact assessments, but that metrics of improvement could be measured in several ways, to be determined by the individual plans.
- l. Ms. Woodie Rucker-Hughes asked if SCAQMD had “best practices” defined in terms of needs assessment, education, and outreach to communities. Dr. Fine described the plan as a community effort including local governments, businesses, community groups, education groups, etc. Dr. Lyou described past efforts and the results which had been achieved before. Dr. Fine also mentioned the implementation of some pilot programs which appeared to be successful.
- m. Mr. McNeill asked what sort of grants would be available in conjunction with the program. Dr. Fine pointed out many grant funds were earmarked for current programs, but that further rounds of funding could lead to adjustment of goals and funds, to aid upcoming projects and organizations. A current SCAQMD Request for Proposals makes certain district monies available to address issues such as stationary source projects, and success with this and similar projects could lead to more such funding in the future. Dr. Lyou added a note that the funding bill made certain monetary awards available for local and community-based organizations as well.
- n. Mr. Donald Smith described a situation in his area in regards to street sweeping in his area sending particulates into the air and asked if there had been any assessment of the components of asphalt and air quality effects of street sweeping. Dr. Fine pointed out that street sweeping operations were already under scrutiny by SCAQMD. Dr. Lyou added there might be new avenues of data analysis available with current monitoring technologies.
- o. Monique Hernandez asked if SCAMD were involved in data exchange with agencies such as the California Environmental Public Health Tracking Network. Dr. Fine confirmed that SCAQMD has shared enforcement and violation information with other agencies as pertinent to their areas and jurisdictions. Dr. Lyou also pointed out the information is also available via public record request.
- p. Ms. Daniela Arellano asked if the money stated in the presentation already accounted for the \$100M granted in funding to SCAQMD, and Dr. Fine confirmed it did.
- q. Dr. Lyou opened the floor to public comment on the matter. None were shared. Dr. Lyou stated the subject of AB 617 would continue to be revisited in the future.

****The meeting adjourned for a 15-minute break****

Agenda Item #5: EJAG Accomplishments of 2017 (Wesson)

Fabian opened the floor to questions regarding the accomplishments of 2017. Members were provided with a 2-page document outlining those accomplishments.

- Marc Carrel was remembered for his service to the EJAG group before leaving SCAQMD to take the Executive Officer position at BreatheLA.
- Fabian introduced Brandee Keith, who is taking over responsibilities as secretary for EJAG and EJCP projects.

Agenda Item #6: Member Updates

Citing the importance of understanding the significant events and developments within our communities, Dr. Lyou asked Ms. Evelyn Knight to share a recent article regarding the community in Alabama where she'd been raised, called Africatown, established by emancipated slaves, and the discovery of the slave ship which had originally brought them from Africa.

Agenda Item #7: Other Business

None offered

Agenda Item #8: Public Comment

None offered

Agenda Item #9: Next Meeting was set for Friday, April 20th, 2018

Dr. Lyou adjourned the meeting at 2:00 pm

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BOARD MEETING DATE: May 4, 2018

AGENDA NO. 26

REPORT: Legislative Committee

SYNOPSIS: The Legislative Committee held a meeting on Friday, April 13, 2018. The following is a summary of the meeting.

Agenda Item	Recommendation/Action
AB 2091 (Grayson) Fire prevention: prescribed burns	Support With Amendments
AB 2453 (E. Garcia) Air Pollution: schools	Support With Amendments
SB 210 (Leyva) Heavy-Duty Vehicle Inspection and Maintenance Program	Support With Amendments
Proposed Amendments to 2018 SCAQMD State and Federal Legislative Goals and Objectives	Support Changes to Federal Goals and Objectives Support State Legislative Goals and Objectives without Amendment

RECOMMENDED ACTION:

Receive and file this report, and approve agenda items as specified in this letter.

Judith Mitchell, Chair
Legislative Committee

DA:PFC:MJK:jns

Committee Members

Present: Mayor Pro Tem Judith Mitchell/Chair, Dr. William A. Burke (videoconference), Dr. Clarke E. Parker, Sr. (videoconference), and Supervisor Janice Rutherford (videoconference).

Absent: Council Member Joe Buscaino/Vice Chair, and Supervisor Shawn Nelson.

Call to Order

Chair Mitchell called the meeting to order at 9:10 a.m.

DISCUSSION ITEMS:

1. Update on Federal Legislative Issues

SCAQMD's federal legislative consultants (Kadesh & Associates, Carmen Group, and Cassidy & Associates) each provided a written report on various key Washington, D.C. issues.

Mr. Mark Kadesh, federal legislative consultant, also reported on the 2018 omnibus spending bill which was passed last month. Mr. Kadesh stated that the Diesel Emission Reduction Act (DERA) program received a \$15 million increase (from \$60 to \$75 million) and the Targeted Airshed Grant program received a \$10 million increase (from \$30 to \$40 million) in FY 2018.

Mr. Kadesh commented that U.S. EPA determined that the greenhouse gas emission standards for model years 2022 through 2025 for light-duty vehicles should be revised; the U.S. EPA filed a Federal Register notice addressing Corporate Average Fuel Economy (CAFE) standards, and this will start a new rulemaking process. Mr. Kadesh noted that this has some implications for the California waiver because under the Clean Air Act, California is currently able to set its own standards.

Mr. Gary Hoitsma, federal legislative consultant, reported that the Senate confirmed Andrew Wheeler as the Deputy Administrator for the U.S. EPA.

Mr. Hoitsma also stated that President Trump named Heidi King to be the next Administrator for the National Highway Traffic Safety Administration, an agency within the Department of Transportation. However, she will need to go through the confirmation process.

Mr. Hoitsma also remarked that a memorandum from President Trump was issued April 12, directing the U.S. EPA Administrator to reform the NAAQS program in a way to make it more efficient and cost-effective.

Mr. Kaleb Froehlich, federal legislative consultant, reported that the President was in the press recently regarding a rescissions package targeting up to \$60 billion from the recently passed omnibus bill. This would potentially slash foreign aid as well as nondiscretionary domestic programs. Mr. Froehlich stated that the target date for release of this package from the White House is May 1.

Mr. Froehlich also stated that the U.S. EPA granted three Southern California tribes approval to implement water and air programs under the Clean Water Act and the Clean Air Act: the Morongo Band of Mission Indians in Riverside, and two tribes from San Diego.

2. Update on State Legislative Issues

SCAQMD's state legislative consultants (Joe A. Gonsalves & Son, The Quintana Cruz Company, and California Advisors, LLC) provided written reports on various key issues in Sacramento.

Mr. Paul Gonsalves, state legislative consultant, gave an update on AB 2548 (Friedman) regarding a commuter benefit program. Mr. Gonsalves stated that the bill, which initially made reference to SCAQMD within a commuter benefit program, and conflicted with SCAQMD Rule 2202, has been amended and no longer mentions SCAQMD and does not conflict with SCAQMD rules. SCAQMD staff provided amendments to Assemblywoman Friedman's office.

Ms. Roxy Bekemohammadi, state legislative consultant, gave an update on two bills: AB 2506 (Burke) regarding requiring the purchase of near-zero emission vehicles by the state fleet; and AB 327 (Gipson) which would authorize fleet rule authority within the South Coast. Ms. Bekemohammadi stated that SCAQMD staff recently met with Assemblywoman Burke's staff and that the Assemblywoman agreed to amend the bill to define near-zero emission vehicles to ensure that near-zero emission vehicles meet or emit less than the current optional low-NOx emission standards as adopted by CARB. Meetings were also held with Assemblyman Gipson's staff and with the California Trucker's Association regarding AB 327.

Mr. Jacob Moss, state legislative consultant, gave an update on SCAQMD's meetings in Sacramento earlier in the week. Mr. Moss stated that most conversations were about AB 617 implementation funding needs and also the need for funding for incentives in this year's Budget to mitigate air pollution.

ACTION ITEMS:

3. Recommend Position on State Bills:

AB 2091 (Grayson) Fire prevention: prescribed burns

Mr. Philip Crabbe, Community Relations Manager, presented AB 2091 to the Committee. This bill would require that the word "prevention" be added to the name of the State Board of Forestry and Fire Prevention and Protection; require at least one Board Member to be selected with a background in fire prevention, including prescribed fire; and require the Board to appoint a prescribed fire advisory committee, including a local air district representative.

Overall, this bill could have a positive effect on reducing air pollution within the South Coast by facilitating the use of controlled burns to reduce wildfires and the resulting severe air pollution. Staff recommends amendments to the bill that address an issue that complicates the granting of controlled burn permits at the local level. Current law only allows an air pollution control officer to permit controlled burns in counties with a population of six million or less. Mr. Crabbe stated that this

provision complicates SCAQMD's ability to issue controlled burn permits for fire hazard mitigation within Los Angeles County, which has a population that far exceeds six million.

Staff proposes an addition to the bill that would remove the current reference to a county population restriction, so that SCAQMD can have clear authority to issue controlled burn permits within Los Angeles County. Staff also recommends amendments that ensure that the bill does not restrict a landowner's ability to obtain a burn permit from a local air district.

In response to an inquiry from Dr. Parker, Mr. Wayne Nastri, Executive Officer, clarified that controlled burns are conducted within SCAQMD's jurisdiction to prevent wildfires. Mr. David De Boer, Planning and Rules Manager, stated that the proposed amendment to the bill would allow SCAQMD to issue permits for controlled burns within Los Angeles County.

In response to an inquiry from Mayor Mitchell, Mr. Crabbe clarified that another amendment sought to the bill would ensure that the bill would not restrict the ability of a local air district to issue burn permits, along with the current language in the bill that states that the bill would not restrict a landowner's ability to obtain a burn permit from CARB.

Staff recommended a position of SUPPORT WITH AMENDMENTS on this item.

Moved by Parker; seconded by Burke; unanimously approved

Ayes: Burke, Mitchell, Parker, Rutherford

Noes: None

Abstain: None

Absent: Buscaino, Nelson

AB 2453 (E. Garcia) Air Pollution: schools

Mr. Crabbe presented AB 2453 to the Committee. The bill would authorize modernization grants from state school facility bond funds, to be used to limit pupil exposure to harmful air pollutants by updating air filtration systems. It would provide that schools located in communities with facilities identified under AB 617 as toxic sources may work with air districts to identify school sites for air quality adaptation efforts; and provide that schools located near a facility designated by an air district as a high priority category may be eligible for grants as part of a community emissions reduction program adopted per AB 617. This bill's goal of reducing air pollution and negative health impacts on students on school campuses in disproportionately impacted communities is in line with SCAQMD's goals of reducing air pollution and protecting public health within the South Coast, and particularly within disadvantaged communities. Staff recommends working with the

author to identify more effective ways to implement air pollution mitigation efforts on impacted school campuses. Staff also recommends amending the bill to allow “modernization apportionments” to also be used for installation of air filtration systems.

Staff further recommends including a clarification in the bill that it does not limit air districts’ discretion in developing and implementing community emission reduction programs. Finally, staff recommends clarifying what types of grant funding sources would be applicable for funding the air pollution mitigation efforts sought in the bill, since AB 617 does not provide funding for grants as part of community emission reduction programs.

Mayor Pro Tem Mitchell noted that because the programs created by AB 617 do not have funding directly attached to them, there is still a need to seek out possible funding sources for this bill. Mr. Crabbe stated that the bill is flexible and is more of an authorization bill that allows for possible funding and the potential for schools to work together with air districts. This bill represents a good opportunity to work with the author on these efforts.

Staff recommended a position of SUPPORT WITH AMENDMENTS on this item.

Moved by Parker; seconded by Burke; unanimously approved

Ayes: Burke, Mitchell, Parker, Rutherford

Noes: None

Abstain: None

Absent: Buscaino, Nelson

SB 210 (Leyva) State vehicle fleet: near-zero-emission vehicles.

Mr. Crabbe presented SB 210 to the Committee. This bill would authorize CARB to develop and implement a Heavy-Duty Vehicle Inspection and Maintenance Program for non-gasoline heavy-duty on-road vehicles with a gross vehicle weight rating of more than 14,000 pounds, including, but not limited to, single-vehicle fleets and other vehicles that are registered in another state and operate in California. It would also allow CARB, in implementing the program, to: establish test procedures, for different motor vehicle model years and emissions control technologies, that measure the effectiveness of the control of NOx emissions, particulate matter, and greenhouse gases; and require a motor vehicle to pass the test procedures in order to register or operate in the state; and authorize CARB to assess fees and penalties as part of the Program.

The bill states that the program shall be developed in partnership between affected state agencies, the public, industry, and other stakeholders and is intended to be developed in a way that minimizes costs to truck owners and fleets; provides a level playing field for industry through effective enforcement; and provides flexibility for the Program to adapt as truck technology evolves.

This bill is aligned with SCAQMD's priorities to reduce criteria pollutants and toxic emissions and protect public health within the South Coast, especially by reducing mobile source pollution. This bill would also help promote the increased production and use of near-zero and zero emission heavy-duty vehicles within the South Coast, which would support the 2016 AQMP and facilitate attainment of federal air quality standards.

In response to Supervisor Rutherford's concerns over how this bill might affect small fleets, Mr. Crabbe stated that this bill would authorize a rulemaking by CARB and that they would be expected to work with all stakeholders and take into account their concerns.

Mayor Pro Tem Mitchell commented that this bill would create in essence a smog check program for trucks that would create a systemized review of trucks, similar to the current smog check program for light-duty vehicles.

Mayor Pro Tem Mitchell also raised concerns over the bill's language, which focuses on "non-gasoline" heavy-duty on-road motor vehicles, and despite their likely focus on diesel trucks, would this somehow include clean vehicles, such as compressed natural gas (CNG), liquefied natural gas (LNG), hybrid or other new technology. Mayor Pro Tem Mitchell requested that staff inquire as to why the "non-gasoline" phrase was used.

Mr. Brian Choe, Program Supervisor, mentioned that there is currently a gasoline heavy duty vehicle smog check program and SB 210 appears to cover the remaining "non-gasoline" vehicles, which would include diesel, older CNG's and liquefied petroleum gas (LPG) trucks that would be regulated by the program proposed by the bill. In response to an inquiry from Mayor Pro Tem Mitchell as to whether a request should be made to the bill's author to exempt zero emission and low NOx vehicles, Mr. Choe replied that this would possibly be done as part of the rulemaking.

Mr. Nastri inquired as to whether it would be possible to get a portion of the funding generated by fees from the new program created under SB 210 to be directed to local air districts.

The Committee agreed to add proposed amendments to the bill recommendation that would center on clarifying and potentially changing the “non-gasoline” terminology in the bill, and to seek to have a portion of the fees generated by the bill’s proposed program to be directed to local air districts to help reduce air pollution.

Staff recommended a position of SUPPORT on this item; after discussion, the Legislative Committee recommended a position of SUPPORT WITH AMENDMENTS.

Moved by Parker; seconded by Rutherford; unanimously approved

Ayes: Burke, Mitchell, Parker, Rutherford

Noes: None

Abstain: None

Absent: Buscaino, Nelson

4. Proposed Amendments to 2018 SCAQMD State and Federal Legislative Goals and Objectives

Ms. Lisa Tanaka O’Malley, Community Relations Manager, presented proposed amendments to the 2018 SCAQMD federal legislative goals and objectives. Ms. Tanaka O’Malley stated that Dr. Joe Lyou’s proposed amendment was to “oppose tax laws or other financial incentive legislation that disproportionately benefits those who manufacture, sell, or use products that significantly increase air pollution within the district.” However, staff raised concerns that this proposed amendment was too broad and would be difficult to implement. Staff proposed alternative language that would add the following: “Oppose legislation that conflicts with the District’s attainment goals.” Dr. Lyou agreed with this alternative language.

Ms. Barbara Baird, Chief Deputy Counsel, noted that Supervisor Nelson had raised a question over staff’s proposed language, however his inquiry is answered by the existing federal legislative goals and objectives regarding protecting science-driven and health-based National Ambient Air Quality Standards.

Staff recommended a position of SUPPORT on this item.

Moved by Parker; seconded by Burke; unanimously approved

Ayes: Burke, Mitchell, Parker, Rutherford

Noes: None

Abstain: None

Absent: Buscaino, Nelson

Ms. Tanaka O'Malley also presented proposed amendments to the 2018 SCAQMD state legislative goals and objectives. Ms. Tanaka O'Malley stated that Dr. Lyou's amendment was to change the "clean energy" goal to also support legislation that advances the Board's Energy Policy which promotes energy efficiency, demand reduction and reliable, cost effective and clean energy for all consumers.

Staff recommended a position of SUPPORT on this item; after discussion, the Legislative Committee recommended a position of SUPPORT to the State Legislative Goals and Objectives without the proposed Amendments.

Moved by Burke; seconded by Parker.

Ayes: Burke, Parker, Rutherford

Noes: Mitchell

Abstain: None

Absent: Buscaino, Nelson

OTHER MATTERS:

5. Other Business

There was no other business.

6. Public Comment Period

There were no public comments.

7. Next Meeting Date

The next regular Legislative Committee meeting is scheduled for Friday, May 11, 2018 at 9:00 a.m.

Adjournment

The meeting adjourned at 10:02 a.m.

Attachments

1. Attendance Record
2. Update on Federal Legislative Issues – Written Reports
3. Update on State Legislative Issues – Written Reports
4. Recommend Position on State and Federal Bills
5. Proposed Amendments to 2018 SCAQMD State and Federal Legislative Goals and Objectives

ATTACHMENT 1

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT LEGISLATIVE COMMITTEE MEETING

Attendance Record – April 13, 2018

Mayor Pro Tem Judith Mitchell	SCAQMD Board Member
Dr. William A. Burke (videoconference)	SCAQMD Board Member
Dr. Clark E. Parker, Sr. (videoconference).....	SCAQMD Board Member
Supervisor Janice Rutherford (videoconference).....	SCAQMD Board Member
Mark Abramowitz.....	Board Consultant (Lyou)
David Czamanske	Board Consultant (Cacciotti)
Ron Ketcham	Board Consultant (McCallon)
Andrew Silva	Board Consultant (Rutherford)
Roxy Bekemohammadi (teleconference).....	The Quintana Cruz Company
Kaleb Froehlich (teleconference).....	Cassidy & Associates
Paul Gonsalves (teleconference).....	Joe A. Gonsalves & Son
Gary Hoitsma (teleconference).....	The Carmen Group
Mark Kadesh (teleconference).....	Kadesh & Associates
Jacob Moss (teleconference).....	California Advisors, LLC
Curtis Coleman	Southern California Air Quality Alliance
Tom Gross.....	Southern California Edison
Priscilla Hamilton	SoCalGas
Bill LaMarr	California Small Business Alliance
Rita Loof	RadTech
David Rothbart.....	Los Angeles County Sanitation Districts
Susan Stark.....	Andeavor
Peter Whittingham	Whittingham Public Affairs Advisor
Derrick Alatorre	SCAQMD Staff
Debra Ashby	SCAQMD Staff
Barbara Baird	SCAQMD Staff
Brian Cho	SCAQMD Staff
Philip Crabbe	SCAQMD Staff
Philip Fine.....	SCAQMD Staff
Stacy Garcia	SCAQMD Staff
Monika Kim.....	SCAQMD Staff
Jason Low	SCAQMD Staff
Ron Moskowitz.....	SCAQMD Staff
Wayne Nastri	SCAQMD Staff
Robert Paud.....	SCAQMD Staff
Sarah Rees	SCAQMD Staff
Jeanette Short.....	SCAQMD Staff
Lisa Tanaka O'Malley	SCAQMD Staff
Laki Tisopulos	SCAQMD Staff
Todd Warden	SCAQMD Staff
Fabian Wesson	SCAQMD Staff
Kim White.....	SCAQMD Staff
Jill Whynot.....	SCAQMD Staff
Paul Wright	SCAQMD Staff

ATTACHMENT 2

SCAQMD

April 2018 Legislative Committee Board Meeting Report covering March 2018

Kadesh & Associates

Overview:

Both the House and Senate were in session for four of the five weeks in March. March was dominated with the release and passage of the FY18 Appropriations Omnibus. H.R. 1625 passed the House on March 22 by a vote of 256-167 and the Senate on March 23 by a vote of 65-32 and was signed into law by President Trump on March 23, 2018 (Public Law 115-141). The \$1.3 trillion omnibus spending measure would boost funding for defense and domestic programs. The measure is consistent with the two-year budget caps deal reached in February (Public Law 115-123) which allowed for \$80 billion more in defense spending and \$63 billion more for nondefense programs. The measure would allocate \$78.1 billion for Overseas Contingency Operations (OCO) funding that doesn't count toward the caps.

Programs of Interest:

Under the 2018 Omnibus, funding for the Diesel Emissions Reduction Act (DERA) program will rise to \$75 million in FY18, an increase of \$15 million from the FY17 level of \$60 million. The Targeted Airshed Grant Program will receive \$40 million in FY18, an increase of \$10 million from the FY17 level of \$30 million.

The report language for the **Glider Kit** issue was toned down from both the House and Senate language. Page 57 of DIVISION G- DEPARTMENT OF THE INTERIOR, ENVIRONMENT, AND RELATED AGENCIES APPROPRIATIONS ACT, 2018 reads: *"Glider Kits. -The Committees understand the Agency has announced plans to revisit portions of its Phase 2 Greenhouse Gas (GHG) Emissions and Fuel Efficiency Standards for Medium-and Heavy-Duty Engines. Upon completion of the review, the Agency is directed to update the Committees on the matter."* The report language for **DERA and TAS Grants** can be found on page 63:

"Diesel Emission Reductions Grants (DERA) - The bill provides \$75,000,000 for DERA grants. For fiscal year 2018, the Committees direct the Agency to continue to make at least 70 percent of DERA grants available to improve air quality in non-attainment areas."

"Targeted Airshed Grants. - The bill provides \$40,000,000 for targeted airshed grants to reduce air pollution in non-attainment areas. The Agency is directed to distribute the grants on a competitive basis using the same criteria as specified under this heading in the explanatory statement accompanying Division G of the Consolidated Appropriations Act, 2017 (Public Law 115-31). Not later than the end of fiscal year 2018, the Agency should provide a report to the Committees on Appropriations that includes a table showing how fiscal year 2016 and 2017 funds were allocated. The table should also include grant recipients and metrics for anticipated or actual results."

Infrastructure:

Infrastructure programs got a \$21.2 billion boost in the fiscal 2018 omnibus appropriations law, following a push from the administration to make them a priority. The measure (Public Law 115-141) topped up existing grant and loan programs, and created new discretionary grants for airports, transit, and highways. Lawmakers didn't adopt many of the administration's requests. Instead of eliminating Transportation Investment Generating Economic Recovery (TIGER) grants, the omnibus tripled them, to \$1.5 billion. It also added \$300 million to the Community Development Block Grant for economic development, which the president's budget sought to terminate. The law includes funding to address recent safety concerns related to driverless cars and trains. Funding boosts were provided to programs

at the departments of Agriculture, Energy, Interior, and Veterans Affairs, as well as the Environmental Protection Agency.

The Transportation Department's discretionary appropriation for fiscal year 2018 is 41 percent greater than fiscal year 2017, including: \$3.5 billion for highways and \$3.1 billion for rail infrastructure. Spread among several agencies is \$1.4 billion for water infrastructure. The Transportation department will receive \$86.2 billion in total budgetary resources -- \$27.3 billion is discretionary appropriations, remainder is from trust funds: Discretionary funding is \$7.93 billion more than fiscal year 2017.

Other Infrastructure Increases –

- Multimodal TIGER grants for surface transportation received \$1.5 billion, previously funded at \$500 million and the Administration proposed eliminating them: 30 percent must be directed to rural areas and Administration can't use federal funding share as award criterion.
- Community Development Block Grants received a \$300 million increase, to \$3.3 billion. The administration proposed eliminating the HUD program that funds economic development.
- \$600 million for a new broadband loan and grant pilot program at USDA.
- Extra \$1 billion for infrastructure provided through departments of Commerce and Justice, as well as NASA and the National Science Foundation.
- Extra \$2.8 billion for Veterans Affairs Department facility construction and maintenance.

Activities summary:

- Analyzed and shared information on FY18 Omnibus and FY19 appropriations process.
- In conjunction with SCAQMD staff, continued to pursue Rep. Ken Calvert and EPA Administrator Scott Pruitt for a joint visit to the Port of LA and Long Beach and SCAQMD in the second or third quarter of 2018.
- In conjunction with SCAQMD staff outlined potential Congressional staff visit for June 15.
- Continued to develop with staff a list of infrastructure-related projects and which can achieve SCAQMD goals and also work within legislative/executive authorizing/appropriating formats and programs.
- Communicated developments and news on the Glider issue to Appropriations staff.
- Identify and seek out cosponsors for H.R. 3682, the Blue Whales and Blue Skies Act by Rep. Lowenthal (D-CA) and H.R. 3107, the Diesel Emissions Reduction Act of 2017 by Rep. Poe (R-TX).
- Continued to monitor and pass on relevant legislation of interest to SCAQMD.
- Participated in regular conference call with subsequent follow up assignments.
- Answered specific questions from SCAQMD staff.
- Kept staff updated as to legislative changes, committee assignments and confirmations.
- Monitored and shared updates on Administration regarding budget, appropriations, Interior, EPA, transportation, and environmental policies and personnel.

Outlook –

Staff turnover in the Administration and challenging midterm elections set a meager legislative table for the rest of 2018. The courts have preserved the status quo for the Deferred Action for Childhood Arrivals (DACA) program, leaving little support for a major immigration overhaul. The House may move forward with a bill to provide regulatory relief from the Dodd-Frank financial law, but it is unclear whether there is support in the Senate. The House and Senate will move forward with the 12 annual appropriations bills for FY 2019, as well as a National Defense Authorization Act, but there is little appetite for a budget reconciliation bill, nor consensus on welfare overhaul. The Farm Bill is set to be reauthorized in 2018, which could attract some workforce development measures. Also possible is reauthorization of the Federal Aviation Administration. A major infrastructure bill faces an uphill climb.



MEMORANDUM

TO: South Coast AQMD Legislative Committee

FROM: Carmen Group

Date: March 29, 2018

Re: Federal Update – Executive Branch

Infrastructure Update and Analysis: The Trump Administration’s rollout of its proposed Infrastructure plan remains a work in progress. The President and his Cabinet continue to talk about it positively in broad generalities. Multiple hearings were held on the subject in the last month in the House and the Senate. But whether some version of the plan can get to the finish line legislatively in this calendar year seems increasingly doubtful as the days roll by and the politics of the midterm elections loom larger and larger. Here are a few key points to keep in mind.

- Funding remains the key issue (dwarfing any others in importance) but there remains a debilitating lack of consensus on what to do about it. The President’s plan calls for \$200 billion in direct federal spending over ten years that is supposed “incentivize” an additional \$1.3 trillion in local, state and private infrastructure investment over the same period. It is a probably a good theory and selling point, but not everyone can quite understand the math.
- The proposed \$200 billion in direct funding (to be paid for with unspecified budget cuts unlikely to pass in any case) is considered by many (especially Democrats) to be woefully inadequate. Some have seen the number as a low-ball opening negotiating gambit, setting up a compromise number that might end up as twice that or more.
- The Trump plan proposes that projects in its incentive grant program be funded through a federal/non-federal split of 20/80... 20 percent federal, matched by 80 percent non-federal. Initial readings are that this is unlikely to fly on Capitol Hill.
- The Senate has signaled it will not pass an overall government-wide budget blueprint this year, which means that there will be no chance to use the kind of “reconciliation” process that last year allowed the tax cut bill to be passed with just 51 votes. Thus any infrastructure bill is going to need 60 votes (including a minimum of nine Democrats) in the Senate to pass.

- The recent enactment of the \$1.3 trillion FY18 Omnibus appropriations bill on March 23 – in which the President secured record spending increases for the military in return significant spending increases in domestic programs and policies favored by Democrats – will make it politically harder, if not impossible, to cut a similar deal on a giant new infrastructure bill in which spending is increased dramatically in order to reach an acceptable compromise with Democrats. That was the original hoped-for scenario of some for the infrastructure bill, but the President’s base supporters in and out Congress are unlikely to find it acceptable now.
- The fallback now appears to be that the Administration’s supporters in Congress will try to pass several smaller infrastructure-related bills this year – like the FAA bill and the Water Resources bill—and perhaps seek to attach pieces of the larger Trump plan to those. But even this is far from definite.
- All of that said, it is always the case that anything could happen on short notice if the right players get activated and the stars align. But as of right now, this would seem unlikely in the current election year.

FY18 Omnibus Notes of Interest: Here are few highlights of spending items containing in the Omnibus spending bill as enacted on March 23:

Environmental Protection Agency

DERA Grants:	\$75 million	Up from \$60 million in FY17
Targeted Airshed Grants	\$40 million	Up from \$30 million in FY17

Department of Transportation

TIGER Grants	\$1.5 billion	Up from \$500 mil. in FY17
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Department of Energy

EERE	\$2.3 billion	Saved from budget cuts
ARPA-E	\$353 Million	Saved from budget cuts

EPA Decision on Vehicle Emissions Standards Imminent: The Environmental Protection Agency (EPA) is widely expected by April 1 to reverse the Obama Administration’s decision to raise fuel economy standards for cars and light trucks to 54.4 mpg by Model Year 2025. Under the Agency’s Midterm Evaluation process, the EPA has until April 1, 2018, to accept or revise the current standard. EPA under the Trump Administration has sent signals suggesting that it will determine that the 54.5 mpg standard is “not appropriate” and thereby propose a new lower standard for public comment. The move – if it happens -- is likely to provoke litigation from California and other stakeholders.

EPA Seeks Nominees for National Environmental Justice Panel: The U.S. Environmental Protection Agency is seeking recommendations to fill four vacancies on the National Environmental Justice Advisory Council (NEJAC). The Council, established in 1993, provides advice and recommendations to help the Agency improve public health, protect the environment and support economic growth for all people. Having recently announced the appointment of eight new members to the Council selected from qualified applicants, the Agency is now inviting nominations for four additional members to fill terms through September 2019. To maintain required representation from various sectors, the Agency seeks to select two members from academic institutions, one member from business and industry, and one member from state and local government. The deadline for applications is April 13, 2018, with appointments expected in October 2018.

EPA Expected to Clamp Down on “Secret Science”: The EPA is reported to be considering a major change to the way it uses scientific studies that often underpin critical air, water and other environmental regulations. Under a proposal that is not yet finalized or available for public review, the EPA is expected to call for a new measure of transparency with regard to the data that scientists compile and use in the studies they submit to the EPA. The new policy would mean that the Agency would no longer consider scientific research unless the underlying raw data can be made public and reviewed by other scientists, interest groups and third parties. The policy would no doubt provoke strong opposition from some scientists and others who argue that making certain raw data public would violate privacy rights of people involved in providing the data through their participation in broad multi-year statistical analyses and other means. They say it would also result in fewer and less reliable studies being done and less accurate science being used.

FY17 TIGER Grants Announced: In March, the U.S. Department of Transportation announced the list of 41 recipients across the country that had been selected to receive grants under the FY17 TIGER discretionary grant program in which nearly \$500 million was distributed to nationally or regionally significant road, transit, rail and maritime projects. The grants ranged in size from \$2 million to \$25 million. More than 64 percent of the available funding was awarded to rural projects, the highest ever rural distribution in the nine rounds of such grant awards made since 2009, reflecting the Trump Administration’s priorities. Primary selection criteria included safety, state of good repair, economic competitiveness, quality of life, and environmental sustainability. Secondary criteria included innovation and partnerships.

Federal Railroad Grant Opportunity Announced: In February, the Federal Railroad Administration announced that \$65 million was being made available for grants under the FY17 CRISI program—the Consolidated Rail Infrastructure and Safety Improvements Program, authorized by the FAST Act. The grants will be for projects on intercity and freight railroads to improve rail safety, efficiency and reliability, mitigate congestion, enhance multimodal connections and improve intercity rail corridors. Eligible projects would include grade-crossing enhancements, rail line relocations and improvements, positive train control deployments, and regional and corridor planning and environmental analyses. Applications are due by June 21, 2018.

Subcabinet Appointments of Interest:

Environmental Protection Agency

- **William McIntosh** of Michigan to be **Assistant Administrator for International and Tribal Affairs**. He previously served at the Ford Motor Company where he was responsible for environmental permitting, compliance and environmental metrics improvements at Ford manufacturing facilities. He previously served as deputy director of the Michigan Department of Environmental Quality and as environmental advisor to the Michigan governor.

Department of Transportation

- **Ronald Batory** was sworn in as Administrator of the **Federal Railroad Administration**. He formerly served from 2004-2017 as President and CEO of Conrail, the nation’s eighth largest freight railroad.

White House Staff—National Economic Council

- **Wells Griffith** to be **Assistant to the President for International Energy and Climate**. He most recently was serving as deputy assistant secretary for International Affairs at the Department of Energy following his work on the Trump campaign. He was previously deputy chief of staff at the Republican National Committee. He replaces George Banks who left the White House in February after failing to receive an appropriate security clearance.

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CASSIDY&ASSOCIATES

733 Tenth Street, N.W., Suite 400
Washington, DC 20001-4886

(202) 347-0773
www.cassidy.com

To: South Coast Air Quality Management District

From: Cassidy & Associates

Date: March 29, 2018

Re: Federal Update – U.S. House of Representatives

Issues of Interest to SCAQMD

The past month of activity on Capitol Hill focused on finalizing the Fiscal Year 2018 omnibus spending bill and moving the legislation through both chambers of Congress and to the President for signature on March 23rd. Of particular interest within the Omnibus legislation for SCAQMD is that the bill includes \$40 million for Targeted Airshed Grants, which is up from \$30 million for FY17. In addition, there is \$75 million for DERA, an increase of \$15 million from FY17.

House Energy and Commerce Committee:

On March 7, House Energy & Commerce held a hearing on the Future of Transportation Fuels and Vehicles. The context of the hearing is President Trump's efforts to roll back CAFE standards for light-duty vehicles. (A plan from POTUS to do this is expected to be released by the end of this week). The discussion was a fairly technical one and Members did not, in general, stick up for an aggressive plan to roll back CAFE. One major theme was that the witnesses agreed the internal combustion engine will not be "phased out" anytime soon from American roads even under the most ambitious electric vehicle scenarios.

On April 25, the House Energy and Commerce Committee will host EPA Administration Scott Pruitt to testify on the EPA budget request. This hearing will provide an opportunity for all committee members to raise all issues within the EPA jurisdiction. We would recommend that SCAQMD work to prepare questions for members of the California delegation to ask to Administrator Pruitt in person or through follow up question for the record.

Relevant Legislative Action:

H.R.1917: Blocking Regulatory Interference from Closing Kilns Act of 2017

Rep. Bill Johnson; cosponsors: Reps. Sewell, Sanford Bishop, Sessions, Roby, Tim Murphy, Cramer, Duncan, Barr

Bill Status: *Passed*. Recorded vote: 234 - 180, 1 Present (Roll no. 99)

Summary: This bill would delay NESHAPS compliance deadlines on the EPA's 2015 Brick MACT rule, which affects brick, structural clay products and clay ceramics manufacturing, until judicial review of the rules is completed. The BRICK Act is especially relevant for VOCs and PM. The bill would also provide manufacturers and users of wood heaters by providing an additional three years to comply with EPA's New Source Performance Standards. This component is mostly relevant for PM, VOCs, CO, benzene and other toxics.

H.R.1119 - SENSE Act

Rep. Keith Rothfus; cosponsors: Reps. Glenn Thompson, McKinley, Barletta, Mike Kelly, Tim Murphy, Shuster

Bill Status: *Passed*. Recorded vote: 215 - 189 (Roll no. 101)

Summary: This bill eases emission limits for hazardous air pollutants from electric utility steam generating units (electric power plants) that convert coal refuse into energy. The Environmental Protection Agency must allow utilities to select a standard for either hydrogen chloride or sulfur dioxide with which to comply from a list of specified standards.

Infrastructure Funding Update:

Included in the FY2018 Omnibus were the following topline funding items –

- \$3.5 billion for highways, roads, and bridges, including nearly \$3 billion in additional state formula funding
- \$1.5 billion for TIGER Grants
- \$1.3 billion for Rail Improvements, including \$250 million for State of Good Repair
- \$9.73 billion for Transit formula grants, as well as additional amounts above FAST Act levels for certain programs –
 - \$400 million for State-of-Good-Repair formula grants
 - \$400 million for Bus and Bus Facilities grants
 - \$30 million for High Density State Apportionments
- \$2.857 billion for the Clean Water and Drinking Water revolving funds, including –
 - \$55 million for EPA's WIFIA program to finance more than 100 times that amount to accelerate investments in water projects with national and regional significance
 - \$20 million to support testing for lead contamination schools and child care centers
 - \$20 million for lead reduction projects in rural areas
 - \$10 million for water projects in communities working to improve compliance with the Safe Drinking Water Act
- \$918M for Army Corps and Bureau of Reclamation water resources infrastructure projects, including ports, waterways, flood control, and water supply

House Transportation and Infrastructure Committee Update:

On March 6th, the House T&I Committee held a hearing on President Trump’s Infrastructure Plan. As you know, the proposal calls for \$200 billion in funding, credit subsidies, and tax incentives over the next 10 years to improve our nation’s infrastructure with the intention of stimulating a total of \$1.5 trillion in new infrastructure investment. Offsets were not identified in the proposal to “pay-for” the proposed level of spending.

Cassidy & Associates Opinion – Congress will hold a series of hearings related to the proposed infrastructure plan over next 9 months with the intention of passing 4-5 bills out the requisite committees of jurisdiction. There is a very low probability Congress will pass an actual “infrastructure package” in 2018, outside of a Water Resources Development Act or other legislative vehicle. There is strong belief Congress will take up a broader infrastructure initiative in the 116th Congress when a pay-for will need to be identified to keep the highway trust fund (HTF) solvent past 2020.

On March 7th, the House T&I Committee held a hearing on long-term funding for the highway and transit programs. In June 2017, CBO projected that the HTF will not be able to meet its obligations beyond fiscal year 2020. CBO estimates that the current 10-year shortfall is \$138 billion more than expected HTF revenues. An additional \$5 billion is necessary to ensure that there is a prudent balance in the HTF,¹² which brings the total shortfall to \$143 billion. If the shortfall is not addressed, USDOT may need to take steps, such as rationing reimbursements to states, to maintain a prudent balance in the HTF. If states are unable to rely on reimbursements, then critical surface transportation projects may be delayed.

On March 15th, the House T&I Committee, Subcommittee on Water Resources held a hearing on possible USACE policy considerations for a Water Resources Development Act that would seek to expedite the project delivery process, modernize the benefit-cost analysis, and give non-federal project sponsors more control over the study, design, and construction of civil works projects.

Glider Kits Rule Update:

Senator Carper (Ranking Member on Senate EPW) and Senator Udall, Ranking Member on EPA/Interior Appropriations, wrote a letter to EPA Administrator Pruitt urging him to reverse his proposal on glider kits. Glider kits would be regulated under the Phase 2 CAFE standards as applied to tractor-trailers, but Administrator Pruitt had proposed exempting them by reclassifying a glider-kit-installed tractor trailer as a “modification” and not a new vehicle. The biggest manufacturer of glider kits, Fitzgerald, is headquartered in TN and has been exerting heavy political pressure on Energy & Commerce Republicans and Administrator Pruitt himself to exempt glider kits in this way. EPA’s own National Vehicle & Fuel Emissions Laboratory found in November 2017 that under certain conditions, gliders emit 43x the NO_x of new trucks and 450x the PM. They are demanding records from EPA on this matter to get to the bottom of what many see as a politically-driven policy change.

Comprehensive Energy Legislation:

We continue to monitor the Energy and Natural Resources Act of 2017, which is pending on the Senate floor. Energy advocates and many Senators are continuously looking for an opening to consider energy legislation on the Senate floor. Now that Congress has moved beyond the Omnibus Appropriations legislation, there will likely be more floor time in the Senate for other legislative packages, including the Energy bill.

This legislation once again contains the Vehicle Innovation Act, which provides for \$250 million in authorized funding for the Department of Energy to fund vehicle technology advancement. Additionally, of importance to SCAQMD, is the inclusion of the DERA reauthorization language.

We would suggest that SCAQMD once again write a letter in support of these provisions and an expeditious process on this legislation.

ATTACHMENT 3



Joe A. Gonsalves & Son

Anthony D. Gonsalves

Jason A. Gonsalves

Paul A. Gonsalves

PROFESSIONAL LEGISLATIVE REPRESENTATION

925 L ST. · SUITE 250 · SACRAMENTO, CA 95814-3766

916 441-0597 · FAX 916 441-5061

Email: gonsalves@gonsalvi.com

TO: South Coast Air Quality Management District

FROM: Anthony, Jason & Paul Gonsalves

SUBJECT: Legislative Update – March 2018

DATE: Wednesday, April 4, 2018

The month of March is the calm before the storm. As you are aware, the Legislature had until February 16, 2018 to introduce new legislation. The Legislature introduced 2,334 bills (1,604 in the Assembly and 730 in the Senate) and a vast majority of those bills are currently intent bills (spot bills). The California Constitution requires all legislation to be in print for 30 days prior to being heard in a Legislative Committee, which makes most bills eligible to be heard on March 19th. However, the Legislative Spring Break was from March 22 – April 1, which pushes Policy Committee Hearings into the month of April. We will continue to monitor and track all legislation and amendments of interest to the District.

CAP AND TRADE EXPENDITURE PLAN

The Governor's January budget proposed \$2.8 billion in cap-and-trade expenditures, which includes \$1.4 billion in continuous appropriations (High Speed Rail, Affordable Housing, Transit), \$150 million in existing spending commitments (SRA, Sales Tax Exemptions, Admin Costs), and \$1.25 billion in discretionary spending (Mobile Source Emissions, Climate Programs, Agriculture). The plan assumes \$2.7 billion in auction revenue for this year with \$2.4 billion projected for next year.

The proposed plan provides additional investments in other programs that are consistent with the expenditure priorities specified in AB 398, and the statutory requirements regarding the allocation of at least 35% of revenues to benefit disadvantaged and low-income communities. The Cap-and-Trade Expenditure Plan includes the following general categories of spending for the \$1.25 billion in discretionary spending:

- Air Toxic and Criteria Air Pollutants: \$255 million to fund actions to reduce air toxic and criteria pollutants.
- Low Carbon Transportation: \$460 million to fund programs that will reduce emissions in the transportation sector.
- Climate Smart Agriculture: \$145 million to fund agricultural equipment upgrades, energy efficiency, and the Healthy Soils Program.
- Healthy Forests: \$185 million to fund forest management and local fire response.
- Short-Lived Climate Pollutants: \$119 million to fund methane reduction and waste diversion.
- Integrated Climate Action: Mitigation & Resilience: \$51 million to fund programs that integrate mitigation actions with resilience benefits, including Transformative Climate Communities and Energy Corps.
- Climate and Clean Energy Research: \$35 million to fund the California Climate Change Technology and Solutions Initiative.

More specifically, the Governor's budget proposal for the Cap-and-Trade expenditure plan includes the following:

- California Integrated Climate Investment Program under IBank: \$20 million
- California Climate Change Technology and Solutions Initiative: \$35 million
- Transformative Climate Communities: \$25 million
- Low Carbon Fuel Production: \$25 million
- Agricultural Energy Efficiency Program: \$34 million
- Healthy and Resilient Forests: \$160 million
- Agricultural Diesel Engine Replacement and Upgrades: \$102 million
- Clean Trucks, Buses, and Off-Road Freight Equipment: \$160 million
- Enhanced Fleet Modernization and Equity Programs: \$75 million
- AB 617 Community Air Protection: \$250 million
- Clean Vehicle Rebate Project through 2025: \$200 million annually
- Waste Diversion: \$20 million
- Methane Reduction: \$99 million

This is the kickoff to the budget negotiations on the cap and trade expenditure plan. The Assembly and Senate will both conduct Budget Hearings to address any concerns and make any modifications they would like to see in the Plan. Ultimately, the Legislature has until August 31, 2018 to adopt an expenditure plan. Our office will continue to work closely with the Governor's office, the Legislative Leadership and all State Departments to ensure the necessary funding for the District.

FREIGHT REGULATIONS REPORTING SYSTEM TO IMPROVE SECURITY AND INCREASE EFFICIENCY

The Governor's budget proposes \$1.08 million to support implementation and enforcement of CARB's freight regulations to protect disadvantaged communities near ports and railyards. These requested resources are for the development, maintenance, and support of a replacement system for the current CARB Freight Equipment Registration Program. The proposal would also implement efficiencies to offset the

unavoidable costs of providing ongoing assistance to California businesses that must comply with those CARB freight regulations.

Without a replacement reporting system, any failure of the outdated existing system would disrupt commerce in one of California's most important economic sectors by preventing some 223,000 drayage trucks that carry cargo from accessing ports and railyards.

The Freight Equipment Registration program automates the registration of drayage trucks to monitor compliance, issue labels to trucks that meet the regulatory requirements, and provide information on each truck's compliance status. The system also automates the registration of over 168,000 trucks and trailers with transport refrigeration units operating in California. The Freight Equipment Registration Program does not provide these functionalities for cargo handling equipment, commercial harbor craft, and ocean-going vessels. The Freight Equipment Registration Program is a 15-year-old legacy system that utilizes technology that is increasingly becoming obsolete. To date, CARB has been unsuccessful in hiring new staff with the expertise needed to maintain the current program's software and system architecture. CARB contracts out the maintenance and support services at a high cost. Further, as the system continues to age, it is becoming more difficult to find contractors with the necessary skills and knowledge to maintain the system's applications. The breakdown of this system would affect the movement of refrigerated freight and potentially slow down access of ports and rail yards for drayage trucks.

We will continue to work closely with the Governor's office and the Legislature to ensure the District is a part of the funding discussions as the budget proceeds.

2018 LEGISLATIVE DEADLINES

Jan. 3 Legislature reconvenes.

Jan. 10 Budget must be submitted by Governor.

Jan. 12 Last day for **policy committees** to hear and report to **fiscal committees** fiscal bills introduced in their house in the odd-numbered year.

Jan. 19 Last day for any committee to hear and report to the **Floor** bills introduced in that house in the odd-numbered year. Last day to submit **bill requests** to the Office of Legislative Counsel.

Jan. 31 Last day for each house to pass **bills** introduced in that house in the odd-numbered year.

Feb. 16 Last day for bills to be introduced.

Apr. 27 Last day for **policy committees** to hear and report to fiscal committees **fiscal bills** introduced in their house.

May 11 Last day for **policy committees** to hear and report to the Floor **nonfiscal** bills introduced in their house.

May 18 Last day for **policy committees** to meet prior to June 4.

May 25 Last day for **fiscal committees** to hear and report to the **Floor** bills introduced in their house. Last day for **fiscal committees** to meet prior to June 4.

May 29-June 1 Floor session only. No committee may meet for any purpose except for Rules Committee, bills referred pursuant to Assembly Rule 77.2, and Conference Committees.

June 1 Last day for each house to pass bills introduced in that house.

June 4 Committee meetings may resume.

June 15 Budget Bill must be passed by midnight.

June 28 Last day for a legislative measure to qualify for the Nov. 6 General Election ballot.

June 29 Last day for **policy committees** to hear and report **fiscal bills** to fiscal committees.

July 6 Last day for **policy committees** to meet and report bills.

Aug. 17 Last day for **fiscal committees** to meet and report bills.

Aug. 20-31 Floor session only. No committee may meet for any purpose except Rules Committee.

Aug. 24 Last day to **amend** on Floor.

Aug. 31 Last day for each house to pass bills. **Final Recess** begins on adjournment.



THE QUINTANA CRUZ COMPANY

March 29, 2018

TO: South Coast Air Quality Management District

FROM: The Quintana Cruz Company

RE: March 2018 Report

GENERAL UPDATE:

- The legislature was on spring recess from March 22nd - March 30th
- **Apr. 2** Legislature reconvenes from Spring Recess
- **Apr. 27** Last day for **policy committees** to hear and report to fiscal committees **fiscal bills** introduced in their house

POLITICAL ITEMS OF NOTE:

- Senator Toni Atkins became President pro Tempore March 21, 2018
- Kevin de León is now President pro Tempore Emeritus.

LEGISLATIVE ITEMS OF NOTE:

- **AB 2008 (Salas D) Income taxes: exclusion: Carl Moyer Memorial Air Quality Standards Attainment Programs grants.**
 - 4/4/2018 9 a.m. - State Capitol, Room 4202
 - ASSEMBLY APPROPRIATIONS, GONZALEZ FLETCHER, Chair
- **AB 2042 (Steinorth R) Personal income tax credits: residential graywater reuse systems.**
 - 4/16/2018 2:30 p.m. - State Capitol, Room 126
 - ASSEMBLY REVENUE AND TAXATION, BURKE, Chair
- **AB 2050 (Caballero D) Small System Water Authority Act of 2018.**
 - 4/10/2018 1:30 p.m. - State Capitol, Room 444
 - ASSEMBLY ENVIRONMENTAL SAFETY AND TOXIC MATERIALS, QUIRK, Chair
- **AB 2060 (Garcia, Eduardo D) Water: grants: advanced payments.**
 - 4/10/2018 1:30 p.m. - State Capitol, Room 444
 - ASSEMBLY ENVIRONMENTAL SAFETY AND TOXIC MATERIALS, QUIRK, Chair

- **AB 2336 (Salas D) Schoolbuses: retrofit and replacement.**
 - 4/16/2018 2:30 p.m. - State Capitol, Room 4202
 - ASSEMBLY TRANSPORTATION, FRAZIER, Chair

- **AB 2506 (Burke D) State vehicle fleet: near-zero-emission vehicles.**
 - 4/11/2018 9:30 a.m. - State Capitol, Room 437
 - ASSEMBLY ACCOUNTABILITY AND ADMINISTRATIVE REVIEW, EGGMAN, Chair

- **AB 2548 (Friedman D) Commute benefit policies: Los Angeles County Metropolitan Transportation Authority: South Coast Air Quality Management District.**
 - 4/16/2018 2:30 p.m. - State Capitol, Room 4202
 - ASSEMBLY TRANSPORTATION, FRAZIER, Chair

- **SB 998 (Dodd D) Discontinuation of residential water service: urban and community water systems.**
 - 4/3/2018 9 a.m. - Room 3191
 - SENATE ENERGY, UTILITIES AND COMMUNICATIONS, HUESO, Chair



CALIFORNIA ADVISORS, LLC

SCAQMD Report
California Advisors, LLC
April 13, 2018 Legislative Committee Hearing

General Update

On March 21st, the California State Senate swore in its first female president, President pro Tempore Toni Atkins. There had been some speculation of a wider shuffling of chairmanships and committee assignments but to date that shuffle has not occurred. Following the completion of Spring Break from March 22nd to April 1st, policy committees have begun in full force. We continue to push to maximize funding for incentives as well as to protect existing funding streams.

2018 Legislative Priorities

Tire Fee Funds Transfer to the Department of Fish and Wildlife

The Governor proposed to divert \$26 million annually of Tire Recycling Management Fee funds to the Department of Fish and Wildlife. However, these funds are currently dedicated to the Carl Moyer Program. With CAPCOA leading the charge, we are engaging with members and staff in opposition to the redirection of these critical funds.

AB 617 (C. Garcia, 2017) Implementation Funding

The Governor proposed to dedicate zero dollars for air districts to implement AB 617. In a recent budget hearing the Department of Finance indicated that the \$27 million allocated to all districts last year was intended to fund two years of implementation. We continue to hold meetings with all critical members and staff on this issue in order to secure funding. We are also working with a coalition of industry and environmental stakeholders in opposition to this lack of funding for AB 617 implementation.

SB 1502 (Senate Environmental Quality) Electronic Public Notice Authorization

The Senate Environmental Quality Committee is assembling a committee bill that is expected to include the authorization for the South Coast Air Quality Management District to utilize electronic communications in lieu of paper mail with regard to public notices for public hearings and workshops, and in relation to new permit applications near schools.

STATUS: April 18th, 2018: set for hearing, Senate Environmental Quality

AB 2091 (Grayson)
Fire prevention: prescribed burns.

Summary: This bill would:

- 1) Rename a state board by adding “Prevention and” to the name of the State Board of Forestry and Fire *Prevention and* Protection (Board);
- 2) Require members to have general knowledge of, interest in, and experience with fire prevention;
- 3) Require at least one member to be selected with a background and understanding of fire prevention, including prescribed fire; and
- 4) Require the Board to appoint a prescribed fire advisory committee, which includes a local air district representative.

Background: Existing law establishes in the Department of Forestry and Fire Protection the State Board of Forestry and Fire Protection consisting of 9 members appointed, selected, and approved for appointment on the basis of their educational and professional qualifications and their general knowledge of, interest in, and experience with, among other things, forest management practices.

Existing law authorizes a person, firm, or corporation, or a group or combination of persons, firms, corporations, or groups, that owns or controls brush-covered land, forest lands, woodland, grassland, shrubland, or any combination thereof within a state responsibility area to apply to the department for permission to utilize a prescribed burning for specified public purposes.

Status: 03/13/18 – Re-referred to Com. on NAT. RES.

Specific Provisions: Specifically, this bill would:

- 1) Rename the “State Board of Forestry and Fire Protection” to be the “State Board of Forestry and Fire Prevention and Protection”;
- 2) Require members of the Board to have general knowledge of, interest in, and experience with fire prevention;
- 3) Require that at least one member of the board have a background and understanding of fire prevention, including prescribed fire;
- 4) Require the board to appoint a Prescribed Fire Advisory Committee, which includes a local air district representative, and would require the board to consult with the advisory committee on development of training, certification, and recertification of prescribed burn managers and organizations;
- 5) Require the Board to establish, on or before January 1, 2022, standards for prescribed burning, and establish standards for certification, recertification, and training for certified prescribed burn managers;

- 6) Ensure that prescribed burning is the controlled application of fire to naturally occurring or naturalized vegetative fuels under specified environmental conditions in accordance with a written plan;
- 7) Require that at least one certified prescribed burn manager is present on site during the conduct of the prescribed burn and that a burn is conducted by members of a prescribed burning organization;
- 8) Require the Board to establish a schedule of fees for purposes of certifying a prescribed burn manager and would establish the Prescribed Burn Fund for deposit of those fees; and
- 9) Authorize the Board to spend the money in the Fund, upon appropriation by the Legislature, for purposes of administering the certification program.

Impacts on SCAQMD’s Mission, Operations or Initiatives: This bill can have a positive effect on reducing air pollution within the South Coast Region by facilitating the use of controlled burns to reduce the occurrences of wildfires and the severe air pollution that results from such fires.

Staff also recommends an amendment to the bill to address an issue that currently complicates the granting of controlled burn permits at the local level. Currently, Section 41812 of the California Health and Safety Code states:

“The air pollution control officer of any district in a county with a population of 6,000,000 or less, upon authorization of the district board, may authorize, by permit, open outdoor fires for the purpose of disposing of agricultural wastes, or wood waste from trees, vines, bushes, or other wood debris free of nonwood materials, in a mechanized burner such that no air contaminant is discharged into the atmosphere for a period or periods aggregating more than 30 minutes in any eight-hour period....”

Unfortunately, this provision prohibits SCAQMD from having the authority to issue controlled burn permits for fire hazard mitigation within Los Angeles County which has a population that exceeds 6,000,000.

Staff would propose an addition to the bill to amend Section 41812 to remove the phrase, “in a county with a population of 6,000,000 or less,” so that SCAQMD would have authority to issue controlled burn permits for fire hazard mitigation within Los Angeles County.

Additionally, SCAQMD staff recommends adding language that ensures that this bill would not restrict a landowner’s ability to obtain a burn permit from any local air district.

Recommended Position: SUPPORT WITH AMENDMENTS

AMENDED IN ASSEMBLY MARCH 12, 2018

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 2091

Introduced by Assembly Member Grayson

February 7, 2018

An act to amend Sections 730, 731, and 4002 of, to add Section 742 to, and to add Article 4 (commencing with Section ~~4497~~ 4500) to Chapter 7 of Part 2 of Division 4 ~~of~~ of, the Public Resources Code, relating to ~~burning of lands~~ fire prevention.

LEGISLATIVE COUNSEL'S DIGEST

AB 2091, as amended, Grayson. ~~Prescribed~~ Fire prevention: prescribed burns.

(1) Existing law establishes in the Department of Forestry and Fire Protection the State Board of Forestry and Fire Protection consisting of 9 members appointed, selected, and approved for appointment on the basis of their educational and professional qualifications and their general knowledge of, interest in, and experience with, among other things, forest management practices.

This bill would rename the board to the State Board of Forestry and Fire Prevention and Protection. The bill would additionally require members to have general knowledge of, interest in, and experience with fire prevention. The bill would require at least one member to be selected with a background and understanding of fire prevention, including prescribed fire. The bill would require the board to appoint a prescribed fire advisory committee, as provided, and would require the board to consult with the advisory committee on development of training, certification, and recertification of prescribed burn managers and organizations.

~~Existing~~

(2) ~~Existing~~ law authorizes a person, firm, or corporation, or a group or combination of persons, firms, corporations, or groups, that owns or controls brush-covered land, forest lands, woodland, grassland, shrubland, or any combination thereof within a state responsibility area to apply to the ~~Department of Forestry and Fire Protection~~ *department* for permission to utilize a prescribed burning for specified public purposes.

This bill ~~would establish the Prescribed Burning Board in the department. The bill would require the board~~ *State Board of Forestry and Fire Prevention and Protection* to establish, on or before January 1, 2022, standards for prescribed burning, and establish standards for certification, recertification, and training for certified ~~and insured~~ prescribed burn managers, among other things. The bill would require the board to establish a schedule of fees for purposes of certifying a prescribed burn manager and would establish the Prescribed Burn Fund for deposit of those fees. The bill would authorize the board to spend the money in the fund, upon appropriation by the Legislature, for purposes of administering the certification program. ~~The bill would provide that an owner, lessee, or occupant of specified lands is not liable for property damage or for injury or death to persons caused by or resulting from prescribed burning conducted on the land if the burn is conducted under the supervision of a certified and insured prescribed burn manager, as provided. The bill would require the department to develop and implement an insurance pool for certified prescribed burn managers, as provided.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 *SECTION 1. Section 730 of the Public Resources Code is*
- 2 *amended to read:*
- 3 730. (a) There is in the department a State Board of Forestry
- 4 and *Fire Prevention and Protection* consisting of nine members
- 5 appointed by the Governor, subject to confirmation by the Senate.
- 6 (b) (1) On and after January 1, 1998, wherever any reference
- 7 is made in any law to the State Board of Forestry in the department,
- 8 the reference shall be deemed to be a reference to, and to mean,
- 9 the State Board of Forestry and Fire Protection.

1 (2) *On and after January 1, 2019, wherever any reference is*
2 *made in any law to the State Board of Forestry and Fire Protection*
3 *in the department, the reference shall be deemed to be a reference*
4 *to, and to mean, the State Board of Forestry and Fire Prevention*
5 *and Protection.*

6 ~~(2)~~

7 (3) No existing supplies, forms, signs, or logos shall be
8 destroyed or changed to reflect the name change, and they shall
9 continue to be used until exhausted or unserviceable.

10 *SEC. 2. Section 731 of the Public Resources Code is amended*
11 *to read:*

12 731. All members of the board shall be appointed and shall be
13 selected and approved for appointment on the basis of their
14 educational and professional qualifications and their general
15 knowledge of, interest in, and experience with, problems relating
16 to watershed ~~management (including management, including~~
17 ~~hydrology and soil science)~~, *science*, forest management practices,
18 fish and wildlife, range management, forest economics, *fire*
19 *prevention*, or land use planning. Five members shall be selected
20 from the general public, three members shall be selected from the
21 forest products industry, and one member shall be selected from
22 the range livestock industry. *At least one member shall be selected*
23 *with a background and understanding of fire prevention, including*
24 *prescribed fire.* At no time shall a majority of the members, nor
25 any of the members selected from the general public, be persons
26 with a direct personal financial interest, within the meaning of
27 ~~Section H20 87100~~ of the Government Code, in timberlands. All
28 members of the board shall represent the general public interest.

29 *SEC. 3. Section 742 is added to the Public Resources Code,*
30 *to read:*

31 742. (a) *The board shall appoint a Prescribed Fire Advisory*
32 *Committee and shall consult with the advisory committee on*
33 *development of training, certification, and recertification of*
34 *prescribed burn managers and organizations pursuant to Article*
35 *4 (commencing with Section 4500) of Chapter 7 of Part 2 of*
36 *Division 4.*

37 (b) *The advisory committee shall consist of 10 members, who*
38 *shall be selected as follows:*

1 (1) The member of the board who has a background and
2 understanding of fire prevention, including prescribed fire,
3 described in Section 731.

4 (2) The director or his or her designee.

5 (3) A federal forest land manager.

6 (4) A representative of a local air district.

7 (5) Two representatives from the general public with experience
8 conducting prescribed burns.

9 (6) Two representatives from the University of California
10 Cooperative Extension.

11 (7) Two representatives from tribal communities with experience
12 conducting prescribed burns.

13 (c) The chair of the board shall appoint the members of the
14 advisory committee designated in paragraphs (3) to (7), inclusive,
15 of subdivision (b). The members shall serve at the pleasure of their
16 respective appointing powers.

17 (d) The members shall serve without compensation, except that
18 each member shall be reimbursed for his or her actual and
19 necessary expenses incurred in the performance of his or her
20 duties.

21 (e) The chair of the advisory committee shall be the person
22 identified in paragraph (1) of subdivision (b).

23 SEC. 4. Section 4002 of the Public Resources Code is amended
24 to read:

25 4002. "Board" means the State Board of Forestry and Fire
26 Prevention and Protection.

27 SECTION 4.

28 SEC. 5. Article 4 (commencing with Section ~~4497~~ 4500) is
29 added to Chapter 7 of Part 2 of Division 4 of the Public Resources
30 Code, to read:

31
32 Article 4. Prescribed Burns

33
34 ~~4497.~~ For purposes of this article, the following terms have
35 the following meanings:

36 (a) ~~"Board"~~ means the Prescribed Burning Board.

37 (b) ~~"Advisory board"~~ means the advisory board established by
38 the Prescribed Burning Board.

39 ~~4498.~~ (a) There is hereby established in the department the
40 Prescribed Burning Board.

- 1 ~~(b) The board shall be composed of the following members:~~
- 2 ~~(1) The director, or his or her designee.~~
- 3 ~~(2) The director of the Department of Parks and Recreation, or~~
- 4 ~~his or her designee.~~
- 5 ~~(3) The director of the Natural Resources Agency, or his or her~~
- 6 ~~designee.~~
- 7 ~~(4) An employee from the University of California Agriculture~~
- 8 ~~and Natural Resources Cooperative Extension.~~
- 9 ~~(5) The director of the Department of Fish and Wildlife, or his~~
- 10 ~~or her designee.~~
- 11 ~~(6) The director of the Department of Food and Agriculture, or~~
- 12 ~~his or her designee.~~
- 13 ~~(7) The director of the State Air Resources Board, or his or her~~
- 14 ~~designee.~~
- 15 ~~(8) The director of the State Water Resources Control Board,~~
- 16 ~~or his or her designee.~~
- 17 ~~(9) Five public members, appointed by the director of the~~
- 18 ~~department, that represent the following:~~
- 19 ~~(A) Owners of agricultural land.~~
- 20 ~~(B) Persons who are self-employed or employed by a person or~~
- 21 ~~entity other than a governmental entity.~~
- 22 ~~4499. (a) The board shall establish an advisory board~~
- 23 ~~composed of members of the public, including individuals~~
- 24 ~~representing the following:~~
- 25 ~~(1) Property owners.~~
- 26 ~~(2) Agriculture, forestry, and livestock producers.~~
- 27 ~~(3) Conservation interests.~~
- 28 ~~(4) Environmental interests.~~
- 29 ~~(5) Insurance interests.~~
- 30 ~~(b) The board shall determine the number of persons and manner~~
- 31 ~~of selection of the advisory board.~~
- 32 ~~(c) The advisory board shall provide advice and guidance to the~~
- 33 ~~board.~~
- 34 ~~4500. On or before January 1, 2022, the board shall accomplish~~
- 35 ~~all of the following:~~
- 36 ~~(a) Establish standards for prescribed burning, pursuant to~~
- 37 ~~Section 4501.~~
- 38 ~~(b) Develop a comprehensive training curriculum for certified~~
- 39 ~~and insured prescribed burn managers and prescribed burning~~
- 40 ~~organizations.~~

- 1 (c) Establish standards for certification, recertification, and
- 2 training for certified ~~and insured~~ prescribed burn managers.
- 3 (d) Establish minimum education and professional requirements
- 4 for instructors for the approved curriculum.
- 5 ~~(e) Establish minimum insurance requirements for certified and~~
- 6 ~~insured prescribed burn managers and prescribed burning~~
- 7 ~~organizations.~~
- 8 4501. Minimum prescribed burn standards established by the
- 9 board pursuant to subdivision (a) of Section 4500 shall accomplish
- 10 all of the following:
- 11 (a) Ensure that prescribed burning is the controlled application
- 12 of fire to naturally occurring or naturalized vegetative fuels under
- 13 specified environmental conditions in accordance with a written
- 14 prescription plan that satisfies both of the following:
- 15 (1) Is designed to confine the fire to a predetermined area and
- 16 to accomplish planned land management objectives.
- 17 (2) Conforms to the standards established pursuant to this
- 18 section.
- 19 (b) Require that at least one certified ~~and insured~~ prescribed
- 20 burn manager is present on site during the conduct of the prescribed
- 21 burn and that the burn is conducted by members of a prescribed
- 22 burning organization.
- 23 (c) Establish appropriate guidelines for *the* size of burning crews
- 24 sufficient to do both of the following:
- 25 (1) Conduct the burn in accordance with the prescription plan.
- 26 (2) Provide adequate protection for the safety of persons and
- 27 adjacent property.
- 28 (d) Include standards for notification to adjacent landowners,
- 29 the department, and local fire authorities.
- 30 ~~(e) Include minimum insurance requirements for certified and~~
- 31 ~~insured prescribed burn managers and prescribed burning~~
- 32 ~~organizations.~~
- 33 4502. (a) Minimum standards established by the board for
- 34 certification as a certified ~~and insured~~ prescribed burn manager
- 35 shall require the completion of the approved training curriculum
- 36 to be developed and promulgated by the board and taught by an
- 37 approved instructor.
- 38 (b) The board shall certify a person as a certified ~~and insured~~
- 39 prescribed burn manager if the person meets all of the following:
- 40 (1) Applies to the board for certification.

1 (2) Completes an approved training program by an approved
2 instructor.

3 (3) Pays a reasonable fee to the board in an amount determined
4 by the board pursuant to Section 4502.5.

5 ~~(4) Meets the insurance requirements established by the board.~~

6 (c) The certification shall be for two years.

7 (d) A person may renew certification only by completing a
8 continuing education program established by the board.

9 (e) The board shall maintain a register of certified ~~and insured~~
10 prescribed burn managers and dates of completion of initial and
11 continuing training.

12 4502.5. (a) The board shall establish a schedule of fees for
13 purposes of this article to be assessed on persons seeking
14 certification as a certified ~~and insured~~ prescribed burn manager.

15 (b) The fees charged, in the aggregate, shall not exceed the
16 reasonable cost to the board of administrating the certification
17 program.

18 (c) All fees collected by the board shall be deposited in
19 Prescribed Burn Fund, which is hereby created in the State
20 Treasury. Money in the fund may be expended by the board, upon
21 appropriation by the Legislature, for purposes of administering
22 the certification program pursuant to this article.

23 ~~4503. (a) An owner, lessee, or occupant of brush-covered land,
24 forest lands, woodland, grassland, shrubland, or any combination
25 thereof within a state responsibility area is not liable for property
26 damage or for injury or death to persons caused by or resulting
27 from prescribed burning conducted on the land owned by, leased
28 by, or occupied by the person if the prescribed burning is conducted
29 under the supervision of a certified and insured prescribed burn
30 manager and by members of a prescribed burning organization.~~

31 ~~(b) The limitation on liability established in subdivision (a) does
32 not apply to an owner, lessee, or occupant described in subdivision
33 (a) unless the burn is conducted under the supervision of a certified
34 and insured prescribed burn manager who has liability insurance
35 coverage as follows:~~

36 ~~(1) In an amount of at least one million dollars (\$1,000,000) for
37 each single occurrence of bodily injury or death, or injury to or
38 destruction of property.~~

39 ~~(2) With a policy period minimum aggregate limit of at least
40 two million dollars (\$2,000,000).~~

1 ~~4504. (a) This article does not modify a landowner's liability~~
2 ~~for property damage, personal injury, or death resulting from a~~
3 ~~burn that is not conducted as provided by this article.~~
4 ~~(b) This article does not limit a landowner's right to conduct~~
5 ~~burns on the landowner's property.~~
6 4503. (a) *On or before January 1, 2020, the department shall*
7 *develop and implement an insurance pool for prescribed burn*
8 *managers certified pursuant to Section 4502.*
9 (b) *The insurance pool shall be available only to prescribed*
10 *burn managers certified pursuant to Section 4502.*
11 (c) *The goal of the insurance pool shall be to accomplish all of*
12 *the following:*
13 (1) *Increase the use of prescribed fire.*
14 (2) *Reduce the cost of insurance for certified prescribed burn*
15 *managers and landowners.*
16 (3) *Provide adequate liability protection for lives and property*
17 *when conducting prescribed burns.*
18 4504. *This article does not restrict a landowner's ability to*
19 *obtain a burn permit from the department or the State Air*
20 *Resources Board.*

AB 2453 (E. Garcia)
Air pollution: schools.

Summary: This bill would:

- 1) Authorize a grant for modernization under the Leroy F. Greene School Facilities Act of 1998 (Act) to be used to limit pupil exposure to harmful air pollutants by updating air filtration systems;
- 2) Provide that schools located in communities with facilities identified under AB 617 (Garcia) (Statutes of 2017) as sources of toxic air contaminants, may work with air districts to identify school sites for air quality adaptation efforts; and
- 3) Provide that schools located near a facility designated by an air district as a high priority category may be eligible for a grant as part of a community emissions reduction program, adopted per AB 617, to implement air quality mitigation efforts.

Background: Existing law, the Act, requires the State Allocation Board to allocate to applicant school districts prescribed per-unhoused-pupil state funding for the construction and modernization of school facilities, including hardship funding, and supplemental funding for site development and acquisition. This bill would authorize a grant for modernization under the act to be used to limit pupil exposure to harmful air pollutants by updating air filtration systems.

The Air Toxics “Hot Spots” Information and Assessment Act of 1987 requires the California Air Resources Board (CARB) to compile a list of substances that present a chronic or acute threat to public health when present in the ambient air, subjects certain facilities to the act according to a schedule, and requires the operator of a subject facility to prepare and submit to an air pollution control or air quality management district a proposed comprehensive emissions inventory plan, for approval by the air district.

Existing law also requires CARB to select locations around the state for the preparation of community emissions reduction programs, and to provide grants to community-based organizations for technical assistance and to support community participation in the programs. The act requires an air district containing a selected location, within one year of the state board’s selection, to adopt a community emissions reduction program.

Status: 03/19/18 – Re-referred to Assembly Comm. on ED.

Specific Provisions: This bill would:

- 1) Authorize a grant for modernization under the Act to be used to limit pupil exposure to harmful air pollutants by updating air filtration systems;

- 2) Provide that schools located in communities with facilities identified under AB 617 (Garcia), as sources of toxic air contaminants, may work with air districts to identify school sites for air quality adaptation efforts; and
- 3) Provide that schools located near a facility designated by an air district as a high priority category may be eligible for a grant as part of a community emissions reduction program, adopted per AB 617 (Garcia), to implement air quality mitigation efforts including, but not limited to, air filter upgrades or installations, or vegetation buffer planting.

Impacts on SCAQMD’s Mission, Operations or Initiatives: This bill’s goal of reducing air pollution and its negative health impacts on pupils on school campuses in disproportionately impacted communities is in line with SCAQMD’s policy goals of reducing air pollution and protecting public health within the South Coast region, and particularly in disadvantaged communities.

Staff recommends working with the author to identify additional more effective ways to implement air pollution mitigation efforts on impacted school campuses. Additionally, staff recommends amending the language to allow “modernization apportionments” to be used for “installing or updating” air filtration systems. Staff also recommends clarifying that this bill does not limit the air districts’ discretion in developing and implementing community emission reduction programs. Finally, staff recommends clarifying what types of grant funding source(s), in addition to modernization grants, would be applicable to funding the air pollution mitigation efforts sought in this bill, since AB 617 does not provide any funding for grants as part of a community emission reduction program.

Recommended Position: SUPPORT WITH AMENDMENTS

AMENDED IN ASSEMBLY MARCH 15, 2018

CALIFORNIA LEGISLATURE—2017–18 REGULAR SESSION

ASSEMBLY BILL

No. 2453

Introduced by Assembly Member Eduardo Garcia

February 14, 2018

An act to amend Section 17074.25 of the Education Code, and to add Section 44391.3 to the Health and Safety Code, relating to air pollution.

LEGISLATIVE COUNSEL'S DIGEST

AB 2453, as amended, Eduardo Garcia. Air pollution: schools.

(1) Existing law, the Leroy F. Greene School Facilities Act of 1998, requires the State Allocation Board to allocate to applicant school districts prescribed per-unhoused-pupil state funding for the construction and modernization of school facilities, including hardship funding, and supplemental funding for site development and acquisition.

This bill would authorize a grant for modernization under the act to be used to limit pupil exposure to harmful air pollutants by updating air filtration systems.

(2) The Air Toxics "Hot Spots" Information and Assessment Act of 1987 requires the State Air Resources Board to compile a list of substances that present a chronic or acute threat to public health when present in the ambient air; subjects certain facilities to the act according to a schedule, and requires the operator of a subject facility to prepare and submit to an air pollution control or air quality management district a proposed comprehensive emissions inventory plan, for approval by the air district.

The act also requires the state board to select locations around the state for the preparation of community emissions reduction programs,

and to provide grants to community-based organizations for technical assistance and to support community participation in the programs. The act requires an air district containing a selected location, within one year of the state board’s selection, to adopt a community emissions reduction program.

This bill would authorize schools located in communities with facilities identified under the act as a source of toxic air contaminants to work with air districts to identify school sites for air quality adaptation efforts. The bill also would authorize schools located near a facility designated by an air district as a high priority category to be eligible for a grant as part of a community emissions reduction program to implement air quality mitigation efforts.

~~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.~~

~~This bill would state the intent of the Legislature to enact legislation that enacts the School Climate and Pollution Resiliency Act of 2018 that, among other things, would direct school districts to work with air districts to develop and implement comprehensive plans for updating school infrastructure to limit pupil air pollution exposure.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~-yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17074.25 of the Education Code is
- 2 amended to read:
- 3 17074.25. (a) A modernization apportionment may be used
- 4 for an improvement to extend the useful life of, or to enhance the
- 5 physical environment of, the school. The improvement may only
- 6 include the cost of design, engineering, testing, inspection, plan
- 7 checking, construction management, demolition, construction, the
- 8 replacement of portable classrooms, necessary utility costs, utility
- 9 connection and other fees, the purchase and installation of
- 10 air-conditioning equipment and insulation materials and related
- 11 costs, furniture and equipment, including telecommunication

1 equipment to increase school security, fire safety improvements,
2 playground safety improvements, the identification, assessment,
3 or abatement of hazardous asbestos, seismic safety improvements,
4 and the upgrading of electrical systems or the wiring or cabling of
5 classrooms in order to accommodate educational technology. A
6 modernization grant may not be used for costs associated with
7 acquisition and development of real property or for routine
8 maintenance and repair.

9 (b) A modernization apportionment may also be used for the
10 cost of designs and materials that promote the efficient use of
11 energy and water, the maximum use of natural lighting and indoor
12 air quality, the use of recycled materials and materials that emit a
13 minimum of toxic substances, the use of acoustics conducive to
14 teaching and learning, and other characteristics of
15 high-performance schools.

16 (c) *A modernization apportionment may be used to limit pupil*
17 *exposure to harmful air pollutants by updating air filtration*
18 *systems.*

19 *SEC. 2. Section 44391.3 is added to the Health and Safety*
20 *Code, to read:*

21 *44391.3. (a) Schools located in communities with facilities*
22 *identified pursuant to Section 44391.2 may work with districts to*
23 *identify school sites for air quality adaptation efforts.*

24 (b) *Schools located near a facility designated by a district as a*
25 *high priority category may be eligible for a grant as part of a*
26 *community emissions reduction program, adopted pursuant to*
27 *Section 44391.2, to implement air quality mitigation efforts,*
28 *including, but not limited to, either of the following:*

29 (1) *Air filter upgrades or installations.*

30 (2) *Vegetation buffer planting.*

31 ~~SECTION 1. It is the intent of the Legislature to enact~~
32 ~~legislation that enacts the School Climate and Pollution Resilienece~~
33 ~~Act of 2018 to do all of the following:~~

34 ~~(a) Directs school districts to develop and implement a plan for~~
35 ~~updating school infrastructure to mitigate the negative impacts of~~
36 ~~air quality and reduce diesel emissions on school campuses in~~
37 ~~disadvantaged communities, as identified pursuant to Section~~
38 ~~39711 of the Health and Safety Code.~~

39 ~~(b) Directs school districts to compile a list of existing schools~~
40 ~~in disadvantaged communities that are situated within 1,000 feet~~

1 of freeways and other major contributors to air pollution in the
2 community, such as oil refineries and heavy industry.

3 (e) ~~Directs school districts to work with air pollution control
4 and air quality management districts to develop and implement
5 comprehensive plans for updating school infrastructure to limit
6 pupil air pollution exposure, with interventions including, but not
7 limited to, funding for campus vegetated buffer planting, HVAC
8 air filtration system updates, and schoolbus electrification.~~

9 (d) ~~Allocates, beginning in the 2018-19 fiscal year, 10 percent
10 of the moneys collected annually pursuant to Proposition 39,
11 approved by the voters at November 6, 2012, statewide general
12 election, toward air pollution mitigation efforts on school campuses
13 in disadvantaged communities.~~

SB 210 (Leyva)
Heavy-Duty Vehicle Inspection and Maintenance Program.

Summary: The bill would:

- 1) Authorize the California Air Resources Board (CARB) to develop and implement a Heavy-Duty Vehicle Inspection and Maintenance Program (Program) for nongasoline heavy-duty onroad motor vehicles with a gross vehicle weight rating of more than 14,000 pounds, including, but not limited to, single-vehicle fleets and other vehicles that are registered in another state and operate in the state;
- 2) Allow CARB, in implementing the Program, to:
 - a) Establish test procedures for different motor vehicle model years and emissions control technologies that measure the effectiveness of the control of emissions of oxides of nitrogen (NOx), particulate matter, and greenhouse gases;
 - b) Require a motor vehicle to pass the test procedures in order to register or operate in the state; and
- 3) Authorize CARB to assess a fee and penalties as part of the Program.

Background: Existing law requires CARB, in consultation with the Bureau of Automotive Repair (BAR) and a specified review committee, to adopt regulations requiring owners or operators of heavy-duty diesel motor vehicles to perform regular inspections of their vehicles for excessive emissions of smoke. Existing law requires CARB, in consultation with the State Energy Resources Conservation and Development Commission, to adopt regulations requiring heavy-duty diesel motor vehicles to use emission control equipment and alternative fuels.

The bill finds and declares all of the following:

- (a) Communities in the state are too often exposed to unhealthy air. Communities near hubs of activity, such as warehouses and distribution centers, ports, highways, and roads with high levels of truck traffic, bear the burden of heavy-duty trucks that are not maintained.
- (b) Trade corridors, such as those in the Inland Empire and Central Valley, consist of some of the most environmentally disadvantaged cities in the state.
- (c) As of 2016, heavy-duty trucks operating in the state emitted nearly 60 percent of all oxides of nitrogen (NOx) emissions from mobile sources, which are the most significant contributor to both federal ozone and fine particulate matter (PM2.5) air quality standard violations across the state. Heavy-duty diesel trucks are also the largest source of diesel particulate matter (DPM) emissions in the state. DPM is a carcinogen and toxic air contaminant. Risks are particularly high in urban areas and along busy roadways where trucks operate.
- (d) Statewide, about 12 million residents live in communities that exceed the federal ozone and PM2.5 standards. The health and economic impacts of exposure to elevated levels of ozone and PM2.5 in the state are considerable. Meeting air quality standards will pay

substantial dividends in terms of reducing costs associated with emergency room visits and hospitalization, lost work and school days, and premature mortality.

- (e) While the state has made significant progress in improving air quality through existing programs by the state and air pollution control and air quality management districts, further action must be taken to achieve public health, air quality, and climate goals

Status: 8/28/2017 - Re-referred to Assembly Comm. on RLS. pursuant to Assembly Rule 96.

Specific Provisions: This bill would:

- 1) Authorize CARB, in consultation with BAR and the Department of Motor Vehicles (DMV), to develop and implement the Program for nongasoline heavy-duty onroad motor vehicles with a gross vehicle weight rating of more than 14,000 pounds, including, but not limited to, single-vehicle fleets and other vehicles that are registered in another state and operate in the state.
- 2) In implementing the Program, CARB may do all of the following:
 - c) Establish test procedures for different motor vehicle model years and emissions control technologies that measure the effectiveness of the control of emissions of NO_x, PM, and GHGs. The procedures may include, but are not limited to, the use of onboard diagnostics systems;
 - d) Require a motor vehicle to pass the test procedures in order to register or operate in the state;
 - e) Allow a streamlined process for the owner or operator of a vehicle fleet who has an established compliance history.
 - f) Establish program validation methods for evaluating program effectiveness, fraud investigation, and research purposes.
 - g) Develop an information technology database to collect and track vehicle test data, assess the data to determine compliance, and regularly generate lists of compliant vehicle identification numbers and transmit them to the DMV in order for the DMV to issue annual vehicle registration notices.
- 3) CARB shall assess a fee to fund the reasonable costs of implementing the Program.
- 4) All fees collected by CARB shall be deposited in the Truck Emission Check (TEC) Fund, which is hereby created in the State Treasury. All moneys in the fund shall be available upon appropriation by the Legislature to CARB for purposes of this chapter.
- 5) All penalty moneys collected by CARB shall be deposited in the Diesel Emission System Inspection and Smoke Test (DESIST) Account, which is hereby created in the TEC Fund in the State Treasury. All moneys in the account shall be available upon appropriation by the Legislature.
- 6) CARB, in consultation with BAR, the DMV and stakeholders as part of a public process, may implement a pilot program prior to fully implementing the program.

Impacts on SCAQMD’s Mission, Operations or Initiatives: The bill states that the Program is a key step in achieving the state’s goals to improve public health and meet environmental imperatives.

The bill also states that the Program shall be developed in partnership between affected state agencies, the public, industry, and other stakeholders. The Program is also intended to be developed in a way that minimizes costs to truck owners and fleets; provides a level playing field for industry through effective enforcement; and provides flexibility for the Program to adapt as truck technology and industry evolves.

This bill is aligned with SCAQMD’s priorities regarding reducing criteria pollutant and toxic emissions and protecting public health within the South Coast region, especially by reducing mobile sources of pollution. This bill would result in cleaner air by promoting the increased production and use of near-zero and zero-emission heavy-duty vehicles within the South Coast region, which would support the 2016 Air Quality Management Plan and facilitate attainment of federal air quality standards.

Recommended Position: SUPPORT

AMENDED IN ASSEMBLY AUGUST 23, 2017

AMENDED IN SENATE MAY 26, 2017

AMENDED IN SENATE MARCH 15, 2017

SENATE BILL

No. 210

Introduced by Senator Leyva
(Principal coauthor: Assembly Member Reyes)

February 1, 2017

An act to ~~amend Section 116276 of the Health and Safety Code, relating to public health.~~ *add Chapter 5.5 (commencing with Section 44150) to Part 5 of Division 26 of the Health and Safety Code, relating to vehicular air pollution.*

LEGISLATIVE COUNSEL'S DIGEST

SB 210, as amended, Leyva. ~~Pupil health: drinking water.~~ *Heavy-Duty Vehicle Inspection and Maintenance Program.*

Existing law requires the State Air Resources Board, in consultation with the Bureau of Automotive Repair and a specified review committee, to adopt regulations requiring owners or operators of heavy-duty diesel motor vehicles to perform regular inspections of their vehicles for excessive emissions of smoke. Existing law requires the state board, in consultation with the State Energy Resources Conservation and Development Commission, to adopt regulations requiring heavy-duty diesel motor vehicles to use emission control equipment and alternative fuels.

This bill would authorize the state board to develop and implement a Heavy-Duty Vehicle Inspection and Maintenance Program for nongasoline heavy-duty onroad motor vehicles, as specified. The bill would authorize the state board to assess a fee and penalties as part of

the program. The bill would create the Truck Emission Check (TEC) Fund and the Diesel Emission System Inspection and Smoke Test (DESIST) Account in the fund, with all the moneys deposited in each fund to be available upon appropriation.

~~Existing law, the California Safe Drinking Water Act, requires the State Water Resources Control Board to administer provisions relating to the regulation of drinking water to protect public health, including, but not limited to, conducting research, studies, and demonstration programs relating to the provision of a dependable, safe supply of drinking water, enforcing the federal Safe Drinking Water Act, adoption of implementing regulations, and conducting studies and investigations to assess the quality of water in private domestic water supplies. The act requires the state board to establish a grant program, in consultation with the State Department of Education, to award grants to local educational agencies for the purposes of improving access to, and the quality of, drinking water in public schools serving kindergarten or any of grades 1 to 12, inclusive, and preschools and child day care facilities located on public school property. The act requires the state board to give priority to certain projects.~~

~~This bill would require priority be given to projects for schools that have tested their drinking water fixtures, and the results show that the drinking water either does not meet the United States Environmental Protection Agency drinking water standards for lead or is above the California maximum contaminant level for any other contaminant, as specified.~~

~~Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.~~

The people of the State of California do enact as follows:

- 1 *SECTION 1. The Legislature finds and declares all of the*
- 2 *following:*
- 3 *(a) Communities in the state are too often exposed to unhealthy*
- 4 *air. Communities near hubs of activity, such as warehouses and*
- 5 *distribution centers, ports, highways, and roads with high levels*
- 6 *of truck traffic, bear the burden of heavy-duty trucks that are not*
- 7 *maintained.*
- 8 *(b) Trade corridors, such as those in the Inland Empire and*
- 9 *Central Valley, consist of some of the most environmentally*
- 10 *disadvantaged cities in the state.*

1 (c) As of 2016, heavy-duty trucks operating in the state emitted
2 nearly 60 percent of all oxides of nitrogen emissions from mobile
3 sources, which are the most significant contributor to both federal
4 ozone and fine particulate matter (PM2.5) air quality standard
5 violations across the state. Heavy-duty diesel trucks are also the
6 largest source of diesel particulate matter emissions in the state.
7 Diesel particulate matter is a carcinogen and toxic air
8 contaminant. Risks are particularly high in urban areas and along
9 busy roadways where trucks operate.

10 (d) Statewide, about 12 million residents live in communities
11 that exceed the federal ozone and PM2.5 standards. The health
12 and economic impacts of exposure to elevated levels of ozone and
13 PM2.5 in the state are considerable. Meeting air quality standards
14 will pay substantial dividends in terms of reducing costs associated
15 with emergency room visits and hospitalization, lost work and
16 school days, and, most importantly, premature mortality.

17 (e) While the state has made significant progress in improving
18 air quality through existing programs by the state and air pollution
19 control and air quality management districts, further action must
20 be taken to achieve our public health, air quality, and climate
21 goals

22 (f) The Heavy-Duty Vehicle Inspection and Maintenance
23 Program established by Section 44150 of the Health and Safety
24 Code is a key step in achieving the state's goals to improve public
25 health and meeting our environmental imperatives.

26 (g) It is the intent of the Legislature that the Heavy-Duty Vehicle
27 Inspection and Maintenance Program be developed in partnership
28 between affected state agencies, the public, industry, and other
29 stakeholders. It is further the intent of the Legislature for this
30 program to be developed in a way that minimizes costs to truck
31 owners and fleets; provides a level playing field for industry
32 through effective enforcement; and provides flexibility for the
33 program to adapt as truck technology and industry evolves.

34 SEC. 2. Chapter 5.5 (commencing with Section 44150) is added
35 to Part 5 of Division 26 of the Health and Safety Code, to read:

CHAPTER 5.5. HEAVY-DUTY VEHICLE INSPECTION AND MAINTENANCE PROGRAM

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44150. (a) The state board, in consultation with the bureau and the Department of Motor Vehicles, may develop and implement a Heavy-Duty Vehicle Inspection and Maintenance Program for nongasoline heavy-duty onroad motor vehicles with a gross vehicle weight rating of more than 14,000 pounds, as defined by the state board, including, but not limited to, single-vehicle fleets and other vehicles that are registered in another state and operate in the state. In implementing the program, the state board may do all of the following:

- (1) Establish test procedures for different motor vehicle model years and emissions control technologies that measure the effectiveness of the control of emissions of oxides of nitrogen, particulate matter, and greenhouse gases. The procedures may include, but are not limited to, procedures for the use of onboard diagnostics systems.
- (2) Require a motor vehicle to pass the test procedures in order to register or operate in the state.
- (3) Allow a streamlined process for the owner or operator of a vehicle fleet who has an established compliance history.
- (4) Establish program validation methods for evaluating program effectiveness, fraud investigation, and research purposes. The validation methods may include directing a subset of vehicles for emissions testing.
- (5) Develop an information technology database to collect and track vehicle test data, assess the data to determine compliance, and regularly generate lists of compliant vehicle identification numbers and transmit them to the Department of Motor Vehicles in order for the Department of Motor Vehicles to issue annual vehicle registration notices.
- (6) Allow for contracting for services to administer any component of the program.
- (7) Establish licensing standards for persons engaged in the business of inspection, diagnosis, and repair of heavy-duty motor vehicles.

1 (8) *Establish a disciplinary and penalty schedule, an appeals*
2 *process, and a recourse for fraud or incompetence by parties*
3 *involved in motor vehicle inspections, testing, or repair.*

4 44151. (a) *The state board shall assess a fee to fund the*
5 *reasonable costs of implementing the program established pursuant*
6 *to this chapter.*

7 (b) *All fees collected by the state board pursuant to this chapter*
8 *shall be deposited in the Truck Emission Check (TEC) Fund, which*
9 *is hereby created in the State Treasury. All moneys in the fund*
10 *shall be available upon appropriation by the Legislature to the*
11 *state board for the purposes of this chapter.*

12 (c) *All penalty moneys collected by the state board pursuant to*
13 *this chapter shall be deposited in the Diesel Emission System*
14 *Inspection and Smoke Test (DESIST) Account, which is hereby*
15 *created in the TEC Fund in the State Treasury. All moneys in the*
16 *account shall be available upon appropriation by the Legislature.*

17 44152. *The state board, in consultation with the bureau, the*
18 *Department of Motor Vehicles, and stakeholders as part of a public*
19 *process, may implement a pilot program prior to fully implementing*
20 *the program authorized pursuant to this chapter.*

21 ~~SECTION 1. Section 116276 of the Health and Safety Code~~
22 ~~is amended to read:~~

23 ~~116276. (a) The state board shall establish a program, in~~
24 ~~consultation with the State Department of Education, to award~~
25 ~~grants to local educational agencies for the purposes of improving~~
26 ~~access to, and the quality of, drinking water in public schools~~
27 ~~consistent with the Legislature's intent that school facilities be~~
28 ~~maintained in "good repair," as defined in paragraph (1) of~~
29 ~~subdivision (d) of Section 17002 of the Education Code. Eligible~~
30 ~~entities shall be limited to local educational agencies serving~~
31 ~~kindergarten or any of grades 1 to 12, inclusive, and preschools~~
32 ~~and child day care facilities, as defined in Section 1596.750, located~~
33 ~~on public school property. The program shall include, but not be~~
34 ~~limited to, funding for at least one of the following:~~

35 ~~(1) Installation of water bottle filling stations.~~

36 ~~(2) Installation or replacement of drinking water fountains with~~
37 ~~devices that are capable of removing contaminants that are present~~
38 ~~in the facility's water supply.~~

39 ~~(3) Installation of point-of-entry or point-of-use treatment~~
40 ~~devices for drinking fountains, and up to three years of~~

1 postinstallation replacement filters, and operation, maintenance,
2 and monitoring of the devices, including training on how to operate
3 and maintain the treatment devices and community outreach and
4 education about their use.

5 (b) The state board shall implement the program by taking
6 actions that include, but are not necessarily limited to, the
7 development of procedures and guidelines for the submission of
8 grant applications and criteria for the evaluation of those
9 applications.

10 (e) (1) In developing the procedure for awarding grants pursuant
11 to this section, the state board shall do all of the following:

12 (A) Set requirements for grant recipients to adopt a program for
13 inspecting and maintaining any water treatment device funded by
14 the grant.

15 (B) Establish a maximum grant amount.

16 (C) Give priority to each of the following:

17 (i) Projects for schools within, or serving pupils from, a small
18 disadvantaged community, as defined in Section 13193.9 of the
19 Water Code.

20 (ii) Projects that have high effectiveness in increasing access to
21 safe drinking water at schools.

22 (iii) Projects for schools that have tested their drinking water
23 fixtures, and the results show that the drinking water either does
24 not meet the United States Environmental Protection Agency
25 drinking water standards for lead or is above the maximum
26 contaminant level for any other contaminant pursuant to Title 22
27 of the California Code of Regulations.

28 (2) In developing the procedure for awarding grants pursuant
29 to this section, the state board may require applicants to commit
30 additional resources to the project, except that the state board shall
31 not require matching funds for local educational agencies serving
32 small disadvantaged communities or interfere with the prioritization
33 of grant funding to small disadvantaged communities.

34 (d) (1) Procedures and guidelines for the program developed
35 by the state board under this section are not subject to Chapter 3.5
36 (commencing with Section 11340) of Part 1 of Division 3 of Title
37 2 of the Government Code.

38 (2) Before finalizing the procedures and guidelines for the
39 distribution of grants pursuant to this section, the state board shall

- 1 ~~hold at least one public meeting to receive and consider public~~
2 ~~comment on the draft procedures and guidelines.~~
3 ~~(e) The state board shall provide technical assistance to~~
4 ~~applicants, including completing applications, overseeing~~
5 ~~installations, and assisting with operation and maintenance.~~
6 ~~(f) A contract entered into under the authority of this section is~~
7 ~~not subject to Section 10295 of the Public Contract Code.~~

O

ATTACHMENT 5

Dr. Joseph Lyou's Proposed Amendments to SCAQMD's 2018 Federal and State Legislative Goals and Objectives

Dr. Joseph Lyou: Would staff support including the additional goal of: “opposing tax laws or other financial incentive legislation that disproportionately benefits those who manufacture, sell, or use products that significantly increase air pollution within the district”?

Response: Staff has concerns that this goal may have too broad of an application and thus be difficult to properly implement. As an alternative, staff suggests:

Clean Air Act, National Ambient Air Quality Standards (NAAQS) and SIP
(Existing Language as modified)

“Oppose legislation that conflicts with the District’s attainment goals.” Further,

Support policies, legislation and/or administrative efforts to:

- Ensure adequate SCAQMD authority under the federal Clean Air Act (CAA);
- Extend or enhance SCAQMD’s subvention funding under CAA Sections 103 and 105;
- Increase funding and incentive programs to help states and local regions meet attainment for clean air standards under the CAA; and
- Protect science-driven and health-based determinations of national ambient air quality standards, and efforts to streamline and provide flexible implementation of SIP requirements, as needed, to ensure feasibility of attainment.

Dr. Joseph Lyou: Would staff support this change to the “Clean Energy” goal? Support legislation that advances the Board’s Energy Policy which promotes energy efficiency, demand reduction and reliable, cost effective and clean energy for all consumers . . .”

Response: Staff is Supportive

Clean Energy (Existing Language as modified)

Support legislation that advances the Board’s Energy Policy which promotes energy efficiency, demand reduction and reliable, cost effective and clean energy for all consumers in the District while facilitating attainment of clean air standards and support for a healthy economy. In particular, support policies and funding that promote the development and deployment of zero and near-zero emission infrastructure, equipment and vehicles.



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

DRAFT

SCAQMD's Federal Legislative Goals & Objectives for 2018

The following goals and objectives are identified to facilitate attainment of federal clean air standards within the South Coast region by statutory deadlines, while working with Congress, the White House, federal, state and local agencies, business, environmental and community groups, and other stakeholders:

Federal Support

Work to ensure that the federal government does its fair share to reduce air pollution by:

- Providing funding or regulatory authority adequate for nonattainment areas to attain National Ambient Air Quality Standards (NAAQS) for upcoming federal deadlines, and in particular, the South Coast Air Quality Management District (SCAQMD) to implement the 2016 Air Quality Management Plan (AQMP) and attain federal ozone and particulate matter standards by upcoming federal deadlines;
- Reauthorizing and expanding funding for the Diesel Emission Reduction Act (DERA);
- Increasing funding for the Targeted Air Shed Grant program;
- Authorizing and funding new programs which will reduce air pollution through the adoption and deployment of zero and near-zero emission technologies, fuels and recharging/refueling infrastructure;
- Establishing programs or policies that incentivize the federal government to purchase and use advanced clean technologies and eliminate the use of technologies generating NOx and particulate matter emissions; and
- Incentivizing individuals, businesses, states, and local governments to purchase and use advanced clean technologies and eliminate the use of technologies generating NOx and particulate matter emissions.

Technology Advancement

Expand funding opportunities and federal tax incentives for advanced clean technology research, development, demonstration and deployment programs, including those related to:

- Zero and near-zero emission technologies;
- Clean vehicles (such as light-, medium- and heavy-duty vehicles, locomotives, marine vessels, and aircraft technologies);
- Clean fuels and refueling/recharging technologies and infrastructure;
- Clean energy sources;
- Technologies, systems and/or processes which reduce ambient concentrations of air pollutants and/or toxic air emissions; and
- The implementation of the 2016 Air Quality Management Plan (AQMP).

Marine Vessels

Pursue legislative and/or administrative policies that will further reduce marine vessel emissions and will ensure, through regulatory and/or incentive-based policies that the cleanest vessels come to U.S. ports.

SCAQMD's Federal Legislative Goals & Objectives for 2018

Surface Transportation & Goods Movement

Pursue the adoption of legislation and/or policies which will reduce or eliminate air quality impacts from the freight sector (for both medium-duty and heavy duty vehicles), as well as off-road vehicles (such as agricultural vehicles, cargo handling equipment, freight handling equipment, and construction equipment).

Locomotives

Pursue efforts to reduce locomotive emissions, through regulatory and/or incentive-based policies.

Reduction of Toxic Emissions

Pursue efforts through legislative and administrative programs, to reduce toxic emissions, and the public's exposure to toxic emissions, within the South Coast region.

Environmental Justice

Support legislation which promotes environmental justice initiatives that will reduce localized health risks, develop clean air technologies that directly benefit disproportionately impacted communities, and enhance community participation in decision-making.

Business/Jobs Climate

Support legislation, policies or administrative actions that support and assist the regulated community to comply with rules and regulations in the most efficient and cost-effective manner that protects and encourages job retention and creation, and promotes economic growth, while working toward attainment of clean air standards.

Clean Air Act, National Ambient Air Quality Standards (NAAQS) and SIP

"Oppose legislation that conflicts with the District's attainment goals." Further, support policies, legislation and/or administrative efforts to:

- Ensure adequate SCAQMD authority under the federal Clean Air Act (CAA);
- Extend or enhance SCAQMD's subvention funding under CAA Sections 103 and 105;
- Increase funding and incentive programs to help states and local regions meet attainment for clean air standards under the CAA; and
- Protect science-driven and health-based determinations of national ambient air quality standards, and efforts to streamline and provide flexible implementation of SIP requirements, as needed, to ensure feasibility of attainment.

Climate Change

Seek to influence climate change initiatives and facilitate their implementation at local levels, to promote co-benefits with NAAQS and air toxics reduction, consistent with the Board's policy.

New Source Review Offsets

Modernize federal New Source Review offset requirements for areas where the supply of offsets is inadequate, while furthering the pursuit of clean air objectives.



South Coast Air Quality Management District

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SCAQMD's State Legislative Goals & Objectives for 2018

The following goals and objectives are identified to protect public health and facilitate attainment of clean air standards within the South Coast region by statutory deadlines, while working with and serving as a resource to state legislators and the Governor; federal, state, and local agencies; business, environmental and community groups; and other stakeholders:

Air Quality Funding

Increase existing and identify new funding sources for clean air programs that protect public health and ensure attainment of state and federal air quality standards, particularly incentive programs and research and development projects that support the 2016 Air Quality Management Plan (AQMP) and create opportunities to partner with local businesses, communities and residents.

SCAQMD Authority / Policy Implementation

Protect and ensure adequate SCAQMD authority for implementation of the Board's clean air policies and programs, as required by state and federal law, including the 2016 AQMP.

State Support

Work to ensure that the state government does its fair share to reduce air pollution in order for the South Coast region to meet national ambient air quality standards, and provides legislative and administrative support to SCAQMD to implement the 2016 AQMP and attain federal ozone and particulate matter standards by upcoming federal deadlines.

Environmental Justice

Support legislation and funding to promote and sustain environmental justice initiatives that: reduce localized health risks resulting from criteria pollutant and toxic air contaminant emissions, develop and expand access to clean air technology that directly benefits disproportionately impacted communities, enhance community participation in decision-making, and provide the resources necessary to fully implement local air districts' new responsibilities and programs created through Assembly Bill 617 (C. Garcia, Chapter 136, Statutes of 2017).

Climate Change

Seek to influence climate change initiatives and facilitate their implementation consistent with Board policy. In particular, support efforts directing that Greenhouse Gas Reduction Fund investments maximize criteria and toxics emission reduction co-benefits, promote near-zero and zero-emission vehicles, and address air quality and public health impacts.

SCAQMD's State Legislative Goals & Objectives for 2018

Clean Energy

Support legislation that advances the Board's Energy Policy which promotes *energy efficiency, demand reduction and* reliable, cost effective and clean energy for all consumers in the District while facilitating attainment of clean air standards and support for a healthy economy. In particular, support policies and funding that promote the development and deployment of zero and near-zero emission infrastructure, equipment and vehicles.

Business/Jobs Climate

Support legislation, policies and/or administrative actions that protect and encourage job retention and creation and promote economic growth, while working toward attainment of clean air standards; and that support and assist the regulated community in complying with rules and regulations in the most efficient and cost-effective manner.

Surface Transportation & Goods Movement

Support and expand air quality policy and funding considerations relating to the implementation of state and federal surface transportation and goods movement policies and programs, including those relating to the FAST Act.

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 27

REPORT: Mobile Source Committee

SYNOPSIS: The Mobile Source Committee held a meeting on Friday, April 20, 2018. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Dr. Clark E. Parker, Sr., Chair
Mobile Source Committee

PMF:AF

Committee Members

Present: Dr. Clark E. Parker, Sr./Chair (videoconference); Mayor Larry McCallon; Mayor Pro Tem Judith Mitchell; and Supervisor Hilda L. Solis (videoconference)

Call to Order

Chair Dr. Clark E. Parker, Sr. called the meeting to order at 9:10 a.m.

INFORMATIONAL ITEM:

1. Summary of 2017 PM2.5 Levels and Progress Towards PM2.5 Attainment

Dr. Philip Fine, Deputy Executive Officer/Planning, Rule Development and Area Sources, presented the methodology for determining attainment of both the annual and 24-hour PM2.5 standards. The trend in annual design values shows steady progress towards the annual standard with a slight increase in 2017 relative to 2016, the lowest 3-year period on record. In past years, Mira Loma was typically the Basin design site. While the annual design value at Mira Loma was the lowest on record, the inclusion of near-road PM2.5 monitoring data for the first time resulted in slightly higher values. The CA-60 freeway near-road monitor is now the Basin design site with an annual design value that is approximately 1 µg/m³ higher than the Mira Loma site. Progress towards the 24-hour PM2.5 design value was also presented. The 24-hour PM2.5 design value is heavily influenced by meteorological conditions as it is based on the 98th percentile highest concentrations of the year. There were 18 basin-days exceeding the 24-hour standard in 2017. As in past-years, Mira Loma has the highest 24-hour design value with a design value of 40.0 (based

on preliminary measurement data without the exclusion of exceptional events). The days exceeding the 24-hour standard typically occur in the winter months with a strong dependence on the number of days with measurable precipitation. Below-normal rainfall during late 2017 along with unusually powerful and long-lasting wildfires likely led to elevated PM_{2.5} concentrations. It may be possible to exclude several exceedance days in December from the design value calculation due to the unusually high concentrations experienced basin-wide, likely from wildfires. In addition, elevated concentrations on July 4 and 5 can be attributed to fireworks. An exceptional events analysis for the days influenced by wildfires and fireworks will be conducted to determine if the standard would be met in the absence of these events.

Supervisor Solis asked what the annual design value was at the I-710 freeway near-road site and where it was located. Dr. Fine responded that the value is around 12 µg/m³ and the monitor is close to the Long Beach Boulevard overpass. Supervisor Solis inquired if the monitor is located at one of the hot spots along the I-710. Dr. Fine stated that the concentration at the monitor is indicative of the concentrations that people experience along the I-710 and is situated as far south as possible to capture the heavy truck traffic from the ports.

Dr. Parker asked Dr. Fine to provide a breakdown of the largest contributors of PM_{2.5}. Dr. Fine said that most of the PM_{2.5} is regional and is formed in the atmosphere from emitted gases such as NO_x, ammonia, sulfur dioxide and VOCs. Some PM_{2.5} is emitted directly from sources such as diesel. The same sources and pollutants that lead to ozone formation are responsible for PM_{2.5}. Mayor McCallon asked for an explanation of the difference in PM_{2.5} concentrations at the 60 freeway near-road monitor and the I-710 monitor. Dr. Fine responded that most of the PM_{2.5} measured along the freeway is not produced in that location, but arises from upwind sources. The 60 freeway monitor is largely measuring PM_{2.5} that is produced from upwind sources, whereas there are less upwind emissions affecting the I-710 monitor. This also explains why inland sites such as Mira Loma, which are downwind from the predominant emission sources, typically have some of the highest PM_{2.5} levels in the Basin.

Mayor Pro Tem Mitchell asked why wildfires affected Compton in 2017 and did not affect other locations. Dr. Fine explained that wildfires did affect other locations. Typically wildfires in the adjacent San Gabriel Mountains have defined plumes affecting specific monitors that can be observed with satellite imagery. However, it appears that smoke from the widespread fires in 2017 was pushed out to sea until onshore winds brought the smoke back over the Basin, affecting the entire region. In a normal year, we expect that Compton would not be our design value site. Supervisor Solis stated that the SCAQMD should be working closely with partners to clear highly flammable brush from the adjacent areas that could lead to air quality

problems in future years. Executive Officer Wayne Nastri explained a number of efforts currently underway to enhance coordination with other agencies to reduce the potential of wildfires and enhance the overall response to these events.

Dr. Parker asked about excluding specific events that affected an exceedance. Dr. Fine said that U.S. EPA must concur and a rigorous process must be undertaken to prove that the event caused an exceedance that would not otherwise occur, and demonstrate that everything possible was done to reduce other sources. Dr. Parker asked if exceptional event demonstrations have been submitted in the past. Dr. Fine stated that numerous exceptional event exclusions have been submitted in past years, typically for PM10 events influenced by wind events and PM2.5 events influenced by fireworks. Mr. Nastri then detailed the efforts underway at U.S. EPA to revise the procedures for submission and review of exceptional events. Dr. Parker asked if we were on schedule to reach attainment of the annual and 24-hour design value without considering exceptional events. Dr. Fine explained that it is hard to predict the weather in future years, but with normal weather patterns and the ability to exclude wildfires, he believes we are on track for attainment by our attainment deadlines.

Supervisor Solis asked a question related to the elevated concentrations on July 4 and 5. She commented that great strides have been made in getting cities to collaborate to prohibit fireworks. However, there are cities that permit small-scale fireworks in Los Angeles County. Supervisor Solis recommended that staff inform local city governments about the necessity to reduce fireworks usage especially in communities with significant pollution problems. Mr. Nastri stated that staff is currently working with other government agencies on these issues. The idea has been presented for the SCAQMD to provide incentive funds to cities that do not allow fireworks. This should be examined from a cost-effectiveness perspective and details are still largely uncertain. Mr. Nastri also stated that staff is open to advice on how to improve coordination and outreach on Independence Day activities. Dr. Fine stated that advisories are issued on days where PM2.5 levels are likely to be high due to fireworks, and it is not known if large shows or small unpermitted “backyard” fireworks are the major source of PM2.5. Elevated PM2.5 levels are also experienced to a lesser extent on January 1 due to fireworks celebrations. Mr. Nastri explained that no elevated concentrations are shown from the near-daily displays at Disneyland and Knotts Berry Farm, suggesting that small-scale demonstrations are the predominant source. Supervisor Solis then commented that certain charitable groups generate revenue by selling fireworks and asked if it was possible for the SCAQMD to look at offsetting these revenues and work with local cities to reduce the sales of fireworks. Mr. Nastri explained that this issue was recently discussed with the Mayor of Duarte and that staff is starting to look into this issue. Dr. Parker then commented that there are additional stadiums planned in the Basin and that existing stadiums spend a significant amount of money on frequent fireworks displays. Mr. Nastri explained that these displays have clean-air propellant systems

that most smaller organizations do not have. He stated that staff can look at trying to offset the use of fireworks but there are other large financial demands that need to be considered. Dr. Parker noted that he looks forward to seeing the impact of the recent dry season on PM2.5 attainment levels in the future. Fires and dry weather contribute greatly to this problem and it is uncertain how we can control this problem beyond what we are currently doing.

WRITTEN REPORTS:

2. Rule 2202 Activity Report: Rule 2202 Summary Status Report

This item was received and filed.

3. Monthly Report on Environmental Justice Initiatives: CEQA Document Commenting Update

This item was received and filed. Supervisor Solis asked if staff was aware of any history surrounding the Cudahy 2040 General Plan Update project. Subsequently, Dr. Parker mentioned the State's ongoing housing crisis and stated that many large residential developments, due to land scarcity, are located near freeways or industrial facilities. Dr. Parker suggested that staff should consider taking a position in CEQA comment letters that it is not a good idea to locate residential development near freeways or sources of air pollution.

OTHER MATTERS:

4. Other Business

There was no other business.

5. Public Comment Period

There were no public comments.

6. Next Meeting Date:

The next regular Mobile Source Committee meeting is scheduled for Friday, May 18, 2018.

Adjournment

The meeting adjourned at 10:04 a.m.

Attachments

1. Attendance Record
2. Rule 2202 Activity Report – Written Report
3. Monthly Report on Environmental Justice Initiatives: CEQA Document Commenting Update – Written Report

ATTACHMENT 1

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
MOBILE SOURCE COMMITTEE MEETING
ATTENDANCE – April 20, 2018**

Dr. Clark E. Parker, Sr. (videoconference)	SCAQMD Board Member
Mayor Larry McCallon.....	SCAQMD Board Member
Mayor Pro Tem Judith Mitchell	SCAQMD Board Member
Supervisor Hilda L. Solis	SCAQMD Board Member
Ron Ketcham	Board Consultant (McCallon)
Andrew Silva	Board Consultant (Rutherford)
Curt Coleman.....	Southern CA Air Quality Alliance
Tom Gross	Southern California Edison
Bill LaMarr	California Small Business Alliance
Bill Pearce	Boeing
David Rothbart	L.A. Sanitation Districts
Susan Stark	Andeavor
Sam Atwood	SCAQMD Staff
Barbara Baird.....	SCAQMD Staff
Scott Epstein	SCAQMD Staff
Bay Gilchrist.....	SCAQMD Staff
Philip Fine	SCAQMD Staff
Sang-Mi Lee	SCAQMD Staff
Rosalee Mason.....	SCAQMD Staff
Fred Minassian	SCAQMD Staff
Matt Miyasato.....	SCAQMD Staff
Ron Moskowitz	SCAQMD Staff
Wayne Nastri	SCAQMD Staff
Payam Pakbin	SCAQMD Staff
Zorik Pirveysian	SCAQMD Staff
Sarah Rees	SCAQMD Staff
Angelica Reyes.....	SCAQMD Staff
Laki Tisopulos	SCAQMD Staff
Jill Whynot	SCAQMD Staff



South Coast Air Quality Management District

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ATTACHMENT 2

Rule 2202 Summary Status Report Activity for January 1, 2018 to March 31, 2018

Employee Commute Reduction Program (ECRP)	
# of Submittals:	51

Emission Reduction Strategies (ERS)	
# of Submittals:	150

Air Quality Investment Program (AQIP) Exclusively		
County	# of Facilities	\$ Amount
Los Angeles	31	\$ 51,777
Orange	8	\$ 52,338
Riverside	0	\$ 0
San Bernardino	3	\$ 12,711
TOTAL:	42	\$ 116,825

ECRP w/AQIP Combination		
County	# of Facilities	\$ Amount
Los Angeles	3	\$ 11,028
Orange	0	\$ 0
Riverside	0	\$ 0
San Bernardino	1	\$ 9,253
TOTAL:	4	\$ 20,281

Total Active Sites as of March 31, 2018

ECRP (AVR Surveys)			TOTAL Submittals w/Surveys	AQIP	ERS	TOTAL
ECRP ¹	AQIP ²	ERS ³				
499	20	3	522	103	739	1,364
36.58%	1.47%	0.22%	38.27%	7.55%	54.18 %	100% ⁴

Total Peak Window Employees as of March 31, 2018

ECRP (AVR Surveys)			TOTAL Submittals w/Surveys	AQIP	ERS	TOTAL
ECRP ¹	AQIP ²	ERS ³				
376,230	6,579	342	383,151	14,545	340,899	738,595
50.94%	.89%	0.05%	51.88%	1.97%	46.16%	100% ⁴

- Notes:**
1. ECRP Compliance Option.
 2. ECRP Offset (combines ECRP w/AQIP). AQIP funds are used to supplement the ECRP AVR survey shortfall.
 3. ERS with Employee Survey to get Trip Reduction credits. Emission/Trip Reduction Strategies are used to supplement the ECRP AVR survey shortfall.
 4. Totals may vary slightly due to rounding.

BOARD MEETING DATE: May 4, 2018

AGENDA NO.

REPORT: Lead Agency Projects and Environmental Documents Received By SCAQMD

SYNOPSIS: This report provides, for the Board's consideration, a listing of CEQA documents received by the SCAQMD between March 1, 2018 and March 31, 2018, and those projects for which the SCAQMD is acting as lead agency pursuant to CEQA.

COMMITTEE: Mobile Source, April 20, 2018; Reviewed

RECOMMENDED ACTION:
Receive and file.

Wayne Nastri
Executive Officer

PF:SN:MK:LS:LW

CEQA Document Receipt and Review Logs (Attachments A and B) – Each month, the SCAQMD receives numerous CEQA documents from other public agencies on projects that could adversely affect air quality. A listing of all documents received and reviewed during the reporting period March 1, 2018 through March 31, 2018 is included in Attachment A. A list of active projects from previous reporting periods for which SCAQMD staff is continuing to evaluate or has prepared comments is included in Attachment B. A total of 108 CEQA documents were received during this reporting period and 40 comment letters were sent. There are no notable projects to highlight in this report.

The Intergovernmental Review function, which consists of reviewing and commenting on the adequacy of the air quality analysis in CEQA documents prepared by other lead agencies, is consistent with the Board's 1997 Environmental Justice Guiding Principles and Environmental Justice Initiative #4. As required by the Environmental Justice Program Enhancements for FY 2002-03 approved by the Board in October 2002, each of the attachments notes those proposed projects where the SCAQMD has been contacted regarding potential air quality-related environmental justice concerns. The SCAQMD

has established an internal central contact to receive information on projects with potential air quality-related environmental justice concerns. The public may contact the SCAQMD about projects of concern by the following means: in writing via fax, email, or standard letters; through telephone communication; as part of oral comments at SCAQMD meetings or other meetings where SCAQMD staff is present; or by submitting newspaper articles. The attachments also identify for each project the dates of the public comment period and the public hearing date, if applicable, as reported at the time the CEQA document is received by the SCAQMD. Interested parties should rely on the lead agencies themselves for definitive information regarding public comment periods and hearings as these dates are occasionally modified by the lead agency.

At the January 6, 2006 Board meeting, the Board approved the Workplan for the Chairman's Clean Port Initiatives. One action item of the Chairman's Initiatives was to prepare a monthly report describing CEQA documents for projects related to goods movement and to make full use of the process to ensure the air quality impacts of such projects are thoroughly mitigated. In response to describing goods movement, CEQA documents (Attachments A and B) are organized to group projects of interest into the following categories: goods movement projects; schools; landfills and wastewater projects; airports; general land use projects, etc. In response to the mitigation component, guidance information on mitigation measures were compiled into a series of tables relative to: off-road engines; on-road engines; harbor craft; ocean-going vessels; locomotives; fugitive dust; and greenhouse gases. These mitigation measure tables are on the CEQA webpages portion of the SCAQMD's website at: <http://www.aqmd.gov/home/regulations/ceqa/air-quality-analysis-handbook/mitigation-measures-and-control-efficiencies>. Staff will continue compiling tables of mitigation measures for other emission sources, including airport ground support equipment and other sources.

As resources permit, staff focuses on reviewing and preparing comments for projects: where the SCAQMD is a responsible agency; that may have significant adverse regional air quality impacts (e.g., special event centers, landfills, goods movement, etc.); that may have localized or toxic air quality impacts (e.g., warehouse and distribution centers); where environmental justice concerns have been raised; and those projects for which a lead or responsible agency has specifically requested SCAQMD review. If staff provided written comments to the lead agency as noted in the column "Comment Status," there is a link to the "SCAQMD Letter" under the Project Description. In addition, if staff testified at a hearing for the proposed project, a notation is provided under the "Comment Status." If there is no notation, then staff did not provide testimony at a hearing for the proposed project.

During the period March 1, 2018 through March 31, 2018, the SCAQMD received 108 CEQA documents. Of the total of 135 documents* listed in Attachments A and B:

- 40 comment letters were sent;
- 38 documents were reviewed, but no comments were made;
- 27 documents are currently under review;
- 18 documents did not require comments (e.g., public notices);
- 0 documents were not reviewed; and
- 12 documents were screened without additional review.

* These statistics are from March 1, 2018 to March 31, 2018 and may not include the most recent “Comment Status” updates in Attachments A and B.

Copies of all comment letters sent to lead agencies can be found on the SCAQMD’s CEQA webpage at the following internet address:

<http://www.aqmd.gov/home/regulations/ceqa/commenting-agency>.

SCAQMD Lead Agency Projects (Attachment C) – Pursuant to CEQA, the SCAQMD periodically acts as lead agency for stationary source permit projects. Under CEQA, the lead agency is responsible for determining the type of CEQA document to be prepared if the proposal is considered to be a “project” as defined by CEQA. For example, an Environmental Impact Report (EIR) is prepared when the SCAQMD, as lead agency, finds substantial evidence that the proposed project may have significant adverse effects on the environment. Similarly, a Negative Declaration (ND) or Mitigated Negative Declaration (MND) may be prepared if the SCAQMD determines that the proposed project will not generate significant adverse environmental impacts, or the impacts can be mitigated to less than significance. The ND and MND are written statements describing the reasons why proposed projects will not have a significant adverse effect on the environment and, therefore, do not require the preparation of an EIR.

Attachment C to this report summarizes the active projects for which the SCAQMD is lead agency and is currently preparing or has prepared environmental documentation. As noted in Attachment C, the SCAQMD continued working on the CEQA documents for five active projects during March.

Attachments

- A. Incoming CEQA Documents Log
- B. Ongoing Active Projects for Which SCAQMD Has or Will Conduct a CEQA Review
- C. Active SCAQMD Lead Agency Projects

ATTACHMENT A*
INCOMING CEQA DOCUMENTS LOG
March 01, 2018 to March 31, 2018

SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Warehouse & Distribution Centers RVC180308-03 Plot Plan No. 26220 - EA43004	The proposed project consists of construction of a trucking distribution center with a 61,840-square-foot loading dock and a 10,000-square-foot office on 19.19 acres. The project is located on the northeast corner of Placentia Avenue and Harvill Avenue in the community of Mead Valley. Reference RVC171006-03, RVC170901-12, RVC170526-02 and RVC170330-13 Comment Period: N/A Public Hearing: 3/26/2018	Notice of Intent to Adopt a Mitigated Negative Declaration	County of Riverside	Document reviewed - No comments sent
Warehouse & Distribution Centers RVC180321-02 Knox Business Park Buildings D and E (GPA No. 1151 and 1152, CZ No. 7872 and 7873, TPM No. 36950 and 36962, and PP No. 25838 and 25837)	The proposed project consists of construction of two warehouse buildings totaling 1,113,627 square feet on 58.6 acres. The project is located on the southeast corner of Oleander Avenue and Day Street in the Mead Valley community. Reference RVC170524-04 and RVC150707-04 Comment Period: N/A Public Hearing: 4/4/2018	Notice of Public Hearing	County of Riverside	Document does not require comments
Warehouse & Distribution Centers RVC180328-01 Major Modification 17-05075 to Integra Perris Distribution Center Project	The proposed project consists of construction of 273,000 square feet of warehouse uses to be added to existing warehouse on 10.2 acres. The project is located at 657 West Nance Street on the northeast corner of Webster Avenue and Markham Street. Reference RVC141209-09, RVC141202-06, RVC140808-04, RVC140604-03 and RVC140523-06 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/spintegradistribution-032918.pdf Comment Period: N/A Public Hearing: N/A	Site Plan	City of Perris	SCAQMD staff commented on 3/29/2018
Warehouse & Distribution Centers SBC180314-01 Colony Commerce Center East Specific Plan (PSP 16-03)	The proposed project consists of construction of a 1,914,365-square-foot industrial development on 95 acres. The project is located on the southwest corner of Merrill Avenue and Archibald Avenue. Reference SBC171114-07 and SBC170321-04 Comment Period: N/A Public Hearing: 3/27/2018	Notice of Public Hearing	City of Ontario	Document does not require comments

*Sorted by Land Use Type (in order of land uses most commonly associated with air quality impacts), followed by County, then date received.

- Project has potential environmental justice concerns due to the nature and/or location of the project.

** Disposition may change prior to Governing Board Meeting

Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
March 01, 2018 to March 31, 2018**

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<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Industrial and Commercial LAC180301-01 2929 Pico Boulevard Mixed Use Office/Retail Project	The proposed project consists of demolition of existing automobile service building and parking lot, and construction of a 18,854-square-foot commercial building with subterranean parking on 15,086 square feet. The project is located at 2929 Pico Boulevard on the southwest corner of Pico Boulevard and Dorchester Avenue. Reference LAC180124-01 Comment Period: N/A Public Hearing: N/A	Response to Comments	City of Santa Monica	Document reviewed - No comments sent
Industrial and Commercial LAC180306-08 Berth 240 Transportation Vessels Manufacturing Facility	The proposed project consists of demolition of a 9,150-square-foot structure and construction of a 203,450-square-foot industrial manufacturing facility on 10 acres. The project is located near the southwest corner of Terminal Way and Seaside Avenue. Reference LAC171213-01 Comment Period: N/A Public Hearing: 3/15/2018	Response to Comments	Port of Los Angeles	Document reviewed - No comments sent
Industrial and Commercial RVC180320-03 Pilot Flying J Travel Center Project	The proposed project consists of construction of a 15,073-square-foot truck travel center on 11.95 acres. The project is located on the northwest corner of Riverside Drive and Etiwanda Avenue. Reference RVC170620-02, RVC170321-03, RVC170222-02 and RVC161101-23 Comment Period: 3/20/2018 - 4/9/2018 Public Hearing: N/A	Site Plan	City of Jurupa Valley	Document reviewed - No comments sent
Industrial and Commercial RVC180329-05 Reclamation Plan No. 152, Revised No. 2, AMD No. 1 - EA37151	The proposed project consists of increase in size from 100 acres to 232 acres, extension of termination date by 100 years, and increase in annual mining rate from 200,000 cubic yards to 300,000 cubic yards on 260 acres. The project is located on the southwest corner of Berdoo Canyon Road and Dillon Road in the community of Western Coachella Valley. Reference RVC180130-02 Comment Period: N/A Public Hearing: 4/12/2018	Site Plan	Riverside County Planning	Document reviewed - No comments sent

- Project has potential environmental justice concerns due to the nature and/or location of the project.

** Disposition may change prior to Governing Board Meeting

Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
March 01, 2018 to March 31, 2018**

DRAFT

SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Waste and Water-related</i> LAC180301-12 Draft Removal Action Work Plan (RAW) for Industrial Polychemical Services Corporation (IPS)	The proposed project consists of remedial actions to clean up elevated levels of volatile organic compounds in surface soil, soil vapor, and groundwater. The project is located at 17109 South Main Street near the northwest corner of South Main Street and West Walnut Street in the City of Gardena. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/rawips-032018.pdf Comment Period: 2/23/2018 - 3/26/2018 Public Hearing: N/A	Draft Remediation Plan	Department of Toxic Substances Control	SCAQMD staff commented on 3/20/2018
<i>Waste and Water-related</i> LAC180302-03 DeMenno-Kerdoon - Class 1 Permit Modification	The proposed project consists of inclusion of testing method for chlorine in used oil. The project is located at 2000 North Alameda Street on the southeast corner of East Pine Street and Alameda Street in the City of Compton. Comment Period: N/A Public Hearing: N/A	Permit Modification	Department of Toxic Substances Control	Document reviewed - No comments sent
<i>Waste and Water-related</i> LAC180306-04 Berths 238-239 [PBF Energy] Marine Oil Terminal Wharf Improvements Project	The proposed project consists of demolition of existing platforms, and construction of marine platform, mooring and breasting dolphins, marine oil terminal platform, two new breasting dolphins, and four new upland mooring dolphins. The project will also include installation of tenant topside improvements on 20.54 acres. The project is located at 799 South Seaside on the southwest corner of Miner Street and South Crescent Avenue, and at 401 Ferry Street on the southwest corner of Ferry Street and Terminal Way in the Port of Los Angeles. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndberths238239-033018.pdf Comment Period: 3/2/2018 - 4/2/2018 Public Hearing: N/A	Mitigated Negative Declaration	City of Los Angeles Harbor Department	SCAQMD staff commented on 3/30/2018
<i>Waste and Water-related</i> LAC180309-01 Biogas Renewable Generation Project	The proposed project consists of construction of a 12-megawatt power generation facility, a 0.67-mile natural gas pipeline, a one-mile water pipeline, and two water tanks on a 2.2-acre portion of 95 acres within the 535-acre Scholl Canyon Landfill. The project is located at 3001 Scholl Canyon Road on the northwest corner of North Figueroa Street and Scholl Canyon Road. Reference LAC170927-01 and LAC170912-01 Comment Period: N/A Public Hearing: 3/21/2018	Notice of Public Hearing	City of Glendale	Document does not require comments

- Project has potential environmental justice concerns due to the nature and/or location of the project.

** Disposition may change prior to Governing Board Meeting

Documents received by the CEQA Intergovernmental Review program but not requiring review are not included in this report.

**ATTACHMENT A
INCOMING CEQA DOCUMENTS LOG
March 01, 2018 to March 31, 2018**

DRAFT

SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Waste and Water-related</i> LAC180315-07 Pacific Resource Recovery Services (PRRS) - Class 1 Permit Modification	The proposed project consists of replacement of two existing tanks with new tanks with the same design standards and operation capacity. The project is located at 3150 East Pico Boulevard on the southwest corner of East Pico Boulevard and Union Pacific Avenue in the City of Los Angeles. Comment Period: N/A Public Hearing: N/A	Permit Modification	Department of Toxic Substances Control	Document reviewed - No comments sent
<i>Waste and Water-related</i> LAC180315-08 DeMenno-Kerdoon - Class 1 Permit Modification	The proposed project consists of change to emergency contact information. The project is located at 2000 North Alameda Street on the southeast corner of East Pine Street and Alameda Street in the City of Compton. Comment Period: N/A Public Hearing: N/A	Permit Modification	Department of Toxic Substances Control	Document reviewed - No comments sent
<i>Waste and Water-related</i> LAC180320-08 Case Closure for the Underground Storage Tank at El Rodeo Elementary School	The proposed project consists of remedial actions to clean up, excavate, and dispose residual contamination in soil and groundwater. The project is located at 605 North Whittier Drive on the northwest corner of Whittier Drive and Wilshire Boulevard in the City of Beverly Hills. Comment Period: 3/16/2018 - 4/16/2018 Public Hearing: N/A	Draft Removal Action Work Plan	Department of Toxic Substances Control	Document reviewed - No comments sent
<i>Waste and Water-related</i> LAC180322-06 Former Terminix Facility	The proposed project consists of remedial actions to clean up, excavate, and dispose pesticide contamination in soil. The project is located at 2828 London Street on the southeast corner of Occidental Boulevard and London Street in the community of Silver Lake-Echo Park-Elysian Valley. Comment Period: 3/22/2018 - 4/13/2018 Public Hearing: N/A	Draft Removal Action Work Plan	Department of Toxic Substances Control	Document reviewed - No comments sent

- Project has potential environmental justice concerns due to the nature and/or location of the project.

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<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Transportation</i> LAC180301-10 West Santa Ana Branch (WSAB) Transit Corridor Project	This document consists of updates on the northern alignment options that will be studied for the proposed project. The proposed project consists of construction of a 20-mile light rail transit line. The project is located within the cities of Los Angeles, Vernon, Huntington Park, Bell, Cudahy, South Gate, Downey, Paramount, Bellflower, Cerritos, and Artesia, and within the communities of Arts District, Little Tokyo, and unincorporated Florence-Graham. Reference LAC170809-07, LAC170614-08, LAC170608-01 and LAC170606-04 Comment Period: N/A Public Hearing: 3/12/2018	Community Notice	Los Angeles County Metropolitan Transportation Authority	Document does not require comments
<i>Transportation</i> LAC180301-11 West Carson Transit Oriented District Specific Plan	The proposed project consists of construction of 2,271 residential units and 1,704,985 square feet of commercial, medical, and industrial uses on 319.3 acres. The project is located on the northeast corner of Normandie Avenue and West 223rd Street in the community of West Carson. Reference LAC170112-13 Comment Period: 2/28/2018 - 4/13/2018 Public Hearing: 3/8/2018	Draft Environmental Impact Report	County of Los Angeles	** Under review, may submit written comments
<i>Transportation</i> LAC180306-07 Whittier Boulevard/Colima Road Intersection Improvement Project	This document extends the public review period from March 22, 2018 to April 4, 2018 and the public hearing date from April 24, 2018 to May 22, 2018 for the proposed project. The proposed project consists of multiple road improvements along Colima Road and Whittier Boulevard, including (1) construction of new curb, gutter, sidewalks, and additional left-turn lane on the northbound side of Colima Road; (2) increase in the southbound left- and right-turn lanes along Colima Road; (3) construction of retaining wall, curb, gutter, and sidewalks on westbound side of Whittier Boulevard; (4) increase in the westbound left-turn lanes along Whittier Boulevard; and (5) provision of a westbound right-turn pocket along Whittier Boulevard. The project is located at the intersection of Whittier Boulevard and Colima Road. Reference LAC180221-01 Comment Period: 3/6/2018 - 4/4/2018 Public Hearing: 5/22/2018	Extension of Time	City of Whittier	Document does not require comments

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<i>Transportation</i> ORC180327-06 Western Extension of The Tracks at Brea Trail Project	The proposed project consists of construction of a 1.35-mile trail and associated improvements. The project is located between the intersection of Lambert Road and Palm Street and the Brea Canyon Channel. Comment Period: 3/22/2018 - 4/10/2018 Public Hearing: 4/17/2018	Mitigated Negative Declaration	City of Brea	Document reviewed - No comments sent
<i>Transportation</i> RVC180308-02 Temescal Canyon Road Bridge and Road Realignment Project	The proposed project consists of construction of a four-lane bridge of 98 feet in width, 375 feet in length, and five feet in depth over Temescal Wash. The project will also include construction of 200-foot roadways north and south of the bridge and a 649-foot roadway transition from the bridge to existing Temescal Canyon Road. The project is located on the southwest corner of Lake Street and Temescal Canyon Road. Comment Period: 3/9/2018 - 4/9/2018 Public Hearing: 5/8/2018	Mitigated Negative Declaration	City of Lake Elsinore	** Under review, may submit written comments
<i>Transportation</i> SBC180315-03 Base Line Bridge Replacement Project	The proposed project consists of demolition of bridge of 72 feet in width and 42 feet in length, and construction of a replacement bridge of 95.4 feet in width and 600 feet in length. The project is located along Base Line Street between Boulder Avenue and Yarnell Road. Reference SBC180208-04 Comment Period: N/A Public Hearing: N/A	Response to Comments	City of Highland	Document reviewed - No comments sent
<i>Institutional (schools, government, etc.)</i> LAC180320-06 John Adams Middle School Auditorium Replacement Project	The proposed project consists of demolition of existing auditorium and construction of a 20,000-square-foot auditorium on 1.07 acres. The project is located at 2425 16th Street on the southeast corner of 16th Street and Pearl Street in the City of Santa Monica. Comment Period: 3/20/2018 - 4/18/2018 Public Hearing: N/A	Mitigated Negative Declaration	Santa Monica-Malibu Unified School District	Document reviewed - No comments sent

- Project has potential environmental justice concerns due to the nature and/or location of the project.

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<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Medical Facility</i> LAC180301-02 City of Hope Campus Plan (General Plan Amendment & Zone Change 15-01)	The proposed project consists of demolition of 387,500 square feet of existing buildings and construction of 1,426,000 square feet of new buildings on 116 acres. The project is located on the southeast corner of Duarte Road and Cinco Robles Drive. Reference LAC171116-04 and LAC151016-02 Comment Period: N/A Public Hearing: 3/13/2018	Final Environmental Impact Report	City of Duarte	Document reviewed - No comments sent
<i>Medical Facility</i> LAC180309-06 City of Hope Campus Plan (General Plan Amendment & Zone Change 15-01)	The proposed project consists of demolition of 387,500 square feet of existing buildings and construction of 1,426,000 square feet of new buildings on 116 acres. The project is located on the southeast corner of Duarte Road and Cinco Robles Drive. Reference LAC180301-02, LAC171116-04 and LAC151016-02 Comment Period: N/A Public Hearing: 3/21/2018	Notice of Public Hearing	City of Duarte	Document does not require comments
<i>Medical Facility</i> LAC180315-02 Kaiser Permanente Watts Learning Center and Health Pavilion Project (ENV-2017-1063): 1453-1525 E. 103rd St. & 10220 S. Success Ave.	The proposed project consists of demolition of two existing buildings, and construction of a 60,000-square-foot medical building and subterranean parking on 1.78 acres. The project is located on the northeast corner of 103rd Street and Success Avenue in the community of Southeast Los Angeles. Comment Period: 3/15/2018 - 4/16/2018 Public Hearing: N/A	Mitigated Negative Declaration	City of Los Angeles	Document reviewed - No comments sent
<i>Medical Facility</i> RVC180320-05 Makena Hills (TPM-2017-1314 and EA-2017-1315)	The proposed project consists of construction of two medical office buildings totaling 103,800 square feet and two hotels with 206 rooms on 14.56 acres. The project is located on the southeast corner of Baxter Road and Antelope Road. Comment Period: 3/16/2018 - 4/15/2018 Public Hearing: N/A	Mitigated Negative Declaration	City of Murrieta	** Under review, may submit written comments

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SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Retail</i> RVC180327-03 Rancho McHolland LLC (TPM-37421 & CUP-17-004)	The proposed project consists of construction of a 3,590-square-foot carwash and a 3,062-square-foot convenience store including a gasoline station with 12 fueling pumps on 8.74 acres. The project is located on the southeast corner of Stetson Avenue and Sanderson Avenue. Comment Period: 3/26/2018 - 4/14/2018 Public Hearing: 4/17/2018	Mitigated Negative Declaration	City of Hemet	** Under review, may submit written comments
<i>Retail</i> RVC180327-04 Pavilion Palms Shopping Center	The proposed project consists of construction of 125,800 square feet of retail uses including a gasoline service station on 12 acres. The project is located on the northwest corner of Jefferson Street and Avenue 50. Comment Period: 3/23/2018 - 4/23/2018 Public Hearing: 4/24/2018	Mitigated Negative Declaration	City of La Quinta	** Under review, may submit written comments
<i>Retail</i> SBC180327-09 San Manuel Hotel & Casino Expansion Project	The proposed project consists of construction of 795,000 square feet of entertainment and hospitality facilities including a hotel with 500 rooms, a performance venue with 4,000 seats, and subterranean parking on 70 acres. The project is located on the northwest corner of East Lynwood Drive and North Victoria Avenue within and adjacent to the existing San Manuel Casino on the Tribe's Reservation. Reference SBC180112-06 and SBC171110-05 Comment Period: N/A Public Hearing: N/A	Final Tribal Environmental Impact Report	San Manuel Band of Mission Indians	Document reviewed - No comments sent
<i>General Land Use (residential, etc.)</i> LAC180301-05 Bristol Parkway Mixed Use Development	The proposed project consists of construction of six buildings totaling 801,119 square feet with 712 residential units and subterranean parking on 6.26 acres. The project is located on the southwest corner of Bristol Parkway and Green Valley Circle in the community of Fox Hills. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndbristolparkway-032718.pdf Comment Period: 2/28/2018 - 3/29/2018 Public Hearing: N/A	Mitigated Negative Declaration	City of Culver City	SCAQMD staff commented on 3/27/2018

- Project has potential environmental justice concerns due to the nature and/or location of the project.

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<p><i>General Land Use (residential, etc.)</i> LAC180301-08 Las Tunas Mixed Use Project (PD 17-01, TTM 17-05, LLA 18-01, MFADR 17-06, TRE 18-03, and TRH 18-03)</p>	<p>The proposed project consists of construction of 80 residential units and 10,987 square feet of commercial uses on 4.93 acres. The project is located at 17 West Las Tunas Drive on the northwest corner of Santa Anita Avenue and Las Tunas Drive.</p> <p style="text-align: center;">Comment Period: 2/22/2018 - 3/13/2018 Public Hearing: 3/27/2018</p>	Mitigated Negative Declaration	City of Arcadia	Document reviewed - No comments sent
<p><i>General Land Use (residential, etc.)</i> LAC180302-01 Montecito II (ENV-2017-1504-SCEA)</p>	<p>The proposed project consists of construction of a 53,370-square-foot building with 68 residential units and subterranean parking on 0.78 acres. The project is located at 6650-6668 West Franklin Avenue and 1850 North Cherokee Avenue on the southwest corner of Franklin Avenue and North Cherokee Avenue in the community of Hollywood.</p> <p style="text-align: center;">Comment Period: 3/1/2018 - 4/2/2018 Public Hearing: N/A</p>	Notice of Availability of Sustainable Communities Environmental Assessment	City of Los Angeles	Document reviewed - No comments sent
<p><i>General Land Use (residential, etc.)</i> LAC180302-02 Lakin Tires Conditional Use Permit Case No. 771-1</p>	<p>The proposed project consists of increase in storage capability from 50,000 to 95,000 tires. The project will also convert 18,972 square feet of existing office building for receiving, sorting, and shipping of used tires. The project is located at 15605 Cornet Street near the northwest corner of Alondra Boulevard and Cornet Street.</p> <p>http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/smndlakintires-031418.pdf</p> <p style="text-align: center;">Comment Period: 2/27/2018 - 3/19/2018 Public Hearing: 4/9/2018</p>	Supplemental Mitigated Negative Declaration	City of Santa Fe Springs	SCAQMD staff commented on 3/14/2018
<p><i>General Land Use (residential, etc.)</i> LAC180302-04 Bristol Parkway Mixed Use Development</p>	<p>The proposed project consists of construction of six buildings totaling 801,119 square feet with 712 residential units and subterranean parking on 6.26 acres. The project is located on the southwest corner of Bristol Parkway and Green Valley Circle in the community of Fox Hills. Reference LAC180301-05</p> <p style="text-align: center;">Comment Period: N/A Public Hearing: N/A</p>	Technical Data	City of Culver City	Document reviewed - No comments sent

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<i>General Land Use (residential, etc.)</i> LAC180329-10 ENV-2016-2824, ENV-2016-2824-APP: 4018-4030 S. Buckingham Road	The document consists of request to release funding for the proposed project. The proposed project consists of construction of 130 residential units on 1.5 acres. The project is located on the southeast corner of Buckingham Road and Palmyra Road in the community of South Los Angeles. Reference LAC161201-04 Comment Period: 3/26/2018 - 4/13/2018 Public Hearing: N/A	Notice of Intent to Request Release of Funds	City of Los Angeles	Document does not require comments
<i>General Land Use (residential, etc.)</i> LAC180329-11 Van Nuys Plaza (ENV-2016-2945: 6569-6581 N. Van Nuys Blvd. & 14506-14534 W. Kittridge St.)	The proposed project consists of demolition of three buildings and construction of a 157,100-square-foot building with 174 residential units and subterranean parking on 1.29 acres. The project is located on the southwest corner of Kittridge Street and Van Nuys Boulevard in the community of Van Nuys-Sherman Oaks. Comment Period: 3/29/2018 - 4/18/2018 Public Hearing: N/A	Mitigated Negative Declaration	City of Los Angeles	** Under review, may submit written comments
<i>General Land Use (residential, etc.)</i> ORC180301-03 Rancho La Habra Specific Plan	The proposed project consists of demolition of existing golf course and parking lot, and construction of 402 residential units with either 20,000 square feet of commercial uses or 46 additional residential units on 151 acres. The project will also include 84.61 acres of open space. The project is located at 1400 South La Habra Hills Drive on the northeast corner of West Nicklaus Avenue and Hillsboro Drive. Reference ORC151118-04 Comment Period: 2/26/2018 - 4/11/2018 Public Hearing: N/A	Draft Environmental Impact Report	City of La Habra	Document reviewed - No comments sent
<i>General Land Use (residential, etc.)</i> ORC180306-02 The Farm Specific Plan Project	The proposed project consists of construction of 180 residential units, a 0.5-acre park, and a one-acre trail on 35 acres. The project is located at 32382 Del Obispo Street on the northwest corner of Alipaz Street and Via Positiva. Comment Period: 3/6/2018 - 4/5/2018 Public Hearing: N/A	Mitigated Negative Declaration	City of San Juan Capistrano	Document reviewed - No comments sent

- Project has potential environmental justice concerns due to the nature and/or location of the project.

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<i>General Land Use (residential, etc.)</i> ORC180320-04 Killefer Square Project (MND No. 1844-15)	The proposed project consists of demolition of existing structures and conversion of a 30,010-square-foot building from school to residential use with 24 units on 1.7 acres. The project is located at 541 North Lemon Street near the northwest corner of Walnut Avenue and North Olive Street. Comment Period: 3/21/2018 - 5/4/2018 Public Hearing: 3/21/2018	Mitigated Negative Declaration	City of Orange	** Under review, may submit written comments
<i>General Land Use (residential, etc.)</i> ORC180321-01 Town & Country Apartments and Townhomes (MND 1855-17, TTM 0045-17, MSP 0906-17, DR 4914-17, AA 0253-17)	The proposed project consists of demolition of seven commercial buildings totaling 197,874 square feet and construction of two buildings with 727 residential units totaling 1,264,693 square feet on 12.13 acres. The project is located at 702-1078 West Town and Country Road on the southeast corner of Town and Country Road and Lawson Way. Comment Period: 3/21/2018 - 4/10/2018 Public Hearing: 4/4/2018	Mitigated Negative Declaration	City of Orange	** Under review, may submit written comments
<i>General Land Use (residential, etc.)</i> ORC180322-03 West Bastanchury Residential Subdivision Project	The proposed project consists of subdivision of 13 acres for future development of 23 residential units. The project is located near the northwest corner of Bastanchury Road and Eureka Avenue. Comment Period: 3/22/2018 - 4/10/2018 Public Hearing: 4/11/2018	Mitigated Negative Declaration	City of Yorba Linda	** Under review, may submit written comments
<i>General Land Use (residential, etc.)</i> ORC180323-02 Village Center	The proposed project consists of demolition of 155,296 square feet of commercial uses, construction of 237 residential units totaling 281,368 square feet, and redevelopment of 42,300 square feet of commercial uses on 21.87 acres. The project is located on the northwest corner of Beach Boulevard and Garden Grove Boulevard. Reference ORC171005-01 Comment Period: N/A Public Hearing: 3/28/2018	Notice of Public Hearing	City of Stanton	Document does not require comments

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<i>General Land Use (residential, etc.)</i> RVC180327-05 Rio Vista (Change of Zone No. 7869, Tentative Parcel Map No. 36664, Tentative Tract Map No. 3666, EIR No. 550, EA42798)	The proposed project consists of construction of 584 residential units, 25.8 acres of open space, and 8.17 acres of water retention basins on 244.78 acres. The project is located on the southeast corner of Nuevo Road and Dunlap Drive in the community of Lakeview-Nuevo. Reference RVC160526-02 and RVC160520-04 Comment Period: 3/23/2018 - 5/7/2018 Public Hearing: N/A	Draft Environmental Impact Report	Riverside County Planning	Document reviewed - No comments sent
<i>General Land Use (residential, etc.)</i> RVC180329-01 Conditional Use Permit No. 2886 (Revision No. 2) Change of Zone No. 7994	The proposed project consists of expansion of one existing building and construction of one building totaling 1,265,508 square feet on 28.82 acres. The project is located at 35510 Pathfinder Road on the northeast corner of Pathfinder Road and Devils Ladder Road in the community of Mountain Center. Reference RVC170801-02 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/spcup2886rev2-032918.pdf Comment Period: N/A Public Hearing: 3/29/2018	Site Plan	County of Riverside	SCAQMD staff commented on 3/29/2018
<i>General Land Use (residential, etc.)</i> RVC180329-02 Tentative Tract Map No. 37449	The proposed project consists of subdivision of 110.64 acres for future development of 372 residential units. The project is located on the southeast corner of Keller Road and Washington Street in the community of Southwest. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/sptm37449-032918.pdf Comment Period: N/A Public Hearing: 3/29/2018	Site Plan	County of Riverside	SCAQMD staff commented on 3/29/2018
<i>General Land Use (residential, etc.)</i> RVC180329-06 Change of Zone No. 7937, Tentative Tract Map No. 37294, and Plot Plan No. 26249 - EA43021	The proposed project consists of subdivision of 13 acres for future development of 48 residential homes. The project is located on the northeast corner of Los Alamos Road and Suzi Reid Way in the Southwest community. Reference RVC170526-03 Comment Period: N/A Public Hearing: 4/19/2018	Site Plan	County of Riverside	** Under review, may submit written comments

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<i>General Land Use (residential, etc.)</i> RVC180330-03 MA17099 (TTM No. 37211)	The proposed project consists of subdivision of 10.4 acres for future development of 48 residences. The project is located on the southeast corner of Canal Street and Opal Street. Reference RVC171117-02 and RVC170530-01 Comment Period: 3/30/2018 - 4/16/2018 Public Hearing: N/A	Site Plan	City of Jurupa Valley	Document reviewed - No comments sent
<i>Plans and Regulations</i> LAC180322-05 ENV-2017-4076: Citywide	The proposed project consists of establishment of development and operational standards to allow pet shops to operate in commercial zones overnight. Comment Period: 3/22/2018 - 4/11/2018 Public Hearing: N/A	Negative Declaration	City of Los Angeles	Document reviewed - No comments sent
<i>Plans and Regulations</i> LAC180327-01 Rancho Palos Verdes General Plan Update	The proposed project consists of city-wide updates to City general plan to reflect current status of development, economic, and demographic data, land use decisions, and statutory requirements. The project is located near the southwest corner of Palos Verdes Drive North and Western Avenue. Comment Period: 3/22/2018 - 4/13/2018 Public Hearing: 4/26/2018	Mitigated Negative Declaration	City of Rancho Palos Verdes	** Under review, may submit written comments
<i>Plans and Regulations</i> ORC180314-03 Code Amendment CO-17-07	The proposed project consists of amendment to City ordinance Article 5 of Chapter I and Chapter VI of Title 9 and Chapter IV and Article 21 of Chapter IX of Title 13 to allow adult use of marijuana to be distributed, manufactured, researched, developed, and tested in the same locations subject to the same permitting process and restrictions as medical marijuana. Comment Period: N/A Public Hearing: 3/20/2018	Notice of Public Hearing	City of Costa Mesa	Document does not require comments

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<i>Plans and Regulations</i> ORC180315-06 Code Amendment CO-18-01	The proposed project consists of amendment to City ordinance Article 20 of Chapter IX of Title 9 and Chapter IV of Title 13 to prohibit marijuana cultivation, dispensaries, and retail sales to the extent allowed by the state law. Comment Period: N/A Public Hearing: 3/20/2018	Notice of Public Hearing	City of Costa Mesa	Document does not require comments
<i>Plans and Regulations</i> ORC180329-09 Code Amendment CO-18-02	The proposed project consists of amendment to City municipal code Chapter V, Article 2.5 of Title 13 to increase the minimum setback and parking requirements. Comment Period: N/A Public Hearing: 4/9/2018	Notice of Public Hearing	City of Costa Mesa	Document does not require comments
<i>Plans and Regulations</i> RVC180309-05 Beaumont General Plan Update (Beaumont 2040 Plan)	The proposed project consists of development of major strategies and physical improvements including adoption and implementation of (1) General Plan Update; (2) revised Zoning Code and Zoning Map; (3) Downtown Specific Plan; and (4) Hillside Development Ordinance on 26,566 acres. The project is located north of City of San Jacinto, south of the community of Cherry Valley and the City of Calimesa, west of the City of Banning, and east of Gilman Springs Road. Comment Period: 3/9/2018 - 4/9/2018 Public Hearing: 3/13/2018	Notice of Preparation	City of Beaumont	** Under review, may submit written comments
<i>Plans and Regulations</i> SBC180314-02 PL11-0428 (General Plan Amendment), PL08-0369 (East Chino Specific Plan Amendment), and Certification of the Chino RV Storage Facility EIR	The proposed project consists of change to existing General Plan land use designation from Recreational/Open Space to Light Industrial for 7.19 acres. The project will also include recreational vehicle storage. The project is located on the northwest corner of Edison Avenue and Mountain Avenue. Reference SBC180213-03, SBC171011-01, SBC141205-06, SBC140307-02, SBC140214-03 and SBC140211-07 Comment Period: N/A Public Hearing: 3/20/2018	Notice of Public Hearing	City of Chino	Document does not require comments

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<p><i>Plans and Regulations</i></p> <p>SBC180316-04 Rialto Bioenergy Facility Project (Conditional Use Permit No. 2017-0009)</p>	<p>The proposed project consists of conversion of existing non-operational regional biosolids processing facility into a regional organic waste processing facility on 5.7 acres. The project is located at 503 East Santa Ana Avenue near the southeast corner of South Riverside Avenue and East Santa Ana Avenue. Reference SBC180216-01, SBC180215-02, SBC171122-05 and SBC170907-06</p> <p style="text-align: center;">Comment Period: N/A</p>	Notice of Public Hearing	City of Rialto	Document does not require comments
	Public Hearing: 3/27/2018			

- Project has potential environmental justice concerns due to the nature and/or location of the project.

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ATTACHMENT B*
ONGOING ACTIVE PROJECTS FOR WHICH SCAQMD HAS
OR IS CONTINUING TO CONDUCT A CEQA REVIEW

<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
Warehouse & Distribution Centers LAC180208-02 ENV-2017-4389: 2803 W. Broadway	The proposed project consists of demolition of a 6,403-square-foot building and construction of a 87,084-square-foot storage building on 30,153 square feet. The project is located on the northeast corner of West Broadway and El Verano Avenue in the community of Northeast Los Angeles. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndenv20174389-030118.pdf Comment Period: 2/8/2018 - 3/1/2018 Public Hearing: N/A	Mitigated Negative Declaration	City of Los Angeles	SCAQMD staff commented on 3/1/2018
Warehouse & Distribution Centers RVC180131-02 Duke Warehouse at Perris Boulevard and Markham Street Project	The proposed project consists of construction of a 1,189,860-square-foot warehouse and two sanitary sewer connections on 55 acres. The project is located on the northeast corner of Markham Street and Perris Boulevard. Reference RVC170913-02 and RVC170829-02 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/deirdukewarehouse-031418.pdf Comment Period: 1/31/2018 - 3/16/2018 Public Hearing: N/A	Notice of Availability of a Draft Environmental Impact Report	City of Perris	SCAQMD staff commented on 3/14/2018
Warehouse & Distribution Centers SBC180206-02 West Valley Logistics Center Specific Plan	The proposed project consists of future construction of up to 3,473,690 square feet of warehouse distribution uses on 291 acres. The project is located near the southeast corner of Jurupa Avenue and Alder Avenue. Reference SBC141223-01, SBC140422-17 and SBC120713-06 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/deirwestvalleylogistics-032018.pdf Comment Period: 2/5/2018 - 3/23/2018 Public Hearing: 3/20/2018	Recirculated Draft Environmental Impact Report	City of Fontana	SCAQMD staff commented on 3/20/2018
Industrial and Commercial LAC180221-02 Canyon City Business Center	The proposed project consists of construction of seven industrial and warehouse buildings totaling 463,436 square feet on 23.43 acres. The project is located at 1025 North Todd Avenue on the southwest corner of West Sierra Madre Avenue and North Todd Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/nopcanyoncity-032018.pdf Comment Period: 2/21/2018 - 3/23/2018 Public Hearing: 3/14/2018	Notice of Preparation	City of Azusa	SCAQMD staff commented on 3/20/2018
Industrial and Commercial LAC180227-04 Sunset Gower Studios Enhancement Plan (ENV-2017-5091-EIR)	The proposed project consists of demolition of three existing structures totaling 160,500 square feet, and construction of three office buildings totaling 628,000 square feet and subterranean parking on 15.9 acres. The project is located on the southeast corner of Sunset Boulevard and Gower Street in the community of Hollywood. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/nopsunsetgower-032718.pdf Comment Period: 2/26/2018 - 3/30/2018 Public Hearing: 3/6/2018	Notice of Preparation	City of Los Angeles	SCAQMD staff commented on 3/27/2018

*Sorted by Comment Status, followed by Land Use, then County, then date received.

- Project has potential environmental justice concerns due to the nature and/or location of the project.

** Disposition may change prior to Governing Board Meeting

**ATTACHMENT B
ONGOING ACTIVE PROJECTS FOR WHICH SCAQMD HAS
OR IS CONTINUING TO CONDUCT A CEQA REVIEW**

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SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>Industrial and Commercial</i> SBC180223-02 Arconic Industrial Expansion - Design Review DRC2017-00141	The proposed project consists of construction of a 39,600-square-foot industrial building and two ancillary equipment buildings totaling 9,166 square feet on 17.5 acres. The project is located at 11711 Arrow Route near the southwest corner of Arrow Route and Rochester Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndarconicindustrial-032718.pdf Comment Period: 2/22/2018 - 3/28/2018 Public Hearing: 3/28/2018	Mitigated Negative Declaration	City of Rancho Cucamonga	SCAQMD staff commented on 3/27/2018
<i>Waste and Water-related</i> ORC180227-03 Biosolids Master Plan (Project No. PS15-01)	The proposed project consists of improvements to 18 biosolid handling digesters and supporting facilities. The project is located at 22212 Brookhurst Street on the southeast corner of Bushard Street and Brookhurst Street in the City of Huntington Beach. Reference ORC170718-05 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/dpeirbiosolids-033018.pdf Comment Period: 2/14/2018 - 4/2/2018 Public Hearing: 3/15/2018	Draft Program Environmental Impact Report	Orange County Sanitation District	SCAQMD staff commented on 3/30/2018
<i>Utilities</i> LAC180125-06 Power Plant 1 and Power Plant 2 Transmission Line Conversion Project	The proposed project consists of demolition of existing 115-kilovolt (kV) transmission line, and construction of new 230 kV double circuit transmission lines and associated transmission structures on a 12-mile segment of land. The project is located on the northeast corner of Interstate 5 and Interstate 210 in the community of Granada Hills-Knollwood and within the City of Santa Clarita. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/noppowerplant1-030618.pdf Comment Period: 1/24/2018 - 3/9/2018 Public Hearing: 2/7/2018	Notice of Preparation	Los Angeles Department of Water and Power	SCAQMD staff commented on 3/6/2018
<i>Transportation</i> RVC180220-01 Interstate 15 Corridor Project	The proposed project consists of construction of tolled express lanes on a 14.7-mile segment of Interstate 15 from 0.3 miles south of Cantu-Galleano Ranch Road (Post Mile 49.8) to 1.2 miles north of Duncan Canyon Road (Post Mile 12.2). The project traverses through the cities of Eastvale, Jurupa Valley, and Fontana in the counties of Riverside and San Bernardino. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndinterstate15-031518.pdf Comment Period: 2/15/2018 - 3/16/2018 Public Hearing: 3/1/2018	Notice of Intent to Adopt a Mitigated Negative Declaration	California Department of Transportation	SCAQMD staff commented on 3/15/2018
<i>Transportation</i> SBC180208-04 Base Line Bridge Replacement Project	The proposed project consists of demolition of a 72-foot-wide and 42-foot-long bridge and construction of a 95.5-foot-wide and 600-foot-long replacement bridge. The project is located along Base Line Street between Boulder Avenue and Yarnell Road. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndbaselinebridge-030618.pdf Comment Period: 2/12/2018 - 3/12/2018 Public Hearing: 3/20/2018	Mitigated Negative Declaration	City of Highland	SCAQMD staff commented on 3/6/2018

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<i>Institutional (schools, government, etc.)</i> LAC180208-03 Roosevelt High School Comprehensive Modernization Project	The proposed project consists of demolition of 17 portable classroom buildings and construction of six administrative and classroom buildings totaling 236,000 square feet on 22.7 acres. The project is located at 456 South Mathews Street on the northeast corner of South Soto Street and East 6th Street in the community of Boyle Heights. Reference LAC171018-01 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/deirroosevelthigh-032018.pdf Comment Period: 2/6/2018 - 3/23/2018 Public Hearing: 2/21/2018	Notice of Availability of a Draft Environmental Impact Report	Los Angeles Unified School District	SCAQMD staff commented on 3/20/2018
<i>Institutional (schools, government, etc.)</i> LAC180216-03 Burroughs Middle School Comprehensive Modernization Project	The proposed project consists of demolition of four existing buildings and 12 portable classroom buildings totaling 60,500 square feet. The project will also include construction of four buildings totaling 88,000 square feet and modification to six buildings totaling 104,500 square feet on 10.4 acres. The project is located at 600 South McCadden Place in the community of Hancock Park. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/nopburroughsmiddle-032018.pdf Comment Period: 2/16/2018 - 3/20/2018 Public Hearing: 2/28/2018	Notice of Preparation	Los Angeles Unified School District	SCAQMD staff commented on 3/20/2018
<i>Institutional (schools, government, etc.)</i> SBC180213-01 California Highway Patrol San Bernardino Area Office Replacement Project	The proposed project consists of construction of a 217,000-square-foot building and ancillary improvements, including auto service bays, a 148-foot communications tower, vehicle parking areas, equipment enclosures and storage areas, a fuel island with gas tanks and two mechanized dispensers, an emergency generator, and utility improvements on 5.3 acres. The project is located on the northwest corner of Redlands Boulevard and Bryn Mawr Avenue in the City of Loma Linda. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndcaliforniahighway-031318.pdf Comment Period: 2/12/2018 - 3/13/2018 Public Hearing: N/A	Notice of Intent to Adopt a Mitigated Negative Declaration	California Highway Patrol	SCAQMD staff commented on 3/13/2018
<i>Retail</i> RVC180202-08 Agua Caliente Casino Resort Spa Expansion Project	The proposed project consists of construction of 58,000 square feet of gaming area, 41,000 square feet of meeting space, 25,000 square feet of retail uses, 120,000 square feet of commercial uses, and a 364,000-square foot hotel with 310 rooms on 56 acres. The project is located on the southeast corner of Ramon Road and Bob Hope Drive in the City of Rancho Mirage in Riverside County. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/nopaguacalientecasino-030118.pdf Comment Period: 1/31/2018 - 3/2/2018 Public Hearing: N/A	Notice of Preparation	Agua Caliente Band of Cahuilla Indians	SCAQMD staff commented on 3/1/2018
<i>Retail</i> RVC180220-02 Moreno Valley Festival Specific Plan Amendment	The proposed project consists of construction of a 348,000-square-foot business park and 325,000 square feet of retail uses on 29 acres. The project is located on the northwest corner of Indian Street and State Route 60. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndmorenovalleyfestival-032018.pdf Comment Period: 2/19/2018 - 3/21/2018 Public Hearing: N/A	Mitigated Negative Declaration	City of Moreno Valley	SCAQMD staff commented on 3/20/2018

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SCAQMD LOG-IN NUMBER PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>General Land Use (residential, etc.)</i> LAC180227-05 Oak View Estates Specific Plan	The proposed project consists of construction of nine residential homes, a water storage tank, a loop access road, three bridges, conservation areas, and recreational amenities on a 85-acre portion of 197.7 acres. The project would also preserve 113 acres of open space. The project is located near the northwest corner of Long Canyon Road and Bliss Canyon Road. Reference LAC161117-03 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/nopoakviewestates-032718.pdf Comment Period: 2/26/2018 - 3/27/2018 Public Hearing: 3/14/2018	Notice of Preparation	City of Bradbury	SCAQMD staff commented on 3/27/2018
<i>General Land Use (residential, etc.)</i> ORC180202-02 Red Hill Avenue Specific Plan	The proposed project consists of construction of 500 residential units and 325,000 square feet of commercial, retail, and hotel uses on 43.11 acres. The project is located along Red Hill Avenue between Bryan Avenue and Sycamore Avenue. Reference ORC170411-10 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/deirredhillavenue-031418.pdf Comment Period: 2/1/2018 - 3/19/2018 Public Hearing: N/A	Notice of Availability of a Draft Environmental Impact Report	City of Tustin	SCAQMD staff commented on 3/14/2018
<i>General Land Use (residential, etc.)</i> ORC180213-02 2525 North Main Street Multi-Family Residential Project	The proposed project consists of demolition of an 81,171-square-foot building, and construction of 517 residential units totaling 623,024 square feet and a 368,171-square-foot parking structure with subterranean parking on 5.93 acres. The project will also include 92,214 square feet of open space. The project is located at 2525 North Main Street on the northeast corner of Main Street and Edgewood Road. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/nop2525northmain-031318.pdf Comment Period: 2/12/2018 - 3/13/2018 Public Hearing: 3/1/2018	Notice of Preparation	City of Santa Ana	SCAQMD staff commented on 3/13/2018
<i>General Land Use (residential, etc.)</i> ORC180216-04 Downtown Commercial Core Specific Plan	The proposed project consists of construction of 887 residential units and 300,000 square feet of commercial and office uses on 220 acres. The project is located near the northeast interchange of Interstate 5 and State Route 55. Reference ORC160802-02 http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/deirdowntowncommercial-032718.pdf Comment Period: 2/15/2018 - 4/2/2018 Public Hearing: N/A	Notice of Availability of a Draft Environmental Impact Report	City of Tustin	SCAQMD staff commented on 3/27/2018
<i>General Land Use (residential, etc.)</i> RVC180220-03 McLaughlin Village - Tentative Tract Map No. 2015-250 (TM 36937), Plot Plan No. 2015-251, and Change of Zone No. CZ 2015-252	The proposed project consists of subdivision of 14.34 acres for future development of 126 residential units. The project is located on the southeast corner of McLaughlin Road and Barnett Road. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/mndmclaughlinvillage-031318.pdf Comment Period: 2/23/2018 - 3/28/2018 Public Hearing: 3/28/2018	Notice of Intent to Adopt a Mitigated Negative Declaration	City of Menifee	SCAQMD staff commented on 3/13/2018

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<u>SCAQMD LOG-IN NUMBER</u> PROJECT TITLE	PROJECT DESCRIPTION	TYPE OF DOC.	LEAD AGENCY	COMMENT STATUS
<i>General Land Use (residential, etc.)</i> SBC180227-02 Special Planning Area "D" Specific Plan and Phase 3 Concept Area Development Project	The proposed project consists of construction of 481 residential units, a minimum of 7.1 acres of commercial, retail, and office uses, and 26.5 acres of open space including parks and trails on 103 acres. The project is located near the southwest corner of Redlands Boulevard and California Street. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/nopspecialplanning-032718.pdf <p style="text-align: center;">Comment Period: 2/27/2018 - 3/27/2018 Public Hearing: N/A</p>	Notice of Preparation	City of Loma Linda	SCAQMD staff commented on 3/27/2018
<i>Plans and Regulations</i> RVC180208-07 Etiwanda Avenue/Country Village Road Truck Restriction Ordinance	The proposed project consists of adoption of City ordinance to prohibit medium-heavy-duty trucks and heavy-heavy-duty trucks with gross vehicle weight rating over 16,000 pounds from accessing Etiwanda Avenue between State Route (SR) 60 and Hopkins Street, and accessing Country Village Road between SR-60 and Philadelphia Avenue. http://www.aqmd.gov/docs/default-source/ceqa/comment-letters/2018/nopetiwandaavenue-030618.pdf <p style="text-align: center;">Comment Period: 2/9/2018 - 3/10/2018 Public Hearing: 3/1/2018</p>	Notice of Preparation	City of Jurupa Valley	SCAQMD staff commented on 3/6/2018

- Project has potential environmental justice concerns due to the nature and/or location of the project.

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**ATTACHMENT C
ACTIVE SCAQMD LEAD AGENCY PROJECTS
THROUGH MARCH 31, 2018**

PROJECT DESCRIPTION	PROPONENT	TYPE OF DOCUMENT	STATUS	CONSULTANT
Edgington Oil Company (Edgington) is proposing the following modifications at its existing Edgington Refinery site to allow for additional flexibility in using the site for terminal operations: 1) add 18 offloading arms at its existing rail tank car loading facility to allow for the offloading of distillates, biodiesel, and renewables (diesel and jet fuels), ethanol, naphtha, alkylates, reformate, and isooctane; 2) modify seven truck loading racks to allow distillates, biodiesel, and renewables to be loaded; 3) modify one rack (two arms) to allow unloading of crude oil from trucks; and 4) modify 16 existing fixed-roof asphalt storage tanks to allow storage of distillates, biodiesel, and renewables.	Edgington Oil Company	Initial Study (IS)	An Initial Study has been prepared by the consultant and SCAQMD staff has provided comments. The consultant is in the process of revising the Initial Study.	InterAct
The Phillips 66 (formerly ConocoPhillips) Los Angeles Refinery Ultra Low Sulfur Diesel project was originally proposed to comply with federal, state and SCAQMD requirements to limit the sulfur content of diesel fuels. Litigation against the CEQA document was filed. Ultimately, the California Supreme Court concluded that the SCAQMD had used an inappropriate baseline and directed the SCAQMD to prepare an EIR, even though the project has been built and has been in operation since 2006. The purpose of this CEQA document is to comply with the Supreme Court's direction to prepare an EIR.	Phillips 66 (formerly ConocoPhillips), Los Angeles Refinery	Environmental Impact Report (EIR)	The Notice of Preparation/Initial Study (NOP/IS) was circulated for a 30-day public comment period on March 26, 2012 to April 26, 2012. The consultant submitted the administrative Draft EIR to SCAQMD in late July 2013. The Draft EIR was circulated for a 45-day public review and comment period from September 30, 2014 to November 13, 2014. Two comment letters were received and the consultant has prepared responses to comments which are undergoing SCAQMD review.	Environmental Audit, Inc.
Quemetco is proposing an increase in the daily furnace feed rate.	Quemetco	Environmental Impact Report (EIR)	A Notice of Preparation/Initial Study (NOP/IS) has been prepared by the consultant and SCAQMD staff has provided comments. The consultant has provided a revised NOP/IS which is undergoing SCAQMD review before public release.	Trinity Consultants

**ATTACHMENT C
ACTIVE SCAQMD LEAD AGENCY PROJECTS
THROUGH MARCH 31, 2018**

PROJECT DESCRIPTION	PROPONENT	TYPE OF DOCUMENT	STATUS	CONSULTANT
<p>Southern California Edison (SCE) is proposing to modify the air pollution control system for the Barre Peaker unit to repair current and prevent future water damage by: 1) decreasing the water-injection rate into the turbine’s combustor; 2) replacing the oxidation catalyst and increasing the overall area of catalyst beds in the selective catalytic reduction (SCR) unit; 3) replacing the ammonia injection grid to improve the deliverability of ammonia to the catalyst; and, 4) increasing the concentration of the aqueous ammonia that is delivered to the facility, stored on-site, and injected into the SCR unit from 19% to 29%. In addition, SCE is proposing to revise its SCAQMD Title V Operating Permit to allow the turbine to generate power over its full operating range, from less than one megawatt (MW) to full load (e.g., 45 MW net), while continuing to meet the emission limits in the current permit.</p>	<p>Southern California Edison</p>	<p>Addendum to the April 2007 Final Mitigated Negative Declaration for the Southern California Edison Barre Peaker Project in Stanton</p>	<p>A draft Addendum has been prepared by the consultant and SCAQMD staff has provided comments. The consultant is in the process of revising the Addendum.</p>	<p>Yorke Engineering, LLC</p>
<p>Southern California Edison (SCE) is proposing to modify the air pollution control system for the Mira Loma Peaker unit to repair current and prevent future water damage by: 1) decreasing the water-injection rate into the turbine’s combustor; 2) replacing the oxidation catalyst and increasing the overall area of catalyst beds in the Selective Catalytic Reduction (SCR) unit; 3) replacing the ammonia injection grid to improve the deliverability of ammonia to the catalyst; and, 4) increasing the concentration of the aqueous ammonia that is delivered to the facility, stored on-site, and injected into the SCR unit from 19% to 29%. In addition, SCE is proposing to revise its SCAQMD Title V Operating Permit to allow the turbine to generate power over its full operating range, from less than one megawatt (MW) to full load (e.g., 45 MW net), while continuing to meet the emission limits in the current permit.</p>	<p>Southern California Edison</p>	<p>Addendum to the April 2007 Final Mitigated Negative Declaration for the Southern California Edison Mira Loma Peaker Project in Ontario</p>	<p>A draft Addendum has been prepared by the consultant and SCAQMD staff has provided comments. The consultant is in the process of revising the Addendum.</p>	<p>Yorke Engineering, LLC</p>

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 28

REPORT: Stationary Source Committee

SYNOPSIS: The Stationary Source Committee held a meeting on Friday, April 20, 2018. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Ben Benoit, Chair
Stationary Source Committee

LT:eb

Committee Members

Present: Mayor Ben Benoit/Chair, Mayor Pro Tem Judith Mitchell, Supervisor Shawn Nelson (videoconference) and Supervisor Hilda L. Solis (videoconference)

Absent: Dr. Joseph Lyou/Vice Chair and Supervisor Janice Rutherford

Call to Order

Chair Benoit called the meeting to order at 10:30 a.m.

INFORMATIONAL ITEMS:

1. Summary of Proposed Amended Rule (PAR) 1111 - Reduction of NOx Emissions from Natural Gas Fired, Fan-Type Central Furnaces

Tracy Goss, Manager/Planning, Rule Development and Area Sources, summarized proposed amendments to add a labeling provision to inform the consumer that they are purchasing a unit that is subject to a mitigation fee and that there are units that are eligible for a rebate. Mr. Dave Winningham of Lennox Industries Inc., supported the proposal. Mr. Chris Forth of Johnson Controls, Mr. Ryan Teschner of Rheem, and Mr. Rusty Tharp of Goodman Manufacturing commented that labeling will not be an effective mechanism to inform consumers of the mitigation fee and rebate, because the consumer will not see the label on the box or unit as contractors will install the unit. Manufacturers commented that information, such as brochures provided by the manufacturer or contractor as well as information on websites, may be more effective. Supervisor Solis suggested that the information be provided on

the SCAQMD website, and staff confirmed that will occur. Mayor Pro Tem Mitchell commented that the key is to have consumers know about the rebate program and mitigation fee. She also suggested that staff return to the Stationary Source Committee to provide an update on the rebate program.

2. Summary of Proposed Amended Rules 1146 - Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters; 1146.1 - Emissions of Oxides of Nitrogen from Small Industrial, Institutional, and Commercial Boilers, Steam Generators, and Process Heaters; 1146.2 - Emissions of Oxides of Nitrogen from Large Water Heaters and Small Boilers and Process Heaters; and Proposed Rule 1100 – Implementation Schedule for NOx Facilities

Tracy Goss provided an update and summarized the key remaining issues for Proposed Amended Rules 1146, 1146.1, and 1146.2 and Proposed Rule 1100. Mayor Pro Tem Mitchell inquired about the current proposals relying on a 2008 BARCT determination. Mr. Goss responded that at this time staff determined, based on a 2015 RECLAIM technology assessment, that the 2008 determination for BARCT is still relevant and that future BARCT assessments will assess the state of technology advancements.

Scott Weaver with Ramboll Environmental, commented that staff just changed the applicability at the last Working Group Meeting to include metal operation and aggregate facilities, as well as the cost effectiveness of the BARCT to former RECLAIM facilities. Susan Nakamura, Assistant Deputy Executive Officer/Planning, Rule Development and Area Sources, clarified that language in the Preliminary Draft Rule for the 75-day public notice excluded refineries and electricity generating facilities and included the metal processing and aggregate facilities in the proposed rules. The Committee Members requested that staff work to resolve this issue.

This item was taken out of order.

4. Update on the AB 617 Community Identification Process

Dr. Philip Fine, Deputy Executive Officer/Planning, Rule Development and Area Sources, presented on the work completed for identifying communities for AB 617 and provided a preliminary list of communities under consideration. Mayor Benoit commented on the number of community self-recommendations received. Mayor Pro Tem Mitchell clarified that the list of preliminary communities to be submitted to CARB will remain broadly inclusive. Supervisor Solis asked for clarification on the community self-recommendation deadline and expressed that there are unincorporated areas in Los Angeles County that should be considered.

Supervisor Nelson left the meeting at 11:00 a.m.

3. Update on Proposed Amended Rule (PAR) 1469 – Hexavalent Chromium Emissions from Chromium Electroplating and Chromic Acid Anodizing Operations

Susan Nakamura presented an update on Proposed Amended Rule (PAR) 1469. Mayor Benoit mentioned that it is important to evaluate how the tanks are set up and to find alternatives to processes which are much cleaner and get the same reductions. Mayor Pro Tem Mitchell asked for the cost to comply for each facility. Ms. Nakamura responded that the average annualized cost would be between \$40,000 and \$60,000 per facility.

Supervisor Solis expressed concern about residue being found on roofs and how facilities would be able to contain the emissions. She also asked if there was a way to continually test and monitor equipment. Ms. Nakamura responded that PAR 1469 requires periodic source testing and that there are provisions that require monitoring specific parameters of the pollution controls to ensure continuous compliance and that building enclosure requirements will help to control fugitive emissions.

The following 43 speakers provided public comment.

Dale Watkins, MFASC	James Perez, Aircraft X-Ray Laboratories, Inc.
Lourdes Ortiz, MFASC	Kashirani Patel, Brite Plating
Brian Ward, AAA Plating/MFASC	Walter Rodriguez, Chromal Plating
Ruben Angel, Size Control Plating	Eriberto Hernandez, Brite Plating
Juan San Taro, EME	Trinidad Gonzalez, Brite Plating
Alan Olick, MFASC/Brite Plating	Claudia Martinez, EME
Jesus Padilla, Chromal Plating	Roger Sanchez, Pico Rivera Plating
Joe Lipsey, Jr., EME/MFASC	Ramon Dubon, Size Control Plating

Expressed concern that the proposed amended rule would hurt the economy or impact the industry in a negative manner.

Brian Leiker, MFASC

Expressed concern that the rule would cause jobs to be lost and presented a petition signed by 1,500 people.

Cesar Velasco, Aircraft X-Ray Laboratories, Inc.

Mike Palatas, Gardena Specialized Processing

Justin Guzman, MFASC

Expressed that reducing the tank height due to the freeboard height would negatively impact businesses and has no basis.

Dilip Patel, Brite Plating

Commented that parts are rinsed multiple times prior to being dried with compressed air and the residue would not have chrome.

Bernie Moore, MFASC

Commented that Cal/OSHA has a 2,500 ng/m³ limit, and SCAQMD is using 1 ng/m³ as a threshold for action.

Jim Newton, Aircraft X-Ray Laboratories, Inc.

Commented that PAR 1469 (p)(4) is redundant to SCAQMD Rule 430 - Breakdown Provisions, and is unnecessary.

Dan Cunningham, Bowman Plating

Commented that the industry has reduced hexavalent chromium significantly and has received two Clean Air Awards from SCAQMD. Also requested to make the “make-sense provision” part of the best management provisions, and not rule requirements.

Joe Stevens, Bridge Safety Consultants

Vince Grana, MFASC/California Electroplating

Steven Good, EME/Metal Workers of Southern California

Sam Bell, Metal Surfaces, Inc

Dan Zinmen, MFASC

Expressed that the rule should not be based on outdated or incorrect science.

Massoud Akhavi, Bowman Plating

Brad Kerr, The Industry/Supplier of Chemicals

Charles Bell, Metal Surfaces, Inc

Frankie Rivera, EME

Jim Meyer, Aviation and Repair Solutions

Expressed that the industry is important to aerospace and is required to use hexavalent chromium based on customer requirements.

Vincent Noonan, MFASC

Cost numbers need to be reviewed for total enclosures, and jobs that this industry provides do not require a college degree.

Carolyne Padilla, MFASC/Gardena Specialized Processing

Expressed concern that jobs would be moving out of California and noted that many everyday items are coated using hexavalent chromium.

Geoffrey Blake, MFASC

Expressed that existing air pollution control systems are testing below the emission limits and costly proposed emission testing is not the right approach.

Raul A. Riesgo, Resident

Expressed a desire to keep local jobs.

Yvonne Martinez Watson, Sierra Club Angeles Chapter
Requested that safer alternatives be considered.

Robina Suwol, California Safe Schools
Expressed that additional protection of communities and schools is needed.

Jane Williams, California Communities Against Toxics
Expressed concerned with the use of chemical fume suppressants, which are more dangerous than hexavalent chromium.

Felipe Aguirre, Resident of Maywood
Requested adoption of the most stringent rule possible.

Bill Pearce, The Boeing Company
The term non-toxic should not be used as some of the non-hexavalent chromium alternatives would be considered toxic.

Public testimony was followed by comments from Stationary Source Committee members.

Mayor Pro Tem Mitchell said that agency has previously worked with industry and the environmental community and that the agency needs to balance impacts. She requested that staff continue to work with the Metal Finishing Association of Southern California (MFASC) to address outstanding issues and asked staff what the alternatives to chemical fume suppressants were. Mayor Pro Tem Mitchell also asked for information about the science and stated that staff should take into consideration impacts on jobs and the aerospace industry. She advised to not set the hearing in May and supported industries utilizing alternatives and encouraged companies to use a less toxic process.

Supervisor Solis requested additional information from both sides and expressed concern about the hazards of chemical fume suppressants. She asked if there was a way to incentivize small businesses to move to cleaner alternatives. Supervisor Solis agreed that more time is needed to work on issues.

Mayor Benoit agreed with Supervisor Solis and Mayor Pro Tem Mitchell and asked about the requirement for freeboard height. Mayor Benoit also asked if staff had any comments.

Dr. Fine explained that the basis of PAR 1469 is SCAQMD monitoring efforts, highlighting the monitored levels of hexavalent chromium in the City of Paramount which correspond to high cancer risks based on OEHHA guidance, which is what the entire state uses when assessing risks. Dr. Fine explained that certain uncontrolled tanks were found at multiple facilities that were sources of hexavalent

chromium. Staff's recommendation is to move forward to address the known sources and that a delay would pose a continued risk to the community. Dr. Fine responded that through the 18 months and 11 working group meetings, staff have compromised on rule language and that new total enclosures are not expected, evaluating issues with non-PFOS fume suppressants would take approximately two years, and stated that claims that chemical fume suppressants are more dangerous than hexavalent chromium are not substantiated.

Ms. Nakamura clarified that there were multiple working group meetings each with 450 emails sent out, facilities that move out of the Basin or state still need to comply with the federal NESHAPS, which may incorporate provisions of Rule 1469. Ms. Nakamura also commented that the freeboard height requirement has been modified repeatedly based on feedback from stakeholders and only applies if facilities change their entire line. The Cal/OSHA threshold referenced is based on non-cancer health effects, but the risk driver is cancer. Rule 430 breakdown provisions do not apply to toxic air contaminants and breakdown provisions are needed in PAR 1469. Permanent Total Enclosures is a triggered requirement in the proposed amended rule, and multiple high cost items have been removed from PAR 1469.

Supervisor Solis stated a concern for the high-emitting tanks that should be addressed first and suggested developing a phased-in approach. Supervisor Solis suggested to bifurcate the rule to have a phased-in approach. Ms. Nakamura responded that the rule is focused on the high-emitting tanks. The requirement of periodic source testing has been modified based on feedback from industry.

Dr. Fine responded that staff has worked with industry and concluded that there would not be a rule for which everyone would agree to.

Wayne Nastri, Executive Officer, indicated that staff has worked objectively on the rule. He acknowledged the importance of examining the risk of chemical fume suppressants, but the exposure of hexavalent chromium is also important. Mr. Nastri clarified that the U.S. EPA ban on fume suppressants was not associated with plating, but with firefighting where the substance gets deposited into groundwater and surface waters. Mr. Nastri noted that staff wants to evaluate the issue and if it is determined that there is an exposure to chemical fume suppressants, then staff will take action. Mr. Nastri stated that although the European Union has worked to ban hexavalent chromium, they also allow exemptions and questioned whether this is the direction we want to take. Mr. Nastri stated that communities have asked for protection. Mr. Nastri expressed an urgency for the rule and that by not moving forward there is chance a rule would not be adopted until the end of the year and questioned what that delay would cost the affected communities.

Mayor Pro Tem Mitchell asked what would be the impact of removing fume suppressants from the rule. Mr. Nastri clarified that the fume suppressants are used by smaller facilities that do not have any other controls to limit hexavalent chromium. Mr. Nastri reiterated that staff would work as quickly as possible to evaluate fume suppressants. He committed to work with the legislature to support facilities to move away from using hexavalent chromium. Mayor Pro Tem Mitchell asked how many facilities are using fume suppressants. Mr. Nastri responded that 27 facilities are exclusively using fume suppressants with 65 facilities using fume suppressants and other controls.

Mayor Pro Tem Mitchell expressed concern with the levels of hexavalent chromium detected in the community and recommended that the rule be heard in June. Mayor Pro Tem Mitchell asked staff to continue to work with industry and the workers who testified. She supported setting the hearing today. Mayor Pro Tem Mitchell requested that staff come back to the committee in six months with an update on the implementation and what other alternative processes are available.

Mayor Benoit agreed that periodic updates would be beneficial.

Supervisor Solis agreed that staff should look at alternatives, work with the legislature to secure incentives for converting to an alternate process, and to educate members of the public of the need to take action based on health impacts.

Mr. Nastri committed to having another working group, and to work with the Department of Defense regarding specifications requiring hexavalent chromium.

Mayor Benoit asked if it would be possible to bifurcate the rule and look first at the tanks of concern. Dr. Fine responded that this is the approach of the rule and that there is a strong pathway going forward such as committing to a study of fume suppressants and a potential phase out of fume suppressants.

Mayor Benoit asked if enclosures would be part of the proposal. Dr. Fine responded that there would be options for the Board to consider. Mr. Nastri clarified that much of the enclosure requirements would not occur unless triggered. Mr. Nastri recommended a 60-day set hearing, i.e., to set the hearing in May for the rule be considered by the Board in July. The Committee Members agreed with the schedule.

WRITTEN REPORTS:

5. Notice of Violation Penalty Summary

The report was acknowledged by the Committee.

6. Twelve-month and Three-month Rolling Price of RTCs for Compliance Years 2017 and 2018

The report was acknowledged by the Committee.

OTHER MATTERS:

7. Other Business

There was no other business.

8. Public Comment Period

There were no public comments.

9. Next Meeting Date

The next regular Stationary Source Committee meeting is scheduled for Friday, May 18, 2018.

Adjournment

The meeting was adjourned at 12:20 p.m.

Attachments

1. Attendance Record
2. Notice of Violation Penalty Summary
3. Twelve-month and Three-month Rolling Price of RTCs for Compliance Years 2017 and 2018

ATTACHMENT 1

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE**

Attendance – April 20, 2018

Mayor Ben Benoit	SCAQMD Governing Board
Mayor Pro Tem Judith Mitchell	SCAQMD Governing Board
Supervisor Shawn Nelson (videoconference)	SCAQMD Governing Board
Supervisor Hilda L. Solis (videoconference)	SCAQMD Governing Board
Marisa Perez	Board Consultant (Mitchell)
Charlene Contreras	LA Department of Public Health
Bill LaMarr	CSBA
Brian Leiker	MFASC
Rita Loof.....	RadTech
David Rothbart	L.A. County Sanitation Districts
Bill Pearce	Boeing
Susan Stark	Andeavor
Robina Suwol	California Safe Schools
David Stephens	Johnson Controls
Wesley Turnbow	MFASC
Lidia Ursag	Los Angeles Mayors Office
Ted Ventresca	Chemeon Surface Technology
Yvonne Watson	Sierra Club
Jane Williams	California Communities Against Toxics
Chris Forth.....	Johnson Controls
Andy Silva	San Bernardino County
Geoff Blake	MFASC/CASBA
Mike Palatas	Gardena Specialized Processing
Lourdes Ortiz.....	MFASC
Vincent Noonan.....	MFASC
Dave Winningham.....	Lennox International
Ryan Teschner	Rheem Manufacturing
Rusty Tharp	Goodman
Scott Weaver	Ramboll
Dale Watkins	MFASC
Brian Ward	AAA Plating/MFASC
Dale Watkins	MFASC
Lourdes Ortiz.....	MFASC

ATTACHMENT 1

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE**

Attendance – April 20, 2018

Ruben Angel.....	Size Control Plating
Juan San Taro	EME
Alan Olick	MFASC/Brite Plating
Jesus Padilla.....	Chromal Plating
Joe Lipsey, Jr.....	EME/MFASC
James Perez	Aircraft X-Ray Laboratories, Inc.
Kashirani Patel.....	Brite Plating
Walter Rodriguez.....	Chromal Plating
Eriberto Hernandez.....	Brite Plating
Trinidad Gonzalez	Brite Plating
Claudia Martinez	EME
Roger Sanchez	Pico Rivera Plating
Ramon Dubon.....	Size Control Plating
Cesar Velasco	Aircraft X-Ray Laboratories, Inc.
Justin Guzman	MFASC
Dilip Patel.....	Brite Plating
Bernie Moore.....	MFASC
Jim Newton.....	Aircraft X-Ray Laboratories, Inc.
Dan Cunningham.....	Bowman Plating
Joe Stevens	Bridge Safety Consultants
Vince Grana.....	MFASC/California Electroplating
Steven Good	EME/Metal Workers of Southern California
Sam Bell	Metal Surfaces, Inc
Dan Zinmen	MFASC
Massoud Akhavi.....	Bowman Plating
Brad Kerr	The Industry/Supplier of Chemicals
Charles Bell	Metal Surfaces, Inc
Frankie Rivera	EME
Jim Meyer.....	Aviation and Repair Solutions
Carolyn Padilla.....	MFASC/Gardena Specialized Processing
Geoffrey Blake	MFASC
Raul A. Riesgo.....	Resident
Felipe Aguirre.....	Resident of Maywood

ATTACHMENT 1

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
STATIONARY SOURCE COMMITTEE**

Attendance – April 20, 2018

Barbara Baird.....	SCAQMD staff
Philip Fine	SCAQMD staff
Bayron Gilchrist	SCAQMD staff
Tracy Goss.....	SCAQMD staff
Susan Nakamura.....	SCAQMD staff
Wayne Nastri	SCAQMD staff
Laki Tisopulos	SCAQMD staff
Jill Whynot	SCAQMD staff

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
General Counsel's Office
DRAFT
March 2018 Settlement Penalty Report

<u>Total Penalties</u>	
Civil Settlements:	\$123,350.00
MSPAP Settlements:	\$24,598.00
Total Cash Settlements:	\$147,948.00
Total SEP Value:	\$0.00

Fiscal Year through 3 / 2018 Cash Total:	\$9,793,129.81
Fiscal Year through 3 / 2018 SEP Value Only Total:	\$2,120,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
Civil Settlements						
152948	AMERICAN DOCK BOX	3002	3/28/2018	TRB	P64353	\$500.00
800037	DEMENNO/KERDOON	2004 3002	3/20/2018	SH	P60457	\$5,000.00
160245	GATEWAY CREMATORY, SMART CREMATION CA	1147	3/2/2018	BST	P65767	\$55,000.00
142311	GREENCYCLE	PERP 2459 203(a)	3/6/2018	BST	P66253 P66402	\$7,200.00
136012	HABBOR CHEVRON, BHUPINDER S MAC DBA	41954 41960.2 461(c)	3/27/2018	GV	P61679	\$800.00
134765	HYDRO SYSTEMS INC	203(b)	3/28/2018	BST	P56882 P56892 P61305	\$2,000.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
168220	LEX-RY HOLDING INC. DBA EXCELL CLEANERS	203(a)	3/27/2018	GV	P62158	\$550.00
168609	PROCARE TREE SERVICE, INC.	203 (a)	3/14/2018	KCM	P59847 P61905 P61908	\$4,500.00
113444	R M MYERS CORPORATION	1403	3/2/2018	BST	P63557	\$1,500.00
113779	R. J. NOBLE COMPANY	203 (a) 203 (b) PERP 2460	3/28/2018	VKT	P62041	\$500.00
68118	TIDELANDS OIL PRODUCTION COMPANY ETAL	2012 218 2004 3002 1173 2004(f)(1) 203 (b) 3002(c)(1) 3003	3/6/2018	KRW	P51979 P52626 P55646 P60579	\$25,000.00
36412	VILLAGE CAR WASH	203 (a) 461 461(c) 461(E)(2)(A)	3/8/2018	DH	P63116 P63127	\$800.00
22092	WESTERN TUBE & CONDUIT CORP	203 3002 3002(c)(1) 3004	3/7/2018	SMP	P50739 P56998	\$20,000.00

Total Civil Settlements: \$123,350.00

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
MSPAP Settlements						
177675	AMERICAN BEEF PACKERS		3/16/2018	JS		\$4,200.00
		1415.1			P64830	
173008	AMERICAN PREMIUM GASOLINE		3/16/2018	GC		\$1,575.00
		461			P65022	
		461(c)(2)(B)				
174004	ARCO AMPM 5 POINTS		3/16/2018	GC		\$600.00
		461			P64969	
175316	FOOTHILL OIL CORPORATION, BAHMAN NATANZI		3/16/2018	GC		\$400.00
		461			P64915	
121877	G & M OIL CO, LLC #91		3/16/2018	GC		\$1,083.00
		41960.2			P65711	
		461				
149931	G & M OIL COMPANY, LLC #149		3/16/2018	GC		\$1,850.00
		203 (b)			P65702	
		41960.2				
		461				
131146	G&M OIL CO, LLC #113		3/16/2018	GC		\$2,040.00
		41960.2			P65713	
		461				
145861	GRIGORIAN'S INC/ARCO #166		3/16/2018	GC		\$1,000.00
		461(E)(2)(A)			P64290	
178369	IEH, LLC		3/16/2018	GC		\$400.00
		203 (b)			P65013	
		41960.2				
		461				
		461(c)(2)(B)				
145096	KEMP BROS. CONSTRUCTION, INC.		3/16/2018	TF		\$800.00
		403			P65031	

Fac ID	Company Name	Rule Number	Settled Date	Init	Notice Nbr	Total Settlement
20731	LA MART	203 (a)	3/16/2018	TF	P65054	\$100.00
58622	LOS ANGELES COLD STORAGE CO	2004	3/16/2018	TF	P60587	\$800.00
185646	MK BUILDERS	1403	3/16/2018	TF	P66451	\$1,375.00
176229	OHNO CONSTRUCTION COMPANY	403	3/16/2018	TF	P65029 P65030	\$1,600.00
45746	PABCO BLDG PRODUCTS LLC,PABCO PAPER, DBA	2004	3/16/2018	TF	P57099	\$1,000.00
183208	PCH PETRO	461	3/16/2018	TF	P65732	\$375.00
178264	SOUTHWEST DEMOLITION	1403	3/16/2018	TF	P66455	\$900.00
144127	SPUNKY CANYON MARKET	461	3/16/2018	TF	P64924	\$2,100.00
183869	UNITED PACIFIC #5665	203	3/16/2018	GV	P64920	\$2,400.00

Total MSPAP Settlements: \$24,598.00

DRAFT
DISTRICT'S RULES AND REGULATIONS INDEX
FOR MARCH 2018 PENALTY REPORT

REGULATION II - PERMITS

- Rule 203 Permit to Operate (*Amended 1/5/90*)
- Rule 218 Continuous Emission Monitoring (*Amended 5/14/99*)

REGULATION IV – PROHIBITIONS

- Rule 403 Fugitive Dust (*Amended 12/11/98*) *Pertains to solid particulate matter emitted from man-made activities.*
- Rule 461 Gasoline Transfer and Dispensing (*Amended 6/15/01*)

REGULATION XI - SOURCE SPECIFIC STANDARDS

- Rule 1147 Nox Reductions from Miscellaneous Sources
- Rule 1173 Fugitive Emissions of Volatile Organic Compounds (*Amended 5/13/94*)

REGULATION XIV - TOXICS

- Rule 1403 Asbestos Emissions from Demolition/Renovation Activities (*Amended 4/8/94*)
- Rule 1415.1 Reduction of Refrigerant Emissions from Stationary Refrigeration Systems.
- Rule 1470 Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines

REGULATION XX REGIONAL CLEAN AIR INCENTIVES MARKET (RECLAIM)

- Rule 2004 Requirements (*Amended 5/11/01*)
- Rule 2012 Requirements for Monitoring, Reporting, and Recordkeeping for Oxides of Nitrogen (NO_x) Emissions (*Amended 5/11/01*)

REGULATION XXX TITLE V PERMITS

- Rule 3002 Requirements (*Amended 11/14/97*)
- Rule 3003 Applications (*Amended 3/16/01*)

CALIFORNIA HEALTH AND SAFETY CODE

41954 Compliance for Control of Gasoline Vapor Emissions
41960.2 Gasoline Vapor Recovery

CALIFORNIA CODE OF REGULATIONS

PERP 2459 Portable Equipment Notification
PERP 2460 Portable Equipment Testing Requirements



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

Twelve-Month and Three-Month Rolling Average Price of Compliance Years 2017 and 2018 NOx and SOx RTCs

April 2018 Quarterly Report to Stationary Source Committee

Table I

Twelve-Month Rolling Average Price Data for Compliance Year 2017 NOx RTCs
(Report to Governing Board if rolling average price greater than \$22,500/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2017 NOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price ¹ (\$/ton)
Jan-17	Jan-16 to Dec-16	69.7	\$460,621	9	\$6,606
Feb-17	Feb-16 to Jan-17	94.7	\$610,693	11	\$6,446
Mar-17	Mar-16 to Feb-17	82.2	\$573,193	10	\$6,970
Apr-17	Apr-16 to Mar-17	125.3	\$824,493	12	\$6,581
May-17	May-16 to Apr-17	113.8	\$741,828	15	\$6,519
Jun-17	Jun-16 to May-17	113.8	\$741,828	15	\$6,519
Jul-17	Jul-16 to Jun-17	134.4	\$867,079	22	\$6,450
Aug-17	Aug-16 to Jul-17	144.8	\$920,041	29	\$6,355
Sep-17	Sep-16 to Aug-17	150.4	\$955,120	35	\$6,351
Oct-17	Oct-16 to Sep-17	151.2	\$956,005	36	\$6,323
Nov-17	Nov-16 to Oct-17	252.8	\$1,345,772	55	\$5,324
Dec-17	Dec-16 to Nov-17	267.1	\$1,376,674	58	\$5,155
Jan-18	Jan-17 to Dec-17	305.1	\$1,276,006	57	\$4,182
Feb-18	Feb-17 to Jan-18	693.2	\$1,888,755	94	\$2,724
Mar-18	Mar-17 to Feb-18	743.6	\$1,991,269	111	\$2,678
Apr-18	Apr-17 to Mar-18	705.6	\$1,746,469	110	\$2,475

1. District Rule 2015(b)(6) - Backstop Provisions provides additional "evaluation and review of the compliance and enforcement aspects of the RECLAIM program" if the average RTC price exceeds \$15,000 per ton.

Table II

Twelve-Month Rolling Average Price Data for Compliance Year 2018 NOx RTCs
(Report to Governing Board if rolling average price greater than \$22,500/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2018 NOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price ¹ (\$/ton)
Jan-18	Jan-17 to Dec-17	91.6	\$974,592	3	\$10,639
Feb-18	Feb-17 to Jan-18	91.6	\$974,592	3	\$10,639
Mar-18	Mar-17 to Feb-18	100.7	\$1,041,091	4	\$10,337
Apr-18	Apr-17 to Mar-18	51.6	\$497,246	5	\$9,643

1. District Rule 2015(b)(6) - Backstop Provisions provides additional "evaluation and review of the compliance and enforcement aspects of the RECLAIM program" if the average RTC price exceeds \$15,000 per ton.

Table III

Three-Month Rolling Average Price Data for Compliance Year 2017 NOx RTCs
(Report to Governing Board if rolling average price greater than \$35,000/ton)

Three-Month Rolling Average Price Data for Compliance Year 2017 NOx RTC					
Reporting Month	3-Month Period	Total Volume Traded with Price During Past 3-month (tons)	Total Price of Volume Traded During Past 3-month (\$)	Number of Trades with Price	Rolling Average Price (\$/ton)
Jan-17	Oct-16 to Dec-16	41.1	\$310,586	6	\$7,561
Feb-17	Nov-16 to Jan-17	66.1	\$460,658	8	\$6,971
Mar-17	Dec-16 to Feb-17	65.0	\$452,221	7	\$6,962
Apr-17	Jan-17 to Mar-17	68.1	\$401,372	4	\$5,897
May-17	Feb-17 to Apr-17	46.6	\$272,479	6	\$5,847
Jun-17	Mar-17 to May-17	46.6	\$272,479	6	\$5,847
Jul-17	Apr-17 to Jun-17	24.2	\$146,430	11	\$6,051
Aug-17	May-17 to Jul-17	31.0	\$178,213	14	\$5,753
Sep-17	Jun-17 to Aug-17	36.6	\$213,292	20	\$5,828
Oct-17	Jul-17 to Sep-17	17.9	\$97,616	15	\$5,468
Nov-17	Aug-17 to Oct-17	109.1	\$434,421	27	\$3,981
Dec-17	Sep-17 to Nov-17	118.9	\$438,682	25	\$3,689
Jan-18	Oct-17 to Dec-17	195.0	\$630,587	27	\$3,233
Feb-18	Nov-17 to Jan-18	506.5	\$1,003,641	47	\$1,981
Mar-18	Dec-17 to Feb-18	541.5	\$1,066,815	60	\$1,970
Apr-18	Jan-18 to Mar-18	468.5	\$871,835	57	\$1,861

Table IV

Three-Month Rolling Average Price Data for Compliance Year 2018 NOx RTCs
(Report to Governing Board if rolling average price greater than \$35,000/ton)

Three-Month Rolling Average Price Data for Compliance Year 2018 NOx RTC					
Reporting Month	3-Month Period	Total Volume Traded with Price During Past 3-month (tons)	Total Price of Volume Traded During Past 3-month (\$)	Number of Trades with Price	Rolling Average Price (\$/ton)
Jan-18	Oct-17 to Dec-17	38.1	\$400,092	1	\$10,500
Feb-18	Nov-17 to Jan-18	38.1	\$400,092	1	\$10,500
Mar-18	Dec-17 to Feb-18	9.1	\$66,499	1	\$7,300
Apr-18	Jan-18 to Mar-18	10.0	\$72,654	3	\$7,295

Table V

Twelve-Month Rolling Average Price Data for Infinite-Year Block NOx RTCs
 (Report to Governing Board if rolling average price after 2018 is less than \$200,000/ton)

Twelve-Month Rolling Average Price Data for Infinite-Year Block NOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price (\$/ton)
May-16	May-15 to Apr-16	805.1	\$215,694,953	44	\$267,913
Jun-16	Jun-15 to May-16	781.6	\$211,669,953	44	\$270,819
Jul-16	Jul-15 to Jun-16	351.5	\$128,539,029	31	\$365,654
Aug-16	Aug-15 to Jul-16	512.9	\$166,663,599	32	\$324,943
Sep-16	Sep-15 to Aug-16	517.7	\$167,951,099	32	\$324,449
Oct-16	Oct-15 to Sep-16	441.9	\$150,586,981	30	\$340,759
Nov-16	Nov-15 to Oct-16	321.9	\$121,239,854	25	\$376,628
Dec-16	Dec-15 to Nov-16	321.9	\$121,238,354	24	\$376,638
Jan-17	Jan-16 to Dec-16	301.9	\$114,731,605	20	\$380,057
Feb-17	Feb-16 to Jan-17	183.0	\$46,520,577	10	\$254,172
Mar-17	Mar-16 to Feb-17	174.3	\$41,738,077	7	\$239,491
Apr-17	Apr-16 to Mar-17	174.3	\$41,738,077	7	\$239,491
May-17	May-16 to Apr-17	176.8	\$42,113,977	8	\$238,223
Jun-17	Jun-16 to May-17	175.3	\$41,588,977	7	\$237,266
Jul-17	Jul-16 to Jun-17	172.2	\$40,437,201	6	\$234,802
Aug-17	Aug-16 to Jul-17	10.8	\$2,311,624	4	\$213,249
Sep-17	Sep-16 to Aug-17	4.1	\$624,124	3	\$152,598
Oct-17	Oct-16 to Sep-17	4.1	\$624,124	3	\$152,598
Nov-17	Nov-16 to Oct-17	4.1	\$624,124	3	\$152,598
Dec-17	Dec-16 to Nov-17	4.1	\$624,124	3	\$152,598
Jan-18	Jan-17 to Dec-17	31.8	\$1,262,801	6	\$39,673
Feb-18	Feb-17 to Jan-18	58.8	\$1,579,801	9	\$26,853
Mar-18	Mar-17 to Feb-18	58.8	\$1,579,801	9	\$26,853
Apr-18	Apr-17 to Mar-18	58.8	\$1,579,801	9	\$26,853

Table VI

Twelve-Month Rolling Average Price Data for Compliance Year 2017 SOx RTCs
(Report to Governing Board if rolling average price greater than \$50,000/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2017 SOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price ¹ (\$/ton)
Jan-17	Jan-16 to Dec-16	0	0	0	-
Feb-17	Feb-16 to Jan-17	0	0	0	-
Mar-17	Mar-16 to Feb-17	0	0	0	-
Apr-17	Jan-17 to Mar-17	0	0	0	-
May-17	May-16 to Apr-17	0	0	0	-
Jun-17	Jun-16 to May-17	0	0	0	-
Jul-17	Jul-16 to Jun-17	0	0	0	-
Aug-17	Aug-16 to Jul-17	4.0	\$4,400	1	\$1,100
Sep-17	Sep-16 to Aug-17	14.0	\$19,400	2	\$1,386
Oct-17	Oct-16 to Sep-17	14.0	\$19,400	2	\$1,386
Nov-17	Nov-16 to Oct-17	14.0	\$19,400	2	\$1,386
Dec-17	Dec-16 to Nov-17	14.0	\$19,400	2	\$1,386
Jan-18	Jan-17 to Dec-17	14.0	\$19,400	2	\$1,386
Feb-18	Feb-17 to Jan-18	57.0	\$58,742	7	\$1,030
Mar-18	Mar-17 to Feb-18	57.0	\$58,742	7	\$1,030
Apr-18	Apr-17 to Mar-18	57.0	\$58,742	7	\$1,030

1. District Rule 2015(b)(6) - Backstop Provisions provides additional "evaluation and review of the compliance and enforcement aspects of the RECLAIM program" if the average RTC price exceeds \$15,000 per ton.

Table VII

Twelve-Month Rolling Average Price Data for Compliance Year 2018 SOx RTCs
(Report to Governing Board if rolling average price greater than \$50,000/ton)

Twelve-Month Rolling Average Price Data for Compliance Year 2018 SOx RTC					
Reporting Month	12-Month Period	Total Volume Traded with Price During Past 12-month (tons)	Total Price of Volume Traded During Past 12-month (\$)	Number of Trades with Price	Rolling Average Price ¹ (\$/ton)
Jan-18	Jan-17 to Dec-17	None	-	-	-
Feb-18	Feb-17 to Jan-18	None	-	-	-
Mar-18	Mar-17 to Feb-18	None	-	-	-
Apr-18	Apr-17 to Mar-18	None	-	-	-

1. District Rule 2015(b)(6) - Backstop Provisions provides additional "evaluation and review of the compliance and enforcement aspects of the RECLAIM program" if the average RTC price exceeds \$15,000 per ton.

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 29

REPORT: Technology Committee

SYNOPSIS: The Technology Committee held a meeting on Friday, April 20, 2018. The following is a summary of the meeting.

RECOMMENDED ACTION:
Receive and file.

Joe Buscaino, Chair
Technology Committee

MMM:pmk

Committee Members

Present: Council Member Joe Buscaino/Chair (videoconference), Mayor Larry McCallon, Mayor Pro Tem Judith Mitchell, Council Member Dwight Robinson

Absent: Supervisor Janice Rutherford and Supervisor Hilda L. Solis

Call to Order

Chair Buscaino called the meeting to order at 12:22 p.m.

ACTION ITEMS:

1. Execute Contract to Develop and Certify Near-Zero Emission Propane Engine for On-Road Medium-Duty Vehicles

The SCAQMD helped to develop near-zero emission CNG engines that are 90% cleaner than the current heavy-duty engine standard, and those engines are now available in the market. There is a need, however, to develop and certify near-zero engines for medium-duty vehicles. Roush CleanTech proposes to modify an existing Ford 6.8-liter propane engine to achieve certification at near-zero NOx for use in Type C school buses and cutaway trucks and vans. This action is to execute a contract with Roush CleanTech to develop, demonstrate and certify a 6.8-liter near-zero emission propane engine in an amount not to exceed \$488,750 from the Clean Fuels Fund (31).

Mayor Pro Tem Mitchell inquired about the ability to retrofit existing engines, incentive funds available for the proposed engines and the status of battery electric school buses. Staff informed the committee that the subject project is for new engines or for repowers, and after certification, the near-zero propane engine will be eligible for incentive funds. Additionally, five OEMs currently offer battery electric buses, and SCAQMD has previously provided funding for battery electric buses and staff is currently seeking feedback from school districts on overall performance and costs.

Council Member Robinson asked a question about the deployment prospects for an electric bus and the time frame involved. Staff informed the committee that the battery electric buses are anticipated to be deployed over the next 12 months.

Based on an inquiry by Council Member Buscaino about co-pay for battery electric buses, staff indicated that between the District's AB 923 and CARB's Hybrid Voucher Incentive Project (HVIP), the school district is provided the full cost of the bus with some funds for the infrastructure. Javier Rodriguez, Garden Grove School District, commented that funds for infrastructure, especially facility upgrades, are insufficient. Staff informed the committee that additional infrastructure funds are available from the HVIP program, and CEC is also working on a plan to support electrical infrastructure.

Moved by Mitchell; seconded by Robinson; unanimously approved.

Ayes: Buscaino, McCallon, Mitchell and Robinson

Noes: None

Absent: Rutherford and Solis

2. Approve Awards for Alternative Fuel School Bus Replacement Program

On October 6, 2017, the Board issued a Program Announcement to solicit applications for replacement of pre-1994 diesel school buses with alternative fuel school buses. Subsequently, on April 6, 2018, the Board recognized \$3,184,875 from U.S. EPA's 2017 Targeted Air Shed Grant Program to replace diesel school buses with near-zero emission CNG buses. This action is to approve awards to replace pre-1994 diesel school buses with new, near-zero or optional low NOx alternative fuel buses in an amount not to exceed \$35,638,000, comprised of \$32,533,300 from the Carl Moyer Program AB 923 Special Revenue Fund (80) and \$3,104,700 from U.S. EPA's 2017 Targeted Air Shed Grant in the Clean Fuels Program Fund (31). This action is to also reimburse the General Fund for administrative costs up to \$80,000 for implementation of these school bus replacements.

Council Member Robinson asked how many pre-'94 school buses are left in the inventory. Staff explained that due to CARB rule and incentives, the number of pre-

'94 buses has declined significantly since last year. Last year, there were about 800-900 pre-'94 buses, and this year due to CARB's school bus regulation the number is about 300 to 400. With these incentive awards, the number of pre-'94 buses is expected to reduce to less than 200 buses.

Council Member Robinson also asked if the funding level for fueling infrastructure is reasonable and will school districts need to provide any additional funds for the infrastructure. Staff explained the \$14,000 funding level is adequate for a slow-fill system which most school districts can use since the school buses can fill overnight. With the availability of other funding sources, such as CEC and HVIP, many schools have not requested the available incentive funding from the SCAQMD.

Council Member Robinson expressed a concern for the scrapping requirement and asked if the old school buses could be considered for re-use in other states or even other countries. Staff commented that school buses may not be as suitable for re-use as older trucks due to the optional equipment and designs. Trucks may be more appropriate for re-use, however staff will work with CARB to see if re-use is an option. This would require a guideline change by CARB.

Mauro Bologna of Creative Bus Sales asked if school districts would have to pay the \$15,000 if they opt to purchase an electric school bus and receive HVIP funding. Staff commented that HVIP funding could count toward the co-pay by the schools. Creative Bus Sales also asked if school districts can get the Type D funding level if they elect to purchase an electric school bus. Staff explained the funding levels were requested by the school districts, and would be capped at the Board-approved amounts.

Carlos Chicas of Capistrano Unified School District commended the SCAQMD on the success of this program and its fuel neutrality.

Javier Rodriguez of Garden Grove Unified School District asked if funding could be made available for a child check system, which will be required starting in August of this year. Staff explained that currently there is no provision to provide funding for a child check system. Current funding covers seat belts and fire suppression. The estimated cost for a child check system on a bus is about \$1,000. Staff said they will discuss this request with CARB.

Moved by McCallon; seconded by Robinson; unanimously approved.

Ayes: Buscaino, McCallon, Mitchell and Robinson

Noes: None

Absent: Rutherford and Solis

3. Establish Special Revenue Fund, Recognize AB 134 Grant Revenue, Transfer, Appropriate, Redistribute Funds, and Execute Contracts

The Board has previously recognized AB 134 revenue up to \$107.5 million from CARB into the Carl Moyer Program Fund (32); approved “Year 19” Carl Moyer Program awards from Fund 32 that include AB 134 revenues; and allowed a temporary loan up to \$51,701,413 from Carl Moyer Program AB 923 Fund (80) into Fund 32 until receipt of AB 134 revenue. To facilitate program tracking and auditing, this action is to instead 1) establish the Community Air Protection AB 134 Fund (77) and recognize CARB AB 134 grant funds into Fund 77 instead of Fund 32; 2) allow a temporary loan from Fund 80 into Fund 77 instead of Fund 32; 3) authorize the Chairman to execute contracts in an amount not to exceed \$51,701,413, as approved by the Board in November 2017, from Fund 77 instead of Fund 32; and 4) revise other previously approved transactions with AB 134 funding from the newly established Fund 77.

Mayor Pro Tem Mitchell disclosed that she does not have a financial interest but is required to identify for the record that she is a Board Member of the California Air Resources Board which is involved in Item #3.

Mayor Pro Tem Mitchell asked for clarification about the administrative cost. Staff confirmed the AB 134 Grant is \$107.5 million and the administrative cost is \$561,000.

Mayor McCallon asked if the Community Air Protection AB 134 Fund is being set up to be able to track AB 134 funds. Staff responded that a grant of this nature has its own fund for audit purposes. When CARB audits the program, they want to see revenue, expenditure, contracts and interest, which is easier to track if it is in its own fund.

Moved by Robinson; seconded by McCallon; unanimously approved.

Ayes: Buscaino, McCallon, Mitchell and Robinson

Noes: None

Absent: Rutherford and Solis

OTHER MATTERS:

4. Other Business:

There was no other business.

5. Public Comment Period:

There were no public comments.

6. Next Meeting Date

The next regular Technology Committee meeting is scheduled for Friday, May 18, 2018 at noon.

Adjournment

The meeting adjourned at 1:07 p.m.

Attachment

Attendance Record

ATTACHMENT

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
TECHNOLOGY COMMITTEE MEETING
Attendance Record – April 20, 2018**

Council Member Joe Buscaino (videoconference)	SCAQMD Board Member
Mayor Larry McCallon	SCAQMD Board Member
Mayor Pro Tem Judith Mitchell	SCAQMD Board Member
Council Member Dwight Robinson	SCAQMD Board Member
Mark Abramowitz	Board Consultant (Lyou)
David Czamanske	Board Consultant (Cacciotti)
Jacob Haik	Board Consultant (Buscaino)
Ron Ketcham	Board Consultant (McCallon)
Andrew Silva	Board Consultant (Rutherford)
Mauro Bologna	Creative Bus Sales
Carlos Chicas	Capistrano USD
Jason Hohalek	Creative Bus Sales
Daniel McGivney	SoCalGas
Javier Rodriguez	Garden Grove USD
Ryne Shetterly	GreenPower Bus
Norma Sifuentes	Garden Grove USD
Jason Songer, Sr.	A-Z Bus
Susan Stark	Andeavor
Naveen Berry	SCAQMD Staff
Lily Garcia	SCAQMD Staff
Laura Garrett	SCAQMD Staff
Drue Hargis	SCAQMD Staff
Sujata Jain	SCAQMD Staff
Pat Krayser	SCAQMD Staff
Joe Lopat	SCAQMD Staff
Fred Minassian	SCAQMD Staff
Matt Miyasato	SCAQMD Staff
Ron Moskowitz	SCAQMD Staff
Wayne Nastri	SCAQMD Staff
Veera Tyagi	SCAQMD Staff
Donna Vernon	SCAQMD Staff
Vicki White	SCAQMD Staff
Vasken Yardemian	SCAQMD Staff

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 30

REPORT: Mobile Source Air Pollution Reduction Review Committee

SYNOPSIS: Below is a summary of key issues addressed at the MSRC's meeting on April 19, 2018. The next meeting is scheduled for Thursday, May 17, 2018, at 2:00 p.m., in Conference Room CC8.

RECOMMENDED ACTION:
Receive and file.

Fred Minassian
SCAQMD Liaison to MSRC

MMM:FM:psc

Meeting Minutes Approved

The MSRC unanimously approved the minutes of the February 15, 2018 meeting. Those approved minutes are attached for your information (*Attachment 1*).

FYs 2016-18 Local Government Partnership Program

The MSRC approved the release of Local Government Partnership PON2018-01 under the FYs 2016-18 Work Program. The Invitation to Negotiate (ITN), with a targeted funding level of \$21,180,650, focuses on providing funds for projects to support SCAQMD's 2016 AQMP. Cities and counties which have opted into the AB 2766 motor vehicle registration surcharge fee program are eligible to participate. The majority of participants would be allocated maximum funding equivalent to their annual AB 2766 Subvention Fund allocation; however, those whose annual Subvention Fund allocation is less than \$50,000 would be eligible to receive a maximum of \$50,000, and the maximum allocation for any single city or county would be \$3,000,000. MSRC funding could be used for light-duty zero emission vehicle purchases and leases; medium- and heavy-duty zero emission vehicle purchases, near-zero emission heavy-duty alternative fuel vehicle purchases and repower, electric vehicle charging station installation, and construction or expansion of alternative fuel refueling infrastructure, subject to match funding requirements as outlined in the ITN. Additionally, those jurisdictions eligible for a maximum contribution of \$50,000 would have the option to pursue traffic signal synchronization, bicycle active transportation, and first mile/last mile strategies. The ITN includes an open application period commencing with its release on September 1, 2017, and closing August 2, 2018. The MSRC previously

approved awards totaling \$782,021 in response to this solicitation. The MSRC approved 27 additional awards as part of the FYs 2016-18 Work Program, as follows:

- a. A contract with the City of Anaheim in an amount not to exceed \$221,500 to procure up to five light-duty zero-emission vehicles and install electric vehicle charging infrastructure;
- b. A contract with the City of Redlands in an amount not to exceed \$87,000 to procure one medium/heavy-duty zero-emission vehicle and install electric vehicle charging infrastructure;
- c. A contract with the City of Agoura Hills in an amount not to exceed \$50,000 to install electric vehicle charging infrastructure;
- d. A contract with the City of West Hollywood in an amount not to exceed \$50,000 to install electric vehicle charging infrastructure;
- e. A contract with the City of San Fernando in an amount not to exceed \$10,000 to procure a light-duty zero-emission vehicle;
- f. A contract with the City of Yorba Linda in an amount not to exceed \$87,990 to install electric vehicle charging infrastructure;
- g. A contract with the City of Malibu in an amount not to exceed \$50,000 to install electric vehicle charging infrastructure;
- h. A contract with the City of Culver City in an amount not to exceed \$51,000 to procure up to eight heavy-duty near-zero-emission vehicles;
- i. A contract with the City of Santa Ana in an amount not to exceed \$365,000 to procure up to six light-duty zero-emission vehicles, procure up to nine heavy-duty near-zero-emission vehicles, and install electric vehicle charging infrastructure;
- j. A contract with the City of Whittier in an amount not to exceed \$113,910 to procure up to five heavy-duty near-zero-emission vehicles;
- k. A contract with the City of Lynwood in an amount not to exceed \$93,500 to procure up to three medium/heavy-duty zero-emission vehicles;
- l. A contract with the City of Downey in an amount not to exceed \$148,260 to install electric vehicle charging infrastructure;
- m. A contract with the City of Irvine in an amount not to exceed \$330,490 to procure a medium/heavy-duty zero-emission vehicle and install electric vehicle charging infrastructure;
- n. A contract with the City of Rancho Cucamonga in an amount not to exceed \$227,040 to procure up to nine light-duty zero-emission vehicles, procure up to two medium/heavy-duty zero-emission vehicles, install electric vehicle charging infrastructure and install a limited-access CNG fueling station;
- o. A contract with the City of Garden Grove in an amount not to exceed \$53,593 to procure up to four light-duty zero-emission vehicles and install electric vehicle charging infrastructure;
- p. A contract with the City of Paramount in an amount not to exceed \$72,580 to install electric vehicle charging infrastructure;
- q. A contract with the City of La Habra Heights in an amount not to exceed \$9,200 to procure a light-duty zero-emission vehicle;

- r. A contract with the City of Long Beach in an amount not to exceed \$622,220 to install electric vehicle charging infrastructure;
- s. A contract with the City of Chino in an amount not to exceed \$103,868 to install electric vehicle charging infrastructure;
- t. A contract with the City of Carson in an amount not to exceed \$106,250 to procure up to five light-duty zero-emission vehicles and install electric vehicle charging infrastructure;
- u. A contract with the City of Perris in an amount not to exceed \$86,174 to procure a medium/heavy-duty zero-emission vehicle and install electric vehicle charging infrastructure;
- v. A contract with the City of Glendale in an amount not to exceed \$260,500 to install electric vehicle charging infrastructure;
- w. A contract with the County of Los Angeles in an amount not to exceed \$1,367,610 to procure up to twenty-nine light-duty zero-emission vehicles, procure a medium/heavy-duty zero-emission vehicle, procure up to seven heavy-duty near-zero-emission vehicles, and install electric vehicle charging infrastructure;
- x. A contract with the City of Moreno Valley in an amount not to exceed \$25,000 to procure a heavy-duty near-zero-emission vehicle;
- y. A contract with the City of Beaumont in an amount not to exceed \$25,000 to procure a heavy-duty near-zero-emission vehicle;
- z. A contract with the City of Riverside in an amount not to exceed \$383,610 to expand existing CNG fueling stations; and
- aa. A contract with the City of Eastvale in an amount not to exceed \$80,400 to procure up to two medium/heavy-duty zero-emission vehicles and install electric vehicle charging infrastructure.

These contract awards will be considered by the SCAQMD Board at its May 4, 2018 meeting. MSRC Chair Greg Pettis stated for the record that he has to recuse himself from the City of Carson portion of Agenda Item #7 because of past employment and left the room; however, he did vote on the remaining portion of the same Agenda Item #7.

FYs 2016-18 County Transportation Commission Partnership Program

The MSRC approved release of an Invitation to Negotiate for the CTC Partnership Program under the FYs 2016-18 Work Program. The ITN, with a targeted funding level of \$8,000,000, seeks to stimulate the demonstration of innovative projects, as well as expand “tried and true” air quality improvement strategies. CTCs within SCAQMD are eligible to participate. Other public and private entities could participate as subcontractors to a CTC. Each CTC is eligible to receive a maximum of \$2,000,000 on a sole-source contract award basis. Eligible project types include, but are not necessarily limited to: capital improvement projects, capital purchase projects including fleet vehicle purchases that meet, at a minimum, ARB’s optional 0.02 g/bhp-hr NOx emissions standard, traffic signal coordination, ridesharing programs, active transportation programs including bicycle sharing projects, transit pass incentive programs, freeway service patrols, first mile/last mile strategies, and information

technology projects that focus on air quality improvement. The ITN includes an open application period commencing with its release on December 1, 2017, and closing June 29, 2018. The MSRC previously approved awards totaling \$2,000,000 in response to this solicitation. The MSRC considered recommendations concerning a work plan submitted by San Bernardino County Transportation Authority (SBCTA). SBCTA proposes to implement a fare discount program for the Metrolink San Bernardino line in partnership with the Los Angeles County Metropolitan Transportation Authority (LA Metro). The program is intended to test the effectiveness of lowering fares to increase overall ridership and revenue. It would reduce fares for all ticket types, except the Weekend Day Pass, by 25%. SBCTA intends to apply funding from MSRC's CTC Partnership Program towards their portion of the discount, for approximately four years. It is anticipated that increased ridership, and, in turn, fare box revenue would obviate the need for funding assistance beginning with the fifth year. The MSRC approved a contract award to SBCTA in an amount not to exceed \$2,000,000 as part of the FYs 2016-18 for the fare discount program. The contract award will be considered by the SCAQMD Board at its May 4, 2018 meeting.

Duration of Next MSRC Work Program

The MSRC elected to adopt a two-year Work Program covering FYs 2018-20.

Contract Modification Requests

The MSRC considered two contract modification requests and took the following actions:

1. For Southern California Association of Governments (SCAG), which provides \$2,500,000 to implement the "Go Human" Program, a seven-month term extension due to the substitution of projects within the same counties as those projects being replaced, as well as delays in some of their matching projects; and
2. For City of South Pasadena, Contract #ML16025, which provides \$180,535 to expand a CNG Station and purchase a heavy-duty CNG vehicle, a one-year term extension due to the substitution of the installation of an all-in-one unit with additional buffer storage for the installation of a separate compressor and storage vessels.

Contracts Administrator's Report

The MSRC's AB 2766 Contracts Administrator provides a written status report on all open contracts from FY 2004-05 through the present. The Contracts Administrator's Report for February 22 through March 28, 2018 is attached (*Attachment 2*) for your information.

Attachments

1. Approved February 15, 2018 Meeting Minutes
2. February 22 through March 28, 2018 Contracts Administrator's Report



MOBILE SOURCE AIR POLLUTION REDUCTION REVIEW COMMITTEE
THURSDAY, FEBRUARY 15, 2018 MEETING MINUTES
21865 Copley Drive, Diamond, Bar, CA 91765 - Conference Room CC-8

MEMBERS PRESENT:

(Vice-Chair) Larry McCallon, representing SBCTA
Ben Benoit, representing SCAQMD
Michael Carter, representing California Air Resources Board
Dolores Roybal Saltarelli, representing Regional Rideshare Agency (via v/c)
Greg Winterbottom, representing OCTA
Mark Yamarone (Alt.), representing Los Angeles County MTA (via v/c)

MEMBERS ABSENT:

Michele Martinez, representing SCAG
(Chair) Greg Pettis, representing RCTC
Jack Kitowski, representing California Air Resources Board
Steve Veres, representing LA County MTA

MSRC-TAC MEMBERS PRESENT:

Steven Lee, Los Angeles County MTA (via v/c)
Kelly Lynn, SBCTA
Stephan Patchan, SCAG
Vicki White, SCAQMD

OTHERS PRESENT:

David Czamanske, Consultant to Board Member (Cacciotti)
Ric Teano, OCTA

SCAQMD STAFF & CONTRACTORS

Leah Alfaro, MSRC Contracts Assistant
Jennifer de la Loza, Secretary
Ray Gorski, MSRC Technical Advisor-Contractor
John Kampa, Financial Analyst
Kathryn Higgins, Program Supervisor
Megan Lorenz, Principal Deputy District Counsel
Matt MacKenzie, MSRC Contracts Assistant
Fred Minassian, Asst. Deputy Executive Officer
Cynthia Ravenstein, MSRC Contracts Administrator
Penny Shaw Cedillo, MSRC Administrative Liaison
Paul Wright, Information Technology Specialist

CALL TO ORDER

- Call to Order

MSRC Vice-Chair Larry McCallon called to order at 2:00 p.m.

Roll call was taken at the start of the meeting. The following members and alternates were present: BEN BENOIT, MICHAEL CARTER, LARRY MCCALLON, DOLORES ROYBAL SALTARELLI, GREG WINTERBOTTOM, MARK YAMARONE.

MSRC Vice-Chair Larry McCallon stated for the record that for Agenda Item #7, he does not have any financial interest, but is required to identify that he is an Alternate Board Member for Omnitrans, which is involved in this item.

MSRC Member Ben Benoit stated for the record that for Agenda Item #5 and #6, he does not have any financial interest, but is required to identify that he is a member of the Riverside County Transportation Commission Board of Directors and the Mayor for the City of Wildomar, which are involved in these items.

MSRC Member Dolores Roybal stated for the record that for Agenda Item #9, she does not have any financial interest, but is required to identify for the record that she is employed by Los Angeles County Metropolitan Transportation Authority, which is involved in this item.

MSRC Alternate Mark Yamarone stated for the record that for Agenda Item #9, he does not have any financial interest, but is required to identify for the record that he is employed by Los Angeles County Metropolitan Transportation Authority, which is involved in this item.

STATUS REPORT

Copies of the Clean Transportation Policy Update were distributed at the meeting.

CONSENT CALENDAR (Items 1 through 6) **Receive and Approve Item**

Agenda Item #1 – Minutes for the January 18, 2018 MSRC Meeting

The minutes of the January 18, 2018 meeting were distributed at the meeting.

ON MOTION BY MSRC MEMBER BEN BENOIT AND SECONDED BY MSRC MEMBER GREG WINTERBOTTOM, UNDER OF APPROVAL OF CONSENT CALENDAR ITEMS #1 THROUGH #6, THE MSRC UNANIMOUSLY APPROVED THE JANUARY 18, 2018 MSRC MEETING MINUTES.

AYES: BENOIT, CARTER, MCCALLON, ROYBAL SALTARELLI, GREG WINTERBOTTOM, YAMARONE.
NOES: NONE.

ACTION: Staff will include the January 18, 2018 meeting minutes in the MSRC Committee Report for the March 2, 2018 SCAQMD Board meeting and will place copies on the MSRC's website.

Information Only - Receive and File

Agenda Item #2 – MSRC Contracts Administrator's Report

The MSRC AB 2766 Contracts Administrator's Report for January 3 through January 24, 2018 was included in the agenda package.

ON MOTION BY MSRC MEMBER BEN BENOIT AND SECONDED BY MSRC MEMBER GREG WINTERBOTTOM, UNDER APPROVAL OF CONSENT CALENDAR ITEMS #1 THROUGH #6, THE MSRC UNANIMOUSLY VOTED TO RECEIVE AND FILE THE CONTRACTS ADMINISTRATOR'S REPORT FOR JANUARY 3 THROUGH JANUARY 24, 2018.

AYES: BENOIT, CARTER, MCCALLON, ROYBAL SALTARELLI, WINTERBOTTOM, YAMARONE
NOES: NONE.

ACTION: Staff will include the MSRC Contracts Administrator's Report in the MSRC Committee Report for the March 2, 2018 SCAQMD Board meeting.

Agenda Item #3 – Financial Report on AB 2766 Discretionary Fund

A financial report on the AB 2766 Discretionary Fund for the January 2018 was included in the agenda package.

ON MOTION BY MSRC MEMBER BEN BENOIT AND SECONDED BY MSRC MEMBER GREG WINTERBOTTOM, UNDER APPROVAL OF CONSENT CALENDAR ITEMS #1 THROUGH #6, THE MSRC UNANIMOUSLY VOTED TO RECEIVE AND FILE THE FINANCIAL REPORT FOR THE PERIOD ENDING JANUARY 2018.

AYES: BENOIT, CARTER, MCCALLON, ROYBAL SALTARELLI, WINTERBOTTOM, YAMARONE.
NOES: NONE.

ACTION: No further action is required.

For Approval – As Recommended**Agenda Item #4 – Consider Six-Month Term Extension by City of Long Beach, Contract #ML09036 (\$875,000 – Purchase 35 Natural Gas Refuse Trucks)**

The City requests a six-month term extension due to additional delays associated with the switch from LNG to CNG for the final 14 trucks.

ON MOTION BY MSRC MEMBER BEN BENOIT AND SECONDED BY MSRC MEMBER GREG WINTERBOTTOM, UNDER APPROVAL OF CONSENT CALENDAR ITEMS #1 THROUGH #6, MSRC UNANIMOUSLY VOTED TO APPROVE THE SIX-MONTH TERM EXTENSION TO THE CITY OF LONG BEACH, CONTRACT #ML09036.

AYES: BENOIT, CARTER, MCCALLON, ROYBAL SALTARELLI, WINTERBOTTOM, YAMARONE.

NOES: NONE.

ACTION: MSRC Staff will amend the above contract accordingly.

Agenda Item #5 – Consider 25-Month Term Extension by Riverside County Transportation Commission (RCTC), Contract #MS14059 (\$1,250,000 – Implement Various Signal Synchronization Projects)

RCTC requests a 25-month term extension due to unforeseen delays in the planning and environmental phases of two projects.

ON MOTION BY MSRC MEMBER BEN BENOIT AND SECONDED BY MSRC MEMBER GREG WINTERBOTTOM, UNDER APPROVAL OF CONSENT CALENDAR ITEMS #1 THROUGH #6, MSRC UNANIMOUSLY VOTED TO APPROVE THE 25-MONTH TERM EXTENSION TO THE RIVERSIDE COUNTY TRANSPORTATION COMMISSION, CONTRACT #MS14059.

AYES: BENOIT, CARTER, MCCALLON, ROYBAL SALTARELLI, WINTERBOTTOM, YAMARONE.

NOES: NONE.

ACTION: MSRC Staff will amend the above contract accordingly.

Agenda Item #6 – Consider Contract Replacement by City of Wildomar, Contract #ML16035 (\$500,000 – Installation of Bicycle Lanes)

Contract #ML16035 expired in November 2017 before the City had completed the work. The City requests a new contract so that they can complete the bicycle lanes' construction.

ON MOTION BY MSRC MEMBER BEN BENOIT AND SECONDED BY MSRC MEMBER GREG WINTERBOTTOM, UNDER APPROVAL OF CONSENT CALENDAR ITEMS #1 THROUGH #6, MSRC UNANIMOUSLY VOTED TO APPROVE A NEW CONTRACT FOR THE CITY OF WILDOMAR, CONTRACT #ML16035.

AYES: BENOIT, CARTER, MCCALLON, ROYBAL SALTARELLI, WINTERBOTTOM, YAMARONE.

NOES: NONE.

ACTION: MSRC Staff will amend the above contract accordingly.

ACTION CALENDAR
FYs 2016-18 WORK PROGRAM

Agenda Item #7 – Consider Funding for Applications Received under the Natural Gas Infrastructure Program

Cynthia Ravenstein, MSRC Contracts Administrator, reported the MSRC allocated \$4 million to fund new and expanded CNG and LNG refueling stations, as well as modifications to vehicle maintenance facilities and technician training. The MSRC has previously funded applications totaling \$418,500. Two additional applications have been received requesting a total of \$448,000: (1) Omnitrans is requesting \$83,000 for modifications to their vehicle maintenance facility and training technicians; and (2) City of Gardena is requesting \$365,000 to install a new limited access station that's going to use renewable natural gas, and for modifications their maintenance facility and to train technicians. The MSRC-TAC unanimously recommends approval of these two awards totaling \$448,000.

MSRC Member Ben Benoit questioned what does limited access mean? Ms. Ravenstein replied it is anything other than full public access. Mr. Benoit clarified does that mean some public access. Ms. Ravenstein replied they have to make it accessible to at least one other fleet. That is a requirement of the MSRC program. Ray Gorski, MSRC Technical Advisor added the MSRC has historically used 24 hours a day, 7 days a week as the threshold for full public access, anything that is not 24/7 is limited access. Under this specific Program, limited must include at least one other fleet.

ON MOTION BY MSRC MEMBER BEN BENOIT AND SECONDED BY MSRC MEMBER GREG WINTERBOTTOM, THE MSRC UNANIMOUSLY VOTED TO APPROVE AWARDS TO OMNITRANS FOR \$83,000 AND THE CITY OF GARDENA FOR \$365,000.

AYES: BENOIT, CARTER, MCCALLON, ROYBAL SALTARELLI, WINTERBOTTOM, YAMARONE.

NOES: NONE.

ACTION: This item will be considered by the SCAQMD Board at its March 2, 2018 meeting.

Agenda Item #8 – Consider Funding for Applications Received under the Local Government Partnership Program

Cynthia Ravenstein, MSRC Contracts Administrator, reported the MSRC allocated \$21,180,650 for a funding partnership with cities and counties to jumpstart implementation of the SCAQMD's 2016 Air Quality Management Plan. The City of Artesia has requested \$50,000 to install EV charging infrastructure. The MSRC-TAC unanimously recommends approval.

ON MOTION BY MSRC MEMBER BEN BENOIT AND SECONDED BY MSRC MEMBER GREG WINTERBOTTOM, THE MSRC UNANIMOUSLY VOTED TO APPROVE AN AWARD TO THE CITY OF ARTESIA FOR \$50,000.

AYES: BENOIT, CARTER, MCCALLON, ROYBAL SALTARELLI, WINTERBOTTOM, YAMARONE.

NOES: NONE.

ACTION: This item will be considered by the SCAQMD Board at its March 2, 2018 meeting.

Agenda Item #9 – Consider Funding for Application Received under the Major Event Center Transportation Program

MSRC-TAC Member Kelly Lynn reported the TCM Subcommittee received an application under the 2016-18 Major Event Center Transportation Program from Los Angeles County Metropolitan Transportation Authority (Metro) for Dodger Stadium Express Service for the 2018 baseball season, plus two special events. The express transportation services will go between Union Station and Dodger Stadium before the home games. The service will start 90 minutes prior to the game, returning every 20 minutes and ending 45 minutes after the game. Metro is requesting \$1,324,560 which will also support a special train service on the Orange County line from Oceanside to Union Station when the Dodgers play against cross-town rivals the Los Angeles Angels of Anaheim. Overall this is a little over a \$3M project with co-funding contribution of approximately \$1.6M. This service has been going on for a number of years; it's been very popular. The MSRC-TAC recommends approval.

ON MOTION BY MSRC MEMBER BEN BENOIT AND SECONDED BY MSRC MEMBER GREG WINTERBOTTOM, THE MSRC UNANIMOUSLY VOTED TO APPROVE AN AWARD TO LOS ANGELES COUNTY METROPOLITAN AUTHORITY FOR \$1,324,560.

AYES: BENOIT, CARTER, MCCALLON, ROYBAL SALTARELLI, WINTERBOTTOM, YAMARONE.

NOES: NONE.

ACTION: This item will be considered by the SCAQMD Board at its March 2, 2018 meeting.

Agenda Item #10 – Consider Extending Application Submittal Deadline Under the Local Government Partnership Program

Ray Gorski, MSRC Technical Advisor, reported we have had the Local Government Partnership Program available for the past few months, however recently, we've been notified by several cities, that they have been unable to have their application agendaized for consideration by their City Council. We have been doing extensive outreach on this program. We can say with substantial certainty that all eligible applicants are aware of the program. In my discussions, I have not heard of anyone who is not interested in participating in the MSRC sponsored program. We are aware that several cities are not able to meet the March 2nd deadline because it is required that they have approval from their Board of Supervisors and/or City Council. Today's request is for the MSRC to consider an extension of the deadline from March 2nd to a date you feel is more appropriate for the Local Partnership Program. The Subcommittee recommends a 3-month extension.

Vice-Chair Larry McCallon commented at the SCAQMD Board meeting when this issue was brought up I indicated that this committee would extend it because we want as much participation as possible.

MSRC Member Greg Winterbottom asked if they have trouble ratifying the elections, what happens. Vice Chair McCallon responded they have to get a vote and a resolution. Cynthia Ravenstein, MSRC Contracts Administrator, added she's spoken to a lot of the cities and mostly just the process of getting an item on the agenda for the City Council is relatively lengthy. Mr. Winterbottom asked is it any particular city? Ms. Ravenstein replied she has heard from about a dozen of cities. I have told people that the MSRC might be considering extending it and of course no one is unhappy about that. In terms of length, the only one that has actually expressed a specific length, asked for one month.

PUBLIC COMMENT: David Czamanske, Consultant to Board Member (Cacciotti) stated I would like to draw your attention to the fact that there is over \$21M allocated to this program. With four authorizations last month and one this month totaling \$257,000, for a total of 5 cities, it strikes me that this Program could use some more aggressive marketing. One percent of the funds have been requested so far. Only 5 cities have come to this board for approval; there are admittedly some more in the pipeline. We have over 100 cities in the South Coast, about 88 in Los Angeles County. Mayor Cacciotti has requested that I speak on his behalf and request a 5-month extension which will go to August 2nd. I believe his thought is various cities may not have funds in their current budget for the fiscal year that ends June 30th but if they were aware that they could budget through the budget process this spring for the next fiscal year, they may be more encouraged to apply. On Mr. Cacciotti's behalf, I have contacted several cities and some of his other consultants have contacted additional cities; I find that some of the staff in the cities are in a very rudimentary stage of understanding this Program. You might say it's their fault, that they didn't check it out or investigate in a timely manner. I can't speak for them except we know that city staff members have a lot on their plate to do. One gentleman for example, asked are pickup trucks available for this, how about utility trucks, heavy-duty trucks, fire engines. I said take a look at application and background material, I do believe that pickup trucks would be classified as light-duty, fire truck is something else, I do not have the exact answer for that. I'm trying to give a slight illustration of the fact that some city staff are really at a rudimentary stage at understanding this Program, let alone applying for it. I guess I would ask staff this question,

suppose it is extended 3 to 4 months and the application deadline is established at that point, whether it be July 2nd or August 2nd, is it anticipated that there would be in the next fiscal year another opportunity to apply. Ray alerted me that after cities get the award they have up to 5 years (60 months) to spend it but the question is the application deadline. I need staff to clarify this. Would there be an additional application period opened up next year beyond this closing day even if it is extended today?

Mr. Gorski stated that is something that the MSRC would need to consider as part of the development of their next fiscal Work Program. Vice Chair Larry McCallon added it is the intent of all of us to make sure that we get as much out of this as possible to as many cities as possible.

MSRC Member Greg Winterbottom questioned is there something special about this? Mr. Gorski replied what is unique about this program is that it's not a competition and through your prior action, the MSRC has already allocated a set amount of money for every eligible city and county within the South Coast. You have money in the bank that is waiting for them to simply come pick it up.

Mr. Winterbottom commented does this need to be extended into a three year program? Mr. Gorski replied I do not believe so. What we have here is not really anything different than what we've experienced in the past. You have a year application period, you're going to get most of your applications in the eleventh hour. This one does have a slightly different obligation on behalf of the applicant and that is, they do need to take this to their City Council because as you recall, one of the elements of this program which we viewed as very important, was the education element. We have prepared and provided to each city and county, a brief presentation which talks about why this program is being done. It gives a very quick snapshot of the 2016 Air Quality Management Plan, the obligations of the South Coast Air Quality Management District in meeting federal air quality standards, as well as the MSRC's effort to jump-start implementation of the strategies which are viewed as most important under the 2016 AQMP. That is a difference from any other program and it probably has caught some of the staff people at various cities off guard--to just turn in the application is one thing but to actually have to agendize it, take it to the council and give a presentation as to why the MSRC is giving them money.

Mr. Winterbottom added do you have a problem with a longer extension? Mr. McCallon added, I think the point that was just brought up regarding the budget was very real because for instance at my city we do a two-year budget. It is very conceivable that budgeting would be an issue. I have no problem extending 5 months. Mr. Winterbottom questioned whether this is sort of a one-time extension. Mr. Gorski added it's at the discretion of the Committee. This is the first time the MSRC has embarked on this program. Mr. McCallon added if we get to 5 months, we can revisit the idea of extending it again.

ON MOTION BY MSRC MEMBER BEN BENOIT AND SECONDED BY MSRC MEMBER GREG WINTERBOTTOM, THE MSRC UNANIMOUSLY VOTED TO EXTEND THE APPLICATION SUBMITTAL DEADLINE UNDER THE LOCAL GOVERNMENT PARTNERSHIP PROGRAM TO AUGUST 2, 2018.

AYES: BENOIT, CARTER, MCCALLON, ROYBAL SALTARELLI,
WINTERBOTTOM, YAMARONE.
NOES: NONE.

ACTION: MSRC staff will post the modified Program Opportunity Notice on the MSRC website.

Agenda Item #10 - Other Business

- MSRC-TAC Member John Kato commented that the Energy Commission is very excited that we are anticipating up to \$75M from SB 110 to replace old school buses in California. We are workshopping concepts and designs and how best to implement that. We are working with CARB to ensure our programs are aligned and working well together. Our current concept design is to save \$5M for the oldest school buses and we are looking to emphasize electric school buses. To help promote the electric school bus aspect, our ARFVTP funds will supply and fund the infrastructure for those schools that elect to go electric. And it would not be just one for one, but provide the infrastructure readiness if they want to expand in the future. We will also take initial steps afterwards, so the school district network will have a reliable unified system. That way when schools go and visit other schools the visiting teams will have a place to charge as well. Ultimately, we want to build a comprehensive network, not only for the schools but for future expansion of the schools. We will also provide workforce training and development for existing school district staff that has previously worked on the bus or drove the bus. That way, there is a nice transition for the existing employees to be able to maintain the infrastructure and also maintain a new bus. We are proposing two different distribution scenarios. Our next workshop is on Tuesday at Los Angeles Unified. I will provide a link with the information.

PUBLIC COMMENT PERIOD

Public comments were allowed during the discussion of each agenda item. No comments were made on non-agenda items.

ADJOURNMENT

There being no further business, the MSRC meeting adjourned at 2:24 p.m.

NEXTMEETING

Thursday, March 15, 2018 at 2:00 p.m., Room CC8.

MSRC Agenda Item No. 2

DATE: March 15, 2018

FROM: Cynthia Ravenstein

SUBJECT: AB 2766 Contracts Administrator's Report

SYNOPSIS: This report covers key issues addressed by MSRC staff, status of open contracts, and administrative scope changes from January 25 to February 21, 2018.

RECOMMENDATION: Receive and file report

WORK PROGRAM IMPACT: None

Contract Execution Status

2016-18 Work Program

On July 8, 2016, the SCAQMD Governing Board approved an award under the Event Center Transportation Program. This contract is executed.

On October 7, 2016, the SCAQMD Governing Board approved three awards under the Event Center Transportation Program and one award for a Regional Active Transportation Partnership Program. These contracts are executed.

On January 6, 2017, the SCAQMD Governing Board approved an award for development, hosting and maintenance of a new MSRC website. This contract is executed.

On April 7, 2017, the SCAQMD Governing Board approved an award under the Event Center Transportation Program. This contract is executed.

On June 2, 2017, the SCAQMD Governing Board approved an award under the Event Center Transportation Program. This contract is executed.

On July 7, 2017, the SCAQMD Governing Board approved an award under the Event Center Transportation Program. This contract is executed.

On September 1, 2017, the SCAQMD Governing Board approved one award under the Event Center Transportation Program and one award under the Natural Gas Infrastructure Program. These contracts are with the prospective contractor for signature or executed.

On October 6, 2017, the SCAQMD Governing Board approved two awards under the Event Center Transportation Program and one award under the Natural Gas Infrastructure Program. These contracts are with the SCAQMD Board Chair for signature or executed.

On December 1, 2017, the SCAQMD Governing Board approved sole source awards for a Hydrogen Infrastructure Partnership Program, for a Southern California Future Communities Partnership Program, and for electric vehicle charging infrastructure planning analysis. These contracts are undergoing internal review or with the prospective contractor for signature.

2014-16 Work Program

On December 5, 2014, the SCAQMD Governing Board approved an award under the AB118 Enhanced Fleet Maintenance Program. This contract is executed.

On June 5, 2015, the SCAQMD Governing Board approved two awards under the Event Center Transportation Program and one award to provide low-emission transportation services to the Special Olympics World Games. These contracts are executed.

On September 4, 2015, the SCAQMD Governing Board approved 25 awards under the Local Government Match Program and one award under the Transportation Control Measure Partnership Program. These contracts are executed.

On October 2, 2015, the SCAQMD Governing Board approved 11 awards under the Local Government Match Program and one award under the Alternative Fuel Infrastructure Program. These contracts are executed.

On November 6, 2015, the SCAQMD Governing Board approved 37 awards under the Local Government Match Program. These contracts are with the prospective contractor for signature or executed. The City of South El Monte has now declined their award, reverting \$73,329 to the AB 2766 Discretionary Fund.

On December 4, 2015, the SCAQMD Governing Board approved one award under the Major Event Center Transportation Program, one award under the Alternative Fuel Infrastructure Program, and one award under the Transportation Control Measure Partnership Program. These contracts are executed.

On January 8, 2016, the SCAQMD Governing Board approved two awards under the Major Event Center Transportation Program, one award under the Local Government Match Program, and one award under the Transportation Control Measure Partnership Program. These contracts are executed.

On March 4, 2016, the SCAQMD Governing Board approved two awards under the Alternative Fuel Infrastructure Program. These contracts are executed.

On April 1, 2016, the SCAQMD Governing Board approved one award under the Major Event Center Transportation Program and five awards under the Transportation Control Measure Partnership Program. These contracts are executed.

On May 6, 2016, the SCAQMD Governing Board approved one award under the Major Event

Center Transportation Program and one award under the Transportation Control Measure Partnership Program. These contracts are executed.

On June 3, 2016, the SCAQMD Governing Board approved one award under the Alternative Fuel Infrastructure Program. This contract is executed.

On October 7, 2016, the SCAQMD Governing Board approved ten awards under the Alternative Fuel Infrastructure Program and five awards under the Near-Zero Natural Gas Engine Incentives Program. These contracts are under development, with the prospective contractor for signature, or executed.

On January 6, 2017, the SCAQMD Governing Board approved an award under the Alternative Fuel Infrastructure Program and an award under the Near-Zero Natural Gas Engine Incentives Program. These contracts are executed.

Work Program Status

Contract Status Reports for work program years with open (including “Open/Complete”) and/or pending contracts are attached.

FY 2004-05 Work Program Contracts

One contract from this work program year is open.

FY 2004-05 Invoices Paid

No invoices were paid during this period.

FY 2006-07 Work Program Contracts

No contracts from this work program year are open; and one is in “Open/Complete” status.

FY 2006-07 Invoices Paid

No invoices were paid during this period.

FY 2007-08 Work Program Contracts

4 contracts from this work program year are open; and 3 are in “Open/Complete” status.

FY 2007-08 Invoices Paid

No invoices were paid during this period.

FY 2008-09 Work Program Contracts

2 contracts from this work program year are open; and 5 are in “Open/Complete” status.

FY 2008-09 Invoices Paid

One invoice in the amount of \$325,000.00 was paid during this period.

FY 2010-11 Work Program Contracts

6 contracts from this work program year are open; and 37 are in “Open/Complete” status. One contract moved into “Open/Complete” status during this period: County of Los Angeles, Department of Public Works, Contract #ML11024 – Purchase Three Heavy-Duty Natural Gas Vehicles.

FY 2010-11 Invoices Paid

No invoices were paid during this period.

FY 2011-12 Work Program Contracts

15 contracts from this work program year are open, and 33 are in “Open/Complete” status.

FY 2011-12 Invoices Paid

2 invoices totaling \$60,360.27 were paid during this period.

FYs 2012-14 Work Program Contracts

38 contracts from this work program year are open, and 23 are in “Open/Complete” status. One contract was cancelled during this period: American Honda Motor Company, Contract #MS14078 – Install New Public Access CNG Station.

FYs 2012-14 Invoices Paid

One invoice in the amount of \$450,000.00 was paid during this period.

FYs 2014-16 Work Program Contracts

77 contracts from this work program year are open, and 16 are in “Open/Complete” status. 2 contracts moved into “Open/Complete” status during this period: City of Palm Desert, Contract #ML16072 – Installation of EV Charging Infrastructure; and Transit Systems Unlimited, Contract #MS16088 – Expand Existing CNG Station. Two contracts closed during this period: City of Azusa, Contract #ML16028 – Enhance Existing Class 1 Bikeway; and Mineral LLC, Contract #MS16004 – Design, Develop, Host and Maintain MSRC Website.

FYs 2014-16 Invoices Paid

One invoice in the amount of \$290,000.00 was paid during this period.

FYs 2016-18 Work Program Contracts

8 contracts from this work program year are open.

FYs 2016-18 Invoices Paid

One invoice in the amount of \$373.00 was paid during this period.

Administrative Scope Changes

3 administrative scope changes were initiated during the period of January 25 through February 21, 2018:

- San Bernardino Associated Governments, Contract #MS16096 (EV Charging Infrastructure) – Increase number of ADA stations from two to six with no change to budget and change contractor name to San Bernardino County Transportation Authority
- City of Bellflower, Contract #ML12051 (EV Charging Infrastructure) – Three-month no-cost term extension to allow time for the MSRC to consider the remainder of the City’s request
- County of Los Angeles, Department of Public Works, Contract #ML05014 (Florence/Mills Avenue Signal Synchronization Project) – Three-month no-cost term extension to allow time for the MSRC to consider the remainder of the County’s request

Attachments

- FY 2004-05 through FYs 2016-18 (except FY 2005-06 and FY 2009-10) Contract Status Reports

[↑ Back to Agenda](#)

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 31

REPORT: California Air Resources Board Monthly Meeting

SYNOPSIS: The California Air Resources Board met on April 27, 2018, in Sacramento, CA. The following is a summary of this meeting.

RECOMMENDED ACTION:

Receive and file.

Judith Mitchell, Member
SCAQMD Governing Board

dg

The California Air Resources Board's (CARB or Board) held a meeting on April 27, 2018 in Sacramento at the California Environmental Protection Agency Headquarters Building. Key items presented are summarized below.

DISCUSSION ITEMS

18-3-1: Public Meeting to Consider the Proposed Community Air Protection Funds Supplement to the Carl Moyer Memorial Air Quality Standards Attainment Program 2017 Guidelines

The Board approved the Proposed Community Air Protection (CAP) Funds Supplement to the Carl Moyer Program Guidelines (Guidelines Supplement). The Fiscal Year 2017-18 budget provided \$250 million to help meet the goals of Assembly Bill 617 (C. Garcia, 2017) through early action emission reductions in pollution-impacted communities. Local air districts will use these CAP funds to implement incentive projects to clean up vehicles and equipment, providing immediate emission reductions in disadvantaged and low-income communities through the Carl Moyer Program and the Proposition 1B Goods Movement Program. The Guidelines Supplement enables the Moyer Program to provide greater support to reduce emissions from freight, expand eligibility for sensitive receptors such as schools and hospitals, increase support for advanced technologies, and reduce barriers to program participation by increasing the Moyer share of project costs and removing the funding cap for on-road zero-emission

projects. The Board also took action to increase the statewide target for CAP Funds spent to benefit disadvantaged communities, up from 50 percent to 70 percent.

SCAQMD Staff Comments/Testimony: Staff testified in support of the adoption of the supplemental guidelines to the Carl Moyer Program to be implemented under the 2017 Amended Budget Act AB 134.

18-3-2: Public Meeting to Consider Proposed Fiscal Years 2018-2021 Triennial Strategic Research Plan and the Proposed Research for Fiscal Year 2018-2019

The Board heard a briefing on the Fiscal Years 2018-2021 Triennial Strategic Research Plan (Strategic Plan) and the Proposed Research for Fiscal Year 2018-2019. The Strategic Plan reflects a concerted effort to identify CARB's highest priority research initiatives for the next three years and will inform key decisions needed to meet air quality, climate, environmental justice, and public health goals. The Strategic Plan will also improve coordination with other funding organizations, provide greater transparency and stakeholder involvement, increase clarity for public research proposals, and increase flexibility for budget changes. The Board approved the Proposed Research for Fiscal Year 2018-2019 that will support the initiatives outlined in the Strategic Plan. The research projects in the Strategic Plan will advance the state of the science and support CARB's efforts to meet California's air quality and climate goals.

18-3-3: Public Hearing to Consider Proposed Amendments to the Low Carbon Fuel Standard Regulation and to the Regulation on Commercialization of Alternative Diesel Fuels

The Board heard proposed amendments designed to strengthen the Low Carbon Fuel Standard (LCFS) regulation through 2030 in line with Senate Bill 32 greenhouse gas reduction goals. This was the first of two Board hearings on this item; the second is scheduled to be heard in September when the Board will consider approval of the amendments. The proposed amendments would lower the carbon intensity of California's transportation fuels by 20 percent from 2010 values by 2030, enhance LCFS credit for zero-emission vehicle fueling infrastructure per Governor Brown's Executive Order B-48-18, adopt a protocol to enable credit generation for carbon capture and sequestration projects, expand fuel types and vehicle applications to which the LCFS regulation applies (including adding alternative jet fuel), improve crediting for innovative actions at petroleum refineries, and establish an independent third-party verification and verifier accreditation system to ensure accuracy of LCFS reported data. The amendments also include a number of technical changes to improve, simplify, streamline, and clarify the regulation. At the hearing, the Board requested that staff undertake 15-day changes to the amendments that will add capacity-based credits for

hydrogen and DC fast charging stations and to consider incorporating statewide point-of-sale credits. In response to a California court order, the proposed amendments also include an amendment to the Alternative Diesel Fuels regulation based on supplemental environmental analysis related to NOx emissions from biodiesel that was compiled.

18-3-5: Public Meeting to Consider Proposed Voluntary NOx Remediation Measure Funding

The Board approved a voluntary measure to provide immediate funding to air districts to achieve further reductions in emissions of NOx. This initiative arose in response to a 2017 court order in the ongoing POET litigation challenge to the 2009 adoption of the LCFS. This additional funding aims to remediate conservatively estimated historical emissions potentially related to increased use of biodiesel in California that may have been attributable to incentivization of biodiesel use by the LCFS regulation. The funding will accelerate the deployment of cleaner on-road and off-road trucks, equipment, and engines.

Attachment

CARB April 27, 2018 Meeting Agenda



REVISED 4/24/18
PUBLIC MEETING AGENDA

Friday, April 27, 2018

LOCATION:

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

This facility is accessible by public transit. For transit information, call (916) 321-BUSS, website: <http://www.sacr.com>
(This facility is accessible to persons with disabilities.)

TO SUBMIT WRITTEN COMMENTS ON AN AGENDA ITEM IN ADVANCE OF THE MEETING GO TO:
<http://www.arb.ca.gov/lispub/comm/bclist.php>

Friday
April 27, 2018
9:00 a.m.

DISCUSSION ITEMS:

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

Agenda Item #

18-3-1: Public Meeting to Consider the Proposed Community Air Protection Funds Supplement to the Carl Moyer Memorial Air Quality Standards Attainment Program 2017 Guidelines

Spanish translation will be provided at the Board Meeting for this item, Item 18-3-1.

The Board will consider the Proposed Community Air Protection Funds Supplement to the Carl Moyer Memorial Air Quality Standards Attainment Program (Moyer Program) Guidelines. The Guidelines Supplement would build on the existing 2017 Moyer Program Guidelines, approved by the Board last April, with specific changes designed to advance clean vehicle and equipment projects for immediate emission reductions in disadvantaged and low-income communities. The Guidelines Supplement would align the Moyer Program with the goals of Assembly Bill (AB) 617 (C. Garcia, 2017). The Moyer Program, established in 1998, provides incentives for the turnover of old, high-polluting diesel vehicles and equipment with cleaner-than-required replacements. The Moyer Program provides cost-effective surplus emission reductions that help the State meet federal air quality standards.

18-3-2: Public Meeting to Consider Proposed Fiscal Years 2018-2021 Triennial Strategic Research Plan and the Proposed Research for Fiscal Year 2018-2019

The Board will consider Staff's proposed Fiscal Years 2018-2021 Triennial Strategic Research Plan and the Proposed Research for Fiscal Year 2018-2019. The Triennial Strategic Research Plan reflects a concerted effort to identify California Air Resources Board's highest priority research initiatives for the next three years. The Proposed Research for Fiscal Year 2018-2019 will support the initiatives outlined in the Triennial Strategic Research Plan. The research projects in these plans will advance the state of the science and support the California Air Resources Board's efforts to meet California's air quality and climate goals.

18-3-3: Public Hearing to Consider Proposed Amendments to the Low Carbon Fuel Standard Regulation and to the Regulation on Commercialization of Alternative Diesel Fuels

The Board will consider proposed amendments designed to strengthen the Low Carbon Fuel Standard (LCFS) regulation through 2030 in line with the Senate Bill 32 greenhouse gas reduction goals. The proposed amendments would enhance LCFS credit for zero-emission vehicle fueling infrastructure per Governor Brown's Executive Order B-48-18, adopt a protocol to enable credit generation for carbon capture and sequestration projects, expand fuel types and vehicle applications to which the LCFS regulation applies (including adding alternative jet fuel), improve crediting for innovative actions at petroleum refineries, and establish an independent third-party verification and verifier accreditation system to ensure accuracy of LCFS reported data. The amendments also include a number of technical changes to improve, simplify, streamline, and clarify the regulation. As part of this rulemaking, the Board will comply with a California court order by considering supplemental environmental analysis related to oxides of nitrogen (NOx) emissions from biodiesel, and a proposed amendment to the Alternative Diesel Fuels regulation based on that analysis. This is the first of two Board hearings on this item; the Board will not vote on the amendments at this meeting.

18-3-5 Public Meeting to Consider Proposed Voluntary NOx Remediation Measure Funding

The Board will consider approving a voluntary measure to provide immediate funding to air districts to achieve further reductions in emissions of oxides of nitrogen (NOx). This initiative arises from CARB's response to a 2017 court order in the ongoing POET litigation challenge to the 2009 adoption of the LCFS. This measure aims to remediate conservatively estimated historical emissions potentially related to increased use of biodiesel in California that may be attributable to incentivization of biodiesel use by the Low Carbon Fuel Standard (LCFS) regulation. The voluntary measure is consistent with CARB's mission to promote and protect public health and welfare through the effective and efficient reduction of air pollutants.

CLOSED SESSION

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

American Fuels and Petrochemical Manufacturers, et al. v. Jane O'Keefe, et al., U.S. District Court (D. Ore. Portland), Case No. 3:15-CV-00467; Plaintiffs' appeal, U.S. Court of Appeals, Ninth Circuit, Case No. 15-35834.

California et al. v. U.S. Department of Transportation et al., United States District Court, Northern District of California, Case No. 4:17-CV-05439.

Electric Power Supply Association, et al. v. Star, et al., U.S. Court of Appeals, Seventh Circuit, Case No. 17-2445.

Friends of Oceano Dunes, Inc. v. California Coastal Commission, et al., Superior Court of California, San Luis Obispo County, Case No. 17CV-0576.

In re La Paloma Generating Company, LLC, U.S. Bankruptcy Court, District of Delaware, Case No. 16-bk-12700.

Mexichem Fluor Inc. v. United States Environmental Protection Agency et al., U.S. Court of Appeals, District of Columbia Circuit, Case Nos. 15-1328 and 15-1329.

POET, LLC, et al. v. California Air Resources Board, et al., Superior Court of California (Fresno County), Case No. 09CECG04659; plaintiffs' appeal, California Court of Appeal, Fifth District,

Case No. F064045; California Supreme Court, Case No. S213394 [remanded to trial court]; plaintiff's appeal of trial court order discharging peremptory writ of mandate, Court of Appeal, Fifth District, Case No. F073340.

POET, LLC, et al. v. California Air Resources Board, et al., Superior Court of California (Fresno County), Case No. 15CECG03380.

Rocky Mountain Farmers Union, et al. v. Corey, U.S. District Court (E.D. Cal. Fresno), Case No. 1:09-CV-02234-LJO-DLB; ARB interlocutory appeal, U.S. Court of Appeals, Ninth Circuit, Case No. 12-15131 [remanded to trial court].

American Fuels and Petrochemical Manufacturers, et al. v. Corey, et al., U.S. District Court (E.D. Cal. Fresno), Case No. 1:10-CV-00163-AWI-GSA; ARB's interlocutory appeal, U.S. Court of Appeals, Ninth Circuit, Case No. 10-CV-00163 [remanded to trial court].

Sowinski v. California Air Resources Board, et al., U.S. District Court, Central District of California, Case No. 8:15-CV-02123.

Sowinski v. California Air Resources Board, et al., Orange County Superior Court, Case No. 30-2018-00970852-CU-IP-CXC.

State of California, et al. v. United States Environmental Protection Agency et al., U.S. District Court, Northern District of California, Oakland Division, Case No. 4:17-cv-6936-HSG.

State of New York, et al. v. United States Environmental Protection Agency et al., U.S. Court of Appeals, District of Columbia Circuit, Case No. 17-1185.

States of New York, California, Vermont, and Maryland, and the Commonwealth of Pennsylvania v. National Highway Traffic Safety Administration, U.S. Court of Appeals, Second Circuit, Case Nos. 17-2780(L) and 17-2806.

State of North Dakota, et al. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 16-1242.

State of North Dakota v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 15-1381.

State of West Virginia et al. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 15-1363.

State of Wyoming, et al. v. United States Department of the Interior, et al., U.S. District Court, District of Wyoming, Case No. 16-CV-285-SWS.

Adam Brothers Farming, Inc. v. California Air Resources Board, et al., Santa Barbara County Superior Court, Case No. 15 CV04432.

Alliance for California Business v. California Air Resources Board, et al., Glenn County Superior Court, Case No. 13CV01232; plaintiffs' appeal, Court of Appeal, Third District, Case No. C082828.

Alliance for California Business v. California State Transportation Agency, et al., Sacramento County Superior Court, Case No. 34-2016-80002491.

American Coatings Association, Inc. v. State of California and California Air Resources Board, Sacramento County Superior Court, Case No. 04CS01707.

Jack Cody dba Cody Transport v. California Air Resources Board, et al., Sacramento Superior Court, Case No. 34-2015-80002116; plaintiff's appeal, Court of Appeal, Third District, Case No. C083083.

Dalton Trucking, Inc. v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 13-1283 (dismissed), U.S. Court of Appeals, Ninth Circuit, Case No. 13-74019.

John R. Lawson Rock & Oil, Inc. et al. v. California Air Resources Board et al., Fresno County Superior Court, Case No. 14-CECG01494; ARB's appeal, Court of Appeal, Fifth District, Case No. F074003.

Murray Energy Corporation v. United States Environmental Protection Agency, U.S. Court of Appeals, District of Columbia Circuit, Case No. 15-1385.

Truck Trailer Manufacturers Association, Inc. v. United States Environmental Protection Agency, et al., U.S. Court of Appeals, District of Columbia Circuit, Case No. 16-1430.

California Air Resources Board v. Adam Brothers Farming Inc., Santa Barbara County Superior Court, Case No. 16CV01758.

People v. Southern California Gas Company, Los Angeles Superior Court, Case No. BC 602973.

In re: Volkswagen "Clean Diesel" MDL, United States District Court, Northern District of California, Case No. 15-MD-2672-CRB (JSC).

Mahan v. California Air Resources Board, Sacramento County Superior Court, Case No. 34-2016-80002416.

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

Board members may identify matters they would like to have noticed for consideration at future meetings and comment on topics of interest; no formal action on these topics will be taken without further notice.

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Attachment C regarding SCAQMD's authority to adopt an indirect source rule for railyards is being provided in response to a Board Member inquiry. No other changes, other than format and date on the Board Letter, have been made to the previous materials provided at the March 2, 2018 Board Meeting.

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BOARD MEETING DATE: May 4, 2018

AGENDA NO. 32

PROPOSAL: Potential Strategies for Facility-Based Mobile Source Measures Adopted in 2016 AQMP (***Continued from the March 2, 2018 Board Meeting for Board Deliberation and Action Only***)

SYNOPSIS: Following the commitment made in the 2016 AQMP, staff has conducted significant public outreach over the past year to identify potential voluntary and, if needed, regulatory emission reduction strategies for sources covered by Facility-Based Mobile Source Measures. After reviewing the feedback received during this process, staff has developed a recommended approach tailored to each of the five facility sectors including airports, marine ports, new and redevelopment projects, rail yards, and warehouses. This recommendation includes a spectrum of potential voluntary and regulatory approaches that show the most promise for achieving emission reductions. Any potential rule or agreements included in this approach would be subject to a full public process, including further public outreach, environmental and economic analysis, and subsequent Board consideration. This action is to seek Board direction for next steps in the development of Facility-Based Mobile Source Measures.

COMMITTEE: Mobile Source, February 16, 2018, Reviewed

RECOMMENDED ACTIONS:

1. Direct staff to pursue the approach for developing Facility-Based emission reduction strategies for New Development and Redevelopment Projects described in the attached Staff Update and Recommendations, including any Board amendments,
2. Direct staff to pursue the approach for developing Facility-Based emission reduction strategies for Marine Ports described in the attached Staff Update and Recommendations, including any Board amendments,
3. Direct staff to pursue the approach for developing Facility-Based emission reduction strategies for Rail Yards described in the attached Staff Update and Recommendations, including any Board amendments,

4. Direct staff to pursue the approach for developing Facility-Based emission reduction strategies for Warehouses and Distribution Centers described in the attached Staff Update and Recommendations, including any Board amendments,
5. Direct staff to pursue the approach for developing Facility-Based emission reduction strategies for Commercial Airports described in the attached Staff Update and Recommendations, including any Board amendments.

Wayne Natri
Executive Officer

PF:SR:IM:DG

Background

The 2016 AQMP adopted by the Board in March 2017 included a wide array of control measures to meet federal air quality standards. In particular, the 2023 and 2031 attainment dates for meeting the respective 80 ppb and 75 ppb 8-hour ozone standards require significant NO_x emission reductions in a short time. In order to meet these air quality standards, the total South Coast Air Basin (Basin) NO_x emissions must be reduced by approximately 45% beyond baseline 2023 levels, and 55% beyond baseline 2031 levels. The control strategies outlined in the 2016 AQMP and in CARB's Mobile Source Strategy focus on reducing emissions from mobile sources as they make up about 80% of the Basin's NO_x emissions and are the largest contributor to the region's ozone problem.

Most of the emission reduction measures in CARB's Mobile Source Strategy were categorized as Further Deployment Measures that seek to accelerate the introduction of cleaner vehicles, such as zero emission and near-zero emission technologies. These Further Deployment Measures have not yet been fully defined by CARB, but can include a combination of incentives, regulations, efficiency improvements, and local measures. With the adoption of the 2016 AQMP, SCAQMD committed to assisting CARB to develop and implement the Further Deployment Measures. One critical SCAQMD strategy included the development of Facility-Based Mobile Source Measures (FBMSMs) that would reduce emissions from indirect sources (i.e. the emissions from mobile sources generated by, or attracted to facilities). Five FBMSMs were included in the Final 2016 AQMP, including New Development and Redevelopment Projects, Marine Ports, Rail Yards, Warehouses and Distribution Centers, and Commercial Airports.

In addition to these measures, when the CARB Board approved the Mobile Source Strategy, CARB staff was directed to return in March of 2018 to report on concepts for an indirect source rule for large freight facilities, or other alternatives capable of achieving similar levels of emission reductions. SCAQMD and CARB staff have continued to coordinate with each other extensively over the past year. CARB staff

have presented potential new freight-related strategies in a series of workshops and a draft report¹, and are expecting to report to their Board on March 22, 2018.

Finally, the 2016 AQMP estimated that in order to meet air quality standards, approximately \$1 billion per year would be needed to help offset the increased costs of lower emitting vehicles and equipment. This past year, the state legislature and CARB have provided hundreds of millions of dollars in new incentive funding for use throughout the state² from funding sources such as the state Greenhouse Gas Reduction Fund, the VW Settlement, and modifications to the smog check program. While this new funding is rapidly being put to use to reduce emissions, much work is still needed to increase and sustain the funding levels needed to achieve air quality standards.

Public Process

The 2016 AQMP described a year-long process for staff to evaluate potential emission reduction strategies for the FBMSMs and to report back to the Board on the most promising approaches. Following this process, staff has met many times with stakeholders, including 17 working group meetings and has presented updates to the Mobile Source Committee three times. For most of the past year the working groups have discussed potential voluntary strategies to reduce emissions, such as through Memoranda of Understanding (MOUs), and the potential methods for obtaining SIP credit for these measures. Preliminary discussions about potential regulatory strategies for each facility sector were also initiated. Any strategies that staff would be directed to pursue by the Board would include additional public outreach, including the public participation processes mandated for any SCAQMD rulemaking activity.

Proposal

Staff is recommending a comprehensive approach to implementing the FBMSMs that includes a combination of new voluntary programs supplemented with regulations where voluntary programs are not sufficient to meet the air quality goals of the 2016 AQMP. A summary of the recommended voluntary and regulatory emission reduction strategies for each facility sector is presented below, with additional details included in the attached Staff Update and Recommendations report, and a detailed summary included in the attached slides from staff's presentation to the Mobile Source Committee. Any rulemaking that staff would be directed to pursue would include socioeconomic and feasibility analyses, California Environmental Quality Act (CEQA) review and the Board would consider this information to determine the level of control in any proposed Indirect Source Rule (ISR). All regulatory proposals would also seek to allow vehicle owners the ability to use any incentive funds that may be available.

¹ <https://www.arb.ca.gov/gmp/sfti/FreightFacility.htm>

² <https://www.arb.ca.gov/msprog/aqip/fundplan/fundplan.htm>

New Development and Redevelopment Projects

Voluntary Emission Reduction Strategies

Staff proposes to further explore the following voluntary emission reduction strategies:

- Development of a new SCAQMD-administered CEQA air quality mitigation fund that projects could contribute to as a means of mitigating regional air quality impacts. Projects would pay a fee into the fund, and SCAQMD would use these funds for emission reduction projects.
- Development of new SCAQMD CEQA guidance that provides specific strategies projects could use to include lower emission technologies (e.g., vehicles, lawn and garden equipment, construction equipment, net-zero development, etc.). This guidance will be developed in cooperation with CARB's proposed efforts to develop a freight handbook that identifies best practices guidance for siting, design, construction, and operation of freight facilities.
- Continued collaboration with local utilities, local governments, and the state Energy and Public Utility Commissions to encourage more rapid growth of alternative fuel and/or electric vehicle charging infrastructure.

Regulatory Emission Reduction Strategies

Construction equipment is the most significant source of NO_x emissions that a measure on New Development and Redevelopment Projects could affect. Although voluntary emission reduction strategies for this facility sector outlined above could provide important air quality benefits, they are unlikely to substantially reduce NO_x emissions from construction equipment. As a result, voluntary emission reduction strategies alone are not sufficient to meet the needs of the 2016 AQMP. Therefore, in addition to pursuing voluntary emission reduction strategies staff is recommending the development of an ISR focused on reducing construction emissions. The ISR would be brought to the Board for its consideration by 2020 with a full phase-in of the ISR requirements by 2023 if adopted. The ISR would likely focus on projects with the largest NO_x emissions, would include several compliance options, and could include exemptions for certain types of projects (e.g., affordable housing). One option could include a voluntary fleet certification program for construction fleet owners to certify that their fleet is cleaner than required by CARB regulations – coupled with a requirement for new/redevelopment projects to use fleets that on average are cleaner than required by CARB regulations. The facility requirement for this and any other options would be set during rulemaking, and would be substantiated with evaluations of cost-effectiveness, the level of incentive funding, feasibility, air quality need, etc.

Marine Ports

Voluntary Emission Reduction Strategies for Commercial Marine Ports

SCAQMD staff is proposing to build off of the significant work that went into the development of the recent Clean Air Action Plan (CAAP) Update that was adopted in November 2017. Staff is recommending the development of MOUs on specific CAAP measures, such as the Clean Truck Program. These MOUs would be brought to the

Board and the Los Angeles and Long Beach Boards of Harbor Commissioners for consideration in the 2019 timeframe to coincide with significant milestones already established in the CAAP. In addition, staff is recommending to continue exploring new incentive strategies to address emissions from ocean-going vessels which make up about 64% of marine port-related NOx emissions.

Regulatory Emission Reduction Strategies for Commercial Marine Ports

Staff is not recommending a regulatory approach for marine ports at this time. If voluntary strategies for marine ports are not successful, staff is recommending to return to the Board in the 2019-2020 timeframe to seek direction regarding the pursuit of a regulatory approach that could potentially apply to port terminal operators.

Rail Yards

Voluntary Emission Reduction Strategies

No substantive voluntary emission reduction strategies have been identified for rail yards through the working group process, however previous voluntary agreements between the railroads and CARB have resulted in meaningful air quality benefits (e.g., the 1998 Tier 2 Agreement). Absent any additional voluntary approach, staff is recommending a regulatory approach to reduce emissions from this facility sector.

Regulatory Emission Reduction Strategies

Staff recommends initiating rulemaking for an ISR for rail yards that would include multiple compliance options to allow the most flexibility. An initial discussion on regulatory concepts with the working group explored a clean air action plan approach due to the limited number of facilities and railroads the rule would apply to. While locomotives are the most significant source of NOx emissions that could be affected by a facility-based rail yard measure, a plan-based approach would allow the railroads to craft the emission reduction strategies considering all emissions sources in a way that makes the most sense for each rail yard's unique operations. Any indirect source rule that the Board may approve in the future would also likely require harmonization at the federal level with the Interstate Commerce Commission Termination Act.

Warehouses and Distribution Centers

Voluntary Emission Reduction Strategies

Staff proposes to further explore the following voluntary emission reduction strategies:

- Similar to the potential voluntary measures described for the new development/redevelopment facility sector, new measures could include development of a SCAQMD-administered CEQA air quality mitigation fund for warehouse projects to opt into, development of updated guidance for warehouse siting and operations, and continued work with utilities and regulatory agencies on developing the necessary fueling/charging infrastructure
- Working with e-commerce providers to develop "Green Delivery Options". This proposal could involve a small, voluntary opt-in surcharge for consumers when

purchasing goods online and funds generated would be used towards reducing truck fleet emissions.

With the limited emission reductions that would be expected from the recommended voluntary measures, staff is recommending supplementing this voluntary approach with a regulatory approach.

Regulatory Emission Reduction Strategies

Similar to the approach described for new/redevelopment projects, the warehouse ISR would provide several compliance options that facilities could follow, except that the focus would be on reducing trucking emissions which make up a majority of emissions from this sector. One option could include a voluntary fleet certification program for truck fleet owners to certify that their fleet is cleaner than required by CARB regulations – coupled with a requirement for warehouses to ensure that fleets that serve their facility on average are cleaner than required by CARB regulations. The facility requirement for this and any other options would be set during rulemaking, and would be substantiated with evaluations of cost-effectiveness, the level of incentive funding, feasibility, air quality need, etc. As each of these factors change through time, the Board could modify the facility requirements. Examples of other options include a mitigation fee, crediting options for other activities like installation of charging/fueling infrastructure for cleaner trucks and transportation refrigeration units, conversion of cargo handling equipment to ZE technology, or other options developed during rulemaking.

Commercial Airports

Voluntary Emission Reduction Strategies

In an amendment to the 2016 AQMP adopted by the Board, staff was directed to return to the Board by February 2019 with an ISR covering non-aircraft emission sources at airports. During the Board discussion of this item, further direction was provided to ensure that the rulemaking process would not inhibit the ability of airports to develop their own airport-specific Clean Air Action Plans (AirCAAPs). Commercial airports are estimated to only emit about 8 tons per day of NOx (absent aircraft emissions) that is primarily from trucks, a lower value in comparison to the other facility sectors. Airports have also generally expressed a willingness to voluntarily develop their own clean air action plans in lieu of a regulation. Taking all of this into consideration, staff is recommending a voluntary approach with airports, where the District would enter into separate MOUs with each airport after they develop their AirCAAPs. With the cooperation of the airports, this approach is expected to provide the quickest and most certain emission reductions.

Regulatory Emission Reduction Strategies

For the reasons stated above, SCAQMD staff is not recommending initially pursuing an ISR for airports at this time. Staff is recommending coming back to the Board no later than summer 2018 to report on the airports commitment to develop an AirCAAP. In the

event that not all commercial airports agree to the AirCAAP and MOU approach, SCAQMD staff could develop for the Board’s consideration an airport ISR by February 1, 2019. One potential ISR concept could include a requirement for airports to develop an AirCAAP.

Summary of Staff Recommendation

Proposed voluntary and regulatory emission reduction strategies for each FBMSM adopted in the 2016 AQMP, and discussed above and in the attachment, are summarized in the table below.

FBMSM Sector	Pursue <u>Voluntary</u> Measures Now?	Also Pursue <u>Regulatory</u> Measures Now?
Ports	Yes	No
Airports	Yes	No
Warehouses	Yes	Yes
New/Redevelopment	Yes	Yes
Rail Yards	Yes	Yes

The presentation to the February 16, 2018 Mobile Source Committee meeting provides a comprehensive summary about the FBMSM strategies discussed above and can be accessed at this link: <http://www.aqmd.gov/docs/default-source/Agendas/Mobile-Source/msc-agenda-feb2018.pdf?sfvrsn=12>.

Attachments

- A. Staff Update and Recommendations – Facility-Based Mobile Source Measures
- B. Board Meeting Presentation
- C. *Office of General Counsel Memorandum – Authority to Adopt Indirect Source Rule for Railyards*

ATTACHMENT A

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Staff Update and Recommendations Facility-Based Mobile Source Measures

March 2018

Deputy Executive Officer

Planning, Rule Development, and Area Sources
Philip M. Fine, Ph.D.

Assistant Deputy Executive Officer

Planning, Rule Development, and Area Sources
Sarah Rees, Ph.D.

Authors:

Dan Garcia – Program Supervisor
Maryam Hajbabaie, Ph.D. – AQ Specialist
Michael Laybourn – AQ Specialist

Contributors:

Zorik Pirveysian – Planning and Rules Manager

Reviewed by:

Ian MacMillan – Planning and Rules Manager
Megan Lorenz – Principal Deputy District Counsel
Veera Tyagi – Principal Deputy District Counsel
William Wong – Principal Deputy District Counsel
Barbara Baird – Chief Deputy Counsel

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Cities of Orange County

JANICE RUTHERFORD
Supervisor, Second District
County of San Bernardino

HILDA L. SOLIS
Supervisor, First District
County of Los Angeles

EXECUTIVE OFFICER:

WAYNE NASTRI

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CHAPTER 1: INTRODUCTION

BACKGROUND

RECENT STAFF ACTIVITIES

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CALIFORNIA AIR RESOURCES BOARD ACTIVITIES

BACKGROUND

The Final 2016 Air Quality Management Plan (AQMP) was adopted by the South Coast Air Quality Management District (SCAQMD) Board on March 3, 2017. The 2016 AQMP is a regional blueprint for achieving federal and state air quality standards and healthful air in the South Coast Air Basin (Basin). The Basin still exceeds federal and state public health standards for both ozone and particulate matter (PM) and experiences some of the worst air pollution in the nation. In particular, the Basin is designated as an extreme non-attainment area for the 1-hour and 8-hour federal ozone National Ambient Air Quality Standards (NAAQS), serious non-attainment for the 24-hour PM_{2.5} NAAQS, and non-attainment for the state AAQS for ozone, PM₁₀, and PM_{2.5}.

The key strategy to meet this air quality challenge is to reduce nitrogen oxide (NO_x) emissions sufficiently to meet the 8-hour ozone NAAQS deadlines (80 ppb in 2023 and 75 ppb in 2031). If these standards are met then all other federal ozone and PM standards should be achieved. Based on analysis in the 2016 AQMP, in order to meet the ozone NAAQS deadline, the total Basin emissions of NO_x must be reduced to approximately 141 tons per day in 2023 and 96 tons per day in 2031 to attain the 8-hour ozone standards. This represents an additional 45% reduction in NO_x beyond baseline 2023 levels, and an additional 55% NO_x reduction beyond baseline 2031 levels. As seen in Figure 1-1, approximately 80% of NO_x emissions in 2023 and 2031 will be from mobile sources.

Figure 1-1: NO_x Emission Reductions Needed to Achieve Federal 8-Hour Ozone NAAQS

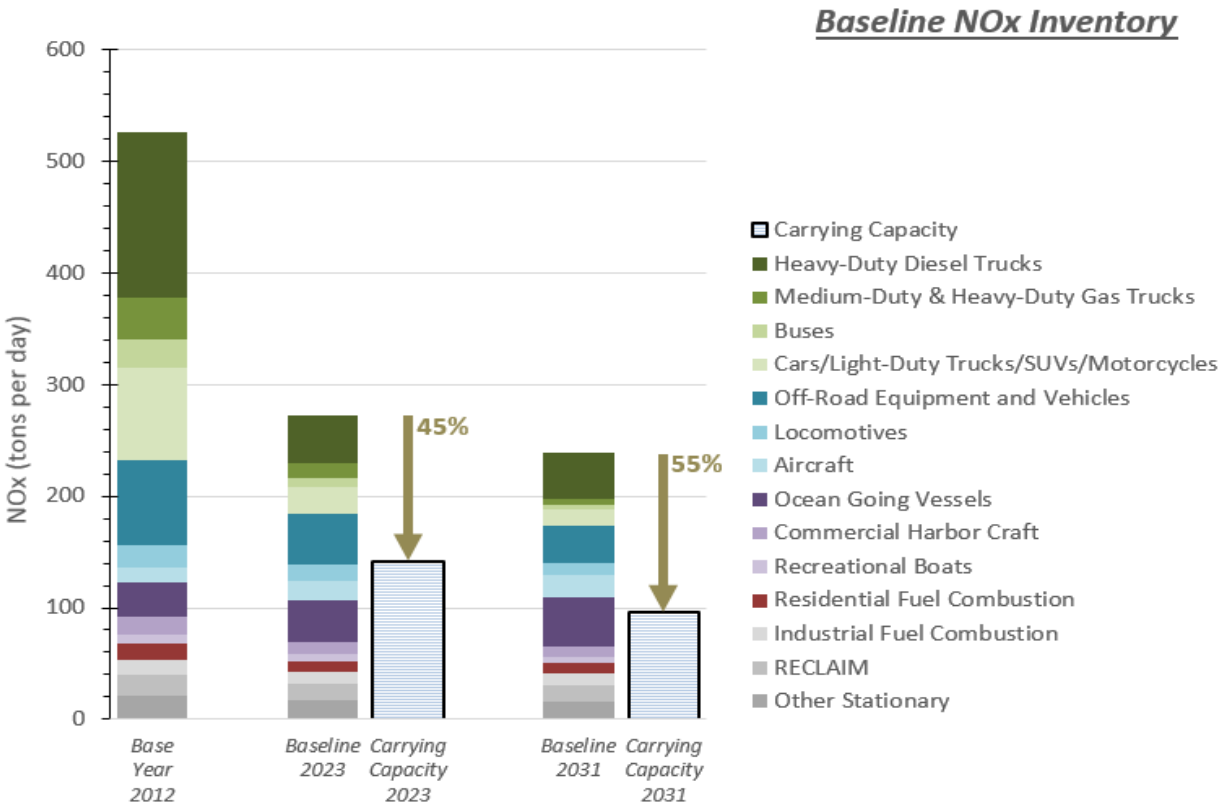
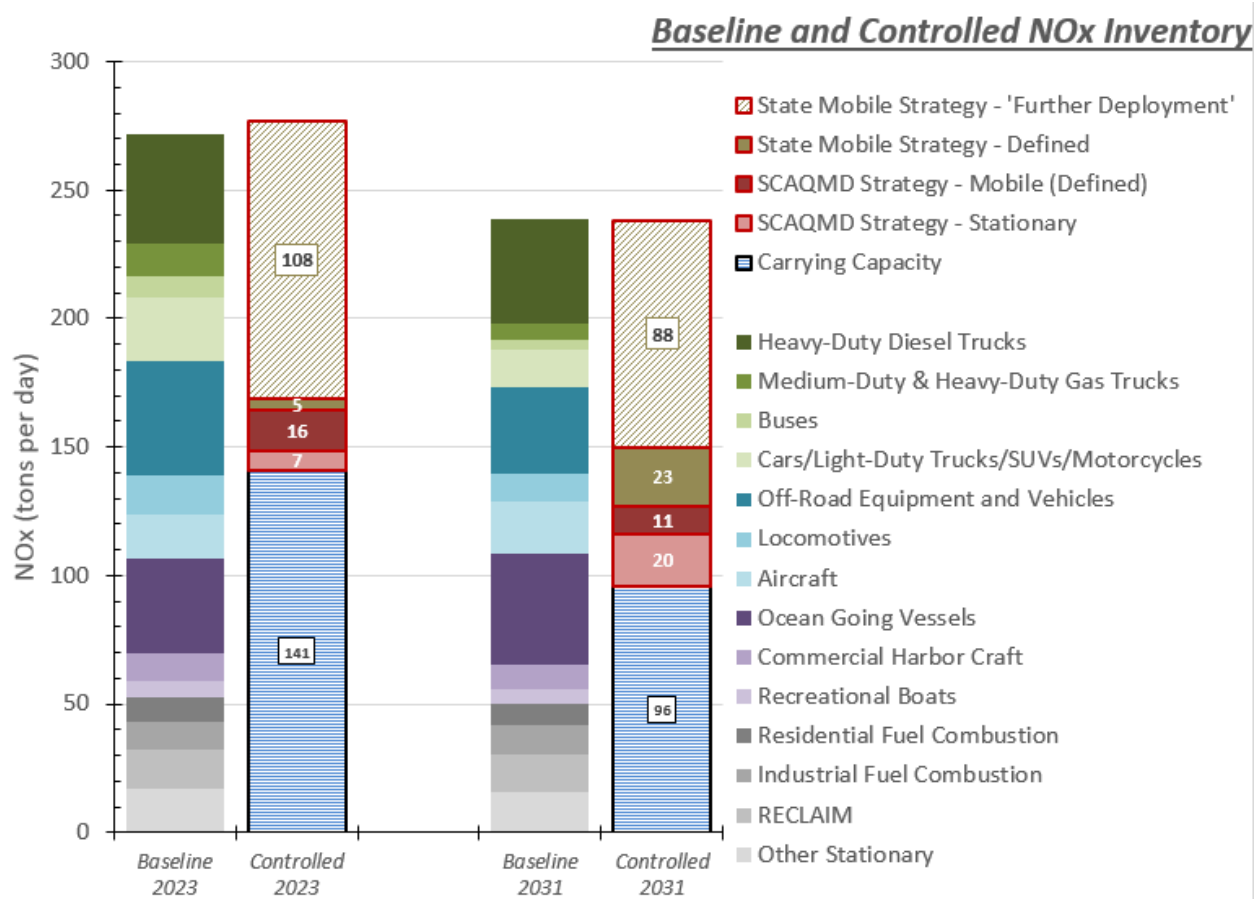


Figure 1-2: NOx Control Strategy in the 2016 AQMP



The control strategy in the 2016 AQMP includes many stationary and mobile source measures that will be carried out by the District and the California Air Resources Board (CARB) (Figure 1-2). In particular, CARB is committed to achieving emission reductions with its state Mobile Source Strategy in the State Implementation Plan (SIP). The majority of these emission reductions come from measures titled as “Further Deployment of Cleaner Technologies” (Further Deployment Measures). The Further Deployment Measures are expected to reduce 108 tons per day of NOx emissions beyond 2023 baseline by 2023 and 88 tons per day beyond 2031 baseline by 2031. Implementation of the Further Deployment Measures is based on a combination of incentive funding, development of regulations, and quantification of emission reduction benefits from increased operational efficiencies, such as deployment of autonomous and/or connected vehicles, operational improvements, etc. The 2016 AQMP may need to rely on flexibility provided in section 182(e)(5) of the federal Clean Air Act to demonstrate that the plan will attain air quality standards because these Further Deployment Measures are not yet defined or implemented. However, this same section requires the state to submit “enforceable commitments to develop and adopt contingency measures... no later than 3 years before proposed implementation of the plan provisions”. For instance in the case of the 2023 attainment date for the 8-hour ozone standard, any 182 (e)(5) flexibility relied on for Further Deployment Measures must be replaced with contingency measures in 2020.

In the 2016 AQMP, the SCAQMD committed to assist CARB and U.S. EPA in developing the Further Deployment Measures, including through development of local Facility-Based Mobile Source Measures (FBMSMs). Five FBMSMs were included in the Final 2016 AQMP as part of the mobile source strategy to help attain the 8-Hour Ozone NAAQS. The FBMSMs address indirect sources including new development and redevelopment projects (EGM-01), commercial marine ports (MOB-01), railyards and intermodal facilities (MOB-02), warehouse distribution centers (MOB-03) and commercial airports (MOB-04). Recognizing the importance of reducing emissions from facilities that attract mobile emissions sources, federal law allows states to adopt indirect source regulations. California law explicitly provides Indirect Source Rule (ISR) authority to local air districts [Health & Safety Code § 40716 (a)(1)]. An indirect source is defined under the federal Clean Air Act as any facility, building, structure, or installation, or combination thereof, which generates or attracts mobile source activity that results in emissions of any pollutant (or precursor) for which there is an air quality standard. See 42 U.S.C. § 7410(a)(5)(C).

STAFF ACTIVITIES

The 2016 AQMP described a year-long process for staff to evaluate potential emissions reduction strategies for the FBMSMs and report back to the Board on the most promising approaches. Following this process, SCAQMD staff convened five FBMSM Working Groups, each focused on one facility sector (e.g., warehouses, airports, etc.), that have primarily focused on potential voluntary approaches to achieve emission reductions to help implement the Further Deployment Measures. Over the past year, SCAQMD staff have conducted 17 Working Group Meetings, and many additional individual stakeholder meetings and site visits. Some of the key topics discussed during the Working Group meetings included: 1) a framework for developing FBMSMs, 2) potential methods for obtaining SIP credit for voluntary measures, and 3) potential voluntary and regulatory emission reduction strategies for each facility sector. To assist in identifying potential areas of opportunity for emission reductions, SCAQMD staff developed emission inventories for each facility sector that provided a rough estimate of the NO_x baseline emissions in 2023 that could be affected by FBMSMs.

Consistent with the 2016 AQMP, SCAQMD staff provided progress reports to the SCAQMD Mobile Source Committee in May and October of 2017, and is planning to return to the Governing Board in March 2018 to present recommendations on specific FBMSM approaches. This staff update provides a discussion by facility sector and the specific FBMSM approaches recommended by staff.

LOCAL AND REGIONAL ACTIVITIES

A number of local and regional jurisdictions have pursued policies that could benefit air quality. Two examples of these policies include the Ports Clean Air Action Plan Update and the LAX Alternative Fuel Policy Update discussed below.

Ports' Clean Air Action Plan Update

On November 2, 2017 the governing boards of the Port of Los Angeles and Port of Long Beach (Ports) approved the 2017 CAAP Update that provides high-level guidance for reducing emissions from the Port facilities. Key CAAP strategies include:

- An update to the Clean Truck Program that will include initiating a new differential rate structure to encourage the introduction of Near Zero Emissions (NZE) and Zero Emissions

(ZE) trucks into the drayage fleet. The rate structure would begin in 2020 and exempt NZE/ZE trucks. Starting in 2023, or whenever CARB implements its new NZE truck engine standard, new trucks entering the Ports' drayage registry must be NZE or ZE. Starting in 2035, only ZE trucks would be exempt from the rate structure.

- Developing a universal truck reservation system, staging yards, intelligent transportation systems and other efficiency programs to reduce emissions while improving the flow of cargo;
- Beginning in 2019, requiring terminal operators to develop Cargo Handling Equipment (CHE) procurement plans and to deploy zero-emission equipment, if feasible, or the cleanest available when procuring new CHE, with the goal of transitioning all terminal equipment to zero emissions by 2030;
- Providing new incentives to cleaner ships, such as by updating the existing Vessel Speed Reduction (VSR) Program to increase its effectiveness, and implementing a variable rate to promote cleaner ships by 2025;
- Developing infrastructure plans to support terminal equipment electrification, alternative fuels and other energy resource goals; and
- Expanding the use of on-dock rail, with the long-term goal of moving 50% of all cargo leaving the Ports by rail.

The 2017 CAAP Update established new emission reduction targets for reducing greenhouse gases (GHGs) from Port-related sources – 40% below 1990 levels by 2030 and 80% below 1990 levels by 2050. The 2017 CAAP Update maintains the emission reduction goals of the 2010 CAAP. These goals include reducing diesel particulate matter (DPM) by 77%, sulfur oxides (SOx) by 93%, and NOx by 59% below 2005 levels by the year 2023.

SCAQMD staff has worked extensively with Port staff in the development and early implementation of the 2017 CAAP Update. The recommended strategy in Chapter Three of this staff update aims to build off of this collaborative work to implement, supplement, and accelerate the measures in the CAAP.

LAX Alternative Fuel Policy Update

In October 2017 LAX approved an update to its Alternative Fuel Policy that applies to vehicles greater than 8,500 pounds gross vehicle weight rating (e.g., buses, trucks, passenger vans, etc.) that are used in operations related to LAX. The previous policy from 2007 had been approved as part of a Community Benefits Agreement, however recent compliance with this policy was less than 50%. Throughout the year, SCAQMD staff worked collaboratively with LAX staff to modernize the policy to reflect current vehicle technologies, to bring the applicable vehicles covered by the policy into compliance as quickly as feasible, and to encourage the introduction of zero emission vehicles. The recommended strategy in Chapter Three of this staff update aims to build off of this collaborative work to incorporate this policy, and others, into a comprehensive plan for LAX.

CALIFORNIA AIR RESOURCES BOARD ACTIVITIES

Throughout the FBMSM Working Group Process, the SCAQMD staff has coordinated extensively with CARB staff as they develop their regulatory program to implement the SIP. The state strategy approved by CARB as part of the SIP approval includes several specific mobile source measures (Table 1-1) in addition to the previously described ‘Further Deployment Measures’. Over the past year and a half, CARB has continued to advance these measures, including adopting two measures, and initiating public workshops with proposed draft approaches for six other measures. While each of these measures will unquestionably have air quality benefits, including reducing emissions of pollutants other than NO_x, cumulatively these eight measures are projected to reduce less than 1 ton per day of NO_x by 2023. In total, about 96% of CARB’s strategy for reducing an additional 108 tons per day of NO_x by 2023 relies on ‘Further Deployment Measures’.

In addition to these specific strategies, as part of its approval of the SIP in March 2017, the CARB Board directed its staff to return in one year with an update on the implementation of the SIP, as well as *“concepts for an Indirect Source Rule to control pollution from large freight facilities including ports, railyards, warehouses and distribution centers, as well as any identified alternatives capable of achieving similar levels of emission reductions.”*

Subsequent to the approval of the 2016 AQMP and the SIP by CARB, the state legislature passed AB 617¹ which is designed to focus air quality regulatory efforts towards reducing exposure in communities most impacted by air pollution. Consistent with the intent of AB 617 and its Board direction on ISR, CARB staff held workshops throughout the state to discuss the air quality impacts on communities from large freight facilities and how to address them. Recently released materials for upcoming workshops² provide CARB staff’s proposed approach to address impacts from large freight facilities (see ‘Potential Additional Strategies’ in Table 1-1). The proposed approach includes focusing on measures that would reduce community impacts of large freight facilities, consistent with the requirements of AB 617. Each of these measures would also apply towards CARB’s ‘Further Deployment’ commitment; however the potential level of NO_x reductions has not yet been determined.

¹ Available here: http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB617

² Available here: <https://www.arb.ca.gov/gmp/sfti/FreightFacility.htm>

Table 1-1: CARB Mobile Source Emission Reduction Activities

	Measure	Proposed Action Date in CARB Mobile Strategy	Proposed Implementation Date	Proposed Approach	SIP Reductions NOx (tpd)	
					2023	2031
On-Road Light Duty	Advanced Clean Cars 2	2020 - 2021	2026		0	0.6
	Lower In-Use Emission Performance Assessment	Ongoing			NYQ	NYQ
	Further Deployment of Cleaner Technologies	Ongoing			7	5
On-Road Heavy Duty	Lower In-Use Emission Performance Level	2017 - 2020	2018+	-Longer warranty periods (<0.1 tpd 2023, <0.9 tpd 2031) -Revised periodic smoke inspections, On Board Diagnostics requirements, In-Use Compliance program, Durability/Useful Life requirements -New HD Inspection & Maintenance	NYQ	NYQ
	Low-NOx Engine Standard – California Action	2019	2023		0	5
	Low-NOx Engine Standard – Federal Action	2019	2024		0	7
	Medium and Heavy-Duty GHG Phase 2	2017 - 2019	2018+		0	0
	Innovative Clean Transit	2017	2018	2020 - 100% NZE (purchase - all fleets) 2020 - 2029 Phase in ZE purchases (25%-100%)	<0.1	0.1
	Last Mile Delivery/Advanced Clean Trucks	2018	2020	2023 - 2030 Phase in OEM Class 2B-7 ZE sales (2.5%-15%)	<0.1	0.4
	Innovative Technology Certification Flexibility	2016	2017	Provides certification flexibility to OEMs for cleaner engines	0	0
	ZE Airport Shuttle Buses	2018	2023	2023 - 2031 Phase in ZE shuttles (up to 100%)	NYQ	NYQ
	Incentive Funding	Ongoing			3	3
Further Deployment of Cleaner Technologies	Ongoing			34	11	
Ships, Locomotives, & Aircraft	More Stringent National Locomotive Emission Standards	2016	2023		<0.1	2
	Tier 4 Vessel Standards	2016 - 2018	2025		0	NYQ
	Incentivize Low Emission Efficient Ship Visits	2018 - 2020	2018+		NYQ	NYQ
	At-Berth Regulation Amendments	2018	2023	-Phase in controls starting 2022, with 100% by 2031	0.3	1
	Further Deployment of Cleaner Technologies	Ongoing			46	54
Off-Road	ZE Off-Road Forklift Regulation Phase 1	2020	2023		NYQ	NYQ
	ZE Off-Road Emission Reduction Assessment	2025+	--		NYQ	NYQ
	ZE Off-Road Worksite Emission Reduction Assessment	TBD	--		NYQ	NYQ
	ZE Airport Ground Support Equipment	2018	2023		<0.1	<0.1
	Small Off-Road Engines	2020	2022		0.7	2
	Transport Refrigeration Units	2018 - 2019	2020+	2023 - 2029 Phase in time limits for stationary operation 2025 - 2050 Phase in for ZE operation	NYQ	NYQ
	Low-Emission Diesel Requirement	2020	2023		0.3	1
	Further Deployment of Cleaner Technologies	Ongoing			21	18
Potential Additional Strategies	ZE Drayage Trucks	2022	2023 - 2028	Potential additional freight-related strategies	NYQ	NYQ
	Cargo Handling Equipment Amendments	2019	2022		NYQ	NYQ
	Harbor Craft Amendments	2021	2025		NYQ	NYQ
	Reduce stationary locomotive emissions (e.g., idling)	2020	2023		NYQ	NYQ
	Reduce emissions from non-pre-empted locomotives	2022	2025		NYQ	NYQ
	Freight Handbook	2019 - 2020	--		NYQ	NYQ
	Enhanced Freight Hub Enforcement	--	2018		NYQ	NYQ
	<i>Public workshops underway</i>			Percentage of committed NOx emission reductions from Further Deployment Measures	96%	79%
	<i>Measure adopted</i>					

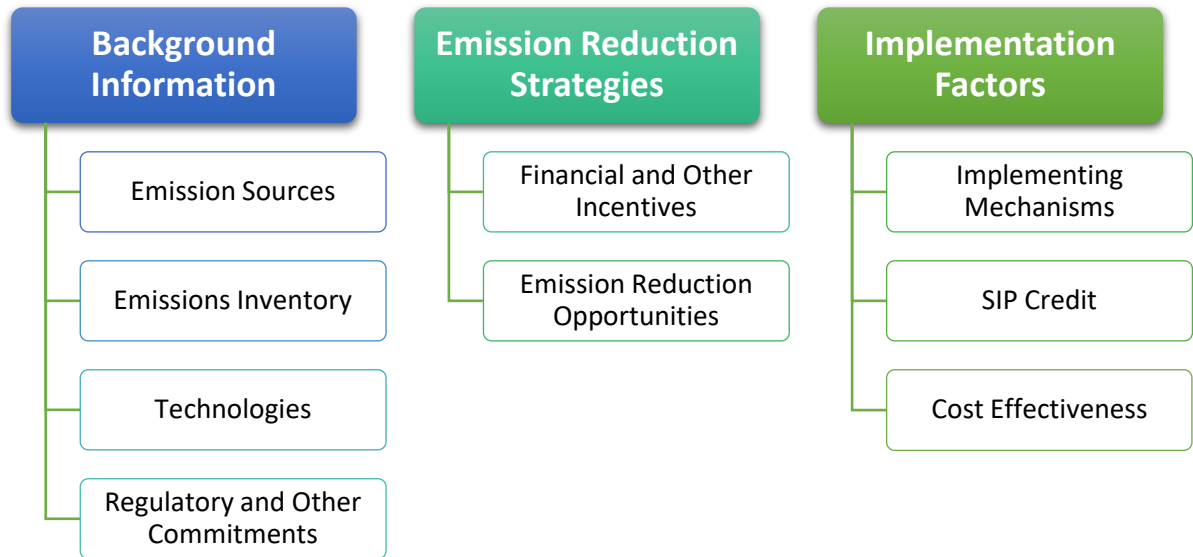
CHAPTER 2: WORKING GROUP PROCESS

FBMSM FRAMEWORK

FBMSM DEVELOPMENT FRAMEWORK

Through the FBMSM Working Group process SCAQMD staff collaborated with stakeholders to establish a development framework (Figure 2-1) intended to ultimately identify strategies that could reduce emissions from sources associated with FBMSMs. The development framework was comprised of three major categories including Background Information, Implementation Factors, and Emissions Reduction Strategies. The information gathered for each of these categories through the FBMSM Working Group process was used to inform SCAQMD staff’s proposed emission reduction strategies for the FBMSMs presented in Chapter Three of this staff update.

Figure 2-1: FBMSM Development Framework



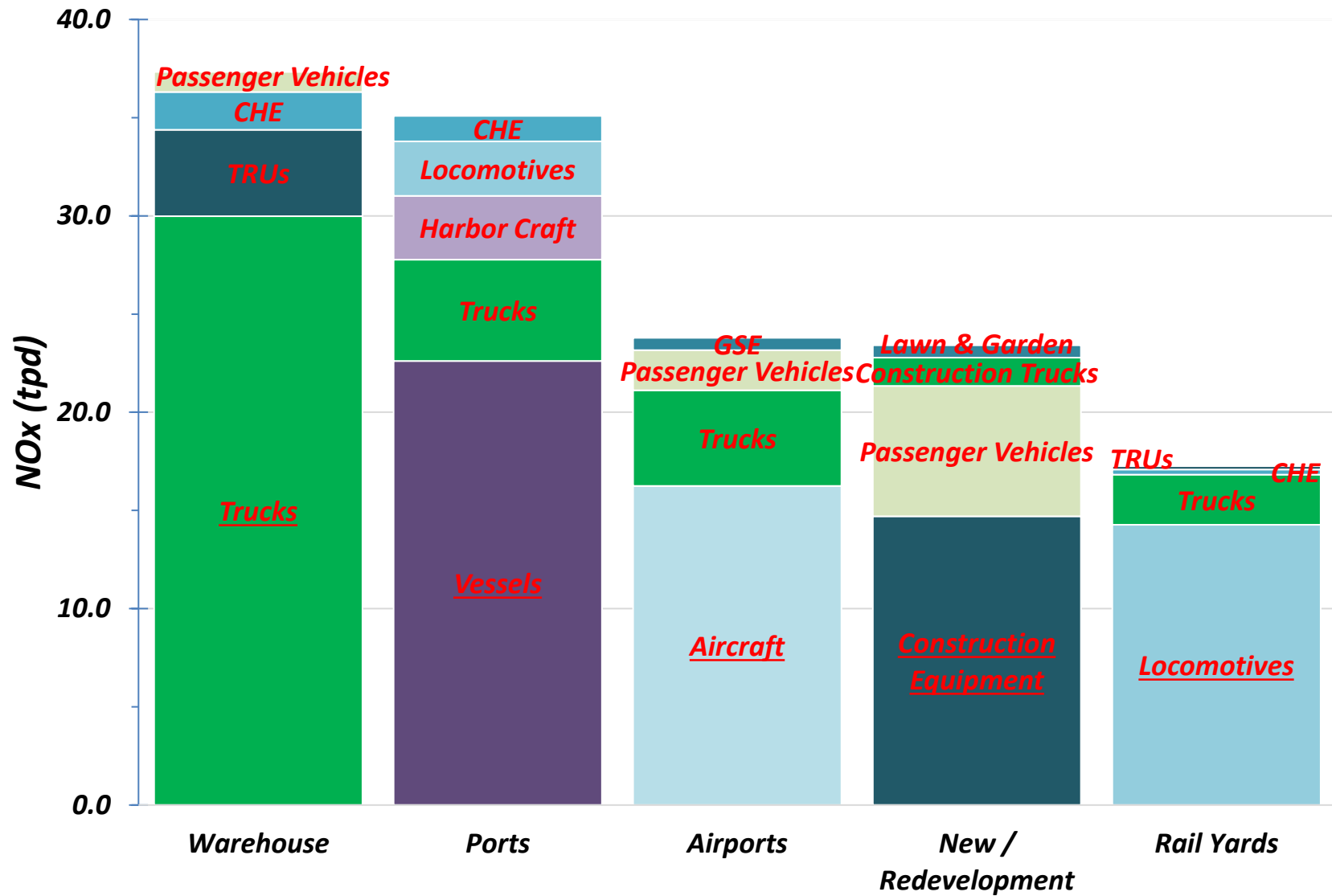
Background Information

Emission Sources and Emissions Inventory

SCAQMD staff provided an estimate of the baseline NOx emissions in 2023 that could be affected by each FBMSM (Figure 2-2). The estimated baseline NOx emissions are not intended to be final values used for the SIP or for regulatory purposes. Instead, they are intended as a point of reference to guide future strategies, policies and/or rules aimed at reducing emissions from sectors affected by FBMSM. More detailed emissions inventories will be developed in future public processes to address any specific measure that will be used to obtain SIP credit (such as a regulation, MOU, etc.) and for future AQMPs.

Three key relationships are found from these estimates. First, for each facility sector a single vehicle type dominates the emissions profile. Second, emissions can overlap between facility sectors. For example, the same trucks that visit the Ports can visit warehouses and rail yards, and the inventories are not designed to be mutually exclusive. Third, while these inventories are rough estimates, they reflect the reality that these facility sectors make up a substantial fraction of the Basin’s NOx emissions, and significant emission reductions must be found for each sector if our region is to meet air quality standards. Strategies developed in Chapter Three take into account these relationships.

2023 NOx Baseline Inventory



Technologies

New technologies were regularly discussed at FBMSM Working Group Meetings convened over the last year. For example, an 11.9 liter natural gas engine was recently certified to meet or exceed CARB's lowest optional low NOx standard, which is at least 90% cleaner than trucks meeting EPA's 2010 standard. Further, with the rapid decline in Li-ion battery prices, several new initiatives have been announced by commercial truck manufacturers in the past year for commercialization of zero emission trucks (battery, plug-in hybrid, hydrogen) of a variety of sizes. The business case for fleet owners to introduce zero-emission trucks into their operations has become more favorable than in previous years because of the rapid decrease in costs for some of these technologies. However cost remains an important factor, and widespread adoption is not expected by 2023 without additional developments (e.g., incentives, market development of advanced cleaner technologies, regulations). Similar scenarios can be described for commercially available technologies for other vehicle types, such as tier 3 vessels, tier 4 final off-road equipment, cleaner harbor craft, etc.

While many commercially available technologies exist that provide substantial NOx reductions, some vehicle types would benefit from additional technology demonstrations, including ZE cargo handling equipment, retrofitted vessels that would be cleaner than tier 2, further development of ZE trucks, etc. Strategies outlined in Chapter Three take into account the incentives needed to bring existing technologies into market, as well as the areas where new technology development is needed.

Regulatory and Other Commitments

In order to provide a single reference for the many regulations that currently exist to reduce emissions from mobile sources, staff compiled a website¹ of all of the key federal and state regulations that target mobile source criteria pollutant emissions. Additional discussion of upcoming CARB regulations is included in Chapter One of this staff update.

While the focus of FBMSMs is local and state actions, many mobile sources are regulated at the federal level. To this end, staff submitted a petition to US EPA to update its truck engine regulations to include a new lower NOx standard, and CARB petitioned US EPA to update its locomotive engine standard to include a new Tier 5 standard, and new repowering requirements. US EPA has committed to revisiting the truck standards, but has not yet taken action on either petition. US EPA also recently proposed an action allowing truck glider kits to use older engines that do not meet current standards. Such an action, if finalized, could increase NOx in the Basin. In the past year, SCAQMD and CARB staff have written comment letters opposing this rollback in regulation.

¹<http://www.aqmd.gov/home/air-quality/clean-air-plans/air-quality-mgt-plan/facility-based-mobile-source-measures/regs-commitments>

Implementation

SIP Credit

One of the primary objectives of the FBMSM Working Group meetings was to develop a list of potential emissions reduction strategies for each facility sector in addition to the strategies that CARB is currently pursuing under ‘Further Deployment Measures’ of the state mobile source strategy. To achieve this goal, staff worked closely with stakeholders through the FBMSM Working Group process to establish collaborative, voluntarily approaches. One consideration for evaluating proposed voluntary measures is whether subsequent emission reductions could be used towards obtaining prospective (i.e. future) SIP credit against control measure commitments. Any emission reductions resulting from voluntary measures used to demonstrate attainment must be submitted to US EPA for approval before SIP credit is given. Similarly, emission reductions can be demonstrated through Rate-of-Progress evaluations, and ultimately could count for SIP creditable reductions. US EPA evaluates the following criteria when considering whether to approve voluntary measures for potential prospective SIP credit (see the References at the end for a list of relevant guidance documents):

1. Demonstration that US EPA “integrity elements” have been satisfied (Figure 2-3).
2. SCAQMD commitment to monitor, assess, and regularly report to US EPA on emission reductions achieved.
3. Development of provisions to ensure US EPA and the public have access to emissions data and for evaluating procedures to determine the overall effectiveness of the program.
4. Demonstration that adequate funding, personnel, and implementation authority are available for the proposed measure.
5. SCAQMD commitment to remedy any emission reduction shortfall.

Figure 2-3 US EPA SIP Integrity Elements

Permanent: Emissions reductions must continue through the term that the credit is granted (e.g., the attainment date).

Enforceable: Several criteria must be met to demonstrate enforceability:

- Emissions reductions occurring under the program must be independently verifiable for each source.
- The program should define compliance options and violations.
- The public must have access to emissions-related information and the ability to file a lawsuit against responsible entities if violations occur.
- EPA should have the ability to apply penalties and secure corrective actions.

Quantifiable: The emissions reductions should be calculated by a reliable and replicable methodology and all analyses must be substantiated and documented.

Surplus: Emissions reductions are surplus if they are not required or assumed in another SIP program or any other adopted state air quality program or federal rule.

Implementing Mechanisms

The potential mechanisms that are available to reduce future emissions can be grouped into five broad categories, including incentives, facilitating measures, inventory adjustments, Memoranda of Understanding (MOUs) or other agreements, and regulations.

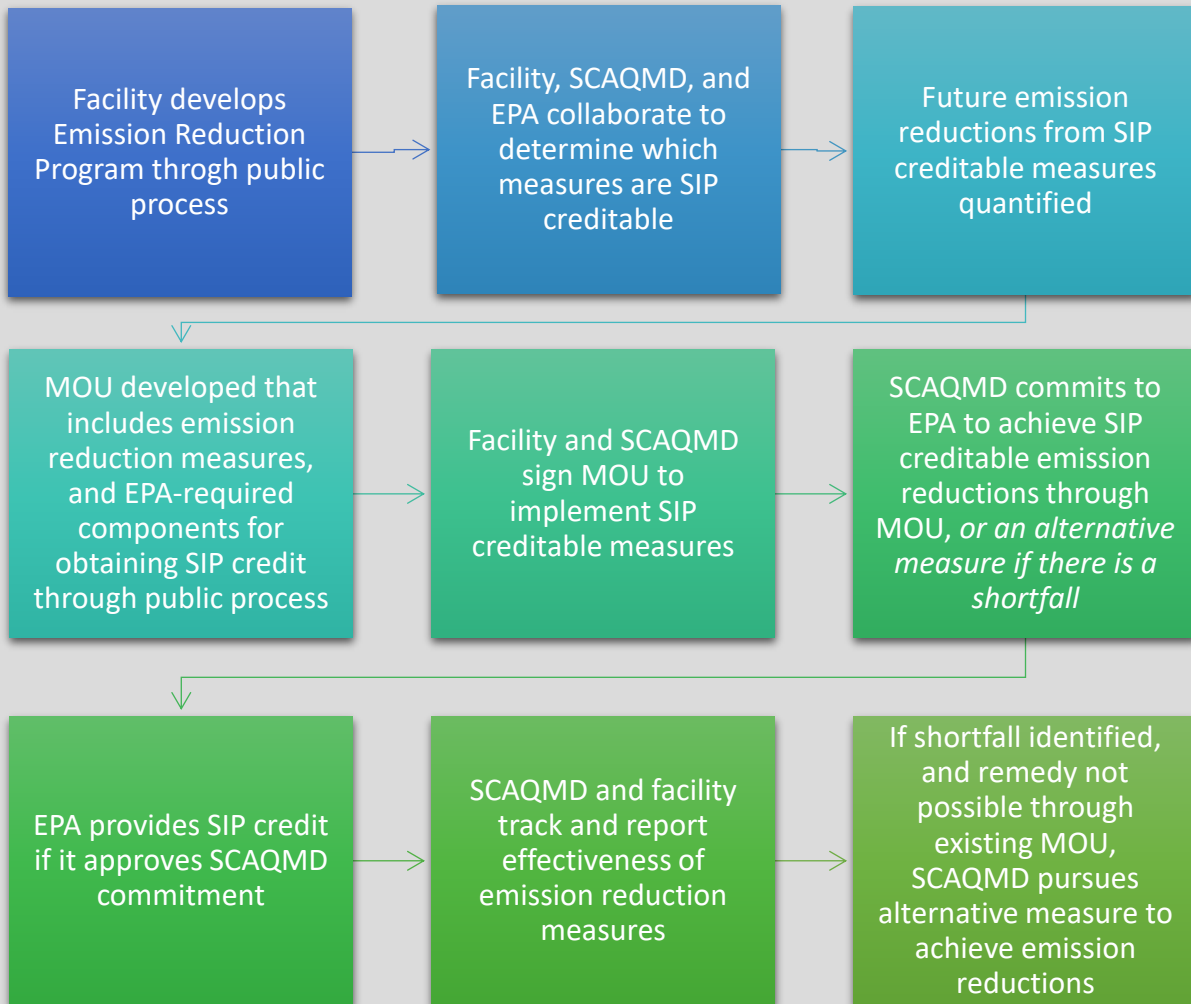
- *Incentives:* Incentive programs promote projects that implement cleaner/advanced technologies. Familiar programs include the Carl Moyer or Prop 1B funding programs to offset the increased cost of purchasing cleaner technology. Additional non-monetary incentives are also potentially available, such as preferential access to a facility for cleaner vehicles (e.g., HOV stickers for ZE cars). Incentive programs are potentially SIP creditable if they meet the criteria outlined above, including US EPA’s “integrity elements”.
- *Facilitating Measures:* Deployment of newer vehicle technologies typically require the installation of fueling/charging transportation infrastructure. These infrastructure projects are critical to ensuring the viability and penetration of cleaner technologies, however they are typically not SIP creditable on their own.
- *Inventory adjustments:* As a normal part of air quality management planning, emission inventories are regularly reviewed and updated to incorporate new information as it becomes available. For example, if a demonstrated history of activity is shown, adjustments to future emission inventories can be made. An example is the Ports’ Vessel Speed Reduction (VSR) Program, where records show that the program achieves 80-90% compliance, resulting in significant emission reductions. The demonstrated history of activity, and the continuation of the program, future emission inventories reflect the lower emissions expected from vessels. Additional adjustments for other activities could also potentially be made as part of Reasonable Further Progress demonstrations.
- *Agreements or MOUs:* Formal agreements or MOUs can be established between CARB or SCAQMD and a facility (e.g., Port, airport, terminal operator, etc.) or business(es) (e.g., railroads) to partner in implementing emissions reduction measures (Figure 2-4). An example includes the 1998 railroad agreement between CARB and UP and BNSF that requires the railroads to operate a locomotive fleet in the South Coast Air Basin that meets the Tier 2 locomotive standard on average¹. An MOU is a mutually binding agreement and requires both parties to agree on terms and conditions, and individually crafted actions that achieve emissions reductions by certain dates. An MOU would be structured to meet SIP integrity elements. The commitments made in an MOU would be enforceable by US EPA against the District. Just as the District would have to make up any shortfall from a traditional regulatory measure, so too the District would have to make up any shortfall from an MOU. The enforceability described in Figure 2-3 against the District would be much the same as existing enforceability for other control measures or rules adopted by the District.
- *Regulations:* SIP creditable emission reductions have most commonly been achieved through the application of traditional regulations from US EPA, CARB, or SCAQMD. Key feedback from stakeholders during the past year have pointed to the need to ensure that any regulations do not preclude the application of incentive funding. Typical incentive funding

¹ <https://www.arb.ca.gov/railyard/1998agree/1998agree.htm>

programs do not allow funds to be used to comply with an existing regulation, although there are exceptions.

Figure 2-4 Potential MOU Pathway

Over the past year, several stakeholders have expressed interest in a potential Memorandum of Understanding (MOU) approach instead of a regulation. One potential pathway for an MOU approach is outlined below, though other approaches are also possible.



Emission Reduction Strategies

Financial Incentives

During all working group meetings, members highlighted the importance of financial incentives to achieve emission reductions. Efforts outside of the FBMSM working group have been organized to discuss incentive funding¹. Recent increases in incentive funding have been identified and are being spent as rapidly as possible on cleaner vehicles. However, without significant new funding, additional measures must be pursued to meet the needs of the 2016 AQMP. Importantly, any measures that would be developed should not interfere with mobile fleet owners’ ability to receive and use incentive funds. The proposed FBMSMs in Chapter Three are designed to allow fleet owners to pursue incentive funding, while also exploring additional approaches to reduce emissions.

Emission Reduction Opportunities

SCAQMD staff solicited and incorporated emission reduction opportunity concepts from FBMSM working group stakeholders throughout the past year in both public and one-on-one stakeholder meetings. Voluntary measures were exclusively evaluated for most of the year, and initial discussions on potential regulatory strategies have been discussed only where voluntary measures were determined to not provide meaningful emission reductions on their own towards attainment needs.

Staff’s recommendation for FBMSM in Chapter Three is based on the following factors:

- All of the feedback received from FBMSM Working Group stakeholders,
- An evaluation of the potential NOx reductions by 2023 that could be achieved from currently proposed CARB and US EPA activities, and
- The level of currently identified incentive funding in comparison to the need.

Staff is recommending a mix of voluntary and regulatory strategies designed to accelerate the introduction of cleaner vehicles and equipment into the market based on the factors above and the significant air quality challenge the region faces.



The market pull from these voluntary and regulatory programs can provide a clear signal to ZE/NZE technology manufacturers that mass production is justified (thus lowering the costs to consumers). As these markets continue to develop over the next decade, the voluntary and regulatory programs would be designed to take advantage of these lower costs. The proposed system is also designed such that the voluntary and regulatory measures can complement each other and CARB’s strategies, while also still providing the opportunity for fleet owners to take advantage of the financial incentive programs that are underway and growing.

¹ <http://www.aqmd.gov/nav/about/groups-committees/aqmp-advisory-group/2016-aqmp-funding-wg>

CHAPTER 3: PROPOSED EMISSION REDUCTION STRATEGIES

OVERVIEW OF PROPOSED EMISSION REDUCTION STRATEGIES

NEW DEVELOPMENT AND REDEVELOPMENT (EGM-01)

COMMERCIAL MARINE PORTS (MOB-01)

RAILYARDS AND INTERMODAL FACILITIES (MOB-02)

WAREHOUSE DISTRIBUTION CENTERS (MOB-03)

COMMERCIAL AIRPORTS (MOB-04)

SUMMARY OF STAFF RECOMMENDATION

POTENTIAL SCHEDULE

OVERVIEW OF PROPOSED EMISSION REDUCTION STRATEGIES

Staff has developed a set of proposed voluntary and regulatory emission reduction strategies for each FBMSM adopted in the 2016 AQMP. Staff's proposed approach to implementing the FBMSMs prioritizes voluntary emission reduction strategies but incorporates the need for regulatory activity, where in staff's assessment, and through the FBMSM Working Group process that voluntary emission reduction strategies are not sufficient to meet the air quality goals of the 2016 AQMP. The proposed voluntary and regulatory emission reduction strategies for each FBMSM are presented below.

NEW DEVELOPMENT AND REDEVELOPMENT PROJECTS (EGM-01)

Background Discussion

The Basin population is projected to increase 12% by 2031, resulting in new residential, commercial, and industrial development activity, according to the Southern California Association of Governments (SCAG). A variety of existing and future programs, such as California's 2016 and 2019 Building Energy Efficiency Standards (i.e., Title 24) will contribute to emission reductions when compared to existing development activity. However, additional vehicle trips, and landscape maintenance equipment and construction emissions from new developments will contribute to regional air pollution. EGM-01 seeks to reduce emissions primarily from project construction by enabling greater deployment of zero and near-zero emission technologies. Total Basin-wide emissions from new development and redevelopment projects, including passenger vehicles and lawn and garden equipment, result in approximately 22 tons per day of NO_x (Figure 2-2).

In recent years project developers and local jurisdictions have actively explored and implemented innovative policies that reduce emissions. One recent example includes the Net Zero Newhall Ranch development project located in the Santa Clarita Valley of Los Angeles County. The project is committed to reducing or mitigating the project's greenhouse gas emissions to zero. While net-zero greenhouse gas emission projects do not necessarily target NO_x emission reductions they may provide quantifiable co-benefits of NO_x and other criteria pollutant emissions. Another example includes Clean Construction policies used by LA Metro, LAX, and the Ports. These policies generally provide a step-down approach, where project developers must use Tier 4 final equipment, but are allowed to use lower tiered equipment if certain criteria are met (such as an inability to identify any manufacturers of a particular type of Tier 4 final equipment). While these policies reduce emissions for these specific projects, it is unclear if these are SIP creditable due to the complexity of determining if they are surplus emission reductions. Finally, as part of the California Environmental Quality Act (CEQA) process, some projects have chosen to contribute money to an air quality mitigation fund that would be used to incentivize the purchase and use of cleaner equipment elsewhere.

Several air districts throughout the state have adopted ISRs to address emissions from new and redevelopment projects.¹ Common approaches in these rules include an emissions threshold test to determine the applicability of the rule, and mitigation fees and/or demonstrations that feasible mitigation measures have been implemented. Under state law, Districts must meet state air quality

¹ Air districts with ISR programs include: Colusa APCD, Great Basin Unified APCD, Imperial APCD, Mendocino APCD, and San Joaquin Valley APCD.

standards at the “earliest practicable date” using “every feasible measure” Health & Safety Code § 40913 and 40914]. SCAQMD is not required to adopt an ISR simply because another air district found it feasible. However, a demonstration of infeasibility may be required for this FBMSM in light of the actions taken by other air districts if SCAQMD does not pursue an ISR for this facility sector.

Voluntary Emission Reduction Strategies

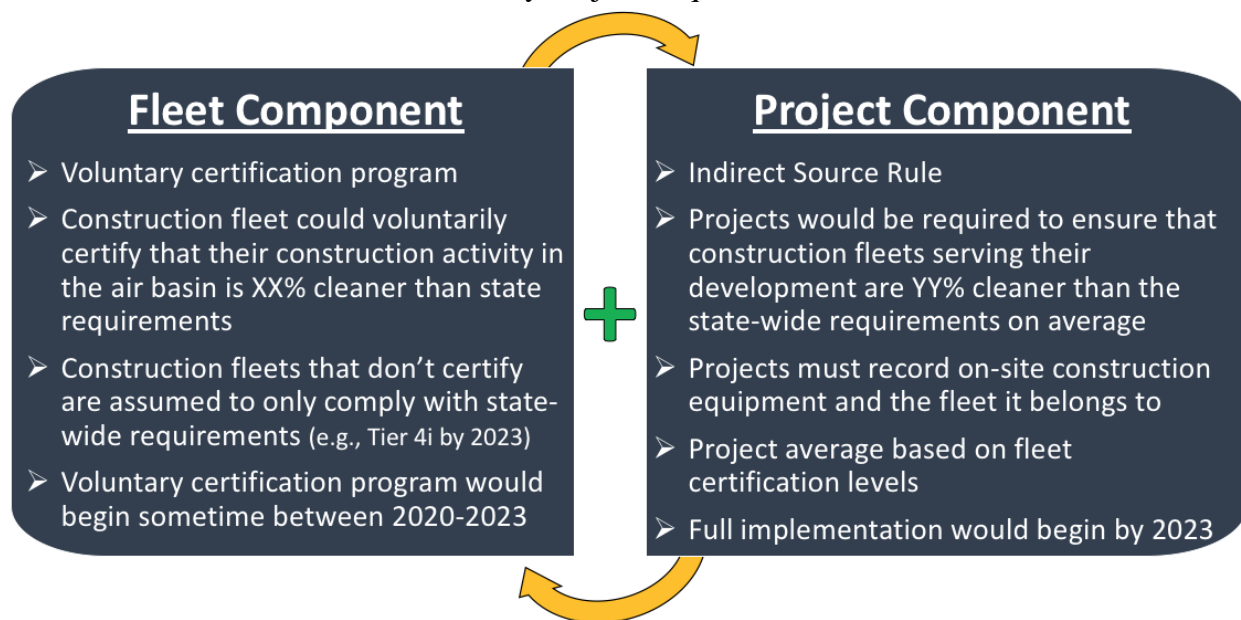
Based on the FBMSM Working Group process, SCAQMD staff proposes to further explore voluntary emission reduction strategies for new and redevelopment projects through a variety of new mechanisms, including a SCAQMD-administered CEQA air quality mitigation fund program and the development of new guidance that encourages the use zero-emission technologies in development projects. Under a CEQA air quality mitigation fund administered by SCAQMD, projects could voluntarily contribute funds that SCAQMD would use to fund emission reduction projects. The funds would be directed to cost-effective projects and could potentially be directed back to the community near the project or other priorities designated by the Board. Additionally, SCAQMD staff is proposing to continue collaborating with local utilities, local governments, and the state Energy and Public Utility Commissions to encourage more rapid growth of alternative fuel and/or electric vehicle charging infrastructure. This could also include policies that encourage zero-emission landscaping equipment. Finally, SCAQMD staff will update its CEQA handbook to encourage net-zero developments, installation of charging/fueling infrastructure, use of ZE lawn and garden equipment, and implementation of Clean Construction policies.

Regulatory Emission Reduction Strategies

The voluntary emission reduction strategies for EGM-01 outlined above could provide important air quality benefits, however they are unlikely to provide substantial NO_x emission reductions. Therefore, in addition to pursuing voluntary emission reduction strategies SCAQMD staff is proposing to develop an ISR focused on reducing construction emissions (i.e. the most significant source of emissions related to EGM-01). The ISR would be adopted by 2020 with a full phase-in of the ISR requirements by 2023. The ISR would likely focus on projects over a certain size or activity threshold, and would include several compliance options. Potential options could include a new voluntary fleet certification program coupled with a facility/project requirement to utilize at least some certified clean fleets (Figure 3-1), a mitigation fee option, crediting options for activities like installation of charging/fueling infrastructure, or other emission reduction measures.

The voluntary fleet certification program would be developed for construction equipment fleet operators, whereby fleet owners could voluntarily certify that their equipment has lower emissions than current regulatory requirements (e.g., more Tier 4 final equipment than required by CARB). Fleet operators electing not to participate would be classified as meeting existing CARB requirements. Based on feedback received from a construction industry representative, the voluntary fleet certification program could potentially include more flexibility by providing a ‘bubble’ over all of a fleet owner’s equipment such as trucks (subject to CARB’s Truck and Bus rule), construction equipment (subject to CARB’s In-Use Off-Road rule), and portable equipment (subject to CARB’s Portable Equipment Registration Program).

Figure 3-1: ISR Option Concept – Coupled Voluntary Fleet Certification + Facility/Project Requirement



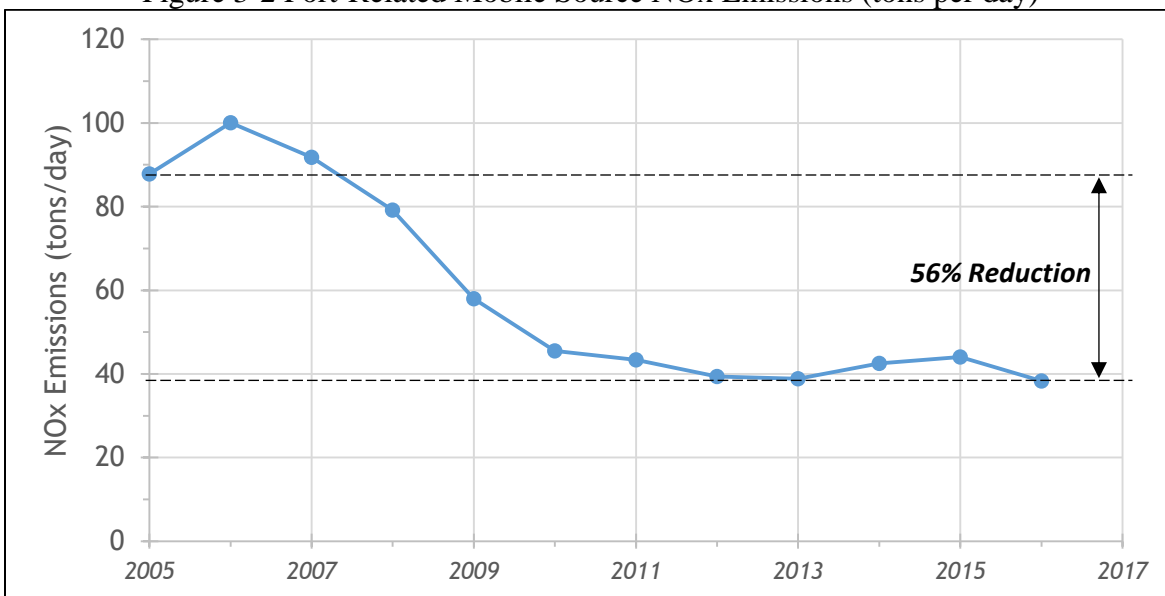
This concept would provide project proponents flexibility and avoid site specific requirements that could restrict a project's ability to use certain types of equipment that may not be readily available. Also, given that the certification program would be voluntary, construction fleets would remain eligible for incentive funding. Additionally, project proponents would not be required to track construction emission level compliance, instead they would be responsible for ensuring that a certified construction fleet(s) is used for the project that exceeds the statewide requirements by a specified level on average. For example, a construction fleet assigned to a project could vary in emission levels (i.e., any % above or below project ISR requirement) as long as the average of all fleets serving the project meet the ISR requirements. The ISR requirements could be supported by substantiating studies (e.g., cost-effectiveness, availability of incentives, feasibility, air quality needs, etc.), and could be modified as conditions change. The voluntary fleet certification program would also be available for other programs (e.g., CEQA mitigation, and other FBMSMs).

COMMERCIAL MARINE PORTS (MOB-01)

Background Discussion

The Ports are a significant source of emissions in the Basin and Port-related mobile sources are estimated to generate approximately 35 tpd of NO_x emissions in 2023 (Figure 2-2). Port-related mobile source emissions have been reduced substantially since 2005 (Figure 3-2), largely due to measures adopted in the 2006 and 2010 Port Clean Air Action Plans (CAAP). The 2010 CAAP Update included a target of a 59% reduction in NO_x between 2005 and 2023, a level that has nearly been reached today. In the most recent 2017 CAAP Update, the Ports kept this same target for NO_x, however new targets were included for GHG reductions, including a 40% reduction by 2030 and an 80% reduction by 2050. Measures designed to achieve these new GHG targets should have a co-benefit of reducing NO_x and other criteria pollutants.

Figure 3-2 Port-Related Mobile Source NOx Emissions (tons per day)



Through the FBMSM Working Group process SCAQMD staff worked closely with the Ports’ staff to identify potential voluntary measures that could be pursued through SIP creditable mechanisms for existing Port commitments identified in the 2017 CAAP Update. In order to allow time for the 2017 CAAP Update to be implemented and because of the extensive work that has already gone into the development of the most recent 2017 CAAP Update the SCAQMD staff is proposing to, at this time, pursue the voluntary approach outlined below. If this voluntary approach is unsuccessful, a potential regulatory approach is described. Staff proposes to revisit the potential need for a regulatory approach in the 2019-2020 timeframe.

Voluntary Emission Reduction Strategies for Commercial Marine Ports

SCAQMD staff is proposing to continue to seek incentive-based emission reduction opportunities that could introduce cleaner ships at the Ports before 2023 and seek new technology development for ship engine retrofits. Additionally, staff recommends pursuing MOUs with the Ports for specific measures in the 2017 CAAP Update, including the updated Clean Truck Program and the CHE Procurement Planning. The purpose of these MOUs would be to ensure SIP creditable emission reductions. The MOUs could follow the pathway outlined in Figure 2-4, or another process that results in SIP creditable emission reductions.

Regulatory Emission Reduction Strategies for Commercial Marine Ports

Given the work that the Ports are conducting to implement the 2017 CAAP, the SCAQMD staff is not recommending developing an ISR to cover Port activities at this time. Instead staff is proposing to re-evaluate the proposed approach for Ports from 2019 to 2020 since the Clean Truck Program and CHE Procurement Planning measures in the CAAP have substantial implementation milestones during this timeframe.. Staff will continue to work with the Ports to successfully implement the elements of the 2017 CAAP.

In the event that the above recommended voluntary emission reduction strategies do not sufficiently advance the objectives of the 2016 AQMP commitments for control measure MOB-

01, SCAQMD staff would return to the Board to seek direction regarding the pursuit of a potential ISR for Ports. One potential concept that was explored with the Ports FBMSM Working Group included a rule that would apply to Port terminal operators. For this concept, terminal operators would be required to submit a detailed existing emissions inventory from all sources, submit a plan to reduce emissions from mobile sources associated with their facility and/or reduce emissions based on best management practices (e.g., either a measure-based or target-based approach). Also, facilities already achieving best-in-practice emission reduction strategies could have fewer or no new emission reduction requirements. If needed, the likely implementation milestones for a Port ISR would be in years 2023 and 2031 to coincide with key attainment dates. SCAQMD staff would explore the benefits/drawbacks of different regulatory approaches during future rulemaking if directed by the Board.

RAIL YARDS AND INTERMODAL FACILITIES (MOB-02)

Background Discussion

There are nine major freight rail yards and intermodal facilities located outside of the Ports and within the jurisdiction of the SCAQMD. In addition, the South California Regional Rail Authority (Metrolink) and Amtrak provide commuter rail transportation in the SCAQMD. Metrolink maintains their passenger locomotives at two locations in the Basin. A variety of emission sources are related to rail yard operations including locomotives, on-road heavy-duty trucks, cargo-handling equipment, transportation refrigeration units (TRUs), and maintenance shops, and each particular rail yard has a unique operational and emissions profile. While most of the emissions associated with rail yards in the inventory estimate shown in Figure 2-2 are from locomotives, the vast majority of these emissions do not occur in a rail yard itself, and are distributed throughout the rail network in the Basin as locomotives travel to their destinations.

The only significant requirements affecting freight locomotive emissions are US EPA requirements for locomotive engine manufacturers to produce Tier 4 engines starting in 2015, and for the two Class I railroad operators (UP and BNSF) to comply with the 1998 agreement with CARB to ensure that their average South Coast Air Basin locomotive fleet average emission rate is equivalent to or better than US EPA's Tier 2 standards. Without a regulatory requirement, significant turnover of the freight locomotive fleet to Tier 4 is not expected in the near future based on information from railroad representatives and recent media reports. Recent reporting from the railroads as part of the 1998 MOU shows that about 3% of locomotives are Tier 4 today. As a result, the assumption in CARB's locomotive inventory in the 2016 AQMP that ~40-50% of locomotives in the Basin will be Tier 4 by 2023 may need to be revisited, and emissions may be higher in the future than currently projected.

The District's regulatory authority pertaining to rail yards is different than for other facility types as it is subject to the Interstate Commerce Commission Termination Act (ICCTA)². If an apparent conflict arises between ICCTA and another federal law (such as a rule in an US EPA-approved SIP), then the two laws must first be harmonized before the air quality rule can be enforced. State laws that are not in the SIP are also subject to ICCTA unless they are of general applicability and they do not unreasonably burden railroad activity.

² *Association of American Railroads v. SCAQMD*, 622 F. 3d 1094 (9th Cir. 2010)

Voluntary Emission Reduction Strategies

Evaluating efficiency improvements such as facility reconfigurations or installation of emission control technologies like hood-type exhaust-capture devices at rail yards has been discussed in the FBMSM Rail Yards Working Group, however no specific commitment to pursuing these kinds of controls has been put forward by the railroad companies. Additionally, industry representatives noted possible fuel efficiency benefits from locomotive aerodynamic devices (yielding about a 1% reduction in fuel use during long haul operations). These voluntary strategies will continue to be pursued where feasible based on stakeholder input. SCAQMD staff is also open to exploring opportunities for a new agreement with rail companies to reduce emissions, such as accelerating the use of Tier 4 locomotives throughout the Basin, however the railroads have not expressed an interest in this approach thus far.

Regulatory Emission Reduction Strategies

Staff recommends initiating rulemaking for an ISR for rail yards due to a limited potential for significant emission reductions from the above proposed strategies, and due to the historically poor air quality in communities near rail yards. One possible ISR approach could be a two-phased SCAQMD regulation which would first require rail yard-specific emissions inventories that cover all emission sources at a rail yard. The second phase could then require a percentage reduction in rail yard NO_x emissions for future years, with key milestones likely in 2023 and 2031. As an alternative, the ISR could establish railroad-wide emission reduction targets provided measures were in place to reduce localized impacts. Many potential emission reduction alternatives are commercially available, and rail yards would develop programs tailored to their unique operating parameters. Based on working group discussions, compliance alternatives could include preferential routing of cleaner locomotives, use of cleaner switcher locomotives, installation of hood technologies to capture some locomotive exhaust emissions, ZE/NZE cargo handling equipment (CHE) and increased use of ZE transportation refrigeration units (TRU). Other compliance options could include establishment of a mitigation fees or use of truck fleet and construction equipment certification programs that are similar to those described under the warehouse distribution center and new development/redevelopment FBMSM categories. SCAQMD rail yard ISR efforts would also be coordinated with regulations proposed or developed by CARB. Depending on the rail yard ISR structure, any conflicts with other federal laws would require resolution before the rule could be enforced. Examples could include harmonization with the ICCTA, an EPA waiver (e.g., for an in-use engine standards), etc. Additionally, information gained through the ISR emissions reporting process would be used to refine the existing rail emissions inventory and may result in inventory adjustments if supporting information can be identified.

WAREHOUSE DISTRIBUTION CENTERS (MOB-03)

Background Discussion

Distribution centers and/or warehouses are facilities that serve as a distribution point for the transfer of goods. Depending on the size and type, a warehouse/distribution center may have hundreds of diesel trucks a day that deliver, load, and/or unload goods, often operating seven days a week. To the extent that these trucks are transporting perishable goods, they are commonly equipped with diesel-powered transport refrigeration units (TRUs). In addition, cargo handling equipment such as forklifts and yard tractors are used to move goods at warehouses. Warehouse employee commute trips also contribute to the overall emissions, however the estimate in Figure

2-2 shows that the majority of NO_x emissions originate from heavy-duty diesel trucks³. Over the past decade, warehouse and distribution centers have been increasing rapidly in size and number throughout the region, and that rate of growth is projected to continue in the future. The greatest growth in warehouses/distribution centers has been in the Inland Empire, with reports of about 15 million square feet per year being added to the regional building stock.

Voluntary Emission Reduction Strategies

Similar to the potential voluntary measures described for the new development/redevelopment FBMSM category, establishment of a SCAQMD-administered CEQA air quality mitigation fund would allow warehouse development projects to opt-in to paying into a mitigation fund to reduce construction or operational emissions. Under the program, collected mitigation fees would be used to reduce NO_x emissions, such as through financial incentives for fleet owners to purchase cleaner trucks. Another voluntary measure discussed involved working with the California Energy Commission (CEC), the Public Utilities Commission (PUC), and utilities to expand alternative fueling/electric vehicle charging infrastructure for heavy duty vehicles, especially targeting warehousing areas with high levels of truck activity. Establishment of a “Green Delivery Option” was also discussed as a potential voluntary measure to reduce warehouse distribution center NO_x emissions. This proposal would involve a small, voluntary opt-in surcharge for consumers when purchasing goods online and funds generated would be used to reduce truck fleet emissions. Efforts to reduce truck fleet emissions must include a continued focus on costs, and on ways to potentially reduce costs and ensure equitable access to cleaner technologies. Other potential strategies such as additional funding programs, alternative financing mechanisms, and truck exchange programs with areas outside the Basin will also continue to be explored by staff.

While the strategies described above may result in air quality benefits and should be pursued, they are unlikely to produce significant SIP creditable emission reductions. In addition, due to the large number of warehouses in the Basin, a voluntary plan-based approach (e.g., CAAPs) for warehouses is infeasible. For these reasons, and to ensure a level playing field for all warehouses, staff is recommending a regulatory approach for this sector in addition to the voluntary strategies above.

Regulatory Emission Reduction Strategies

Similar to the approach described for new/redevelopment projects, the warehouse distribution center ISR would provide several compliance options that facilities could choose to follow. One approach could include a voluntary fleet certification option for truck fleet owners coupled with a requirement ensuring fleets that serve their facility on average are cleaner than required by CARB regulations. The facility level would be set during rulemaking, and would be substantiated with evaluations of cost-effectiveness, the level of incentive funding, feasibility, air quality need, etc. As each of these factors change through time, the facility requirement could also change. These requirements would not preclude individual trucks or truck fleets that do not participate in the proposed voluntary fleet certification program from serving warehouse distribution centers since the proposed concept is seeking emissions reductions based on overall indirect source emissions generated by the warehouse distribution center. Other options could include a mitigation fee, crediting options for other activities like installation of charging/fueling infrastructure for cleaner trucks and TRUs, conversion of CHE to ZE technology, or other options developed during

³ The estimate in Figure 2-2 for warehouses likely presents an upper end, conservative estimate of trucking emissions due to limited data availability and uncertainties for calculating a bottom-up inventory for this facility sector.

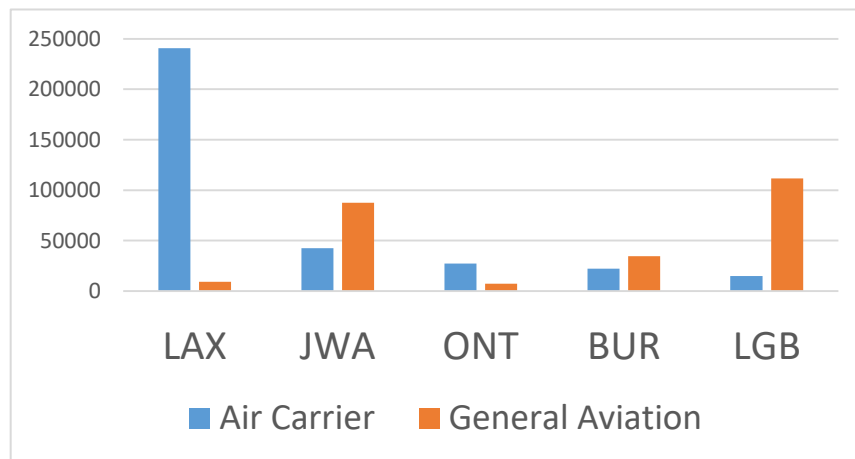
rulemaking. If an ISR is pursued, additional work would be needed to ensure that the options provided in the rule would be feasible with minimal if any modifications to the business practices used by warehouses (for example, many warehouses operators don't own their building or the truck fleets that serve them).

COMMERCIAL AIRPORTS (MOB-04)

Background Discussion

FBMSM MOB-04 focuses on the Basin's five commercial airports, including Los Angeles International Airport (LAX), John Wayne Airport (JWA), Ontario California International Airport (ONT), Hollywood Burbank Airport (BUR) and Long Beach Airport (LGB). While aircraft are not the only source of emissions at airports, however, landing/take-off (LTO) data provides a considerable level of information about airport facilities' emissions (Integra, 2016). For example, LTO data can be a surrogate for the number of visitors thereby vehicle traffic volumes associated with an airport or the GSE needs of an airport. Figure 3-3 below, shows 2012 LTO data by aircraft type (air carrier [airline] and general aviation [non-airline]). As shown in the Figure, LAX has by far the largest number of air carrier LTOs while JWA and LGB have the greatest number of general aviation flights. Basin-wide emissions from commercial airport facilities result in approximately 24 tons per day of NOx (Figure 2-2), with aircraft producing about two-thirds of the emissions.

Figure 3-3. Landing Take-Off (LTO) Activity by Aircraft Type



Many policies that reduce emissions have been pursued by commercial airports have been implemented in recent years. For example, LAX has implemented alternative fuel policy for vehicles >8,500 pounds GVWR, a ground support equipment emission standard, an electric vehicle purchasing policy, a clean construction policy, gate electrification projects, and a new Landside Access Modernization Program to reduce emissions from passenger vehicles. JWA and Burbank have adopted mitigation measures under the California Environmental Quality Act (CEQA) such as policies for GSE electrification, gate electrification, and installation of electric vehicle chargers and support for alternatively fueled taxis and shuttles. LGB has also pursued similar measures through its LGB Green Airport program, including consolidated parking (which reduced the need for shuttles), GSE electrification, and installation of solar panels.

While aircraft make up a substantial portion of airport-related emissions it has become evident through the working group process that this source of emissions presents a particularly unique challenge given the existing regulatory landscape for aircraft and the nature of aircraft activity (e.g., interstate and international origins and destinations). The remaining (i.e., minus aircrafts) emissions from this facility sector are about 8 tons per day, with about 5 of those tons coming from trucks serving the cargo operations at LAX and ONT.

When the 2016 AQMP was adopted, the Board approved a motion to amend MOB-04 and directed staff to *“Undertake a stakeholder process and draft for our consideration an indirect source rule for commercial airports within the South Coast Basin by February 1, 2019 to control emissions of NOx, PM2.5, lead and diesel particulate matter from non-aircraft sources”*. Some of the Board discussion accompanying this amendment provided further direction, including a desire to let the airports prepare their own airport-specific Clean Air Action Plans (AirCAAPs). During the Airport FBMSM Working Groups, many stakeholders also expressed a concern that if airports are required to implement a measure (e.g., through a rule), they would be prohibited from seeking incentive funding, such as Voluntary Emission Low Emission Program or VALE or ZEV grants available from the Federal Aviation Administration.

At the request of many stakeholders, staff facilitated a discussion of how a potential MOU process could work in the most recent Airport Working Group. Key topics included preliminary key principles of an MOU process, potential elements of an MOU, and how the MOU process could work (see Figure 2-4 for an example). Key feedback received from stakeholders included: a strong desire by airports to pursue a measure-based approach instead of an emissions target-based approach, ensuring that the District commits to the emission reduction to the US EPA (e.g., through the MOU, or an alternate process if the MOU does not achieve the desired outcome) instead of the airports, avoiding additional processes where a citizen suit could be brought against airports, leaving aircraft emissions out of any AirCAAP and MOU, and not restricting airports ability to carry out projects, particularly in relation to general conformity.

Voluntary Emission Reduction Strategies

Staff is recommending to pursue a voluntary MOU approach at this time because of the limited emissions reductions that may be available from the non-aircraft sources in this sector, the complications with regulating airports due to overlapping federal jurisdiction, the existence of many existing emission reduction programs, and the potential willingness of airports to enter into cooperative agreements.. SCAQMD staff is proposing that commercial airport operators in the Basin each develop their own AirCAAP. Given the unique challenges with reducing emissions from airports an AirCAAP would provide airport operators with a level of flexibility that is desirable to develop suitable emissions reduction strategies that avoid interference with the regulatory landscape of aircraft related activity and the day-to-day operations of commercial airports affected by national and global commerce. Key elements of the AirCAAP(s) would include a detailed emissions inventory of all sources both under direct and indirect airport control, emission reduction measures (e.g., incentives, fleet policies, etc.) and measurable goals. Airports would determine the appropriate public process and necessary approvals for their AirCAAPs.

As a potential component of each airports AirCAAP, or perhaps as a separate effort, the airports have expressed a desire to continue to pursue VALE/ZEV funding from FAA. This nationwide program provides competitive grants to airports in non-attainment areas for voluntary projects that

improve air quality. In the past ten years, total nationwide annual funding for this program has varied from about \$6 million to about \$37 million. In this time, only a single VALE grant has been provided to one of the five commercial airports in the Basin, a \$4 million grant to LAX to provide off-terminal gate electrification. Similar to the marine ports CAAP measure that requires terminal operators to submit a procurement plan for cargo handling equipment, one concept that has been explored is for all of the airports to put forward their proposed projects that may be eligible for VALE/ZEV funding. Collectively, the group of airports and the District could advocate to FAA to increase funding here, especially since this program is restricted to non-attainment areas, and our region faces unique air quality challenges compared to the rest of the nation.

In order to ensure that all five of the airports will agree to this approach, staff recommends reporting back to the Board no later than summer 2018. All five airports will be asked to provide written confirmation that they will pursue an AirCAAP, with a goal of approving the AirCAAP no later than January 2020. By mid-2020, the District and the airports would approve an MOU covering SIP creditable components of each airport's AirCAAP.

Regulatory Emission Reduction Strategies

For the reasons stated above, SCAQMD staff is not recommending pursuing development of an ISR for airports at this time. We believe that development of the AirCAAPs, combined with MOUs will provide a faster route to achieving emission reductions. However, in the event that the commercial airport CAAP and MOU approach does not appear workable, SCAQMD staff would recommend consideration of an airport ISR by February 1, 2019. One potential ISR concept could include a rule that mirrors the AirCAAP process outlined above. Commercial airports that would have previously identified emission reduction strategies through their own AirCAAP process and participated in an MOU would instead be required to prepare an airport-specific plan subject to a District rule to reduce emissions from all non-aircraft sources.

SUMMARY OF STAFF RECOMMENDATION

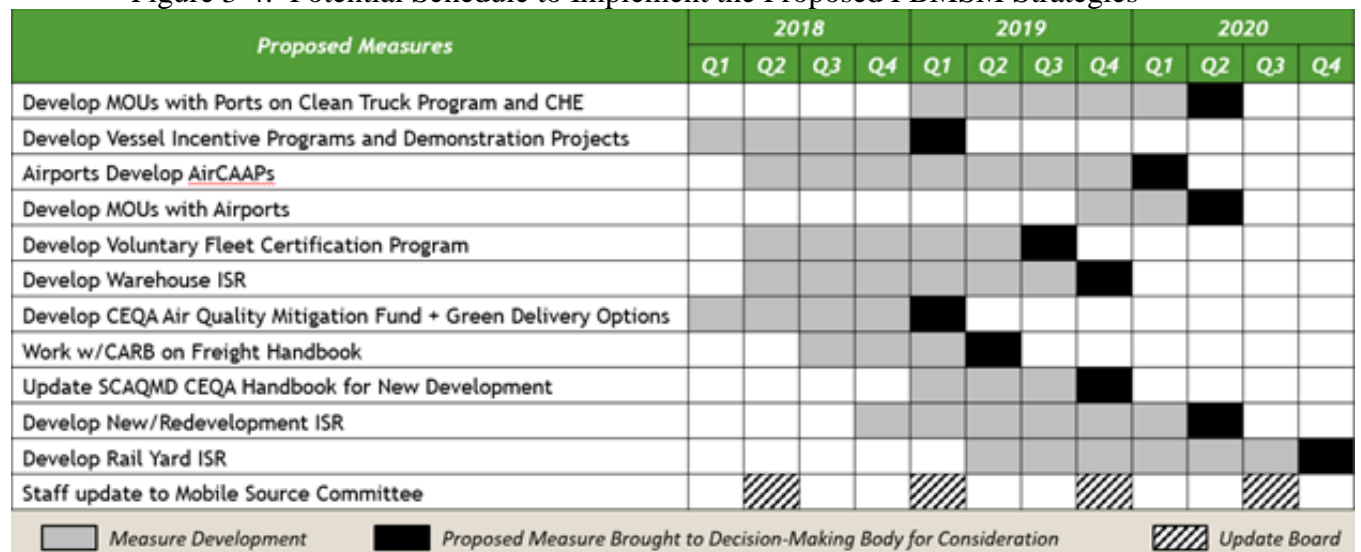
SCAQMD staff’s proposed voluntary and regulatory emissions reduction strategies for each FBMSM adopted in the 2016 AQMP and discussed above are summarized in Table 3-1: Summary of FBMSM Voluntary and Regulatory Emission Reduction Strategies, below.

Table 3-1: Summary of FBMSM Voluntary and Regulatory Emission Reduction Strategies

FBMSM Facility Sector	Pursue <u>Voluntary</u> Measures Now?	Also Pursue <u>Regulatory</u> Measures Now?
Ports	Yes	No
Airports	Yes	No
Warehouses	Yes	Yes
New / Redevelopment	Yes	Yes
Rail Yards	Yes	Yes

POTENTIAL SCHEDULE SCAQMD staff proposes the schedule presented in Figure 3-4: to implement the proposed voluntary and regulatory emission reduction strategies discussed above.

Figure 3-4: Potential Schedule to Implement the Proposed FBMSM Strategies



REFERENCES

Integra Environmental Consulting, Inc., 2016. Technical Assistance Related to Emission Inventories, Goods Movement and Off-Road Sources, Updated Aircraft Emission Inventory; August 2016

SCAQMD Final 2016 Air Quality Management Plan, Approved March 3, 2017.
<http://www.aqmd.gov/home/air-quality/clean-air-plans/air-quality-mgt-plan/final-2016-aqmp>

SCAQMD Facility-Based Measures website:
<http://www.aqmd.gov/home/air-quality/clean-air-plans/air-quality-mgt-plan/facility-based-mobile-source-measures>

US EPA Guidance Documents Related to Obtaining SIP Credit from Voluntary Emission Reduction Programs:

-Diesel Retrofit SIP Programs (2014)

<http://nepis.epa.gov/Exe/ZyPDF.cgi/P100HP2S.PDF?Dockey=P100HP2S.PD>

-Energy Efficiency and Renewable Energy SIP Measures (2004)

www.epa.gov/sites/production/files/2016-05/documents/ereseerem_gd.pdf

-Improving Air Quality with Economic Incentive Programs (2001)

www.epa.gov/sites/production/files/2015-07/documents/eipfin.pdf

-Incorporating Bundled Measures in a SIP (2005)

www3.epa.gov/ttn/naqs/aqmguidance/collection/cp2/20050816_page_incorporating_bundled_measure_sip.pdf

-Incorporating Energy Efficiency/Renewable Energy Policies and Programs into SIPs (2012)

www.epa.gov/sites/production/files/2016-05/documents/eeremanual_0.pdf

-Voluntary Mobile Source SIP Programs (1997)

www.epa.gov/sites/production/files/2016-05/documents/vmep-gud.pdf

-Voluntary and Emerging SIP Measures (2004)

www.epa.gov/sites/production/files/2016-05/documents/voluntarycontrolmeasurespolicyepa.pdf

2016 AQMP Facility-Based Mobile Source Measures Draft Staff Recommendations

**Warehouse
Distribution
Centers**



**Commercial
Airports**



**New or
Redevelopment
Projects**



**Commercial
Marine Ports**



**Railyard &
Intermodal
Facilities**



Governing Board Meeting
March 2, 2018

Background



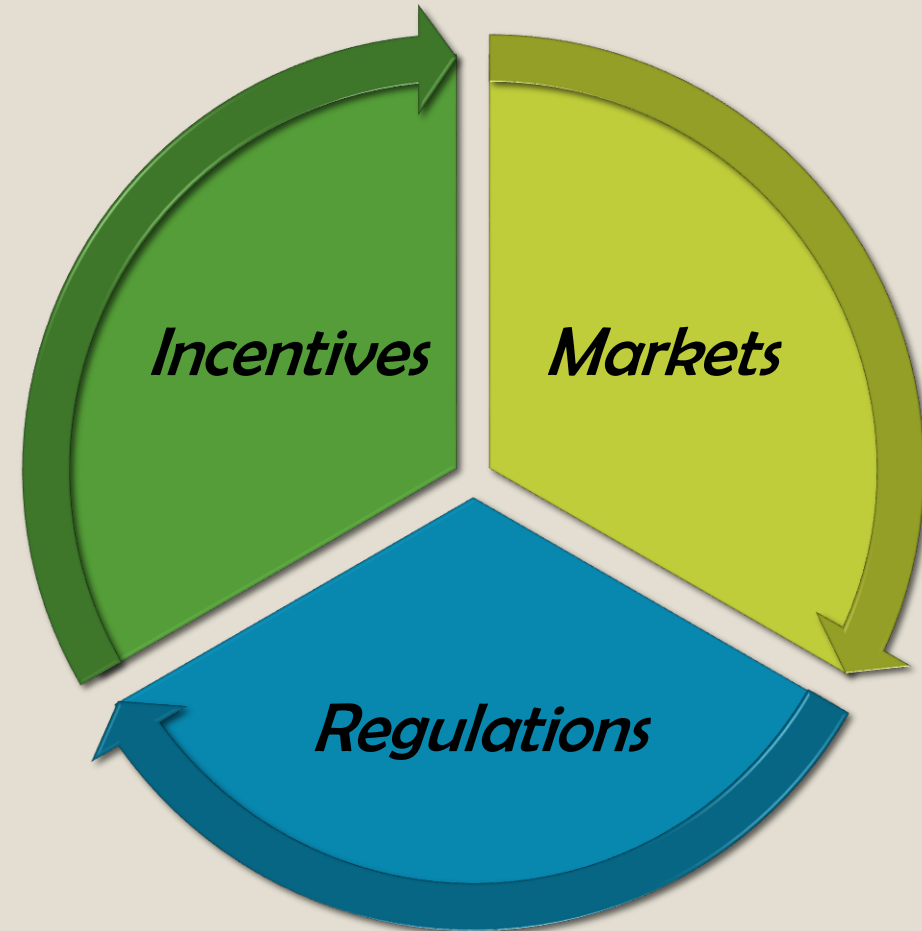
- 5 Facility-Based Mobile Source Measures (FBMSM) included in 2016 AQMP
 - Airports, New/Redevelopment, Ports, Railyards, Warehouses
- Primary goal of FBMSM is to reduce NOx emissions
 - Assists in implementing CARB's Mobile Source Strategy "Further Deployment" control measures
 - Measures need to be defined and in place, or contingency measures need to be in place 3 years before attainment deadline
 - Federal Clean Air Act requires the District to meet the NAAQS "as expeditiously as practicable"
 - State law requires meeting the CAAQS at the "earliest practicable date" using "every feasible measure"

CARB Mobile Source Activities

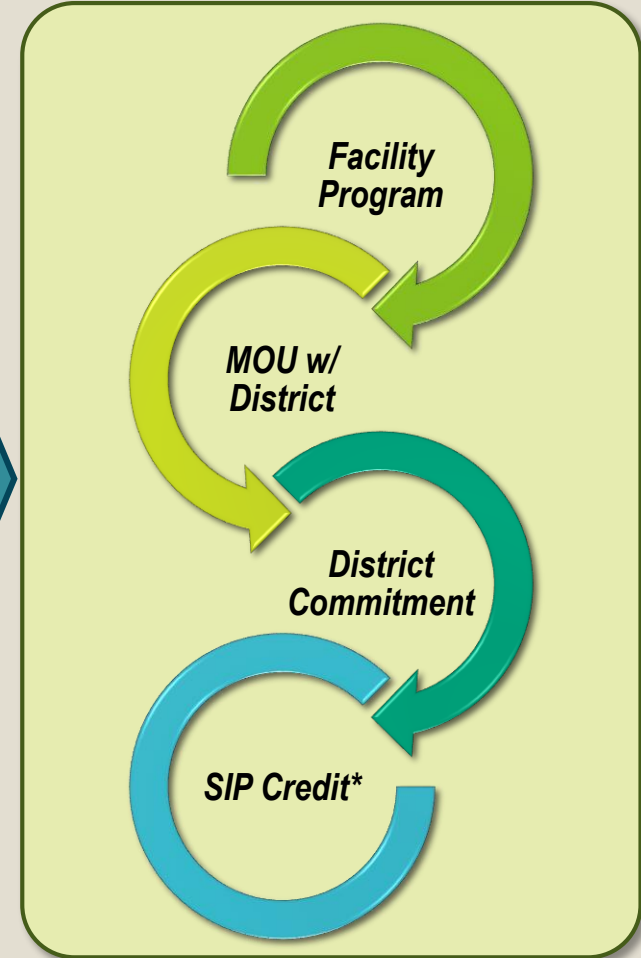
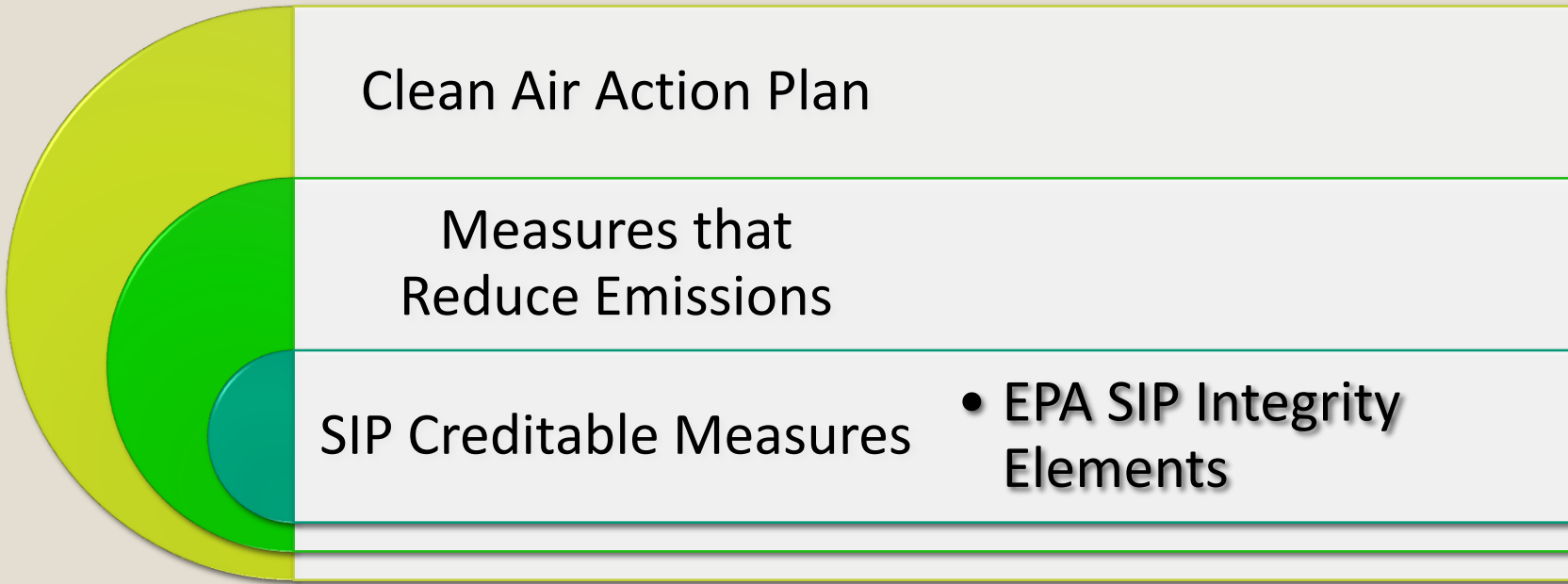
- Continued development of state mobile source strategy
- CARB staff will report to CARB Board on Indirect Source Rule concepts and alternatives on March 22
 - New measures proposed for large freight facilities
 - Regulatory approach focused on CARB's traditional mobile source and toxics ATCM authority
 - Measures will reduce NOx and other pollutants, but potential amount is not yet quantified
- CARB staff's proposed measures also take into account AB 617
 - Community focused approach

Significant Emission Reductions Require Comprehensive Approach

- Strategies explored since adoption of 2016 AQMP are not sufficient to meet air quality standards:
 - Proposed CARB & EPA measures
 - Currently identified incentive funding
 - Proposed voluntary facility-based measures
- All strategies need to be pursued, including new voluntary measures and available regulatory authority where needed



Potential MOU Approach for Clean Air Action Plans



- *MOU can include specific measures or emission targets*
- *With MOU, SCAQMD Board would commit to SIP-creditable emission reductions, or alternative measures if Facility Program/MOU unsuccessful*

**Subject to EPA Approval*

Potential Regulatory Approach

Multiple Compliance Options*

Fleet Certification + ISR

Facility-
Specific
Credits

Mitigation
Fee

Others?

Voluntary Fleet
Certification

Facility ISR
Requirement

Examples:
-Infrastructure
-Demonstration of
equivalent measures

Funds used to
incentivize
reductions
elsewhere

Summary of Recommended Ports Approach

Potential Voluntary Measures

- Pursue individual MOUs on specific CAAP measures
- Pursue introduction of cleaner vessels
 - Demonstrations, incentives, etc.

Continue to Pursue

Key Factors in Evaluating Voluntary Approach

- Significant public process already conducted to develop CAAP Update
- CAAP Update needs opportunity to succeed

Potential Regulatory Measures

- Do not pursue ISR now
- In 2019-2020, evaluate potential need for ISR if MOUs unsuccessful

Re-evaluate in 2019-2020

Board Direction for Airports

- Board amendment to adoption of 2016 AQMP
 - *“Undertake a stakeholder process and draft for our consideration an indirect source rule for commercial airports within the South Coast Basin by February 1, 2019 to control emissions of NOx, PM2.5, lead and diesel particulate matter from non-aircraft sources”*
 - Board discussion on the amendment included allowing an opportunity for airports to develop their own Clean Air Action Plans

Summary of Recommended Airports Approach

Potential Voluntary Measures

- Pursue individual MOUs with each airport
 - Airport-specific Clean Air Action Plans (AirCAAP)
- Include explicit process for pursuing FAA VALE/ZEV funding

Continue to Pursue

Key Factors in Evaluating Voluntary Approach

- Many emission reduction programs already in place at airports
- Opportunity for large emission reductions beyond existing programs limited

Potential Regulatory Measures

- Do not pursue ISR now
- If not all airports agree to develop an AirCAAP and MOU, staff could develop ISR requiring AirCAAP
 - Report back to Board by summer 2018

Re-evaluate in 2018-2019

Summary of Recommended Warehouses Approach

Potential Voluntary Measures

- New CEQA Air Quality Mitigation Fund
- Warehouse Guidance Document
- Green Delivery options (e.g., opt-in fee to fund cleaner fleet)

Continue to Pursue

Key Factors in Evaluating Voluntary Approach

- Limited emission reductions from proposed measures
- Large number of warehouses in basin

Potential Regulatory Measures

- Indirect Source Rule with multiple compliance options
 - Level of control determined by Board based on:
 - Cost-effectiveness, air quality need, feasibility, etc.
- Focus on trucks & CHE

Continue to Pursue

Summary of Recommended New/Redevelopment Approach

Potential Voluntary Measures

- New CEQA Air Quality Mitigation Fund
- Update SCAQMD CEQA Handbook
- Continue to work with CEC, PUC, and utilities to expand charging/alt-fueling infrastructure

Continue to Pursue

Key Factors in Evaluating Voluntary Approach

- Proposed voluntary measures would not substantially reduce NOx emissions
- Large number of development projects in basin

Potential Regulatory Measures

- Indirect Source Rule with multiple compliance options
 - Level of control determined by Board based on:
 - Cost-effectiveness, air quality need, feasibility, etc.
- Focus on large construction projects

Continue to Pursue

Summary of Recommended Rail Yards Approach

Potential Voluntary Measures

- Staff open to new agreements/MOUs beyond existing 1998 & 2005 agreements

Continue to Pursue

Key Factors in Evaluating Voluntary Approach

- No new voluntary measures proposed by stakeholders that would substantially reduce NOx emissions

Potential Regulatory Measures

- Indirect Source Rule with multiple compliance options
 - Level of control determined by Board based on:
 - Cost-effectiveness, air quality need, feasibility, etc.
- Harmonization at federal level with ICCTA likely required

Continue to Pursue

Summary of Staff Recommendation for FBMSM

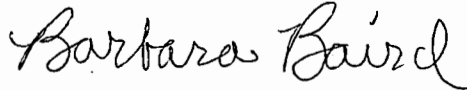
FBMSM Facility Sector	Pursue <u>Voluntary</u> Measures Now?	Also Pursue <u>Regulatory</u> Measures Now?
<i>Ports</i>	Yes	No
<i>Airports</i>	Yes	No
<i>Warehouses</i>	Yes	Yes
<i>New / Redevelopment</i>	Yes	Yes
<i>Rail Yards</i>	Yes	Yes

ATTACHMENT C

OFFICE OF GENERAL COUNSEL MEMORANDUM

To: Dr. William A. Burke, Chairman
SCAQMD Governing Board Members

From: Barbara Baird, Chief Deputy Counsel



Re: Authority to Adopt Indirect Source Rule for Railyards

Date: March 19, 2018

Introduction

At the March 2, 2018, Governing Board Meeting, during public comment on the Facility Based Mobile Source Measures item, (Agenda Item 32) a representative of the freight railroads commented that they believed the SCAQMD lacked authority to adopt an indirect source rule for railyards. The railroads have also commented on the AQMP that such a rule would in any event be preempted. A Governing Board member asked for staff's response to this comment. This memo provides such a response. ¹

Issue 1: Authority

The SCAQMD has authority to adopt rules to reduce or mitigate emissions from indirect sources (Health & Saf. Code Sec. 40716(a)(1), especially for areas where there are high-level localized levels of pollutants or for new sources which will have a significant impact on air quality. Health & Saf. Code Sec. 40440(b)(3). An indirect source is "a facility, building, structure, installation, real property, road, or highway which attracts, or may attract, mobile sources of pollution." CAA Sec. 110(a)(5)(C); 42 U.S.C. Sec. 7410(a)(5)(C). A railyard meets this definition and thus may be the subject of an indirect source rule.

In the past, the railroads have argued that only CARB has the authority to regulate locomotives as a matter of state law. Since what is proposed is an indirect source rule, and not a regulation of locomotives, this issue is irrelevant. In any event, we disagree. State law provides that the air districts are primarily responsible for "control of air pollution from all sources, other than emissions from motor vehicles." Health & Saf. Code Sec. 40001. This includes locomotives. CARB legal counsel agrees with our interpretation. In earlier litigation over the SCAQMD's rail idling rules, the trial court held that the SCAQMD could not regulate locomotives, but since the

¹ Staff has already stated its view briefly at the February 16, 2018 Mobile Source Committee discussion of this issue, which is part of the record for Agenda Item 32. In addition, staff's view has been expressed in responses to comments on the 2016 AQMP, in legal proceedings before the Surface Transportation Board, Docket 35803, (a proceeding in which the Association of American Railroads, BNSF, and Union Pacific participated), and in letters to US EPA. Accordingly this memo is being made available to the public.

Ninth Circuit did not affirm that holding, it is not binding. *Martin v. Henley*, 452 F. 2d 295,300 (9th Cir. 1971). The Ninth Circuit said: “[W]e assume without deciding that the rules fall within the District’s regulatory authority.” *Association of American Railroads v. South Coast Air Quality Management District*, 622 F. 3d 1094, 1096 n. 2 (9th Cir. 2010)(“AAR”)

In commenting on the 2016 AQMP, the Association of American Railroads asserted that the proposed facility-based measure would violate the trial court’s injunction against enforcing the previously-adopted idling regulation. The trial court held that the idling rules were preempted by the Interstate Commerce Commission Termination Act (“ICCTA”). However, the proposed indirect source rule would be a new rule, not enforcement of an existing rule. Further, it would not specify that the railyards must limit idling. Therefore, adopting the proposed new rule would not violate the injunction.

Issue 2: Preemption

While the Clean Air Act (CAA) generally preempts state and local governments from establishing emission standards for motor vehicles and non-road engines, including locomotives, the CAA does not preempt indirect source rules. *National Association of Home Builders v. San Joaquin Valley Unified Air Pollution Control District*, 627 F. 3d 730 (9th Cir. 2010).

The Ninth Circuit Court of Appeals upheld the trial court’s decision that the SCAQMD locomotive idling rules were preempted by ICCTA. *AAR*, 622 F. 3d. 1094. ICCTA is a federal de-regulatory statute that places certain aspects of rail operations under the jurisdiction of the federal Surface Transportation Board (“STB”), and preempts some kinds of state and local regulation applicable to railroads. However, the Court of Appeals explained that if the rules had been approved by EPA into the State Implementation Plan, “ICCTA generally does not preempt those regulations because it is possible to harmonize ICCTA with those federally-recognized regulations...” *AAR*, 622 F. 3d 1094, 1098. The STB itself has stated that ICCTA is not intended to “interfere with the role of state and local agencies in implementing Federal environmental statutes such as the Clean Air Act, the Clean Water Act, and the Safe Drinking Water Act, unless the regulation is being applied in such a manner as to unduly restrict the railroad from conducting its operations on unreasonably burden interstate commerce.” *Friends of the Aquifer*, 2001 WL 928949, STB F.D. No. 33966 at 5 (Aug. 15, 2001) Staff recommends that any railyard indirect source rule specify that it is not to become operative until approved into the SIP, to ensure that the rule can be harmonized with ICCTA in any judicial challenge.

The courts have provided guidance in how to “harmonize” two overlapping federal statutes, stating that the overriding purposes or objectives of each statute must be determined, and that if a challenged provision implements a core purpose of one law while affecting only the periphery of the other, the first provision must be upheld. *Morton v. Mancari*, 417 U.S. 535,550 (1974); *Merrill Lynch Pierce Fenner & Smith v. Ware*, 414 U.S.117, 131-136. (1973). The STB itself has also provided guidance, holding that in determining whether a federal environmental statute (or state rule implementing such a statute) unreasonably interferes with rail operations, “[t]he severity of the likely environmental impacts should be weighed against the severity of the transportation impacts of compliance to determine whether, and how, the various Federal statutes

can be accommodated.” *Joint Petition for Declaratory Order-Boston & Maine Corp. and Town of Ayer*, 2001 WL 1174385, STB Finance Docket 33971 (Oct. 3, 2001). Staff believes an indirect source rule can be crafted that would provide significant environmental benefits outweighing any adverse impacts on rail transportation, and could thus be harmonized with ICCTA. In particular, the indirect source rule is not expected to specify a method of compliance, so that the railyard can select its own methods for compliance to minimize any adverse impact.

We also wish to advise you that in 2014, the U.S. EPA filed a petition for declaratory order with the STB asking for a ruling on whether the SCAQMD idling rules would be preempted if they were approved in to the SIP. The STB declined to issue such an order, but instead issued “guidance” stating that the rules would “likely” be preempted even if approved into the SIP. *United States Environmental Protection Agency-Petition for Declaratory Order*, STB Docket FD 35803 (served Dec. 30, 2014). The STB based its opinion on the potential for other states or localities to adopt and implement conflicting rules. While we disagreed with the STB “guidance,” the manner in which it was issued made it unable to be reviewed in court under the federal Administrative Procedures Act. STB stipulated with us that the “guidance” could be reviewed if EPA or any other agency were to rely on it, e.g.in disapproving the existing idling rules. EPA has not taken action on these rules as of yet. The STB “guidance” could also be challenged if EPA were to rely on it in disapproving a future indirect source rule. In any event, staff believes that an indirect source rule that provides flexibility to the railyards for compliance would not present a serious risk of inconsistent requirements in other jurisdictions and thus would not be preempted under the theory used by the STB in its “guidance.”

Conclusion

An indirect source rule for railyards is within the SCAQMD’s state law authority, and likely could be crafted in a way that would allow it to survive the harmonization process and therefore not be preempted.

cc: Wayne Nastri

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 33

PROPOSAL: Adopt Executive Officer's FY 2018-19 Proposed Goals and Priority Objectives, and Draft Budget; and Determine that Proposed Amendments to Regulation III – Fees Are Exempt from CEQA and Amend Regulation III

SYNOPSIS: The Executive Officer's Proposed Goals and Priority Objectives and Draft Budget for FY 2018-19 have been developed and are recommended for adoption. The Draft Budget includes implementation of the phased-in fee increase adopted by the Board on June 2, 2017 to continue cost recovery efforts. In addition, staff is proposing amendments to Regulation III – Fees. The amendments include: 1) pursuant to Rule 320, an increase of most fees by 3.4% consistent with the Consumer Price Index; 2) new fees which are necessary to meet the requirements of recently adopted rules and state mandates; and 3) new or increased fees which are necessary to provide more specific cost recovery for other regulatory actions taken by the agency. Staff also recommends other proposed changes to Regulation III, which have no fee impact, but include clarifications, deletions, or corrections to existing rule language. The fee increases have been presented at a Budget Study Session, a Budget Advisory Committee meeting and at two public consultation meetings in March and April with recommendations and comments provided to the Board.

COMMITTEE: Special Governing Board Meeting/Budget Study Session, April 13, 2018, Reviewed

RECOMMENDED ACTIONS:

1. Remove from Reserves and Designations all amounts associated with the FY 2017-18 Budget;
2. Approve appropriations in the Major Objects for FY 2018-19 of:

Salary and Employee Benefits	\$134,257,596
Services and Supplies	29,774,481
Capital Outlays	<u>2,210,800</u>
Total	<u>\$166,242,877</u>

3. Approve revenues for FY 2018-19 of \$162,631,101;
4. Approve the addition of 4.4 net authorized/funded positions as detailed in the FY 2018-19 Budget;
5. Approve the Executive Officer's FY 2018-19 Goals and Priority Objectives;
6. Approve a projected June 30, 2019 Fund Balance of the following:

Classification¹	Reserves/Unreserved Designations	Amount
Committed	Reserve for Encumbrances	\$8,440,000
Nonspendable	Reserve for Inventory of Supplies	80,000
Assigned	Designated for Enhanced Compliance Activities	883,018
Assigned	Designated for Other Post Employment Benefit (OPEB) Obligations	2,952,496
Assigned	Designated for Permit Streamlining	1,313,385
Assigned	Designated for Self-Insurance	2,000,000
Assigned	Designated for Unemployment Claims	80,000
Total Reserves & Unreserved Designations		\$15,748,899
Unassigned	Undesignated Fund Balance	\$33,327,540

7. Adopt the attached Resolution regarding the Proposed Amended Regulation III – Fees (Attachment F):
 - a. Determining that Proposed Amended Regulation III – Fees (which includes Proposed Amended Rule 301 – Permitting and Associated Fees, Proposed Amended Rule 303 – Hearing Board Fees, Proposed Amended Rule 304 – Equipment, Materials and Ambient Air Analyses, Proposed Amended Rule 304.1 – Analyses Fees, Proposed Amended Rule 306 – Plan Fees, Proposed Amended Rule 307.1 – Alternative Fees for Air Toxics Emissions Inventory, Proposed Amended Rule 308 – On-Road Motor Vehicle Mitigation Options Fees, Proposed Amended Rule 309 – Fees for Regulation XVI and Regulation XXV, Proposed Amended Rule 311 – Air Quality Investment Program (AQIP) Fees, Proposed Amended Rule 313 – Authority to Adjust Fees and Due Dates, Proposed Amended Rule 314 – Fees for Architectural Coatings, and Proposed Amended Rule 315 – Fees for Training Classes and License Renewal, is exempt from the requirements of the California Environmental Quality Act; and

¹ The fund balance classifications of Committed, Nonspendable, Assigned, and Unassigned are established by the Government Accounting Standards Board 54.

- b. Amending Rules 301 – Permitting and Associated Fees, Rule 303 – Hearing Board Fees, Rule 304 – Equipment, Materials and Ambient Air Analyses, Rule 304.1 – Analyses Fees, Rule 306 – Plan Fees, Rule 307.1 – Alternative Fees for Air Toxics Emissions Inventory, Rule 308 – On-Road Motor Vehicle Mitigation Options Fees, Rule 309 – Fees for Regulation XVI and Regulation XXV, Rule 311 – Air Quality Investment Program (AQIP) Fees, Rule 313 – Authority to Adjust Fees and Due Dates, Rule 314 – Fees for Architectural Coatings, and Rule 315 – Fees for Training Classes and License Renewal.

Wayne Natri
Executive Officer

SJ:DRP:av

Background

Budget

The period covered by the FY 2018-19 budget is from July 1, 2018 to June 30, 2019. The General Fund budget is the agency's operating budget and is structured by office and account code. The accounts are categorized into three Major Objects: Salaries and Employee Benefits, Services and Supplies, and Capital Outlays. The budget is supplemented with a Work Program which estimates staff resources and expenditures along program and activity lines. A Work Program Output Justification is completed for each Work Program which identifies performance goals, measurable outputs, legal mandates, activity changes and revenue categories.

The annual expenditure and revenue budget for the General Fund is adopted on a modified accrual basis. All annual expenditure appropriations lapse at fiscal year-end if they have not been expended or encumbered. Throughout the year, budget amendments may be necessary to accommodate additional revenues and expenditure needs.

The Executive Officer's Budget and Work Program for FY 2018-19 represents the input over the past several months from Board members, the public, executive management, and staff. This year's process included meetings with the Budget Advisory Committee, one public consultation held on April 10, 2018 and a budget study session held for the Board on April 13, 2018.

Regulation III

Regulation III – Fees establishes the fee rates and schedules to recover SCAQMD's reasonable costs of regulating and providing services to the regulated community, primarily permitted sources. The Permitted Source Program is principally supported by three types of fees, namely permit processing fees for both facility permits and

equipment-based permits, annual permit renewal fees, and emissions-based annual operating fees, all of which are contained in Rule 301. Also included in the Permitted Source Program are Rule 222 registration fees and plan fees, since these are similar to permits for the sources to which they apply. Regulation III also establishes fees and rates for other fee programs, unrelated to the Permitted Source Program, including, but not limited to, Transportation Programs fees and Area Source fees (architectural coatings). The above referenced fees comprise approximately 64% of SCAQMD's revenue.

Last year, the Board adopted a phased-in fee increase applicable to both Title V and non-Title V facilities. With respect to Title V facilities, the Board approved an increase of 10.67% in each of FY 2017-18, 2018-19, and 10.66% in FY 2019-20. With respect to non-Title V facilities, the Board approved an increase of 4% in each of FY 2017-18 and 2018-19. These fee increases were necessary because SCAQMD was not collecting fees sufficient to cover the reasonable costs of its regulatory programs. In addition, the increases for the Title V facilities were a necessary response to a U.S. EPA review of SCAQMD's Title V Program. That review also found that SCAQMD was not recovering sufficient revenues to support the costs of that program. Deficits for the Permitted Source Program, including the Title V Program, had been routinely covered through use of reserves which have been primarily funded with one-time penalty revenue.

Over time, the SCAQMD has incorporated cost recovery initiatives and cost reduction efforts, including the deletion of select vacant positions, increasing the budgeted vacancy rate as necessary, the implementation of the California Public Employees' Pension Reform Act (PEPRA) for new employees, and the early payoff of the Diamond Bar Headquarters. However, budget shortfalls continue to exist. In the upcoming years, the SCAQMD will continue to face a number of fiscal challenges and uncertainties, including changes in federal grant funding levels, increased retirement costs due to actuarial and investment adjustments that could impact pension liability, and annual variations in one-time penalties and settlement revenue.

Proposal

Budget

The budget for FY 2018-19 proposes expenditures of \$166,242,877 and revenues of \$162,631,101, using prior year revenues to supplement FY 2018-19 projected revenues. The proposed FY 2018-19 budget represents an increase of \$16,363,971 (10.9%) in total expenditures from the budget adopted by the Board in June 2017. Staff is proposing the net addition of 51 positions from the adopted FY 2017-18 budget. This includes already-approved mid-year actions adding 36 positions for AB 617, 11 positions for AB 134 as well as five positions for Rule 1180- Refinery Fenceline and Community Air Monitoring and a deletion of one vacant position. In Services and

Supplies, the proposal for FY 2018-19 reflects an increase of \$1,706,786 (6.1%) compared to the FY 2017-18 adopted budget while Capital Outlays are increasing by \$260,083 (13.3%).

The proposed FY 2018-19 budget represents an increase of \$15,634,281 (10.6%) in total revenue from the budget adopted by the Board in June 2017. As part of this budget package, specific fees in Regulation III – Fees will be automatically adjusted by the California Consumer Price Index (CPI) as provided for under SCAQMD Rule 320 - Automatic Adjustment Based on Consumer Price Index for Regulation III Fees.

Regulation III

Proposed Amended Regulation III will: 1) pursuant to Rule 320, automatically increase fees where applicable by 3.4% consistent with the CPI; 2) add new fees which are necessary to meet the requirements of recently adopted rules and state mandates; 3) add new fees or increase fee rates which are necessary to provide more specific cost recovery for other regulatory actions taken by the agency; and 4) make other proposed amendments to Regulation III that will have no fee impact, but include clarifications, deletions, or corrections to existing rule language.

Public Process

The proposed FY 2018-19 budget assumes a 3.4% fee increase, consistent with Rule 320 which was adopted by the Board on October 29, 2010 to allow for an increase of fees based on the change in the California CPI. In accordance with Rule 320, the Draft Socioeconomic Impact Assessment for the automatic CPI-based fee increase was made available to the public on March 14, 2018. Public comments and responses related to the Draft Budget and CPI-based fee increase, along with recommendations from the Budget Advisory Committee, were provided to the Board by the April 13, 2018 deadline. Additionally, the Draft Socioeconomic Impact Assessment of Proposed Amended Regulation III - Fees was made available to the public on April 4, 2018.

Copies of the Draft Budget and Work Program for FY 2018-19 have been transmitted to the Board and the document is also available via SCAQMD's web site at <http://www.aqmd.gov/nav/about/finance#Budgets>.

During the rulemaking process for Proposed Amended Regulation III, two Public Consultation Meetings were held, on March 20, 2018 and April 10, 2018. Proposed Amended Regulation III was also presented to the Budget Advisory Committee on April 6, 2018 and the Board Budget Study Session on April 13, 2018. Documents related to Proposed Amended Regulation III, including draft rule language, staff report, and presentation materials, have been made available on SCAQMD's website at <http://www.aqmd.gov/home/rules-compliance/rules/proposed-rules#REG%20III>.

Key Issues

Proposed Amended Rule 301 includes a refinery fee to implement AB 1647, which requires refineries to pay for refinery-related community monitoring (Health and Safety Code Section 42705.6). Representatives from the petroleum refineries that would be affected by the proposed new fee – Refinery Related Community Air Monitoring System Annual Operating and Maintenance Fees, commented that the estimated cost per monitoring station staff used to determine the fee amounts appeared high, and that the fee amounts could potentially require periodic reassessments in the future based on actual program expenditures incurred by SCAQMD. In response to these comments and to further ensure ongoing compliance with California Health and Safety Code Section 42705.6, Proposed Amended Rule 301 subdivision (aa) now includes the requirement of a triennial fee reassessment, which would inform SCAQMD whether a fee adjustment may be necessary. Staff will use historical operating and maintenance costs associated with refinery-related community air monitoring to determine the appropriate fees during the reassessment and will take into consideration the existence of any historical differences between collected fees and program expenditures.

With respect to the proposed Facility Permit Reissuance Fee that would affect all NO_x RECLAIM facilities exiting the market-based program, representatives from some facilities commented that the proposed initial flat fee appeared too high for Title V facilities with 20 or more permitted NO_x sources. It was also commented that the minimum or baseline evaluation efforts (used for determination of the initial flat fee) may be lower than staff's previous estimates if most of the NO_x sources at a facility are the same and will be subject to the same command-and-control rules. In response to these comments, the fee schedules in Proposed Amended Rule 301 paragraph (1)(16) have been revised to include a lower initial flat fee for both Title V and non-Title V facilities with 20 or more permitted RECLAIM NO_x sources, based on a lower number of baseline hours needed for permit evaluation and conversion. The time and materials charge, which is applicable to the evaluation hours that are additional to the baseline hours, will continue to ensure the recovery of reasonable costs incurred by SCAQMD. Other stakeholders suggested specific caps to the time and materials charge for non-Title V and Title V facilities. However, staff believes that it is premature to establish the suggested caps at this initial stage of NO_x RECLAIM program transition, as it could potentially hinder SCAQMD's ability to adequately recover the reasonable costs of efforts to complete the necessary permit conversion.

California Environmental Quality Act

Pursuant to the California Environmental Quality Act (CEQA) and SCAQMD Rule 110, the SCAQMD, as lead agency for the proposed project, has reviewed Proposed Amended Regulation III, which consists of fee updates, new fees and amendments to Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, in accordance with: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA

Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. With respect to the proposed fee updates, new fees, and amendments in Proposed Amended Regulation III that are strictly administrative in nature, it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Therefore, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Activities Covered by General Rule. Additionally, the entirety of the proposed project is statutorily exempt from CEQA requirements pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges, because the proposed fee updates, new fees, and amendments to Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 involve charges by public agencies for the purpose of meeting operating expenses and financial reserve needs and requirements. A Notice of Exemption has been prepared pursuant to CEQA Guidelines Section 15062 – Notice of Exemption. If the project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino counties.

Socioeconomic Impact Assessment

Two socioeconomic reports are included as attachments to the staff report. The first report (Attachment I) analyzes the impacts of the Rule 320 3.4% CPI adjustment to Regulation III fees. The second report (Attachment J) analyzes the impacts of the proposed amendments to PAR III with fee impacts beyond the CPI-based fee increase. Nearly all facilities regulated by SCAQMD would be affected by the proposed fee increases. About 44% of the CPI-based fee increase is estimated to be incurred by the manufacturing sector, followed by the services sector (18%) and the retail trade sector (14%). With respect to the proposed amendments with fee impacts beyond the CPI-based fee increase, petroleum refineries (which belong to the manufacturing sector) are expected to incur 90% of the additional fee increase due to the proposed new fee associated with operating and maintenance of the state-mandated refinery-related community air monitoring systems. While the beyond-CPI fee increase is estimated to lead to 1 to 2 jobs foregone in refinery-related industries between 2018 and 2027, it would result in job gains in other sectors, such as providers of air monitoring-related services, manufacturers/suppliers of air monitoring devices, as well as local government sector including SCAQMD. Overall, an annual average of 57 net job gains are projected between 2018 and 2027.

Implementation and Resource Impacts

The proposed across-the-board CPI-based adjustments by 3.4% to Regulation III fees (excluding fee rates set by state law and Rule 311(c) Air Quality Investment Program fees), which is commensurate with the change in the California CPI from December 2016 to December 2017 pursuant to Rule 320, is estimated to result in an increase in SCAQMD's revenue by \$3.1 million for FY 2018-19 to cover the cost of inflation. Other proposed rule amendments with fee impacts will generate approximately \$1.3 million for FY 2018-19 and continue our efforts to more fully recover the costs of the Permitted Source Program activities.

Attachments

- A. Summary of Proposal
- B. FY 2018-19 Draft Budget and Work Program
- C. Key Issues and Responses
- D. Rule Development Process
- E. Key Contacts List
- F. Resolution
- G. Proposed Amended Regulation III Rule Language
- G1-G12 Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315
- H. Final Staff Report for Proposed Amended Regulation III - Fees
- I. Final Socioeconomic Impact Assessment for Rule 320 - Automatic Adjustment Based on Consumer Price Index for Regulation III - Fees
- J. Final Socioeconomic Impact Assessment for Proposed Amended Regulation III - Fees
- K. Notice of Exemption
- L. Board Meeting Presentation

ATTACHMENT A

SUMMARY OF PROPOSAL

Proposed Amended Regulation III – Fees Fiscal Year 2018-19

Component 1: Rule 320 Consumer Price Index (CPI)-Based Fee Increase

Proposed Amended Rules: 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315

- Increase in all fee rates by 3.4%, which is commensurate with the change in the California CPI from December 2016 to December 2017, with the following exceptions:
 - Fee rates set by state law;
 - Rule 311(c) Air Quality Investment Program Fees, which pay for programs to reduce emissions and do not support the SCAQMD budget

Component 2: Targeted Proposals with Fee Impacts for Cost Recovery

Proposed Amended Rules: 301, 306, 307.1

- 1) New fees to recover costs associated with operating and maintenance of refinery-related community air monitoring system pursuant to Rule 1180 and California Health and Safety Code Section 42705.6;
- 2) New fees to recover notification costs pursuant to Rule 1466;
- 3) New fees for RECLAIM permit processing during and after transition out of the NO_x RECLAIM program;
- 4) New fees to recover costs for periodic assessment of non-RECLAIM emission monitoring systems (i.e., CEMS, FSMS, and ACEMS);
- 5) Increased fees to recover costs associated with voluntary certification programs of Clean Air Solvent and Clean Air Choices Cleaner;
- 6) New fees to recover costs associated with annual renewal of Rule 1105.1, Rule 1118, and Rule 1123 compliance plans;
- 7) Potentially increased fees by billing actual cost invoiced to SCAQMD for public notice publication;
- 8) New fees to recover costs associated with optional catalyst equivalency evaluation;
- 9) New fees to recover costs associated with AB 2588 work for Potentially High Risk Level Facilities; and
- 10) New fees to recover costs associated with AB 2588 work on Rule 1402 related special reviews.

Component 3: Proposals with No Fee Impacts and/or Administrative Changes

Proposed Amended Rules: 301, 304, 304.1, 306, 307.1, 313

- 1) Updating the emission-based fee-paying thresholds for Toxic Air Contaminant to be consistent with the state or SCAQMD's Annual Emission Reporting thresholds;
- 2) Specification of payment due date and non-payment consequence for Rule 301(z) "No Show" fees;
- 3) Numbering of Rule 301 fee rate tables on pages PAR 301-70 through PAR 301-73;
- 4) Clarification of table content by revising table titles for Rule 301 Tables IA and IB on pages PAR 301-74 through PAR 301-90;
- 5) Correction of a typographical error in rule citations;
- 6) Removal of obsolete rule language;
- 7) Removal of an extraneous reference to a fee rate table;
- 8) Clarification of all CEQA document types and sub-types for payment of initial CEQA document preparation fees;
- 9) Correction of a typographical error in fee rate;
- 10) Clarification of all applicable fees and fee rates associated with facility permit amendment;
- 11) Removal of Title V fee rate for RECLAIM Trading Credit transaction registration fee;
- 12) Clarification of applicable fees related to processing of an Initial Title V Facility Permit, and revision and renewal of an existing Title V permit;
- 13) Clarification of change of operator fee applicability;
- 14) Addition of existing equipment/process to Table IB – Permit Fee Rate Schedules for Basic Equipment;
- 15) Clarification and simplification of fee rate table for facility permit fees;
- 16) Removal or addition of multiple references in Rule 301, Rule 304, and Rule 313;
- 17) Clarification of applicable fee rates for annual emission fees;
- 18) Correction of subparagraph numbering in Rule 304.1(c)(3);
- 19) Correction of a typographical error regarding reference in Rule 109;
- 20) Clarification of applicable fee rates for plan filing and plan evaluation fees and the timing of billing any additional fees;
- 21) Clarification of timing of request for optional expedited plan evaluation, the associated fees, and timing of fee payment;
- 22) Clarification of applicable fees and timing of payment for source test protocol/report evaluation; and
- 23) Removal of a redundant definition and correction of small business maximum fee and typographical errors in Rule 307.1.

Attachment B



Budget & Work Program

Fiscal Year
2018-2019

South Coast
Air Quality Management District

BUDGET & WORK PROGRAM

FISCAL YEAR 2018-2019

Prepared by Finance
Sujata Jain, Assistant Deputy Executive Officer - Finance



SOUTH COAST
AIR QUALITY MANAGEMENT DISTRICT

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SOUTH COAST

AIR QUALITY MANAGEMENT DISTRICT

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

GOVERNING BOARD

WILLIAM A. BURKE, Ed.D
Chairman
Speaker of the Assembly Appointee

DR. CLARK E. PARKER, SR.
Vice Chair
Senate Rules Committee Appointee

MARION ASHLEY
County of Riverside Representative

BEN BENOIT
Cities of Riverside County Representative

JOE BUSCAINO
City of Los Angeles Representative

MICHAEL A. CACCIOTTI
Cities of Los Angeles County Representative
Eastern Region

JOSEPH K. LYOU, Ph.D.
Governor's Appointee

LARRY McCALLON
Cities of San Bernardino County
Representative

JUDY MITCHELL
Cities of Los Angeles County Representative
Western Region

SHAWN NELSON
County of Orange Representative

DWIGHT ROBINSON
Cities of Orange County Representative

JANICE RUTHERFORD
County of San Bernardino Representative

HILDA L. SOLIS
County of Los Angeles Representative

WAYNE NASTRI
Executive Officer



SOUTH COAST

AIR QUALITY MANAGEMENT DISTRICT



South Coast Air Quality Management District

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

May 4, 2018

South Coast Air Quality Management District Board and Stakeholders

Transmittal of the Executive Officer's Fiscal Year 2018-19 Budget and Work Program

This document represents South Coast Air Quality Management District's (SCAQMD) proposed General Fund Budget and Work Program for FY 2018-19. The budget was developed based on SCAQMD's commitment to clean the air and protect the health of all residents in the South Coast Air District through practical and innovative strategies. The proposed budget for FY 2018-19 balances expenditures of \$166.2 million with revenues of \$162.6 million and prior year revenues of \$3.6 million.

The proposed FY 2018-19 level of expenditures, up 10.9% from the FY 2017-18 adopted budget, includes increased costs for retirement, salaries associated with new positions for the AB 617 Community Air Protection Program, AB 134 and Rule 1180, and the recently approved labor agreements. There is a net increase of 51.15 FTEs from the FY 2017-18 adopted budget. This increase includes the positions for the AB617 and AB134 efforts approved by the Board in January 2018, five positions for Rule 1180, and 0.40 FTE to provide five months of critical overlap and service continuity before an Assistant Deputy Executive Officer in Science, Technology and Advancement retires.

The FY 2018-19 proposed revenue budget of \$162.6 million, up 10.6% from the FY 2017-18 adopted budget, includes a CPI fee adjustment of 3.4% and the second year of the June 2017 Board approved additional fee adjustment to permit processing fees and annual operating permit renewal fees of 10.67% for Title V facilities and 4.0% for non-Title V facilities in order to better align program costs with revenue. At \$96.9 million or 59.6% of the projected revenue budget, stationary source revenues account for the largest source of revenue. Over the past two decades, total permit fees (including permit processing, annual operating permit, and annual emissions based fees) collected from stationary sources has increased by about 33.7% from \$66.8 million in FY 1991-92 to

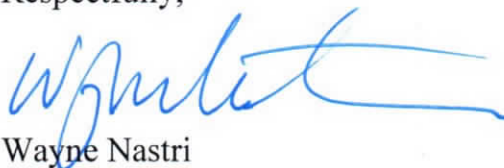
\$89.3 million (estimated) in FY 2017-18. When adjusted for inflation however, stationary source revenues have decreased by 22% over this same period.

While significant efforts are put forth to develop a detailed budget for the next fiscal year, as well as a five year projection, uncertain political and economic issues create challenges. These challenges may include changes in grant revenue funding levels, increased retirement costs due to actuarial and investment adjustments, increased infrastructure costs due to an aging headquarters building, and onetime Penalties and Settlement revenue that varies annually. SCAQMD is well positioned to address these uncertainties by monitoring funding sources, our retirement plan, and actual financial results on a continuous basis and is prepared to make timely resource allocation adjustments as warranted. Additionally, the proposed budget includes an assigned/unassigned general fund balance of 25% of revenues to provide a reasonable financial safety net.

The public and the business community have multiple opportunities to participate in the budget development process. These include meetings of the Budget Advisory Committee which is made up of representatives from the business and environmental communities, a public consultation meeting to discuss the proposed budget and work program, and two meetings of the Governing Board. The public consultation meeting and Governing Board meetings are noticed to the public through direct mail to permitted facilities, print media, and through the SCAQMD website.

In summary, I am proposing a budget for FY 2018-19 that allows our programs to operate efficiently, transparently, and in a manner sensitive to public agencies, businesses and the public, while providing a continuum of emissions reductions and health benefit improvements. The proposed Fiscal Year 2018-19 Budget and Work Program serves to ensure the continued strength and stability of the District as we make progress toward attaining the federal and state clean air mandates.

Respectfully,



Wayne Nastri
Executive Officer

SJ:DRP



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**South Coast Air Quality Management District
California**

For the Fiscal Year Beginning

July 1, 2017

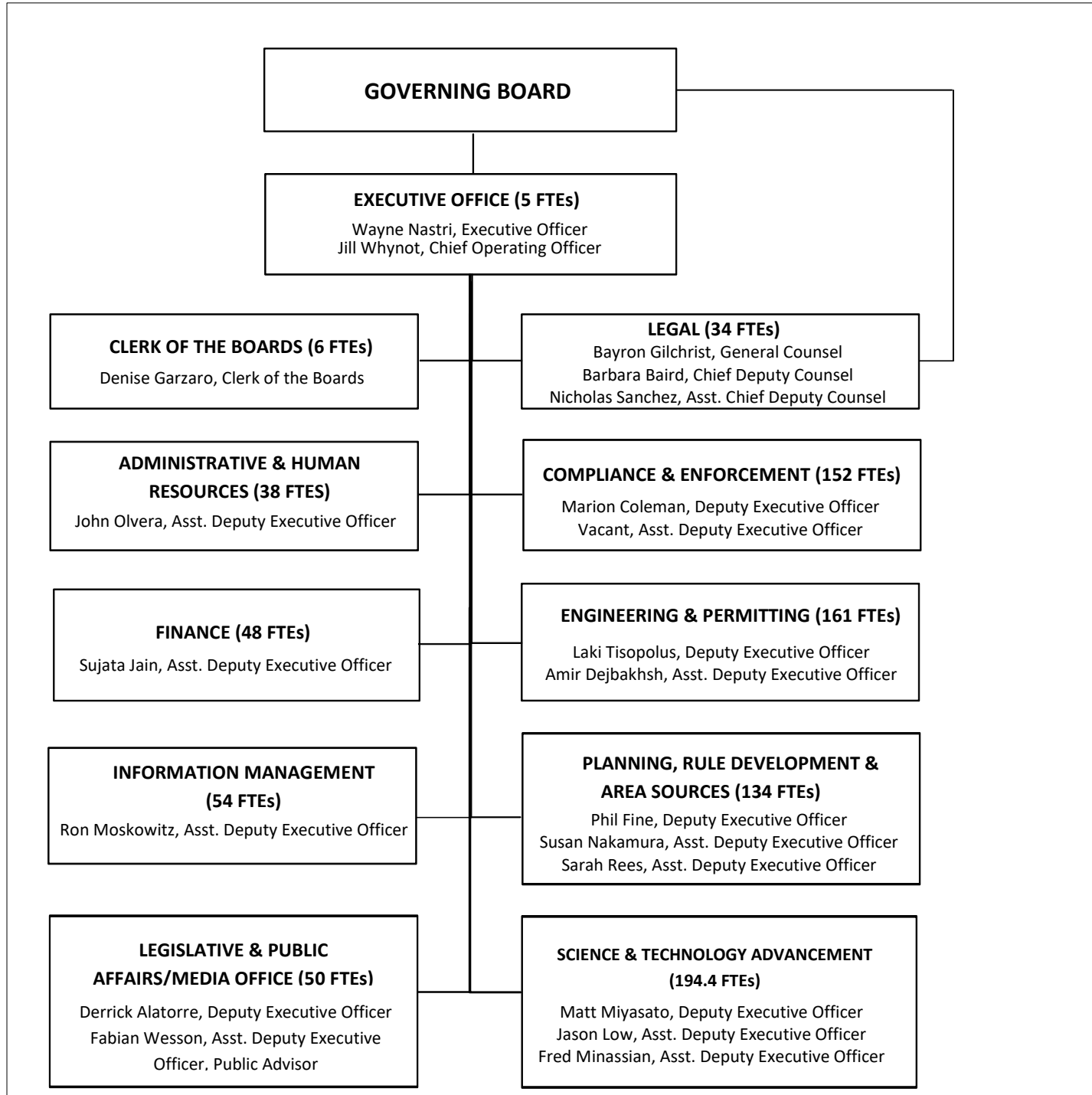
Christopher P. Morrill

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to South Coast Air Quality Management District, California for its annual budget for the fiscal year beginning July 1, 2017. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

**SOUTH COAST AIR QUALITY MANAGEMENT
DISTRICT (876.4 FTEs)**



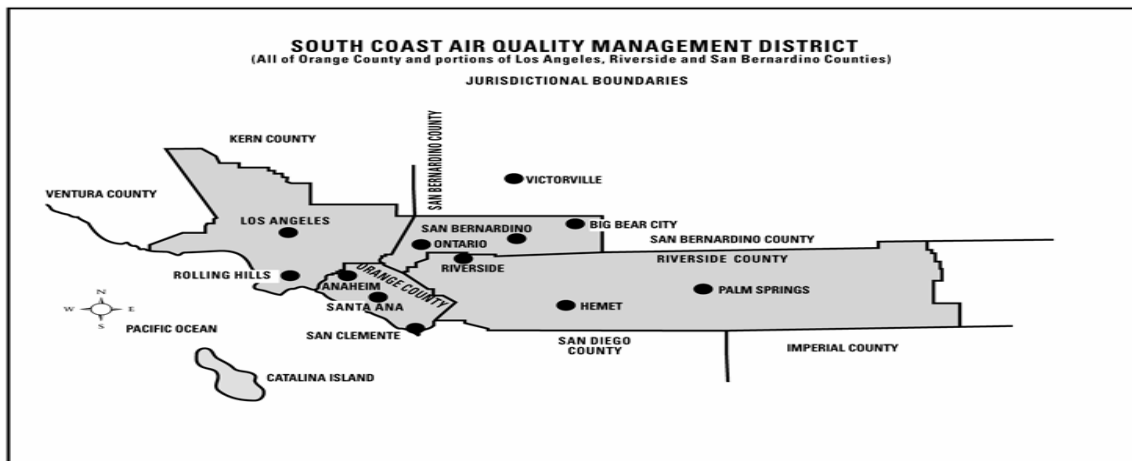
SUMMARY

Preface

This document represents the proposed FY 2018-19 Budget and Work Program of the South Coast Air Quality Management District (SCAQMD). The proposed budget is available for public review and comment during the month of April. A public consultation meeting is scheduled to discuss the proposed budget and proposed fees changes on April 10, 2018. In addition, a workshop for the Governing Board is scheduled on April 13, 2018. A final Proposed Budget and Work Program and Proposed Amended Regulation (PAR) III - Fees, which may include changes based on input from the public and Board, will be presented for adoption at a public hearing on May 4, 2018.

Introduction

The South Coast Air Quality Management District (SCAQMD) began operation on February 1, 1977 as a regional governmental agency established by the California Legislature pursuant to the Lewis Air Quality Management Act. The SCAQMD encompasses all of Orange County and parts of Los Angeles, San Bernardino and Riverside Counties. It succeeded the Southern California Air Pollution Control District (APCD) and its predecessor four county APCDs, of which the Los Angeles County APCD was the oldest in the nation, having been formed in 1947. The SCAQMD Governing Board is composed of 13 members, including four members appointed by the Boards of Supervisors of the four counties in SCAQMD's jurisdiction, six members appointed by cities in the SCAQMD's jurisdiction and three members appointed by the Governor, the Speaker of the State Assembly and the Rules Committee of the State Senate, respectively. The members appointed by the Boards of Supervisors and cities consist of one member of the Board of Supervisors of Los Angeles, Orange, Riverside, and San Bernardino Counties, respectively, and a mayor or member of the city council of a city within Orange, Riverside, and San Bernardino Counties. Los Angeles County cities have three representatives, one each from the western and eastern portions and one member representing the City of Los Angeles.

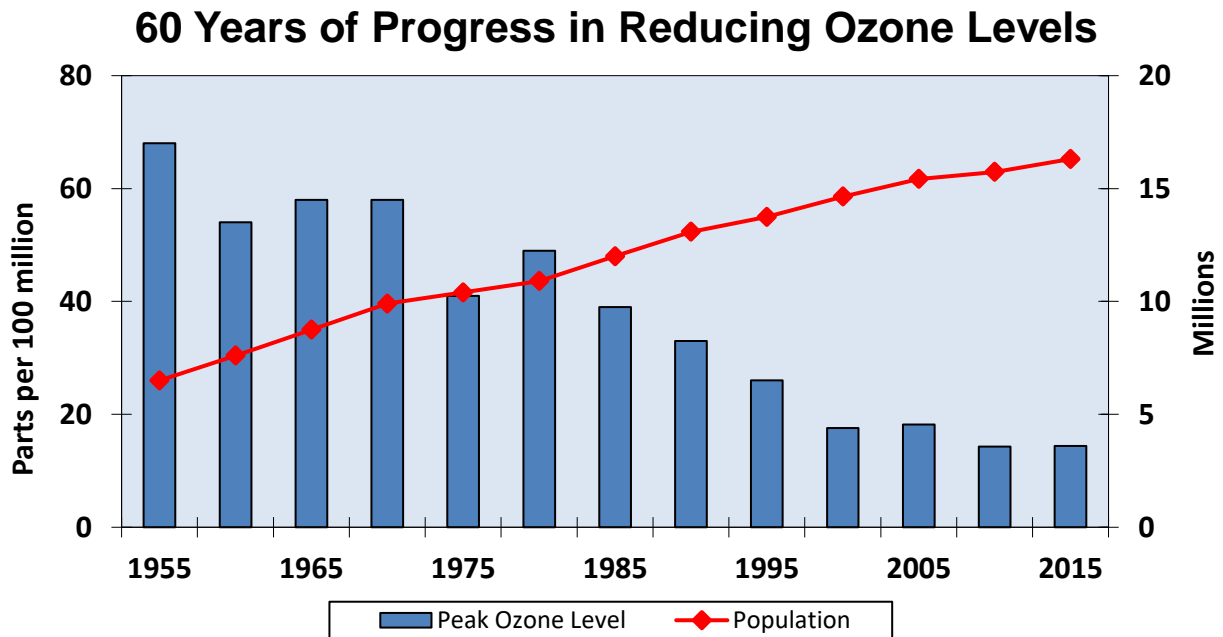


Air Quality History

The South Coast Air Basin has suffered unhealthy air since its rapid population growth and industrialization during World War II. While air quality has improved, the residents of the Basin still breathe some of the most polluted air in the nation.

The 68-year history of the region's air pollution control efforts is, in many ways, one of the world's key environmental success stories. Peak ozone levels have been cut by almost three-fourths since air monitoring began in the 1950s. Population exposure was cut in half during the 1980s alone.

Since the late 1940s when the war on smog began to 2015, the region's population has more than tripled from 4.8 million to 17.0 million; the number of motor vehicles has increased almost six-fold from 2.3 million to 13.7 million; and the area has grown into one of the most prosperous regions of the world. This phenomenal economic growth illustrates that pollution control and strong economic growth can coincide.



Mission

SCAQMD's mission is to clean the air and protect the health of all residents in the South Coast Air District through practical and innovative strategies.

This mission is pursued through a comprehensive program of planning, regulation, education, enforcement, compliance incentives, technical innovation and promoting public understanding of air quality issues. The SCAQMD has implemented a policy of working with regulated businesses to ensure their participation in making the rules which will impact them. This cooperative approach has resulted in greater business support of rulemaking efforts for air that is more healthful to breathe.

To carry out its mission, SCAQMD develops a set of Goals and Priority Objectives which are evaluated and revised annually and presented as part of the budget proposal. The following Proposed Goals have been identified as being critical to meeting SCAQMD's Mission for FY 2018-19:

- I. Achieve Clean Air Standards.
- II. Enhance Public Education and Equitable Treatment for All Communities.
- III. Operate Efficiently and Transparently.

These goals are the foundation for SCAQMD's Work Program categories. Each goal is supported by multiple activities, which target specific areas of program performance.

Air Quality

Overview

The four-county Southern California region, designated for air quality purposes as the South Coast Air Basin (Basin), has some of the highest air pollution levels in the United States. The federal government has designated seven pollutants that are pervasive enough across the nation to warrant federal health standards, called National Ambient Air Quality Standards (NAAQS). Known as "criteria pollutants," these are: ozone (O₃); nitrogen dioxide (NO₂); particulates (PM₁₀); fine particulates (PM_{2.5}); carbon monoxide (CO); lead (Pb); and sulfur dioxide (SO₂).

In addition, the State of California through the California Air Resources Board (CARB) sets ambient air quality standards for these same pollutants. California's standards are in some cases tighter than the U.S. Environmental Protection Agency's (U.S. EPA) standards, reflecting the conclusion on CARB's part that some of the federal standards are not adequate to protect public health in this region. Toxic compounds also are a potential problem. More toxic pollution is emitted into the air in the Basin than in any other region in California. The Basin's large number of motor vehicles and small sources, including small businesses and households using ozone-forming consumer products and paints, compound the problem.

Air Quality Trends

While our air quality continues to improve, the Basin remains one of the most unhealthful areas in the nation in terms of air quality. Ozone levels have fallen by more than three-quarters since peaks in the mid-1950s. U.S. EPA revised and strengthened the 8-hour ozone NAAQS, effective December 28, 2015, from concentrations exceeding 75 parts-per-billion (ppb) to concentrations exceeding 70 ppb. In 2017, the new 2015 8-hour ozone NAAQS was exceeded in the Basin on 145 days and the former 2008 ozone NAAQS was exceeded on 122 days based on preliminary data. The 2015 ozone NAAQS was exceeded in the Basin on 132 days in 2016 and 113 days in 2015. The increase in ozone exceedance days in 2016 and 2017 is largely attributed to enhanced photochemical ozone formation through the spring, summer and fall period due to persistent weather patterns that limited vertical mixing and warmed the lower atmosphere. Other potential factors are being assessed; for example, possible changes in relative emissions of VOC or NO_x. While the ozone control strategy continued to reduce precursor emissions from sources in the Basin in 2017, ozone-forming emissions transported from several long-term, large wildfires in southern and central California in the summer may have also played a role in the increase of exceedance days. The maximum observed ozone levels also show some year-to-year variability, but have generally been decreasing over the years. The highest 8-hour ozone level in the preliminary 2017 data was 136 ppb, compared to 122 ppb in 2016 and 127 ppb in 2015.

PM_{2.5} levels have decreased dramatically in the Basin since 1999; however, design value concentrations are still above the current annual 24-hour NAAQS. Effective March 18, 2013, U.S. EPA strengthened the annual average PM_{2.5} standard from 15 µg/m³ to 12 µg/m³, while retaining the 24-hour PM_{2.5} NAAQS of 35 µg/m³. In 2017, the 24-hour PM_{2.5} NAAQS was exceeded on 10 days at the highest station (Metropolitan Riverside County), based on preliminary filter data. In 2016, the same station exceeded the 24-hour NAAQS on only 6 days, the lowest on record, due to improving emissions and the influence of the increase in wintertime storm systems and improved ventilation in the Basin on many days in the winter months when the highest PM_{2.5} concentrations typically occur. The PM_{2.5} NAAQS was exceeded on seventeen days in 2015. Both the 2015 and 2017 PM_{2.5} measurements were strongly influenced by the long-term effects of the drought in California and 2017 was also influenced by large fires in southern and central California. The Basin's peak annual average PM_{2.5} level in 2017, 14.6 µg/m³ (preliminary data) was a little lower than the 2016 value, 14.8 µg/m³, which occurred at the same site. In 2017, quarterly PM_{2.5} averages for the fourth quarter were above normal for recent years, likely due to the impact of smoke transported from the series of wildfires that burned for several days in December. Out of the 29 wildfires across Southern California in December, six were very large fires, including the Thomas Fire which became the largest wildfire in modern California history.

In 2006, U.S. EPA rescinded the annual federal standard for PM₁₀ but retained the 24-hour standard. U.S. EPA re-designated the Basin as attainment of the health based standard for PM₁₀, effective July 26, 2013. Ambient levels of PM₁₀ in the Basin have continued to meet the federal 24-hour PM₁₀ NAAQS through 2017.

In November 2008, U.S. EPA revised the lead NAAQS from a 1.5 µg/m³ quarterly average to a rolling 3-month average of 0.15 µg/m³ and added new near-source monitoring requirements. The Los Angeles County portion of the Basin has been designated non-attainment for lead due to monitored concentrations near one facility. However, starting with the 3-year 2012-2014 design value, the Basin has met the lead standard. A re-designation request to U.S. EPA is pending.

Nitrogen dioxide, sulfur dioxide, and carbon monoxide levels have improved in the Basin and are in full attainment of the NAAQS. In 2007, U.S. EPA formally re-designated the Basin to attainment of the carbon monoxide NAAQS. Maximum levels of carbon monoxide in the Basin have been consistently less than one-third of the federal standards since 2004. In 2010, U.S. EPA revised the NO₂ 1-hour standard to a level of 100 ppb and the SO₂ 1-hour standard to a level of 75 ppb. In 2017, all sites in the Basin remained in attainment of these NAAQS.

Mandates

The SCAQMD is governed and directed by several state laws and a comprehensive federal law that provide the regulatory framework for air quality management in the Basin. These laws require SCAQMD to take prescribed steps to improve air quality.

Generally speaking, SCAQMD is responsible for stationary sources such as factories and businesses. CARB and U.S. EPA are primarily responsible for motor vehicles. SCAQMD and CARB share responsibilities with respect to area sources. SCAQMD and the Southern California Association of Governments (SCAG) share some responsibilities with CARB regarding certain aspects of mobile source emissions related to transportation and land use. Control of emissions from sources such as airports, harbors, and trains is shared by U.S. EPA, CARB and SCAQMD. Without adequate efforts by CARB and U.S. EPA to control emission sources under their sole authority, it is impossible for the region to reach federal clean air standards.

Under State law, SCAQMD must periodically develop and submit an Air Quality Management Plan (AQMP or Plan) to the State demonstrating how the region will achieve State and Federal ambient air quality standards, or at a minimum demonstrate that all feasible measures are being carried out to meet state air quality standards. Each iteration of the Plan is an update of the previous version. To date, the SCAQMD's Governing Board has adopted Plans demonstrating attainment in 1989, 1991, 1994, 1997, 1999 (amendments to the plan adopted in 1997), 2003, 2007 and 2012. The 2016 AQMP was approved in March 2017. Earlier plans in 1979 and 1982 did not show attainment and predicted continued unhealthy air well into this century. Revisions to the annual PM_{2.5} NAAQS, adopted by U.S. EPA in 2012 to further protect public health, lead to the projected attainment of the new annual PM_{2.5} NAAQS by 2025. The attainment deadline for the 2006 24-hour PM_{2.5} NAAQS is 2019. The 2008 federal 8-hour ozone NAAQS has an attainment deadline of 2032. Attainment designations for the 2015 ozone NAAQS are expected to be finalized in 2018, with State Implementation Plan (SIP) attainment demonstrations likely due in 2021 or 2022. Attainment deadlines for the new ozone NAAQS are still pending, but for an extreme non-attainment area such as the Basin, the attainment deadline is 20 years from the effective date of the designation, or approximately 2038.

State Laws include:

- California Clean Air Act (AB 2595) requires air districts in California to adopt plans to expeditiously meet state ambient air quality standards. It mandates that SCAQMD's attainment plans meet several specific requirements including:
 - ◆ a 5% per year reduction in emissions (the plan can achieve less than 5% annual reduction if it includes every feasible measure and an expeditious adoption schedule);
 - ◆ Best Available Control Technology (BACT) for new and modified sources;
 - ◆ Best Available Retrofit Control Technology (BARCT) for existing sources.
- Lewis-Presley Air Quality Management Act (SB 151) which specifies additional, more stringent requirements for air quality plans in the Basin. It specifies that SCAQMD has responsibility to prepare the plan in conjunction with SCAG, who must prepare the portions of the plan relating to demographic projections, land use, and transportation programs.
- Air Toxics "Hot Spots" Information & Assessment Act (AB 2588) which requires facilities that emit significant quantities of pollutants to prepare health risk assessments describing the impact of toxic contaminants on neighboring areas. If SCAQMD determines that the toxic emissions create a significant risk, the public must be notified and facilities must reduce emissions to below significant levels.
- Tanner Air Toxics Process (AB 1807) which requires CARB to adopt air toxic control measures to limit emissions of toxic air contaminants from classes of industrial facilities. Local air districts are required to enforce these regulations or adopt equally or more stringent regulations of their own.
- Health & Safety Code §42705.5 which requires air districts to deploy a community air monitoring system in selected locations and Section 42706.5 which requires air districts to design, develop, install, operate and maintain refinery-related community air monitoring systems.

State law also includes the following measures:

- authorizes SCAQMD to adopt market incentives as long as the emitters achieve reductions equivalent to command-and-control regulations;
- requires SCAQMD to establish a program to encourage voluntary participation in projects to increase the use of clean-burning fuels;
- requires SCAQMD to adopt and enforce rules to ensure no net emission increases from stationary sources.

Under the Federal Clean Air Act, SCAQMD must develop and submit to CARB for review, followed by submittal to U.S. EPA, an element of the SIP demonstrating how the Basin will achieve the NAAQS. In the case of ozone, the Plan was required to be submitted by November 15, 1994 and for PM10 particulate matter, the Plan was required to be submitted by February 8, 1997. Plans for other pollutants were submitted in earlier years. In 1997, U.S. EPA adopted new NAAQS for PM2.5 and replaced the 1997 1-hour ozone NAAQS with a new standard based on an 8 hour average. The SIPs to attain these federal standards were submitted to U.S. EPA in November, 2007. The SIP to attain the current 2006 24-hour PM2.5 NAAQS was submitted in early 2013.

The SIP to attain the 2008 8-hour ozone standard was submitted in 2017 following the March 3, 2017 adoption of the 2016 AQMP by the SCAQMD Governing Board, and is currently under U.S. EPA review.

The Federal Clean Air Act mandates that sanctions be imposed on an area if a suitable Plan is not adopted and approved by U.S. EPA. These sanctions can include loss of key federal funds and more stringent requirements on new or expanding industries. Specific requirements for SCAQMD's AQMP include stringent requirements plus Lowest Achievable Emission Rate (LAER) and offsets for major new sources. Federal law also requires an operating permit program for major stationary sources, known as Title V, which must be supported by permit fees. In addition, air toxics regulations adopted by U.S. EPA pursuant to Title III must be implemented by SCAQMD.

Air Quality Control

Developing solutions to the air quality problem involve highly technical processes and a variety of resources and efforts to meet the legal requirements of California and federal laws.

Monitoring: The first step in air quality control is to determine the smog problem by measuring air pollution levels. SCAQMD currently operates 43 monitoring stations in the South Coast Air Basin and a portion of the Salton Sea Air Basin in Coachella Valley. These range from fully equipped stations that measure levels of all criteria pollutants, as well as some air toxic pollutant levels, to those which measure a specific pollutant in critical areas. These measurements provide the basis of our knowledge about the nature of the air pollution problem and the data for planning and compliance efforts to address the problem.

Pollution Sources: The SCAQMD, in cooperation with CARB and SCAG, estimates the sources of emissions causing the air pollution problem. Nature itself causes a portion of the emissions and must be considered. In general, SCAQMD estimates stationary and natural sources of emissions, SCAG develops the information necessary to estimate population and traffic, and CARB develops the information necessary to estimate mobile and area source emissions using the SCAG traffic data. This data is then consolidated in the AQMP for use in developing the necessary control strategies.

Air Quality Modeling: Using air quality, meteorological and emissions models, SCAQMD planners simulate air pollution to demonstrate attainment of the air quality standards and the impacts of sources to local and regional air quality. Due to the nature of air pollution, air quality models can be very complex. Some pollutants are not emitted directly into the air but are products of photochemical reactions in the atmosphere. For example, VOCs mix with nitrogen dioxide (NO₂) and react in sunlight to form ozone; similarly, nitrogen oxide gases from tailpipes and smokestacks can be transformed into nitrates or particulates (PM_{2.5} and PM₁₀). The planners thus must take into account transport, land use characteristics and chemical reactions of emissions in the atmosphere to evaluate air quality impacts. Using model output, planners can look at different control scenarios to determine the best strategies to reduce air pollution for the lowest cost.

The considerable data required for these analyses is collected on an ongoing basis by SCAQMD staff. Modeling data is prepared and delivered using a geographic information system (GIS). GIS capability is used to prepare and produce data and spatial analysis maps for various needs by SCAQMD including rulemaking and California Environmental Quality Act (CEQA) document development.

Planning: With emissions data and an air quality model in place, planners can develop possible control strategies and scenarios. SCAQMD focuses most of its effort on stationary source controls. As mentioned earlier, strategies to reduce vehicle miles traveled (VMT) are developed primarily by SCAG, while mobile source control standards are developed primarily by CARB.

Once a plan of emission controls to achieve the NAAQS is outlined, SCAQMD is required to hold multiple public meetings to present the proposed control strategies and receive public input. SCAQMD also conducts a socioeconomic analysis of the strategies. SCAQMD maintains an ongoing and independent advisory group of outside experts for both its air quality modeling and socioeconomic assessment methodologies.

To meet federal air quality standards, the AQMPs and SIP submittals, including the 2016 AQMP, called for significant emissions reductions from projected baseline emissions in order to meet the NAAQS by the federal attainment deadlines (2019 for the 2006 24-hour PM_{2.5} NAAQS, 2025 for the 2012 annual PM_{2.5} NAAQS, 2023 for the 1979 1-hour ozone NAAQS, 2024 for the 1997 8-hour ozone NAAQS, and 2032 for the 2008 8-hour ozone NAAQS). These combined reductions, while meeting most NAAQS, will still not result in attainment of all California State ambient air quality standards or the revised 2015 8-hour ozone NAAQS. The 2012 AQMP addressed the 24-hour PM_{2.5} NAAQS. The 2016 AQMP addresses the 2008 8-hour ozone NAAQS and the 2012 annual PM_{2.5} NAAQS, and demonstrates compliance with the requirements for being a “serious” non-attainment area for the 24-hour PM_{2.5} NAAQS requirements. SCAQMD will continue to improve the emissions inventories and modeling techniques in order to address the 2015 8-hour NAAQS for the next AQMP revision which has an anticipated adoption in the 2021 or 2022 timeframe.

Rulemaking: The regulatory process, known as rulemaking, takes the concepts of control measures outlined in the AQMP and turns them into proposed rule language. This process involves the following: extensive research on technology; site inspections of affected industries to determine feasibility; typically a year or more of public task force and workshop meetings; in-depth analyses of environmental, social and economic impacts; and thorough review with appropriate Governing Board Committees.

This extensive process of public and policymaker participation encourages consensus in development of rule requirements so that affected sources have an opportunity for input into the rules that will regulate their operations. Once the requirements are developed, the proposed rule, along with an Environmental Assessment and a socioeconomic report, is presented to SCAQMD’s Governing Board at a public hearing. Public testimony is presented and considered by the Board before any rule is adopted. The adopted or amended rules are then submitted to

CARB and U.S. EPA for their approval. It is not uncommon for rulemaking to include follow-up implementation studies. These studies may extend one or more years past rule adoption/amendment and prior to rule implementation. Such studies are typically submitted to the Governing Board or appropriate Governing Board Committee.

Enforcement and Education: SCAQMD issues permits to construct and operate equipment to companies to ensure equipment is operated in compliance with adopted rules. Follow-up inspections are made to ensure that equipment is being operated under permit conditions.

Technical Innovation: In the late 1980s, SCAQMD recognized that technological innovation, as well as rule enforcement, would be necessary to achieve clean air standards. Thus the Technology Advancement Office was created to look for and encourage technical innovation to reduce emissions. The California State Legislature supported this effort by providing a \$1 surcharge on every DMV registration fee paid within the Basin. These funds have been matched at a ratio of approximately three-to-one with funds from the private sector to develop new technologies such as low-emission vehicles, low-NO_x burners for boilers and water heaters, zero-pollution paints and solvents, fuel cells and other innovations.

An additional \$4 vehicle registration fee was authorized by the state legislature in 1990. These fees are administered through SCAQMD with \$1.20 going to SCAQMD for mobile source emissions reductions, \$1.60 subvended directly to cities and counties to support their air quality programs, and \$1.20 to the Mobile Source Air Pollution Reduction Review Committee (MSRC). The MSRC is an outside panel established by state law whose function is to make the decisions on the actual projects to be funded from that portion of the revenue.

Public Education: SCAQMD's efforts to clean up the air will be successful only to the extent that the public understands air quality issues and supports and participates in cleanup effort. Thus, SCAQMD strives to involve and inform the public through the Legislative and Public Affairs/Media Office, public meetings, publications, the press, public service announcements, and social media.

Budget Synopsis

The SCAQMD's annual budget is adopted for the General Fund for a fiscal year that runs from July 1 through June 30. The period covered by the FY 2018-19 budget is from July 1, 2018 to June 30, 2019. The General Fund budget is the agency's operating budget and is structured by Office and account. The accounts are categorized into three Major Objects: Salaries and Employee Benefits, Services and Supplies, and Capital Outlays. The budget is supplemented with a Work Program containing nine program categories which estimate staff resources and expenditures along program and activity lines. Each category consists of a number of Work Programs, or activities. A Work Program Output Justification form is completed for each Work Program which identifies performance goals, measureable outputs, legal mandates, activity changes and revenue categories.

The annual expenditure and revenue budget for the General Fund is adopted on a modified accrual basis. All annual expenditure appropriations lapse at fiscal year-end if they have not been expended or encumbered. Throughout the year, budget amendments may be necessary to accommodate additional revenues and expenditure needs. Any amendments due to budget increases or transfers between expenditure accounts in different Major Objects must be approved by SCAQMD's Governing Board. They are submitted to the Governing Board for approval at a monthly Board meeting in the format of a board letter which documents the need for the request and the source of funding for the expenditure. Budget amendments resulting from transfers between expenditure accounts within the same Major Object are approved at the Office level.

SCAQMD does not adopt annual budgets for its Special Revenue Funds. Special Revenue Funds are used to record transactions applicable to specific revenue sources that are legally restricted for specific purposes. All transactions in Special Revenue Funds are approved by the Governing Board on an as-needed basis.

Budget Process

The SCAQMD budget process begins with the Assistant Deputy Executive Officer (ADEO) of Finance issuing instructions and guidelines to the Offices. Under the guidance of the Executive Officer, the Chief Operating Officer and the ADEO of Finance, the Offices also begin establishing Goals and Priority Objectives for the fiscal year. The proposed annual budget and multi-year forecast is then developed by the Offices, Finance, Executive Council, Chief Operating Officer and the Executive Officer based on the Goals and Priority Objectives as well as guidelines issued by the Executive Officer. Each Office submits requests for staffing, select Salary accounts, Services and Supplies accounts, and the Capital Outlays account. The remaining salary and benefit costs are developed by Finance. Capital expenditure requests are reviewed by an in-house committee who prioritizes the requests. Revenue projections are developed by Finance based on input received from the appropriate Offices and incorporate any proposed changes to Regulation III - Fees. This information is integrated into an initial budget request, including a multi-year forecast, and then fine-tuned under the direction of the Chief Operating Officer and the Executive Officer to arrive at a proposed budget. The public, business community, and other stakeholders have several opportunities to participate in the budget process, up to and at the budget adoption hearing by the Governing Board, including:

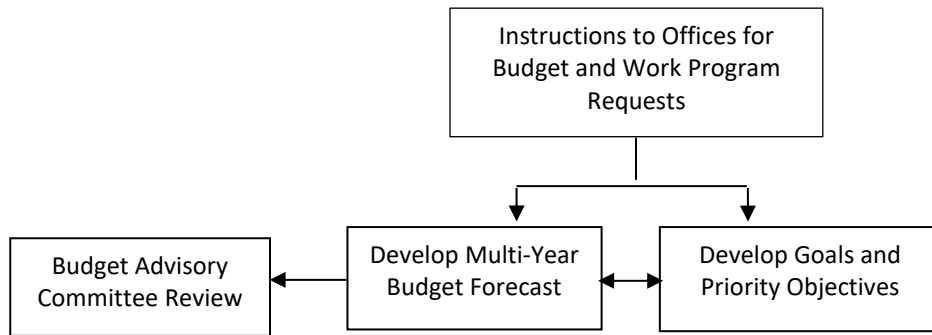
- two meetings of the Budget Advisory Committee whose members include various stakeholder representatives
- a public consultation meeting to discuss the proposed budget and proposed amendments to Regulation III - Fees
- a public hearing on the Proposed Budget and Work Program and Proposed Amended Regulation (PAR) III – Fees

The proposed budget is presented to SCAQMD's Governing Board at a budget workshop and to SCAQMD's Administrative Committee. Any public comments and Budget Advisory Committee recommendations are submitted to the Governing Board by April 15 of each year. The proposed

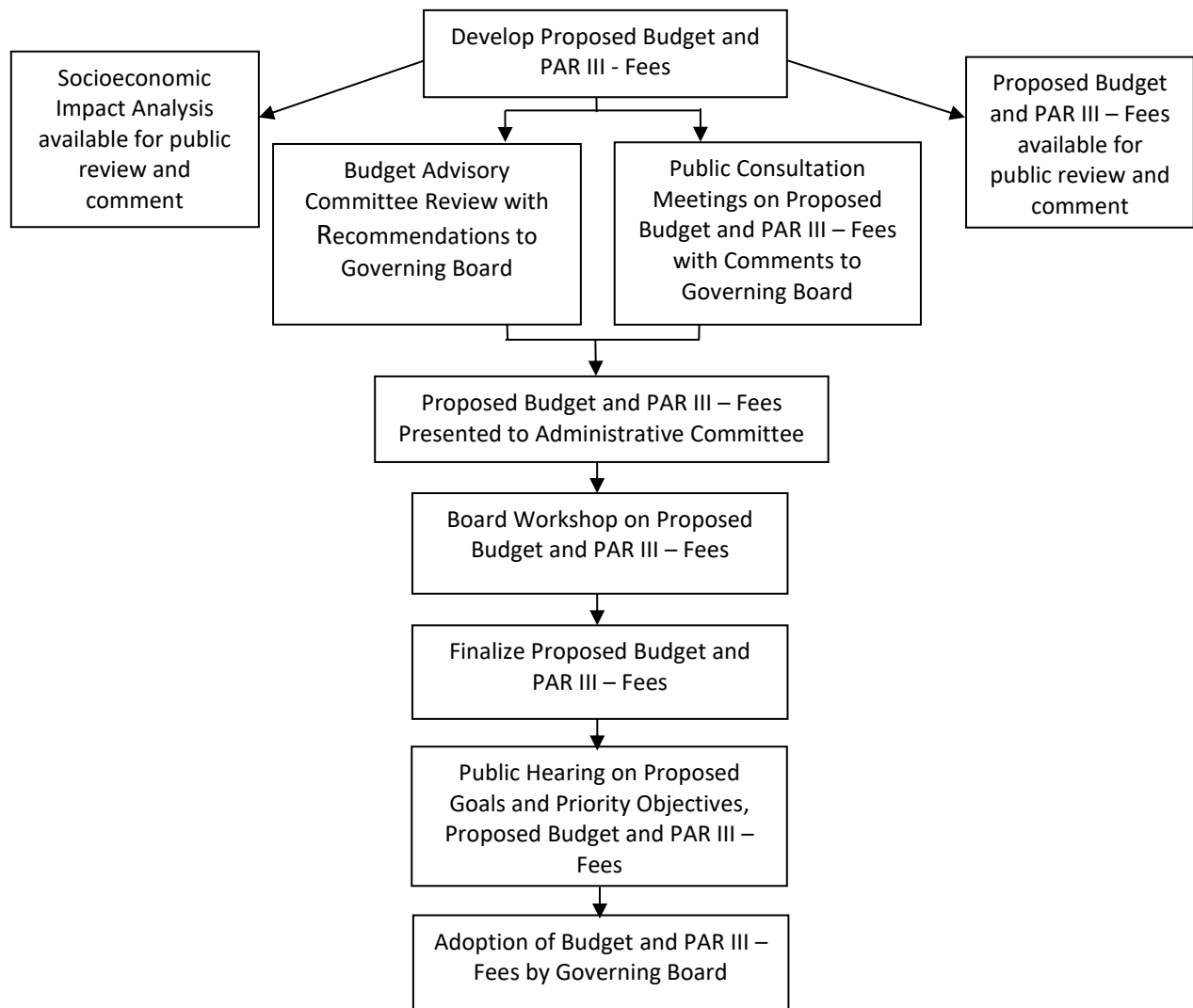
budget, including Regulation III - Fees, is adopted by the Governing Board and is in place on July 1 for the start of the new fiscal year.

The following flow charts represent the major milestones and processes that take place in developing SCAQMD's budget:

Preliminary Budget Process



Annual Budget Process



Budget Timeline	
Budget packages distributed to Offices	Nov 29, 2017
Budget submissions received from Offices	Jan 19, 2018
Budget Advisory Committee meeting	Jan 19, 2018
Proposed budget available for public review	April 3, 2018
Budget Advisory Committee meeting on proposed budget and PAR III – Fees	April 6, 2018
Public Consultation Meetings on proposed budget and PAR III - Fees	April 10, 2018
Public comments and Budget Advisory Committee recommendations submitted to Governing Board	April 13, 2018
Proposed budget and PAR III – Fees presented to Administrative Committee	April 13, 2018
Governing Board Budget Workshop	April 13, 2018
Public Hearing & Governing Board adoption of budget and PAR III – Fees	May 4, 2018

Proposed Budget & Work Program

Budget Overview

The budget for FY 2018-19 proposes expenditures of \$164.7 million and revenues of \$161.1 million, using prior year revenues of \$3.6M to supplement FY 2018-19 projected revenues. To compare against prior years, the following table shows SCAQMD’s amended budget and actual expenditures for FY 2016-17, adopted and amended budgets for FY 2017-18 and proposed budget for FY 2018-19.

Description	FY 2016-17 Amended	FY 2016-17 Actual	FY 2017-18 Adopted	FY 2017-18 Amended¹	FY 2018-19 Proposed
Staffing	815	-	825.25	872	876.4
Revenue/Transfers In	\$144.2	\$148.9	\$147.0	\$157.7	\$162.6
Program Costs/Transfers Out	\$151.5	\$142.1	\$149.9	\$162.4	\$166.2

¹ Includes Board approved changes through March 2018

The FY 2018-19 proposed budget reflects an increase of \$3.8 million in expenditures from the FY 2017-18 amended budget and an increase of \$16.3 million in expenditures from the budget adopted for FY 2017-18. The increase in expenditures from the FY 2017-18 adopted budget can be attributed to increases in retirement costs, salaries associated with 52 new positions under the AB 617 Community Air Protection Program, the AB 134 Program, Rule 1180, and recently approved labor agreements. The FY 2018-19 proposed budget includes 876.4 positions, a net increase of 4.4 over the FY 2017-18 amended budget. Changes in the FY 2018-19 proposed budget include the addition of five position for Rule 1180, the deletion of one vacant Investigations Manager position, and the addition of 0.4 FTE to provide five months of critical overlap and service continuity before an Assistant Deputy Executive Officer in Science & Technology Advancement retires.

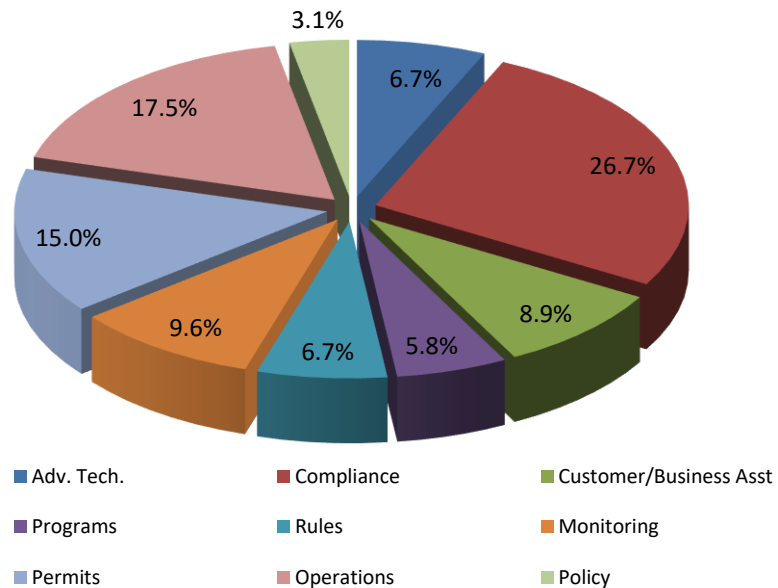
Expenditures

Work Program

SCAQMD expenditures are organized into nine Work Program Categories: Advance Clean Air Technology; Ensure Compliance with Clean Air Rules; Customer Service and Business Assistance; Develop Programs to Achieve Clean Air; Develop Rules to Achieve Clean Air; Monitoring Air Quality; Operational Support; Timely Review of Permits; and Policy Support. Each category consists of a number of Work Programs, or activities, which are classified according to the nature of the activity being performed.

Each Work Program ties to the goals and objectives of the agency and identifies resources, performance measures/outputs and legal mandates. A complete description of each program category along with a detailed work program sort by program is included in the Goals and Priority Objectives and Work Program section. The pie chart that follows represents the budgeted expenditures by Program Category for FY 2018-19.

Work Program Category Expenditures



The following table compares SCAQMD Work Program expenditures by category for the FY 2017-18 adopted budget and FY 2018-19 proposed budget.

Work Program Categories	FY 2017-18 Adopted Budget	FY 2018-19 Proposed Budget
Advance Clean Air Technology	\$ 8,661,899	\$ 11,112,443
Ensure Compliance with Clean Air Rules	42,802,490	44,380,133
Customer Service and Business Assistance	13,437,515	14,837,517
Develop Programs to Achieve Clean Air	10,184,322	9,561,292
Develop Rules to Achieve Clean Air	7,354,657	11,150,929
Monitoring Air Quality	11,398,567	15,938,710
Operational Support	26,747,503	29,135,356
Timely Review of Permits	24,151,356	25,012,502
Policy Support	5,140,597	5,113,995
Total	\$ 149,878,906	\$ 166,242,877

Account Categories

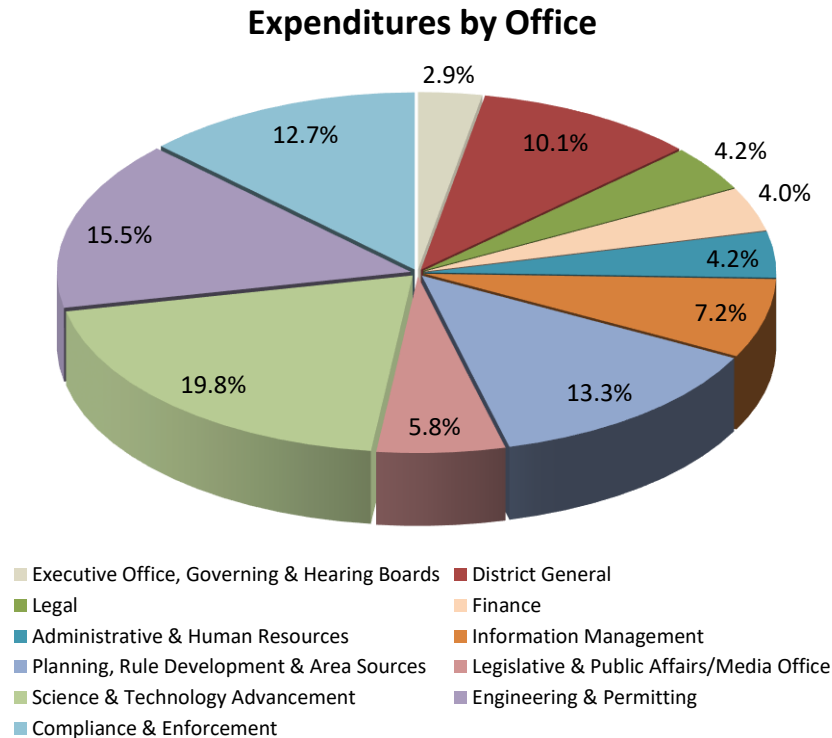
The following table compares the FY 2017-18 adopted budget and the FY 2017-18 amended budget to the proposed budget for FY 2018-19 by account category. The FY 2017-18 amended budget includes the Board-approved mid-year adjustments through March 2018.

Account Description	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2018-19 Proposed Budget
Salaries/Benefits	\$ 119,860,494	\$ 123,246,774	\$ 134,257,596
Insurance	1,317,400	1,357,400	1,317,400
Rents	498,154	576,560	761,071
Supplies	2,777,621	3,535,097	2,973,259
Contracts and Services	10,515,792	12,705,579	10,907,242
Maintenance	1,687,193	2,048,982	2,367,143
Travel/Auto Expense	864,520	998,005	940,445
Utilities	2,213,288	2,098,540	2,213,288
Communications	702,000	740,480	717,800
Capital Outlays	1,950,717	7,506,651	2,210,800
Other	1,302,213	1,441,444	1,386,433
Debt Service	6,189,514	6,189,514	6,190,400
Total	\$ 149,878,906	\$ 162,445,026	\$ 166,242,877

As mentioned previously, the proposed budget for FY 2018-19 represents an approximately \$3.8 million increase in expenditures from the FY 2017-18 amended budget. The FY 2017-18 amended budget includes mid-year increases associated with the following: the purchase of air monitoring and laboratory analysis instruments, field platforms, optical gas imaging cameras, and toxic vapor analyzers for toxics activities; updates to the web-based Flare Event Notification system; the development of the online permitting modules; consultant services for SCAQMD environmental justice outreach and initiatives; upgrades to the laboratory PM weighing room; consultant services for specialized legal counsel; the purchase of services and supplies for the fifth Multiple Air Toxics Exposure Study (MATES V); staff, capital outlay expenditures and contractual services for the Community Air Protection Program under AB 617; staff for the AB 134 Program; and grant-related expenditures offset by revenue.

Office Categories

The following pie chart represents budgeted expenditures by Office for FY 2018-19.

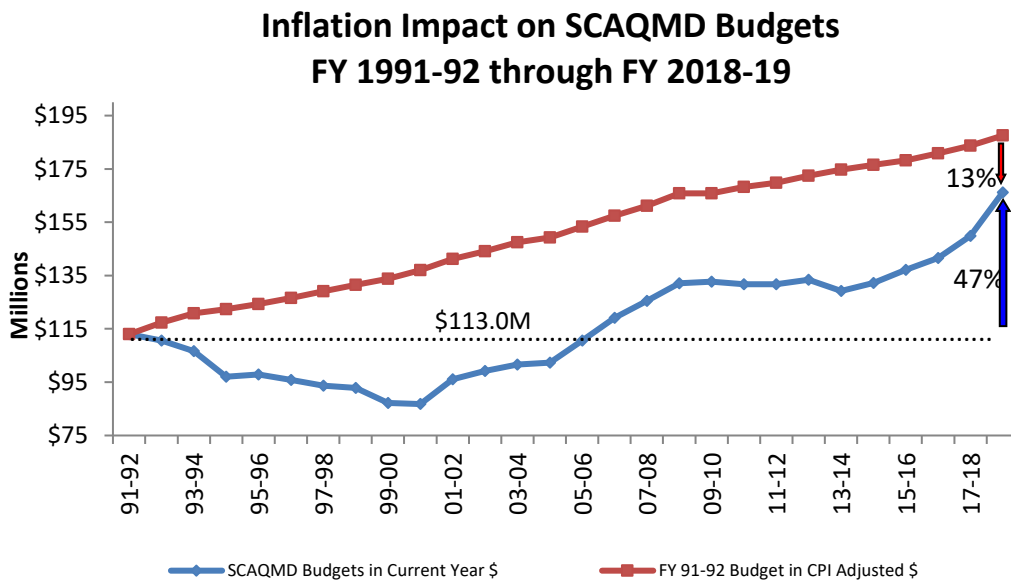
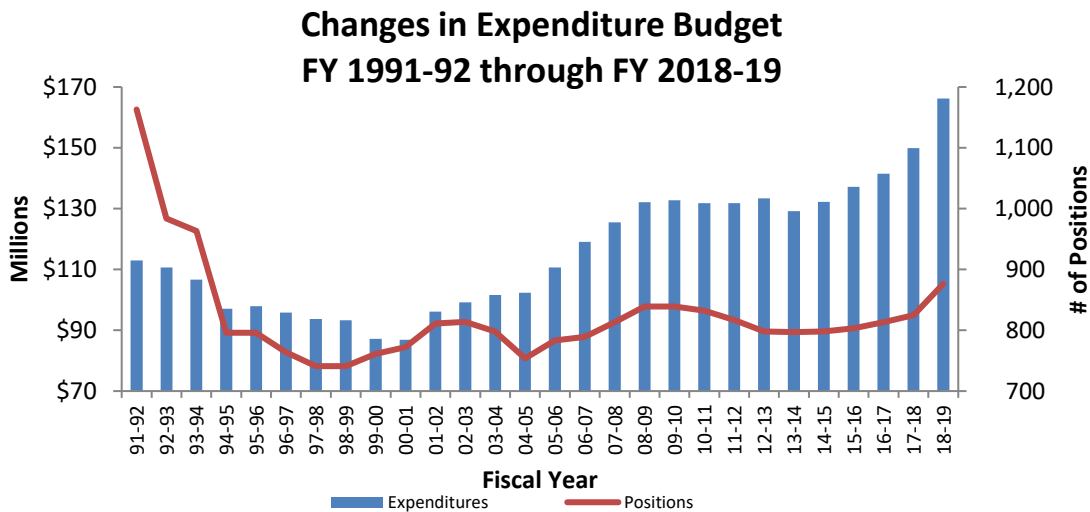


Budget Strategy

Over the years, SCAQMD has focused on streamlining many of its operations while still meeting its program commitments despite new federal and state mandates and increased workload complexity. The focus has been on reducing expenditures in the Major Object of Services and Supplies and maximizing the efficient use of staff resources to enable select vacant positions to remain vacant, be deleted or be unfunded. The budgeted vacancy rate is reviewed and adjusted

if necessary as part of the annual budget process. These efforts have resulted in reduced program costs and is reflected in the following charts showing SCAQMD's staffing and budget levels starting in FY 1991-92 when staffing was at 1,163 FTEs. The proposed budget for FY 2018-19 reflects a staffing level of 876.4 FTEs. This staffing level is 25% (286.6 FTEs) below the FY 1991-92 level.

The FY 2018-19 proposed budget is 47% higher when compared to the FY 1991-92 adopted budget of \$113 million. However, after adjusting the FY 1991-92 adopted budget for CPI over the last 26 years, the FY 18-19 proposal is 13% lower.



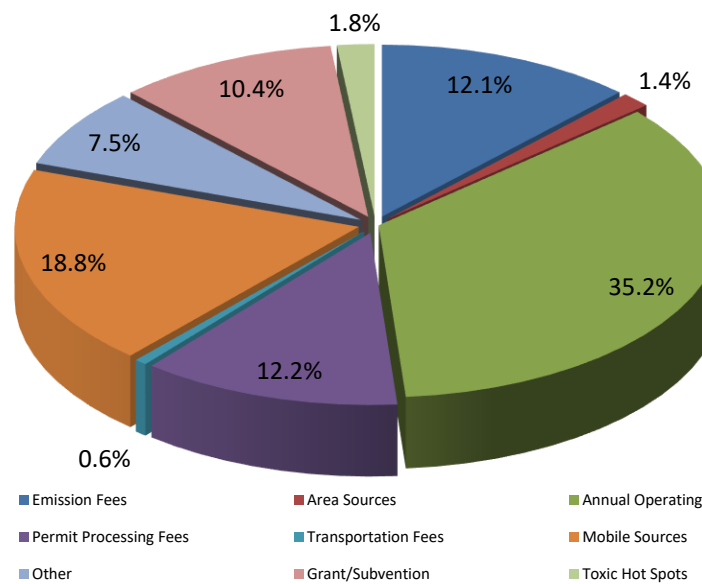
CPI adjustment based on California Consumer Price Index for the preceding Calendar Year

Revenues

Revenue Categories

Each year, in order to meet its financial needs, the SCAQMD Governing Board adopts a budget supported by a system of annual operating and emission fees, permit processing fees, toxic “hot spots” fees, area sources fees, source test/analysis fees, and transportation plan fees. In FY 2018-19, these fees are projected to generate approximately \$103.7 million or about 64% of SCAQMD revenues; of this \$103.7 million, \$96.9 million or 60% of SCAQMD’s revenues are from stationary sources. Other sources, which include penalties/settlements, Hearing Board fees, interest, and miscellaneous income, are projected to generate approximately 7% of total revenues in FY 2018-19. The remaining 29% of revenue is projected to be received in the form of federal and state grants, California Air Resource Board (CARB) subvention, and California Clean Air Act motor vehicle fees. Beginning in Fiscal Year 1978-79 Budget, the SCAQMD became a fee supported agency no longer receiving financial support from property taxes. The FY 2018-19 proposed revenue budget includes a proposed CPI fee adjustment of 3.4% and the second year of the June 2017 Board approved additional fee adjustment to permit processing fees and annual operating permit renewal fees of 10.67% for Title V facilities and 4% for non-Title V facilities in order to better align program costs with revenue.

Revenues by Major Category



The following table compares the FY 2017-18 adopted revenue budget and the FY 2017-18 amended revenue budget to the proposed revenue budget for FY 2018-19. The FY 2017-18 amended revenue budget includes Board-approved mid-year changes through March 2018.

Revenue Description	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2018-19 Proposed Budget
Annual Operating Emission Fees	\$ 19,480,550	\$ 19,480,550	\$ 19,729,280
Annual Operating Permit Renewal Fees	53,078,320	53,078,320	57,270,930
Permit Processing Fees	19,595,150	19,595,150	19,856,640
Portable Equipment Registration Program	1,200,000	1,200,000	1,200,000
Area Sources	2,152,500	2,152,500	2,274,800
Grants/Subvention	10,397,650	18,337,872	16,888,530
Mobile Sources	28,199,250	28,199,250	30,625,320
Transportation Programs	861,360	861,360	951,280
Toxic Hot Spots	2,488,380	2,488,380	2,849,590
Other ¹	7,471,470	7,493,484	9,700,141
Transfers In	2,072,190	4,851,074	1,284,590
Total	\$ 146,996,820	\$ 157,737,940	\$ 162,631,101
¹ Includes revenues from Interest, Lease Income, Source Testing, Hearing Board, Penalties/Settlements, Subscriptions, and Other.			

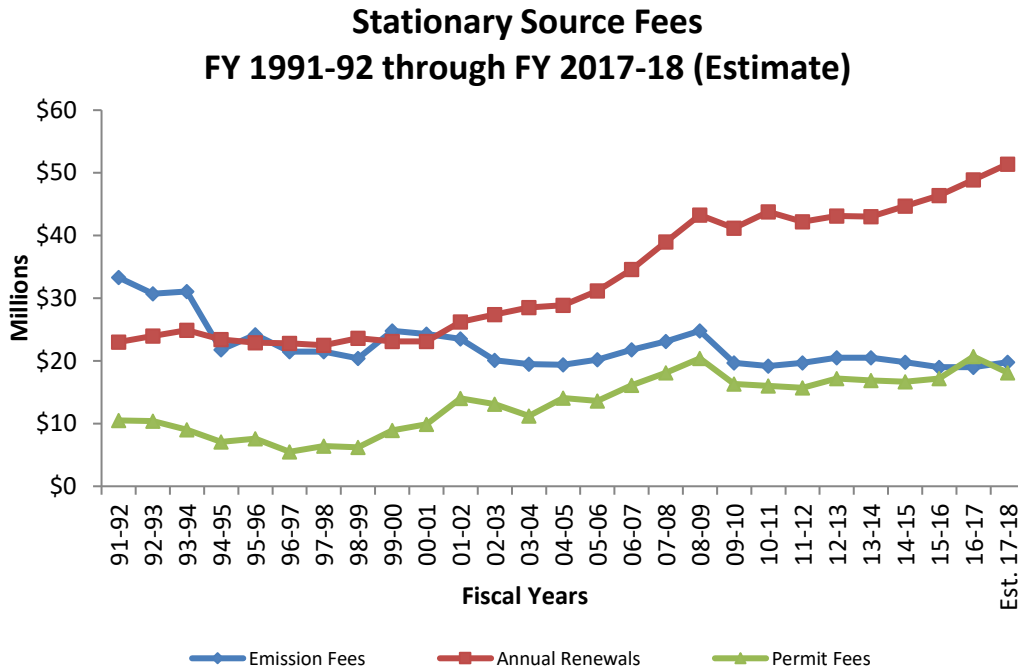
Over the past two decades, total permit fees (including permit processing, annual operating permit, and annual emissions-based fees) collected from stationary sources has increased by about 34% from \$66.8 million in FY 1991-92 to \$89.3 million (estimated) in FY 2017-18. When adjusted for inflation however, stationary source revenues have decreased by 22% over this same period.

Mobile source revenues that are subvned to the SCAQMD by the Department of Motor Vehicles (DMV) are projected to increase slightly from the FY 2017-18 budgeted amounts based on vehicle registration information from the DMV and recent revenue received. In addition, this category reflects reimbursements of incentive programs (Clean Fuels, Carl Moyer, and Prop 1B) whose contract activities and revenues are recorded in special revenue funds (outside the General Fund). These incentive program costs incurred by the General Fund are reimbursed to the General Fund from the various special revenue funds (subject to any administrative caps) and are reflected under the Mobile Source revenue category.

Revenues from the federal government, (Environmental Protection Agency, Department of Homeland Security, and Department of Energy) are projected to decrease in FY 2018-19 from FY 2017-18 budgeted levels reflecting the anticipated level of federal funding from one-time and on-going grants in support of air quality efforts. State Subvention funding is expected to remain

at the current level (reduced approximately 35% from FY 2001-02) for FY 2018-19. In addition, funding from CARB for the AB 617 Community Air Protection Program is included.

The following graph tracks actual stationary source revenues by type of fee from FY 1991-92 (when CPI limits were placed on SCAQMD fee authority) to estimated revenues for FY 2017-18.



Debt Structure

Pension Obligation Bonds

These bonds were issued jointly by the County of San Bernardino and the SCAQMD in December 1995. In June 2004 the SCAQMD went out separately and issued pension obligation bonds to refinance its respective obligation to the San Bernardino County Employee’s Retirement Association (SBCERA) for certain amounts arising as a result of retirement benefits accruing to members of the Association.

The annual payment requirements under these bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2019	\$3,553,110	\$3,637,290	\$7,190,400
2020	3,686,640	3,503,982	7,190,622
2021	3,840,443	3,353,106	7,193,549
2022	4,006,881	3,186,361	7,193,242
2023-2024	7,790,000	467,633	8,257,633
Total	\$ 22,877,074	\$ 14,148,372	\$ 37,025,446

Fund Balance

The SCAQMD is projecting an Unreserved (Unassigned) Fund Balance for June 30, 2019 of \$33,327,540 in addition to the following Reserved and Unreserved Designated Fund Balances for FY 2018-19.

Classification	Reserves/Unreserved Designations	Amount
Committed	Reserve for Encumbrances	\$ 8,440,000
Nonspendable	Reserve for Inventory of Supplies	80,000
	Unreserved Designations:	
Assigned	For Enhanced Compliance Activities	883,018
Assigned	For Other Post Employment Benefit (OPEB) Obligations	2,952,496
Assigned	For Permit Streamlining	1,313,385
Assigned	For Self-Insurance	2,000,000
Assigned	For Unemployment Claims	80,000
Total Reserved & Unreserved Designations		\$ 15,748,899

Reserves are portions of the fund balance set aside for future use and are therefore not available for appropriation. These funds are made-up of encumbrances which represent the estimated amount of current and prior years' purchase orders and contract commitments at year-end and inventory which represents the value at cost of office, computer, cleaning and laboratory supplies on hand at year-end.

Unreserved Designations in the fund balance indicate plans for use of financial resources in future years. The Designation for Enhanced Compliance Activities provides funding for inspection/compliance efforts. The Designation for Other Post Employment Benefit Obligations (OPEB) provides funding to cover the current actuarial valuation of the inherited OPEB obligation for long-term healthcare costs from the County of Los Angeles resulting from the consolidation of the four county Air Pollution Control Districts (APCDs). The Designation for Permit Streamlining was established to fund program enhancements to increase permitting efficiency and customer service. The SCAQMD is self-insured for general liability, workers' compensation, automobile liability, premises liability, and unemployment.

Long-Term Projection

The SCAQMD continues to face a number of challenges in the upcoming years, including continued higher operating costs, growing program commitments and the need for major information technology and building infrastructure improvement projects while meeting air quality goals and permit processing targets. A primary uncertainty continues to be the degree of fluctuations the financial markets will take over the next few years which will determine the

performance of SCAQMD’s retirement investments and could impact pension liability. In addition, any future actions SBCERA may take such as lowering their investment return assumptions could significantly impact retirement costs and pension liability for the District. Another uncertainty is any legislative action that may impact the level of federal and state funding from grant awards and subvention funds. Cost recovery within the constraints of Proposition 26 is an additional uncertainty as SCAQMD strives to balance program operating expenses with revenues collected from fees.

In order to face these challenges, SCAQMD has a five year plan in place that provides for critical infrastructure improvement projects, maintains a stable vacancy rate in order to maximize cost efficiency, better aligns program revenues with costs, and strives to keep the percentage of unreserved fund balance to revenue within the Governing Board policy of 20%.

The following chart, outlining SCAQMD’s financial projection over this time period, shows the agency’s commitment to meet these challenges and uncertainties while protecting the health of the residents within the SCAQMD boundaries and remaining sensitive to business. Starting in FY 2022-23, SCAQMD will realize a \$3.1M savings in Pension Obligation Bond payments.

Fiscal 2017-18 Estimate and Five Year Projection						
(\$ in Millions)						
	FY 17-18 Estimate	FY 18-19 Proposed	FY 19-20 Projected	FY 20-21 Projected	FY 21-22 Projected	FY 22-23 Projected
STAFFING		876.4	886	886	886	886
REVENUES/TRANSFERS IN*	\$150.4	\$162.6	\$167.6	\$167.2	\$166.1	\$168.0
EXPENDITURES/TRANSFERS OUT	\$151.3	\$166.2	\$174.6	\$173.8	\$172.1	\$168.4
Change in Fund Balance	-\$0.9	-\$3.6	-\$7.0	-\$6.6	-\$6.0	-\$0.4
UNRESERVED FUND BALANCE (at year-end)	\$44.2	\$40.6	\$33.6	\$27.0	\$21.0	\$20.6
% of REVENUE	29%	25%	20%	16%	13%	12%
*Includes projected CPI fee increase of 3.4% for FY 2018-19 and the 2017 Board approved second year of an additional 10.67% for Title V annual operating permit renewal and permit processing fees and an additional 4% for non-Title V annual operating permit renewal and permit processing fees; a CPI of 3.0% for FY 2019-20 and the 2017 Board approved 3 rd year of an additional 10.66% for Title V annual operating permit renewal and permit processing fees; a CPI of 2.9% for FY 2020-21 and FY 2021-22 and a CPI of 2.8% for FY 2022-23.						

As part of the Five Year Projection, SCAQMD has identified projected building maintenance and capital outlay improvement projects for its headquarters building. These projects are outlined in the following chart. In addition, the Infrastructure Improvement Special Revenue Fund was created with unanticipated one-time revenues from the General Fund for some of the capital outlay building-related improvement projects. The projects proposed from the Infrastructure

Improvement Fund include upgrading the Energy Management System and funding a portion of the air handler fan wall retrofit project.

GENERAL FUND POTENTIAL BUILDING MAINTENANCE and CAPITAL OUTLAY PROJECTS FY 2018-19 through 2022-23
Atrium and Building Expansion Joint Waterproofing
Repair and Reseal Parking Lot
Replace Liebert AC Units - Computer Room (6)
Replace Gaylord Air Scrubbers (2) - Cafeteria
Replace Air Handler Fan Walls
Replace Aging Kitchen Equipment
Covert Pneumatic Controls to Direct Digital Controls
Repair Concrete on Sidewalks and Curbs
Replace Vinyl Wall Covering
Refurbish Restroom and Copy/Coffee Room Sinks and Counter Tops
Repaint Building Interior
Refurbish/Replace Restroom Side Panels
Renovate Child Care Playground
Modernize Elevator Equipment
Upgrade Lighting Controls
Replace & Renovate Landscape/Irrigation
Convert Fluorescent Office Lighting to LED
Rebuild/Recompact Patio Area
Replace Roof - Child Care Center
Upgrade Electric Vehicle Charger and Support System
Convert Parking Lot and Building Lighting to LED
Repaint and Wallpaper Conference Center
Recoat Roofing Surface - District Headquarters
Paint and Wallpaper Conference Center
Replace VCT Tiles (Various Areas)
Renovate Third Floor North
Clean and Recoat Facility Roof Membrane

SUMMARY OF FISCAL YEAR 2018-19 PROPOSED BUDGET

	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget ¹	FY 2017-18 Estimate ²	FY 2018-19 Proposed
Funding Sources				
Revenue	\$ 144,924,630	\$ 152,886,866	\$ 149,535,283	\$ 161,346,511
Transfers-In	2,072,190	4,851,074	873,773	1,284,590
Total Funding Sources	\$ 146,996,820	\$ 157,737,940	\$ 150,409,056	\$ 162,631,101
Funding Uses				
Salaries & Employee Benefits	\$ 119,860,494	\$ 123,246,774	\$ 115,034,978	\$ 134,257,596
Services & Supplies	28,067,695	31,691,601	29,238,848	29,774,481
Capital Outlays	1,950,717	7,506,651	6,754,214	2,210,800
Transfers-Out	-	-	250,000	-
Total Funding Uses	\$ 149,878,906	\$ 162,445,026	\$ 151,278,040	\$ 166,242,877

Fund Balances - Reserves & Unreserved Designations	Classification	Projected June 30, 2018	Projected June 30, 2019
Reserve for Encumbrances	Committed	\$ 8,405,000	\$ 8,440,000
Reserve for Inventory of Supplies	Nonspendable	80,000	80,000
Designated for Enhanced Compliance Activities	Assigned	883,018	883,018
Designated for Other Post Employment Benefit (OPEB) Obligations	Assigned	2,952,496	2,952,496
Designated for Permit Streamlining	Assigned	1,313,385	1,313,385
Designated for Self-Insurance	Assigned	2,000,000	2,000,000
Designated for Unemployment Claims	Assigned	80,000	80,000
Total Reserves & Unreserved Designations		\$ 15,713,899	\$ 15,748,899
Unassigned Fund Balance	Unassigned	\$ 36,931,616	\$ 33,327,540
Total Fund Balances		\$ 52,645,515	\$ 49,076,439

¹ The FY 17-18 Amended Budget includes mid-year changes through March 2018.

² Includes estimated encumbrances of \$8,091,000 which will be applicable to the fiscal year ending June 30, 2018.

ANALYSIS OF PROJECTED JUNE 30, 2018 FUND BALANCE

Fund Balances as of June 30, 2017		
Reserves	\$ 7,446,141	
Designated	6,303,899	
Unassigned	38,741,459	
Total Fund Balances, June 30, 2017	\$	52,491,499
Add Excess Fiscal Year 2017-18 Revenues over Expenditures		
Revenues	\$ 150,409,056	
Expenditures ¹	142,937,040	
Sub-Total	\$	7,472,016
Deduct Decrease in Encumbrances Open on June 30, 2018		(7,068,000)
Deduct Projected FY 2017-18 Transfers Out to Other Funds		(250,000)
Total Projected Fund Balances, June 30, 2018	\$	52,645,515
Fund Balances (Projected) at June 30, 2018		
Reserve for Encumbrances	\$	8,405,000
Reserve for Inventory of Supplies		80,000
Designated for Enhanced Compliance Activities		883,018
Designated for Other Post Employment Benefit (OPEB) Obligations		2,952,496
Designated for Permit Streamlining		1,313,385
Designated for Self-Insurance		2,000,000
Designated for Unemployment Claims		80,000
Unassigned		36,931,616
Total Projected Fund Balances, June 30, 2018	\$	52,645,515
Note: This analysis summarizes the estimated amount of funds that will be carried into FY 2018-19.		
¹ Expenditures do not include estimated \$8,091,000 encumbrances for the Fiscal Year ended June 30, 2018.		

**SCHEDULE OF AVAILABLE FINANCING AND PROPOSED FISCAL YEAR 2018-19
RESERVES AND DESIGNATIONS**

Fund Balances	\$ 52,645,515	
Emission Fees	19,729,280	
Annual Renewal Fees	57,270,930	
Permit Processing Fees	19,856,640	
Portable Equipment Registration Program	1,200,000	
State Subvention	3,939,080	
State Grant	8,075,000	
Federal Grant	4,874,450	
Interest Revenue	1,116,070	
Lease Revenue	166,980	
Source Test/Analysis Fees	781,700	
Hearing Board Fees	258,500	
Penalties and Settlements	5,000,000	
Area Sources	2,274,800	
Transportation Programs	951,280	
Mobile Sources/Clean Fuels	30,625,320	
Air Toxics "Hot Spots"	2,849,590	
Other Revenues/Transfers In	3,661,481	
Total Funds		\$ 215,276,616
Less Proposed Fiscal Year 2018-19 Reserves and Designations		
Reserve for Encumbrances	\$ 8,440,000	
Reserve for Inventory of Supplies	80,000	
Designated for Enhanced Compliance Activities	883,018	
Designated for Other Post Employment Benefit (OPEB) Obligations	2,952,496	
Designated for Permit Streamlining	1,313,385	
Designated for Self-Insurance	2,000,000	
Designated for Unemployment Claims	80,000	
Total Proposed Reserves and Designations		\$ 15,748,899
Available Financing		\$ 199,527,717

ANALYSIS OF PROJECTED JUNE 30, 2019 FUND BALANCE

Fund Balances as of June 30, 2018		
Reserves	\$ 8,485,000	
Designated	7,228,899	
Unassigned	36,931,616	
Total Fund Balances, June 30, 2018	\$ 52,645,515	
Add Excess Fiscal Year 2018-19 Revenues over Expenditures		
Revenues	\$ 162,631,101	
Expenditures ¹	158,152,177	
Sub-Total	\$ 4,478,924	
Deduct Decrease in Encumbrances Open on July 1, 2018		(8,048,000)
Total Projected Fund Balances, June 30, 2019		\$ 49,076,439
Fund Balances (Projected) Fiscal Year 2018-19		
Reserve for Encumbrances	\$ 8,440,000	
Reserve for Inventory of Supplies	80,000	
Designated for Enhanced Compliance Activities	883,018	
Designated for Other Post Employment Benefit (OPEB) Obligations	2,952,496	
Designated for Permit Streamlining	1,313,385	
Designated for Self-Insurance	2,000,000	
Designated for Unemployment Claims	80,000	
Unassigned		33,327,540
Total Projected Fund Balances, June 30, 2019		\$ 49,076,439
¹ Expenditures do not include estimated \$8,090,700 encumbrances for the Fiscal Year ended June 30, 2019.		

Revenue Comparison				
Revenue Account	FY 2016-17 Actual	FY 2017-18 Adopted Budget	FY 2017-18 Estimated	FY 2018-19 Proposed
Emission Fees	\$ 18,964,370	\$ 19,480,550	\$ 19,826,943	\$ 19,729,280
Annual renewal Fees	47,560,997	53,078,320	51,395,027	57,270,930
Permit Processing Fees	20,729,207	19,595,150	18,051,244	19,856,640
Portable Equipment Registration Program	1,369,779	1,200,000	1,158,000	1,200,000
State Subvention	3,945,090	3,945,090	3,939,080	3,939,080
State Grant	3,512,633	-	2,725,000	8,075,000
Federal Grant	7,252,241	6,452,560	7,030,553	4,874,450
Interest Revenue	644,574	332,060	664,824	1,116,070
Lease Revenue	156,204	136,540	158,437	166,980
Source Test/Analysis Fees	734,258	774,900	756,000	781,700
Hearing Board Fees	187,733	307,500	316,928	258,500
Penalties and Settlements	11,511,570	5,000,000	10,904,218	5,000,000
Area Sources	2,090,207	2,152,500	2,152,500	2,274,800
Transportation Programs	840,322	861,360	920,000	951,280
Mobile Sources/Clean Fuels	23,792,911	28,199,250	26,177,417	30,625,320
Air Toxics "Hot Spots"	2,642,966	2,488,380	2,465,753	2,849,590
Other Revenues/Transfers In	2,957,593	2,992,660	1,767,133	3,661,481
Total Revenue	\$ 148,892,656	\$ 146,996,820	\$ 150,409,056	\$ 162,631,101

EXPLANATION OF REVENUE SOURCES

Annual Operating Emissions Fees

The Lewis-Presley Air Quality Management Act (Health & Safety Code Section 40400-40540) authorizes the SCAQMD to collect fees for permitted sources to recover the costs of District programs related to these sources. (Health & Safety Code 40410(b)). The SCAQMD initiated an annual operating emissions fees program in January 1978. As the program currently exists, all permitted facilities pay a flat fee for up to four tons of emissions. In addition to the flat fee, facilities that emit four tons or greater (from both permitted and unpermitted equipment) of any organic gases, specific organics, nitrogen oxides, sulfur oxides, or particulate matter, or 100 tons per year or greater of carbon monoxide, also pay fees based on the facility's total emissions. These facilities pay for emissions from permitted equipment as well as emissions from unpermitted equipment and processes which are regulated, but for which permits are not required, such as solvent use. In addition, a fee-per-pound is assessed on the following toxic air contaminants and ozone depleters: ammonia; asbestos; benzene; cadmium; carbon tetrachloride; chlorinated dioxins and dibenzofurans; ethylene dibromide; ethylene dichloride; ethylene oxide; formaldehyde; hexavalent chromium; methylene chloride; nickel; perchloroethylene; 1,3-butadiene; inorganic arsenic; beryllium; polynuclear aromatic hydrocarbons (PAHs); vinyl chloride; lead; 1,4-dioxane; trichloroethylene; chlorofluorocarbons (CFCs); and 1,1,1-trichloroethane. The rates are set forth in SCAQMD Rule 301.

FY 2018-19 Proposed Budget: The non-RECLAIM emissions are based on Annual Emission Report (AER) data for Calendar Year 2016. The RECLAIM NO_x and SO_x emission projection is based on holdings according to the RECLAIM Trading Credit (RTC) listing. The flat emission fees are projected based on the number of active facilities with at least one permit. A 3.4% CPI increase is included.

Annual Operating Permit Renewal

State law authorizes the SCAQMD to have an annual permit renewal program and authorizes fees to recover the costs of the program (Health & Safety Code Section 42300; 40510(b)). The annual operating permit renewal program, initiated by the SCAQMD in February 1977, requires that all active permits be renewed on an annual basis upon payment of annual renewal fees. The annual renewal rates are established in SCAQMD Rule 301 and are based on the type of equipment, which is related to the complexity of related compliance activity. For basic equipment (not control equipment) the operating fee schedule also corresponds to some extent to the emission potential of the equipment. Along with annual operating emissions fees, annual operating permit renewal fees are intended to recover the costs of programs such as SCAQMD's compliance program, planning, rule making, monitoring, testing, source education, public outreach, civil enforcement, including the SCAQMD's Hearing Board, and stationary and area source research projects.

FY 2018-19 Proposed Budget: The projection is based on an estimated number of permits at the various equipment fee schedules. A 3.4% CPI increase is included. Also included is the second year of a phased in increase approved by the Governing Board in June 2017 (a 10.67% increase for Title V annual operating permit renewal fees and a 4% increase in non-Title V annual operating permit renewal fees).

EXPLANATION OF REVENUE SOURCES

Permit Processing Fees

Under the Health & Safety Code 42300, SCAQMD may adopt and implement a program requiring that a permit be obtained from SCAQMD to construct or operate any equipment which emits or controls air pollution in SCAQMD's jurisdictional boundaries before the construction or operation of the equipment. SCAQMD has adopted rules requiring such permits, to ensure that equipment in SCAQMD's jurisdictional boundaries is in compliance with SCAQMD Rules and Regulations but exempts certain equipment which is deemed to have de minimis emissions (Rule 219). Permit fees are authorized by state law to recover the reasonable costs of the permit program involving permitting, planning, enforcement, and monitoring related activities. Permit processing fees support the permit processing program and the fee rate schedules for the different equipment categories are based on the average time it takes to process and issue a permit. Each applicant, at the time of filing, pays a permit processing fee which partially recovers the costs for normal evaluation of the application and issuance of the permit to construct and permit modifications. This category also includes fees charged to partially recover the costs of evaluation of plans, including but not limited to Rule 403 dust control plans, and Rule 1118 flare monitoring plans. The permit processing fees also cover the administrative cost to process Change of Operator applications, applications for Emission Reduction Credits, and Administrative Changes to permits. This category also includes a number of specific fees such as Title V permit processing fees, RECLAIM permit processing fees, CEQA and air quality modeling fees, and public noticing fees. Finally this category includes some fees that are related to specific activity such as asbestos notification and Rule 222 'registration in lieu of permit.'

Included in this year's budget is a new permit fee to recover the cost associated with revising and reissuing permits to facilities exiting RECLAIM program in accordance with the SCAQMD's Governing Board resolution. Currently, RECLAIM facilities, including both Title V and non-Title V facilities, are subject to an SCAQMD-issued facility permit. The facility permit identifies conditions associated with compliance with the RECLAIM program. The process of exiting the RECLAIM program requires a re-evaluation of existing facility permit, with case-by-case analysis of each device (piece of equipment) for Non-RECLAIM regulatory limits, monitoring, recordkeeping and reporting requirements, emission factors, emission limits, and any other applicable RECLAIM requirements. This is a one-time fee for the proposed transition process associated with exiting the RECLAIM program.

FY 2018-19 Proposed Budget: The projection is based on the anticipated number and type of applications that will be processed. A 3.4% CPI increase is included. Also included is the second year of a phased in increase approved by the Governing Board in June 2017 (a 10.67% increase for Title V annual operating permit renewal fees and a 4% increase in non-Title V annual operating permit renewal fees).

Portable Equipment Registration Program (PERP)

The California Air Resources Board (CARB) provides revenues to local air districts to offset the costs of inspecting equipment registered under CARB's Portable Equipment Registration Program (PERP). Fees for inspection of PERP-registered engines by SCAQMD field staff are collected by CARB at the time of registration and passed through to SCAQMD on an annual basis. Fees for inspection of all other PERP-registered equipment are billed at an hourly rate set forth in SCAQMD Rule 301, as determined by CARB and collected by SCAQMD at the time the inspection is conducted.

EXPLANATION OF REVENUE SOURCES

FY 2018-19 Proposed Budget: The revenue projection is based on the anticipated number of inspections.

Area Sources

Emissions fees and quantity-based fees from architectural coatings revenue covers architectural coatings fair share of emissions supported programs. SCAQMD Rule 314 covers emission-based fees and quantity-based fees. Fees on area sources are authorized by Health & Safety Code §40522.5. Architectural coatings are assessed annually based on quantity (gallons) distributed or sold for use in SCAQMD's jurisdiction. This revenue allows SCAQMD to recover the costs of staff working on compliance, laboratory support, architectural coatings emissions data, rule development, and architectural coatings revenue collection.

FY 2018-19 Proposed Budget: Fees are based on the annual quantity and emissions of architectural coatings distributed or sold into or within the District for use in the District for the previous calendar year. Emissions are decreasing while sales volume is increasing. A 3.4% CPI increase is included.

California Air Resources Board Subvention

Under Health and Safety Code Section 39800-39811, the State appropriates monies each year to CARB to subvene to the air quality districts engaged in the reduction of air contaminants pursuant to the basin wide air pollution control plan and related implementation programs. The SCAQMD has received subvention funds since its inception beginning in 1977.

FY 2018-19 Proposed Budget: The current amount of \$3.9 million is included in the FY 2018-19 proposed budget.

State Grant (AB 617)

Under AB 617, recently adopted by the state legislature, CARB is developing the Community Air Protection Program to reduce exposure in neighborhoods most impacted by air pollution.

FY 2018-19 Proposed Budget: The proposed budget includes the anticipated reimbursement from CARB funding for staff time, services and supplies, and equipment needed to implement the program.

Federal Grants/Other Federal Revenue

SCAQMD receives funding from EPA Section 103 and 105 grants to help support the SCAQMD in its administration of active air quality control and monitoring programs where the SCAQMD is required to perform specific agreed-upon activities. Other EPA and Department of Energy (DOE) grants provide funding for various air pollution reduction projects. A Department of Homeland Security (DHS) grant funds a special particulate monitoring program. When stipulated in the grant agreement, the General Fund is reimbursed for administrative costs associated with grant-funded projects. Most federal grants are limited to specific purposes but EPA Section 105 grants are available for the general support of air quality-related programs.

FY 2018-19 Proposed Budget: The revenue projection is based on funding levels from current federal grants and an estimated decrease in the Section 105 grant to reflect potential changes in federal funding priorities.

EXPLANATION OF REVENUE SOURCES

Interest

Revenue from this source is the result of investing the SCAQMD's General Fund cash balances.

FY 2018-19 Proposed Budget: The revenue projection is based on average cash balances and anticipated interest rates.

Leases

Revenue in this category is a result of leasing available space at SCAQMD's Headquarters facility.

FY 2018-19 Proposed Budget: The projection is based on the existing lease agreements

Source Test/Sample Analysis Fees

Revenue in this category includes fees for source tests, test protocol and report reviews, continuous emissions monitoring systems (CEMS) evaluations and certifications, laboratory approval program (LAP) evaluations, and laboratory sample analyses. The revenue recovers a portion of the costs of performing tests, technical evaluations, and laboratory analyses.

FY 2018-19 Proposed Budget: The revenue projection is based on the anticipated numbers of tests and analysis. A 3.4% CPI increase is included.

Hearing Board

Hearing Board revenue is from the filing of petitions for variances and appeals, excess emissions fees, and daily appearance fees. The revenue recovers a portion of the costs associated with these activities. Petitions for Orders for Abatement, which go before the Hearing Board, are filed by the District; therefore, there are no Hearing Board fees/revenue related to these proceedings.

FY 2018-19 Proposed Budget: The estimate is based on the projected number of hearings to be held and cases to be heard. A 3.4% CPI increase is included.

Penalties/Settlements

The revenue from this source is derived from cash settlements for violations of permit conditions, SCAQMD Rules, or state law. This revenue source is available for the general support of the SCAQMD's programs.

FY 2018-19 Proposed Budget: It is anticipated that revenue in this category will be approximately \$5.0 million.

Mobile Sources

Mobile Sources revenue is composed of five components: AB2766 revenue and administrative/program cost reimbursements from four programs: Carl Moyer, AB 134, Proposition 1B, and MSRC.

AB2766:

Section 9250.17 of the Vehicle Code gives the Department of Motor Vehicles (DMV) the authority and responsibility to collect and forward to the SCAQMD four dollars for every vehicle registered in SCAQMD's jurisdictional boundaries. Thirty percent of the money (\$1.20 per vehicle) collected is recognized in SCAQMD's General Fund as mobile sources revenue and is used for programs to reduce air pollution from motor vehicles and to carry out related planning, monitoring, enforcement, and technical studies authorized by, or necessary to implement, the California Clean Air Act of 1988 or the

EXPLANATION OF REVENUE SOURCES

SCAQMD Air Quality Management Plan. A proportionate share of programs that are not associated with any individual type of source (e.g., air quality monitoring) is supported by these revenues. The remaining monies are used to pay for projects to reduce air pollution from mobile vehicles: 40% (\$1.60 per vehicle) to the Air Quality Improvement Special Revenue Fund to be passed through to local governments and 30% (\$1.20 per vehicle) to the Mobile Source Air Pollution Reduction Fund (MSRC) to pay for projects recommended by the MSRC and approved by the SCAQMD Governing Board (see MSRC below).

Carl Moyer Program:

The Carl Moyer Memorial Air Quality Standards Attainment Program (Carl Moyer Program) provides funding from the state of California for the incremental cost of cleaner heavy-duty vehicles, off-road vehicles and equipment, marine, and locomotive engines. The General Fund receives reimbursements from the Carl Moyer Fund for staff time and other program implementation/administration costs up to specified limits.

AB 134:

AB 134 increases funding for the Carl Moyer program. The General Fund will receive reimbursements from the AB 134 Special Revenue Fund (up to 6.25 percent) for administrative costs incurred to implement the program.

Proposition 1B:

The Proposition 1B Program is a \$1 billion bond program approved by California voters in November 2006. This incentive program is designed to reduce diesel emissions and public health risks from goods movement activities along California's trade corridors. The General Fund receives reimbursements from the Proposition 1B Funds for staff time and other program implementation/administration costs up to specified limits.

MSRC:

MSRC revenue reflects the reimbursement from the Mobile Source Air Pollution Reduction Special Revenue Fund for the cost of staff support provided to the MSRC in administering a mobile source program. These administrative costs are limited by State law and the MSRC adopts a budget for staff support each year.

FY 2018-19 Proposed Budget: Revenue projections are based on vehicle registration data from the DMV, other state revenue received, and anticipated reimbursable implementation/administration costs for the Carl Moyer, AB 134, Prop 1B, and MSRC programs.

Clean Fuels

The General Fund receives reimbursements from the Clean Fuels Program Special Revenue Fund for staff time and other program implementation/administration costs necessary to implement the Clean Fuels Program.

Section 9250.11 of the Vehicle Code gives the DMV authority to collect and forward to SCAQMD money for clean fuels technology advancement programs and transportation control measures related to motor vehicles, according to the plan approved pursuant to Health & Safety Code §40448.5. One dollar is collected by the DMV for every vehicle registered in SCAQMD's jurisdictional boundaries, forwarded to SCAQMD, and deposited in the Clean Fuels Program Special Revenue Fund.

Clean fuels fees from stationary sources are recorded in a separate revenue account within the Clean Fuels Program Special Revenue Fund. Fees authorized by Health & Safety Code §40512 are collected from sources that emit 250 tons or more per year of Nitrogen Oxides (NOx), Sulfur Oxides (SOx), Reactive Organic Compounds (ROC), or Particulate Matter (PM). The fees collected are used to develop and implement activities that promote the use of clean-burning fuels. These activities include assessing the cost effectiveness of emission reductions associated with clean fuels

EXPLANATION OF REVENUE SOURCES

development and use of new clean fuels technologies, and other clean fuels related projects. The General Fund receives reimbursements from the Clean Fuels Program Fund for staff time and other program implementation/administration costs necessary to implement a Clean Fuels Program.

FY 2018-19 Proposed Budget: Revenue projections are based on anticipated reimbursable staff and other program costs to implement the Clean Fuels Program.

Transportation Programs

In accordance with federal and state Clean Air Act requirements, SCAQMD's Rule 2202 – On-Road Vehicle Mitigation Options provides employers with various options to either reduce mobile source emissions generated from employee commutes or implement mobile source emission reduction programs. Employers with 250 or more employees at a worksite are subject to Rule 2202 and are required to submit an annual registration to implement an emission reduction program that will obtain emission reductions equivalent to a worksite specific emission reduction target. The revenue from this category is used to recover a portion of the costs associated with filing, processing, reviewing, and auditing the registrations and the ridesharing programs. Fees for indirect sources, which are sources that attract mobile sources, such as the large employers covered by Rule 2202, are authorized by Health & Safety Code §40522.5.

FY 2018-19 Proposed Budget: The projection is based on the anticipated number of registrations. A 3.4% CPI increase is included.

Toxic "Hot Spots"

Health and Safety Code Section 44380 requires the SCAQMD to assess and collect fees from facilities that emit toxic compounds. Fees collected are used to recover state and SCAQMD costs to collect and analyze data regarding air toxics and their effect on the public. Costs recovered include a portion of the administrative, outreach, plan processing, and enforcement costs to implement this program. The amendments to Rule 307.1 will include cost recovery for "Potentially High Risk Level Facilities", which was a new designation included in the Rule 1402 amendments in October 2016. Staff has also noticed a large number of Air Toxics Inventory Reports (ATIR) and Health Risk Assessments (HRA) which require substantial modifications or revisions that the facility is unable to perform without errors or delays. Therefore, the amendments to Rule 307.1 also include cost recovery for these efforts.

FY 2018-19 Proposed Budget: The revenue projection is based on estimated General Fund reimbursements from the Air Toxics Fund for staff time and other program and administrative expenditures.

Other

Miscellaneous revenue includes revenue attributable to professional services the SCAQMD renders to other agencies, reimbursements from special revenue funds (non-mobile source), vanpool revenue, fees from fitness center memberships, and Public Records Act requests. This revenue category also includes Rule 1180 payments from petroleum refineries for refinery-related community air monitoring.

FY 2018-19 Proposed Budget: The revenue projections are based on historical trend information and anticipated receipts.



SOUTH COAST

AIR QUALITY MANAGEMENT DISTRICT

SCAQMD Line Item Expenditure						
Major Object / Account # / Account Description		FY 2016-17 Actuals	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2017-18 Estimate *	FY 2018-19 Proposed Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 72,521,870	\$ 78,307,837	\$ 81,678,228	\$ 75,939,135	\$ 85,778,092
53000-55000	Employee Benefits	37,556,119	41,552,657	41,568,546	39,095,843	48,479,504
Sub-total Salary & Employee Benefits		\$ 110,077,989	\$ 119,860,494	\$ 123,246,774	\$ 115,034,978	\$ 134,257,596
Services & Supplies						
67250	Insurance	\$ 1,132,280	\$ 1,317,400	\$ 1,357,400	\$ 1,254,921	\$ 1,317,400
67300	Rents & Leases Equipment	222,773	201,363	245,259	221,168	214,280
67350	Rents & Leases Structure	336,269	296,791	331,301	313,169	546,791
67400	Household	606,374	761,366	759,116	755,866	763,800
67450	Professional & Special Services	8,844,686	8,313,336	10,002,284	9,408,972	8,492,536
67460	Temporary Agency Services	1,195,181	910,060	1,349,460	924,137	1,009,810
67500	Public Notice & Advertising	353,387	469,100	470,280	430,286	479,666
67550	Demurrage	87,380	61,930	124,439	103,095	161,430
67600	Maintenance of Equipment	610,299	684,714	1,001,353	967,840	864,664
67650	Building Maintenance	569,616	1,002,479	1,047,629	1,011,044	1,502,479
67700	Auto Mileage	142,830	82,147	177,338	134,856	130,627
67750	Auto Service	466,435	471,000	471,000	470,199	471,000
67800	Travel	267,872	311,373	349,667	316,437	338,818
67850	Utilities	1,679,503	2,213,288	2,098,540	1,658,229	2,213,288
67900	Communications	601,792	702,000	740,480	611,566	717,800
67950	Interest Expense	3,863,482	3,756,716	3,756,716	3,756,716	3,637,290
68000	Clothing	54,973	39,578	42,933	38,936	51,623
68050	Laboratory Supplies	409,047	304,000	523,093	523,093	332,000
68060	Postage	367,997	445,087	430,282	322,214	476,170
68100	Office Expense	1,480,895	1,113,975	1,514,842	1,378,582	1,215,225
68200	Office Furniture	71,198	105,425	147,800	123,219	104,925
68250	Subscriptions & Books	166,132	175,517	249,902	242,265	178,517
68300	Small Tools, Instruments, Equipment	350,131	222,039	254,245	234,404	242,799
68400	Gas and Oil	178,020	372,000	372,000	333,840	372,000
69500	Training/Conference/Tuition/ Board Exp.	716,321	926,337	870,118	812,277	975,257
69550	Memberships	168,086	68,128	220,628	187,737	68,428
69600	Taxes	23,110	74,000	54,000	21,227	59,000
69650	Awards	70,209	77,023	77,023	68,688	79,023
69700	Miscellaneous Expenses	200,631	156,725	219,675	181,070	204,725
69750	Prior Year Expense	(14,903)	-	-	-	-
69800	Uncollectable Accounts Receivable	399,092	-	-	-	-
89100	Principal Repayment	2,331,010	2,432,798	2,432,798	2,432,798	2,553,110
Sub-total Services & Supplies		\$ 27,952,106	\$ 28,067,695	\$ 31,691,601	\$ 29,238,848	\$ 29,774,481
77000	Capital Outlays	\$ 4,037,890	\$ 1,950,717	\$ 7,506,651	\$ 6,754,214	\$ 2,210,800
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 142,067,984	\$ 149,878,906	\$ 162,445,026	\$ 151,028,040	\$ 166,242,877
* Estimates based on July 2017 through February 2018 actual expenditures and budget amendment, excluding Transfers Out.						

SALARIES & EMPLOYEE BENEFITS

Acct. #	Account Description	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2017-18 Estimate	FY 2018-19 Proposed Budget	Increase/ (Decrease)^(a)
51000- 52000	SALARIES	\$ 78,307,837	\$ 81,678,228	\$ 75,939,135	\$ 85,778,092	\$ 7,470,255
<p>These accounts include salaries and special pays such as: Call-Back, Hazard, Night Shift, Rideshare, Skill-Based, Stand-By and Overtime. Also, the FY 2018-19 Proposed Budget includes the deletion a net of 0.60 positions and proposes to maintain vacant positions at 8%. The FY 2018-19 Proposed Budget does not include overtime amounts for federal grant work that is not expected to be awarded until mid-year and will not be appropriated until the grants are awarded. The increase from the FY 2017-18 Adopted Budget is due to adding 47 positions in January 2018 for the AB 617 and AB 134 programs, five positions associated with Rule 1120 and the costs associated with the three year labor agreement that went into effect in the third quarter of FY 2017-18.</p>						
53000	EMPLOYEE BENEFITS	\$ 3,365,307	\$ 3,365,307	\$ 3,596,204	\$ 3,658,391	\$ 293,084
<p>This account includes the costs associated with State Disability Insurance, employer share of unemployment insurance, Social Security and Medicare. In addition, this account includes individual memberships and/or management physicals.</p>						
54000	RETIREMENT	\$ 28,166,843	\$ 28,166,843	\$ 25,080,001	\$ 34,725,085	\$ 6,558,242
<p>This account includes the employer's share of the employee retirement system contributions. The increase from the FY 2018-19 Adopted Budget is based on the contribution rates provided from the San Bernardino County Retirement Association (SBCERA) and adding 47 positions in January 2018.</p>						
55000	INSURANCE	\$ 10,020,506	\$ 10,036,396	\$ 10,419,638	\$ 10,096,028	\$ 75,522
<p>This account includes employer's share of health, life, dental, vision care and accident insurance.</p>						

^(a) FY 2018-19 Proposed Budget vs. FY 2017-18 Adopted Budget.

SCAQMD Personnel Summary – Authorized/Funded Positions						
Positions as of	Mid-Year Adjustments		Positions as of	FY 2018-19 Request		Positions as of
June 30, 2017	Add	Delete	June 30, 2018	Add	Delete	July 1, 2018
825.25	60	(13.25)	872	19.4	(15)	876.4

SALARIES & EMPLOYEE BENEFITS

Fiscal Year 2017-18 Mid-Year Changes in Authorized/Funded Positions				
Office	Position	Add	Delete	Total
Administrative and Human Resources	Human Resource Analyst	1	-	1
Administrative and Human Resources	Human Resource Technician	1	-	1
Finance	Contracts Assistant	1	-	1
Finance	Fiscal Assistant	1	-	1
Finance	Payroll Technician	1	-	1
Information Management	Assistant Deputy Executive Officer	-	(0.25)	(0.25)
Information Management	Assistant Information Technology Specialist	2	-	2
Information Management	Assistant Telecommunications Technician	-	(1)	(1)
Information Management	Audio-Visual Specialist	-	(1)	(1)
Information Management	Computer Operations Supervisor	-	(1)	(1)
Information Management	Computer Operator	-	(3)	(3)
Information Management	Information Technology Specialist I	2	-	2
Information Management	Information Technology Specialist II	2	-	2
Information Management	Information Technology Supervisor	3	-	3
Information Management	Senior Information Technology Specialist	4	-	4
Information Management	Systems & Programming Supervisor	1	-	1
Information Management	Systems Analyst	4	-	4
Information Management	Telecommunications Supervisor	-	(2)	(2)
Information Management	Telecommunications Technician II	-	(5)	(5)
Legal	Office Assistant	1	-	1
Legal	Paralegal	1	-	1
Legal	Senior Deputy District Counsel	1	-	1
Legislative & Public Affairs/Media Office	Senior Public Information Specialist	2	-	2
Planning, Rule Development, & Area Sources	Air Quality Specialist	10	-	10
Planning, Rule Development, & Area Sources	Planning & Rules Manager	1	-	1
Planning, Rule Development, & Area Sources	Program Supervisor	2	-	2
Planning, Rule Development, & Area Sources	Secretary	1	-	1
Science & Technology Advancement	Air Quality Inspector II	1	-	1
Science & Technology Advancement	Air Quality Instrument Specialist II	1	-	1
Science & Technology Advancement	Air Quality Specialist	7	-	7
Science & Technology Advancement	Atmospheric Measurement Manager	1	-	1
Science & Technology Advancement	Contracts Assistant	2	-	2
Science & Technology Advancement	Office Assistant	1	-	1
Science & Technology Advancement	Program Supervisor	2	-	2
Science & Technology Advancement	Secretary	1	-	1
Science & Technology Advancement	Senior Air Quality Chemist	2	-	2
Total Mid-Year Changes		60	(13.25)	46.75

SALARIES & EMPLOYEE BENEFITS

Fiscal Year 2018-19 Proposed Personnel Actions				
Office	Position	Add	Delete	Total
Administrative and Human Resources	General Maintenance Worker	1	-	1
Administrative and Human Resources	Mail/Subscription Services Clerk	-	(1)	(1)
Compliance & Enforcement	Senior Administrative Secretary	1	-	1
Engineering & Permitting	Air Quality Specialist	-	(1)	(1)
Engineering & Permitting	Senior Air Quality Engineering Manager	1	-	1
Executive Office	Staff Specialist	-	(1)	(1)
Finance	Contracts Assistant	-	(1)	(1)
Finance	Purchasing Assistant	1	-	1
Finance	Senior Administrative Secretary	-	(1)	(1)
Legal	Investigations Manager	-	(1)	(1)
Legal	Paralegal	-	(1)	(1)
Legal	Staff Specialist	1	-	1
Legislative & Public Affairs/Media Office	Community Relations Manager	-	(1)	(1)
Legislative & Public Affairs/Media Office	Program Supervisor	-	(1)	(1)
Legislative & Public Affairs/Media Office	Public Affairs Manager	2	-	2
Legislative & Public Affairs/Media Office	Senior Public Information Specialist	1	-	1
Planning, Rule Development, & Area Sources	Air Quality Specialist	2	-	2
Planning, Rule Development, & Area Sources	Contracts Assistant	1	-	1
Planning, Rule Development, & Area Sources	Office Assistant	-	(2)	(2)
Planning, Rule Development, & Area Sources	Senior Office Assistant	1	-	1
Planning, Rule Development, & Area Sources	Transportation Plan Reviewer	-	(2)	(2)
Science & Technology Advancement	Air Quality Instrument Specialist II	1	-	1
Science & Technology Advancement	Air Quality Specialist	2	-	2
Science & Technology Advancement	Assistant Deputy Executive Officer ^(b)	0.4	-	0.4
Science & Technology Advancement	Program Supervisor	2	-	2
Science & Technology Advancement	Senior Air Quality Chemist	1	-	1
Science & Technology Advancement	Senior Air Quality Engineer	-	(1)	(1)
Science & Technology Advancement	Source Test Manager	1	-	1
Science & Technology Advancement	Staff Specialist	-	(1)	(1)
Total Fiscal Year 2018-19 Proposed Personnel Actions		19.4	(15)	4.4

^(b) Only budgeted for five months.

Acct. #	Account Description	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2017-18 Estimate	FY 2018-19 Proposed Budget	Increase/ (Decrease) ^(a)
67250	INSURANCE	\$1,317,400	\$1,357,400	\$1,254,921	\$1,317,400	\$ 0
<p>This account is for insurance coverage for the following: commercial property (real and personal) with earthquake and flood coverage, boiler and machinery, public official liability, excess workers' compensation, and excess general liability. The SCAQMD is self-insured for workers' compensation, general liability, and automobile liability. The amount requested reflects anticipated workers' compensation claims, insurance policy premiums, property losses above SCAQMD's insurance deductibles, and liability claim payments.</p>						
67300	RENTS & LEASES EQUIPMENT	\$201,363	\$245,259	\$221,168	\$214,280	\$12,917
<p>This account is for lease agreements and/or rental of office equipment such as communication devices for emergency response inspectors, laboratory and atmospheric measurement equipment for special projects, audio visual equipment for outside meetings, printing equipment, and photocopiers. The increase from the FY 2017-18 Adopted Budget reflects increased cost for the walk-up copiers.</p>						
67350	RENTS & LEASES STRUCTURE	\$296,791	\$331,301	\$313,169	\$546,791	\$250,000
<p>This account is for expenditures associated with structures and lot leases, and off-site storage rentals: Long Beach field office - \$106,791; Conference and meeting rooms - \$9,000; Air monitoring sites/Wind Stations - \$421,000; and Public Meetings - \$10,000</p> <p>Free and low-cost public facilities are used whenever possible for public workshops and informational meetings. The increase in FY 2018-19 is for the implementation of the Rule 1180 air monitoring program. The FY 2018-19 Proposed Budget does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						
67400	HOUSEHOLD	\$761,366	\$759,116	\$755,866	\$763,800	\$ 2,434
<p>This account is used for trash disposal, landscape maintenance, parking lot maintenance, janitorial supplies, and janitorial contracts. This account is also used for expenses associated with the Diamond Bar facility, such as specialized cleaning supplies and services required in the computer room. The change from the FY 2017-18 Adopted Budget is due to an increase in the janitorial contract.</p>						
67450	PROFESSIONAL & SPECIAL SERVICES	\$8,313,336	\$10,002,284	\$9,408,972	\$8,492,536	\$179,200
<p>This account is for services rendered to the SCAQMD by outside contractors. The FY 2018-19 Professional & Special Services supporting detail is located at the end of this section. The increase from the FY 2017-18 Adopted Budget is for the implementation of the Rule 1180 air monitoring program. The FY 2018-19 Proposed Budget does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						

^(a)FY 2018-19 Proposed Budget vs. FY 2017-18 Adopted Budget.

SERVICES & SUPPLIES

Acct. #	Account Description	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2017-18 Estimate	FY 2018-19 Proposed Budget	Increase/ (Decrease) ^(a)
67460	TEMPORARY AGENCY SERVICES	\$910,060	\$1,349,460	\$924,137	\$1,009,810	\$99,750
<p>Funds budgeted in this account are used for specialized temporary services that supplement staff in support of SCAQMD programs. Amounts are budgeted as a contingency for long-term absences and retirements/resignations. Also budgeted in this account is the student internship program that provides college students with the opportunity to gain experience in the workplace. The increase from the FY 2017-18 Adopted Budget is due to an anticipated increase in the use of supplemental staff. The FY 2018-19 Proposed Budget does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						
67500	PUBLIC NOTICE & ADVERTISING	\$469,100	\$470,280	\$430,286	\$479,666	\$10,566
<p>This account is used for legally required publications such as Requests for Proposals, Requests for Quotations, personnel recruitment, public outreach, advertisement of SCAQMD Governing Board and Hearing Board meetings, and public notification of SCAQMD rulemaking activities. The increase from the FY 2017-18 Adopted Budget is due to an anticipated increase in legally required publications.</p>						
67550	DEMURRAGE	\$61,930	\$124,439	\$103,095	\$161,430	\$99,500
<p>This account is for various freight and cylinder charges as well as workspace reconfigurations and personnel moves. The increase from the FY 2017-18 Adopted Budget is based on anticipated needs due to increased staff. The FY 2018-19 Proposed Budget does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						
67600	MAINTENANCE OF EQUIPMENT	\$684,714	\$1,001,353	\$967,840	\$864,664	\$179,950
<p>This account is for maintenance costs of SCAQMD equipment such as the following: mainframe computer hardware, phone switch, air monitoring equipment, print shop equipment, copiers, and audio visual equipment. The FY 2018-19 Proposed Budget reflects the increased cost of maintenance for the IP network as well for printers, server hardware and network hardware, as well as air monitoring equipment, but does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						
67650	BUILDING MAINTENANCE	\$1,002,479	\$1,047,629	\$1,011,044	\$1,502,479	\$500,000
<p>This account reflects expenditures for maintaining SCAQMD offices and air monitoring stations. Also included are: a contingency amount for unplanned repairs; Gateway Association dues; elevator maintenance; energy management; and compressor services. The increase from the FY 2017-18 Adopted Budget is for the implementation of the Rule 1180 air monitoring program and a project to recoat the parking structure at the Diamond Bar Headquarters. The FY 2018-19 Proposed Budget does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						

^(a)FY 2018-19 Proposed Budget vs. FY 2017-18 Adopted Budget.

Acct. #	Account Description	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2017-18 Estimate	FY 2018-19 Proposed Budget	Increase/ (Decrease) ^(a)
67700	AUTO MILEAGE	\$82,147	\$177,338	\$134,856	\$130,627	\$48,480
<p>This account is used to reimburse employees for the cost of using personal vehicles while on SCAQMD business. The requests include the mileage incurred for staff who are required to work on their scheduled days off and for employees who use their personal vehicles on SCAQMD-related business, conferences, and seminars and to attend various community, business and intergovernmental events. The increase from the FY 2017-18 Adopted Budget for the implementation of the Rule 1180 air monitoring program. The FY 2018-19 Proposed Budget does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						
67750	AUTO SERVICE	\$471,000	\$471,000	\$470,199	\$471,000	\$0
<p>This account is used for the maintenance, towing, repair, and expired CNG tank replacement of SCAQMD fleet vehicles.</p>						
67800	TRAVEL	\$311,373	\$349,667	\$316,437	\$338,818	\$ 27,445
<p>This account is for business travel, including lodging and meals paid pursuant to the Administrative Code, for participation in legislative hearings and meetings involving state, federal, and inter-agency issues that affect air quality in the South Coast Air Basin. The increase from the FY 2017-18 Adopted Budget is for the Executive Officer's travel as a Board Member to the National Association of Clean Air Agencies. The FY 2018-19 Proposed Budget reflects anticipated needs but does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						
67850	UTILITIES	\$2,213,288	\$2,098,540	\$1,658,229	\$2,213,288	\$0
<p>This account is used to pay gas, water, and electricity costs at the SCAQMD's headquarters building, the Long Beach field office, and air monitoring stations.</p>						
67900	COMMUNICATIONS	\$702,000	\$740,480	\$611,566	\$717,800	\$15,800
<p>This account includes telephone and fax service, leased computer lines, video conferencing, wireless internet access for inspectors in the field, radio, and microwave services. The increase from the FY 2017-18 Adopted Budget reflects anticipated needs. The FY 2018-19 Proposed Budget does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						
67950	INTEREST EXPENSE	\$3,756,716	\$3,756,716	\$3,756,716	\$3,637,290	(\$119,426)
<p>This account is for the interest due on the 1995 and 2004 Pension Obligation Bonds. The decrease from the FY 2017-18 Adopted Budget reflects scheduled payments for FY 2018-19.</p>						

^(a)FY 2018-19 Proposed Budget vs. FY 2017-18 Adopted Budget.

Acct. #	Account Description	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2017-18 Estimate	FY 2018-19 Proposed Budget	Increase/ (Decrease) ^(a)
68000	CLOTHING	\$39,578	\$42,933	\$38,936	\$51,623	\$12,045
<p>This account is for the purchase of safety equipment and protective clothing used by source testing, laboratory, compliance, and stockroom personnel. The increase from the FY 2017-18 Adopted Budget reflects the anticipated level of expenditures for FY 2018-19.</p>						
68050	LABORATORY SUPPLIES	\$304,000	\$523,093	\$523,093	\$332,000	\$28,000
<p>This account is used to purchase various supplies such as chemicals, calibration gases and glassware for laboratory services. The FY 2018-19 Proposed Budget reflects anticipated needs but does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						
68060	POSTAGE	\$445,087	\$430,282	\$322,214	\$476,170	\$ 31,083
<p>This account covers the cost of mailing out annual billings, permits, notifications to the Governing Board and Advisory groups, monthly newsletters, warrants, outreach materials to local governments, and Rule 2202 notifications. The FY 2018-19 Proposed Budget reflects mailings based on current activity.</p>						
68100	OFFICE EXPENSE	\$1,113,975	\$1,514,842	\$1,378,582	\$1,215,225	\$101,250
<p>This account is used for the purchase of office supplies, computer hardware and software under \$5,000, photocopier supplies, print shop and artist supplies, and stationery and forms. The FY 2018-19 Proposed Budget reflects anticipated needs but does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						
68200	OFFICE FURNITURE	\$105,425	\$147,800	\$123,219	\$104,925	(\$ 500)
<p>This account is for office furniture under \$5,000. The decrease in the FY 2018-19 Proposed Budget reflects anticipated needs.</p>						
68250	SUBSCRIPTIONS & BOOKS	\$175,517	\$249,902	\$242,265	\$178,517	\$3,000
<p>This account is used to purchase reference materials, magazine subscriptions, books, and on-line database legal research services. The FY 2018-19 Proposed Budget reflects anticipated cost increases.</p>						
68300	SMALL TOOLS, INSTRUMENTS, EQUIPMENT	\$222,039	\$254,245	\$234,404	\$242,799	\$20,760
<p>This account covers the purchase of small tools and equipment for air monitoring stations, laboratory, and headquarters building maintenance. The increase from the FY 2017-18 Adopted Budget reflects anticipated needs but it does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.</p>						

^(a)FY 2018-19 Proposed Budget vs. FY 2017-18 Adopted Budget.

Acct. #	Account Description	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2017-18 Estimate	FY 2018-19 Proposed Budget	Increase/ (Decrease) ^(a)
68400	GAS & OIL	\$372,000	\$372,000	\$333,840	\$372,000	\$0
This account is for the purchase of gasoline, oil, and alternative fuels for the SCAQMD fleet. The FY 2018-19 Proposed Budget reflects anticipated needs.						
69500	TRAINING/CONF/ TUITION/BOARD EXP	\$926,337	\$870,118	\$812,277	\$975,257	\$48,920
This account is used for tuition reimbursement, conference and training registrations, certain costs associated with the SCAQMD's Governing and Hearing Boards and advisory groups, and training-related travel expenditures. The FY 2018-19 Proposed Budget reflects anticipated needs and includes increases in Governing and Hearing Board costs.						
69550	MEMBERSHIPS	\$68,128	\$220,628	\$187,737	\$68,428	\$300
This account provides for SCAQMD membership in in scientific, clean fuels, advanced technology, and related environmental business/policy organizations. The FY 2018-19 Proposed Budget reflects anticipated needs.						
69600	TAXES	\$74,000	\$54,000	\$21,227	\$59,000	(\$15,000)
This account is for unsecured property and use taxes, fuel taxes, and sales taxes. The decrease in the FY 2018-19 Proposed Budget reflects a decrease in anticipated needs.						
69650	AWARDS	\$77,023	\$77,023	\$68,688	\$79,023	\$2,000
This account covers employee service awards for continuous service, employee recognition programs, plaques/awards the SCAQMD may present to individuals/businesses/community groups for outstanding contributions towards air quality goals, and promotional items for community events. The cost is anticipated to increase from the FY 2017-18 Adopted Budget.						
69700	MISCELLANEOUS EXPENSES	\$156,725	\$219,675	\$181,070	\$204,725	\$48,000
This account is to record expenditures that do not fall in any other account such as SCAQMD advisory group per diems, meeting and event expenses, and sponsorships. The increase from the FY 2017-18 Adopted Budget reflects the anticipated level of expenditures for FY 2018-19.						
69750	PRIOR YEAR EXPENSE	\$0	\$0	\$0	\$0	\$0
This account is used to record actual expenditures attributable to prior year budgets. No amount is budgeted for this account due to the nature of the account.						

^(a)FY 2018-19 Proposed Budget vs. FY 2017-18 Adopted Budget.

	Account Description	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2017-18 Estimate	FY 2018-19 Proposed Budget	Increase/ (Decrease) ^(a)
69800	UNCOLLECTIBLE ACCOUNTS RECEIVABLE	\$0	\$0	\$0	\$0	\$0
No amount is budgeted for this account due to the nature of the account.						
89100	PRINCIPAL REPAYMENT	\$2,432,798	\$2,432,798	\$2,432,798	\$2,553,110	\$120,312
This account reflects the principal due on pension obligation bonds. The increase from the FY 2017-18 Adopted Budget reflects scheduled payments for FY 2018-19.						

^(a)FY 2018-19 Proposed Budget vs. FY 2017-18 Adopted Budget.

Proposed Fiscal Year 2018-19 Professional & Special Services Detail by Office			
Office	Program	Contract Description	Amount
District General	Dist. General Overhead	Administrative Fees for 1995 & 2004 Pension Obligation Bonds (POBs)	\$1,500
	Dist. General Overhead	Arbitration/Hearing Officer	9,400
	Dist. General Overhead	Benefits Administrator	13,000
	Dist. General Overhead	COBRA Administration Services	6,000
	Dist. General Overhead	Custodial Fees for 1995 & 2004 POBs	800
	Dist. General Overhead	Employee Assistance Program	13,995
	Dist. General Overhead	Employee Relations Litigation	250,000
	Dist. General Overhead	Health Reimbursement Arrangement Plan Administration	5,000
	Dist. General Overhead	Modular Furniture Maintenance, Setup, and Moving Services	15,000
	Dist. General Overhead	Oracle Software Support	30,400
	Dist. General Overhead	PeopleSoft Maintenance	208,400
	Dist. General Overhead	Plans and Design Consulting Services	95,000
	Dist. General Overhead	Security Alarm Monitoring	1,980
	Dist. General Overhead	Security Guard Services	528,000
	Dist. General Overhead	Wellness Program	37,500
	Sub-total District General		\$1,215,975
Governing Board	Operational Support	Board Member Assistant/Consultants	\$771,284
	Sub-total Governing Board		\$771,284
Executive Office	Develop Programs	Professional & Special Services	\$150,000
	Sub-total Executive Office		\$150,000
Finance	Operational Support	AB 2766 Audit of DMV Fee Recipients	\$10,000
	Operational Support	Bank Service Charges/Los Angeles County Treasurer Office	60,000
	Ensure Compliance	Bank Services Fund 15, Hot Spots Lockbox	15,000
	Operational Support	Financial Audit	53,910
	Operational Support	Financial Consultant for Treasury Management	23,000
	Operational Support	LA County Treasurer Office - PGP Maintenance	1,650
	Sub-total Finance		\$163,560
Legal	Ensure Compliance	Experts/Court Reporters/Attorney Services	\$30,000
	Ensure Compliance	Litigation Counsel	169,500
	Ensure Compliance	Software Maintenance & Licensing	30,000
	Operational Support	Specialized Legal Services	50,000
	Sub-total Legal		\$279,500

Proposed Fiscal Year 2018-19 Professional & Special Services Detail by Office (cont.)			
Office	Program	Contract Description	Amount
Administrative & Human Resources	Operational Support	Architectural, Engineering and Surveyor Consultants	\$10,000
	Operational Support	In-house Training Classes	2,000
	Operational Support	Locksmith	2,000
	Operational Support	Medical Services Provider	30,000
	Operational Support	NEOGOV Subscription License	10,000
	Operational Support	Occupational Health Services	25,000
	Customer Service & Business Assistance	Outside Binding Services	6,000
	Customer Service & Business Assistance	Outside Printing Services	31,750
	Operational Support	Test Development	15,000
	Operational Support	Third-Party Claims Administrator for Workers Compensation	20,000
Sub-total Administrative & Human Resources			\$151,750
Clerk of the Boards	Ensure Compliance	Court Reporting, Audio-visual, and/or Security Services	\$63,800
	Ensure Compliance	Outside Legal Contract	15,000
	Ensure Compliance	Professional Interpreter Services	6,400
	Sub-total Clerk of the Boards		
Information Management	Operational Support	Action Works Metro System Software Support	\$20,000
	Operational Support	Adobe Creative Cloud Software Support	2,500
	Operational Support	AER & R1113/314 Upgrade & Maintenance	15,000
	Operational Support	AIS (Address Information System) Five Digit Subscription	1,200
	Operational Support	Anti-Spam Maintenance/Support	15,000
	Operational Support	ArcGIS Online Annual Subscription	1,000
	Operational Support	Backup Software	50,000
	Operational Support	Backup Utility Maintenance	11,500
	Operational Support	CLASS System Maintenance	88,000
	Operational Support	Component One Software Support	1,200
	Operational Support	Computer-Based Training Software Support	1,800
	Operational Support	CourtView System Maintenance	10,000

Proposed Fiscal Year 2018-19 Professional & Special Services Detail by Office (cont.)

Office	Program	Contract Description	Amount
Information Management (cont.)	Operational Support	Crystal Reports Software Support	\$22,000
	Operational Support	Disaster Recovery Software	60,000
	Operational Support	Dundas Chart Software Support	700
	Operational Support	Dynamic Web Twain License Renewal	5,700
	Operational Support	Email Recovery Software (PowerControls) Maint/Support	2,750
	Operational Support	Email Reporting	4,000
	Operational Support	ERwin ERX & BPwin SW Support	26,000
	Operational Support	Faxcom FaxServer Support	15,000
	Operational Support	Imaging Software Support	145,000
	Operational Support	Infragistics Pro Software Support	1,000
	Operational Support	Ingres/OpenIngres Additional Licensing	72,000
	Operational Support	Ingres/OpenIngres Advanced Success Pack	140,000
	Operational Support	Installshield Software Support	3,800
	Operational Support	Internet Filtering Maintenance/Support	70,000
	Operational Support	Kronos Time Keeper	2,000
	Operational Support	Microsoft Developer Network CD - Application Development	15,196
	Operational Support	Microsoft Developer Network Premium Renewal	4,000
	Operational Support	Microsoft Technical Software Support (Server Applications)	15,000
	Operational Support	Microsoft Virtual Earth Maintenance/Support	15,000
	Operational Support	Network Analyzer (Sniffer) Maintenance/Support	4,500
	Operational Support	Network Backbone Support	15,000
	Operational Support	NT Software Support - Proactive	62,000
	Operational Support	Off-site Document Destruction Services	24,000
	Operational Support	Off-site Storage Nightly Computer Backup	22,000
	Operational Support	Online Filing Infrastructure	25,000
	Operational Support	PowerBuilder Software Support	24,000
	Operational Support	PreEmptive Analytics Software Support	7,000
	Operational Support	Proxy Reporting Support	3,250
	Operational Support	PVCS Software Support	4,900
	Operational Support	ScaleOut StateServer Maintenance	8,500

Proposed Fiscal Year 2018-19 Professional & Special Services Detail by Office (cont.)			
Office	Program	Contract Description	Amount
Information Management (cont.)	Operational Support	SCAQMD Web Application Modifications	\$20,000
	Operational Support	Secure Service Digital ID Services	2,000
	Operational Support	Secure Service Digital ID DEC Internet Server	850
	Operational Support	Sitefinity CMS Software Support	9,500
	Operational Support	Software Support for EOS.Web Enterprise	6,300
	Operational Support	Software Support for On-Line Catalog	2,050
	Operational Support	Swiftview Software Support	950
	Operational Support	Telephone Switchview Software Support	9,500
	Operational Support	Terminal Emulation (Reflection) Maintenance/Support	1,175
	Operational Support	Videoteleconferencing Maintenance & Support	20,000
	Operational Support	Virus Scan Support	15,000
	Operational Support	Visual Expert Software Support	6,000
	Operational Support	Web Consulting Support	64,300
	Operational Support	Web Core Technology Upgrade (.NET Upgrade)	10,000
	Operational Support	Website Evaluation & Improvement	200,000
Sub-total Information Management			\$1,404,121
Planning, Rule Development, & Area Sources	Ensure Compliance	AER Printing	\$5,000
	Monitoring Air Quality	Air Quality Forecast and Alert Notification Support	50,000
	Develop Programs	California Emissions Estimator Model (CalEEMod) Upgrades/Support	25,000
	Develop Programs	CEQA for AQMD Projects	125,000
	Develop Programs	CEQA Special Studies	50,000
	Timely Review of Permits	Dispersion Modeling Support	50,000
	Develop Programs	Implementation of Abts Recommendations	111,300
	Monitoring Air Quality	Maintain Wind Stations and Analyze Data	60,000
	Monitoring Air Quality	MATES V	50,000
	Monitoring Air Quality	Meteorological Data Services	7,500
	Develop Rules	PM and Ozone Model Consulting	90,000
	Develop Programs	Rule 2202 Computer System Maintenance	15,000
	Customer Service & Business Assistance	Rule 2202 ETC On-Line Training	20,000

Proposed Fiscal Year 2018-19 Professional & Special Services Detail by Office (cont.)			
Office	Program	Contract Description	Amount
Planning, Rule Development, & Area Sources (cont.)	Develop Programs	SIP, AQMP and Rule Printing	\$8,000
	Develop Rules	Software renewal, upgrades and purchase in support of economic modeling	150,000
	Develop Rules	Technical Assessment in of Regional Modeling	50,000
	Ensure Compliance	Technology Assessment Studies	100,000
	Monitoring Air Quality	Weather Data Services Communications	7,500
	Sub-total Planning, Rule Development & Area Sources		
Legislative & Public Affairs/Media Office	Policy Support	After-hours Call Center Service	\$3,500
	Customer Service & Business Assistance	Clean Air Awards	12,600
	Customer Service & Business Assistance	Community Outreach	410,000
	Policy Support	Graphics & Printing	33,616
	Policy Support	Graphics, Printing & Outreach Materials	4,000
	Policy Support	Legislative Advocacy - Sacramento	365,000
	Policy Support	Legislative Advocacy - Washington DC	665,130
	Policy Support	Legislative Computer Services	10,000
	Customer Service & Business Assistance	Multi-Lingual Translation - Public Participation	20,000
	Policy Support	News Release Services	9,000
	Policy Support	Photographic and Video Services - MO	55,000
	Customer Service & Business Assistance	Promotion Marketing of Smart Phone Tools	50,000
	Policy Support	Radio/Television Monitoring	11,000
	Sub-total Legislative & Public Affairs/Media Office		
Science & Technology Advancement	Ensure Compliance	Laboratory Analytical Services	\$15,000
	Monitoring Air Quality	Rule 1180 Support	175,000
	Advanced Clean Air Technology	Technical Assistance, Expert Consultation, Outreach/Education – Clean Fuels	1,000,000
	Advanced Clean Air Technology	Technical Assistance, Expert Consultation, Outreach/Education – CMP, AB923	75,000
	Develop Programs	Technical Assistance, Expert Consultation, Outreach/Education – Prop 1B	300,000
	Ensure Compliance	Source Testing Services	30,000
	Ensure Compliance	Technical Support for Air Monitoring and Community Complaint Resolution	35,000
	Sub-total Science & Technology Advancement		

Proposed Fiscal Year 2018-19 Professional & Special Services Detail by Office (cont.)			
Office	Program	Contract Description	Amount
Engineering & Permitting	Operational Support	Workspace Reconfiguration	\$2,500
	Sub-total Engineering & Permitting		\$2,500
Compliance & Enforcement	Ensure Compliance	Compliance Notice Printing	\$3,000
	Ensure Compliance	Lab Analysis Services for R1176 and other air samples	8,000
	Operational Support	Workspace Reconfiguration	4,500
	Sub-total Compliance & Enforcement		\$15,500
Total Professional & Special Services			\$8,492,536

CAPITAL OUTLAYS & BUILDING REMODELING

Acct. #	Account Description	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2017-18 Estimate	FY 2018-19 Proposed Budget	Increase/ (Decrease)^(a)
77000	CAPITAL OUTLAYS	\$1,950,717	\$7,506,651	\$6,754,214	\$2,210,800	\$260,083

This account is for tangible asset expenditures with a value of at least \$5,000 and a useful life of at least three years and intangible asset expenditures with a value of at least \$5,000 and a useful life of at least one year. The increase from the FY 2017-18 Adopted Budget reflects anticipated needs. The FY 2018-19 Proposed Budget does not include amounts for federally funded grant programs. An expenditure appropriation will occur mid-year when the grants are awarded.

A listing by office of the proposed Capital Outlays for FY 2018-19 is provided at the end of this section.

^(a)FY 2018-19 Proposed Budget vs. FY 2017-18 Adopted Budget.

Acct. #	Account Description	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2017-18 Estimate	FY 2018-19 Proposed Budget	Increase/ (Decrease)^(a)
79050	BUILDING REMODELING	\$0	\$0	\$0	\$0	\$0

This account is used for minor remodeling projects which become necessary as a result of reorganizations or for safety reasons. No projects are anticipated in Fiscal Year 2018-19.

^(a)FY 2018-19 Proposed Budget vs. FY 2017-18 Adopted Budget.

CAPITAL OUTLAYS & BUILDING REMODELING

Fiscal Year 2018-19 Capital Outlays Detail				
Office	Program	Category	Description	Amount
District General	Operational Support	N/A	<u>Unbudgeted Capital Outlay</u> - This amount is set aside for unanticipated needs or emergency situations to avoid interruption of operations.	\$75,000
	Operational Support	Replacement	<u>System Support and Programming (PeopleSoft/CLASS)</u> - For functional and technical support and special reporting needs for the Clean Air Support System (CLASS)-Finance automated billing and the PeopleSoft Human Capital Management and Financial Accounting systems.	75,000
	Operational Support	Replacement	<u>Redundant Core Network Switch</u> – To provide a secondary interconnection between the servers and desktop or network devices so services are uninterrupted during an update or outage.	225,000
	Operational Support	Replacement	<u>Maintenance Truck</u> - To replace a 1991 pickup truck that is used to pick up or carry parts, materials, and equipment as well as to travel to air monitoring stations for repairs or new installations.	18,717
	Sub-total District General			\$435,000
Finance	Operational Support	New	<u>PeopleSoft Online Requisition and Work Flow Project</u> – To develop an electronic requisition system to provide internal users and approvers with a streamlined ordering process.	\$75,800
Sub-total Finance			\$75,800	
Planning, Rule Development & Area sources	Ensure Compliance	New	<u>Rule 1415 Online Reporting System</u> - To make necessary enhancements and correct deficiencies to the web application for Rule 1415 – Reduction of Refrigerant Emissions from Stationary Air Conditioning Systems.	\$10,000
	Develop Rules	New	<u>Regional Modeling Computer Upgrades</u> – To provide sufficient CPUs and data storage capacity to the Regional Air Quality Modeling Program’s computer server clusters.	100,000
	Sub-total Planning, Rule Development & Area Sources			\$110,000
Information Management	Operational Support	New	<u>Miscellaneous Telecommunication Upgrade/Enhancement</u> – To enable Telecommunications to meet unforeseen network needs/changes required to support SCAQMD staff.	\$35,000
	Operational Support	Replacement	<u>Network Server Upgrade</u> – To upgrade network servers to support new operating systems and new server applications.	75,000

CAPITAL OUTLAYS & BUILDING REMODELING

Fiscal Year 2018-19 Capital Outlays Detail (cont.)				
Office	Program	Category	Description	Amount
Information Management (cont.)	Operational Support	Replacement	<u>Fiber Channel Switch Replacement</u> –For an up-to-date Core Fiber Channel Switch that has auto configuration capability and can support much larger bandwidth than current the fiber switch.	\$60,000
	Operational Support	New	<u>High Capacity Internet Router with Backup/Redundancy</u> – To provide network core router backup to support uninterruptable data and voice over IP network traffic and video streaming.	35,000
	Operational Support	New	<u>Next Generation Firewall</u> - For a next generation firewall.	75,000
	Operational Support	Replacement	<u>SAN Replacement</u> – For a new Storage Area Network (SAN) that will support direct and efficient file servers.	200,000
Sub-total Information Management				\$480,000
Science & Technology Advancement	Monitoring Air Quality	Replacement	<u>Replacement Instrument for Gaseous Measurements</u> – To replace 15+ year old ozone monitors (10) and NOx Monitors (10) and upgrade the calibration dilution systems (10) due to more stringent U.S. EPA requirements.	\$445,000
	Advance Clean Air Technology	New	<u>Annual July Board Letter Clean Fuels: Advanced Tech Vehicles/Infrastructure</u> – For advanced technology vehicles.	285,000
	Monitoring Air Quality	New	<u>Zero Air Generation System</u> – For a zero air generator system to verify and compare outputs for a mobile field unit and for daily automated calibration checks throughout the SCAQMD monitoring network.	10,000
	Sub-total Science & Technology Advancement			
Engineering & Permitting	Timely Review of Permits	Replacement	<u>NSR Program Enhancement</u> – To provide continuing enhancements to the New Source Review (NSR) software.	\$50,000
	Timely Review of Permits	Replacement	<u>PAATS & Permit Processing System</u> – To provide enhancements to the PAATS software.	20,000
	Timely Review of Permits	Replacement	<u>Title V Online Permit Publishing</u> – To complete the online indexing system.	20,000
	Sub-total Engineering & Permitting			
Compliance & Enforcement	Ensure Compliance	New	<u>Programmatic Updates to Rule 1403 Notification Web Application</u> – To enhance and update the web application due to rule changes.	\$80,000
	Ensure Compliance	Replacement	<u>Title V Automation</u> - To complete the web-based Title V application process.	200,000
	Sub-total Compliance & Enforcement			
Total Capital Outlays				\$2,210,800



SOUTH COAST

AIR QUALITY MANAGEMENT DISTRICT

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT DRAFT
GOALS AND PRIORITY OBJECTIVES FOR FY 2018-2019**

MISSION STATEMENT

“To clean the air and protect the health of all residents in the South Coast Air District through practical and innovative strategies.”

GOALS AND PRIORITY OBJECTIVES

The following Goals and Priority Objectives have been identified as being critical to meeting SCAQMD’s Mission in Fiscal Year 2018-19.

GOAL I. Achieve Clean Air Standards.

	Priority Objective	Performance Indicator	Performance Measurement
1	Implementation of the 2016 AQMP	Adherence to adoption and implementation schedules for rules, working groups, assessments and programs as adopted in the 2016 AQMP.	Complete 6 rule adoptions and/or actions that result in achievements towards AQMP emissions reductions.
2	Implement the SCAQMD Action Plan for Toxics Facilities	Conduct monitoring and achieve emissions reductions if necessary at previously unknown high risk facilities.	Conduct monitoring of at least 10 facilities and reduce emissions from those found to have high toxics risk to the community.
3	Secure Incentive Funding for Emissions Reduction	Dollar amount of new funding sources for pollution reduction projects.	Secure \$400 Million of new funding sources.
4	Ensure Efficient Air Monitoring and Laboratory Operations	Achieve acceptable completion of valid data points out of the scheduled measurements in the SCAQMD air monitoring network for NAAQS pollutant before U.S. EPA deadline.	Achieve acceptable valid data completion submitted to U.S. EPA before deadline.
5	Ensure Timely Inspections of Facilities	Total number of Title V Inspections completed annually.	Complete 378 Title V Inspections.
6	Maintain progress in reducing the permit applications inventory	Number of pending permit applications.	Maintain pending permit applications inventory excluding Permits to Construct issued and RECLAIM transition applications between 2,500 and 3,000.
7	Support Development of Cleaner Advanced Technology	Amount of Clean Fuels Program projects funded.	Fund \$10 Million of Clean Fuels program projects with a 1:4 leveraging ratio.
8	Initiate implementation of the fifth Multiple Air Toxics Exposure Study	Conduct monitoring and updates to emissions inventory for the evaluation of air toxics health impacts.	Conduct fixed-site monitoring at 10 sites, begin work on updating the emissions inventory, and deploy 5 different advanced monitoring methods.

GOAL II. Enhance Public Education and Equitable Treatment for All Communities.

	Priority Objective	Performance Indicator	Performance Measurement
1	Evaluation of Low Cost Air Quality Sensors	Evaluation and posting of results of low cost air quality sensors that have reached the market.	Evaluate and post results of 75% of sensors that have reached the market.
2	Outreach Events and Media Relations	Number of large community outreach events conducted in each County.	Conduct 4 large community outreach events, including 1 in each County.
3	Timely Investigation of Community Complaints	Initiate complaint investigation within 2 hours of complaint receipt.	During normal SCAQMD business hours, contact 90% of complainants within 2 hours of complaint receipt.
4	Social Media Efforts	Percentage increase in number of social media followers.	30% increase in social media followers.
5	Engage Young Persons	Conduct meetings with the Young Persons advisory group.	Conduct 4 meetings with the Young Persons advisory group.

GOAL III. Operate Efficiently and Transparently.

	Priority Objective	Performance Indicator	Performance Measurement
1	Ensure Transparent Governance	Percentage of Committee and Board meeting agendas with materials made available to the public one week prior to the meeting.	100% of Committee and Board meeting agendas with materials made available to the public one week prior to the meeting.
2	Ensure Transparent Governance	Percentage of Stakeholder and Working Group meeting agendas with materials made available to the public one week prior to the meeting.	100% of Stakeholder and Working Group meeting agendas with materials made available to the public 72 hours prior to the meeting.
3	Maintain a Well Informed Staff	Number of all staff information sessions offered and conducted.	Offer and conduct 10 information sessions/training for all staff.
4	Partner with Public Agencies, Stakeholder Groups, & Business	Number of meetings with Permit Streamlining Task Force subcommittee and stakeholders.	Conduct 4 meetings of the Permit Streamlining Task Force subcommittee and stakeholders.
5	IT Systems Improvements	Number of completed Enterprise GIS improvement projects.	Complete the remaining 6 of the 15 Enterprise GIS projects identified in the Enterprise GIS Implementation Plan.
6	Timely Financial Monitoring	Timely budgetary financial reporting.	Submit quarterly budgetary financial reports to the Governing Board within 6 working days of the end of the quarter.
7	Implement Cloud Office Suite	Percentage of staff migrated to a particular cloud office service.	Migrate 100% of staff to cloud office email service.

PROGRAM CATEGORIES

ADVANCE CLEAN AIR TECHNOLOGY

Identify technologies from anywhere in the world that may have application in reducing emissions from mobile and stationary sources in the SCAQMD's jurisdiction. Suggest strategies to overcome any barriers and, when appropriate, implement those strategies.

- (A) Identify short-term and long-term technical barriers to the use of low-emission clean fuels and transportation technologies.
- (B) Promote development and assess the use of clean fuels and low-emitting technologies.
- (C) Work with industry to promote research and development in promising low-emission technologies and clean fuels.
- (D) Provide technical and program support to the Mobile Source Air Pollution Reduction Review Committee (MSRC).
- (E) Conduct source tests and analysis of samples to assess effectiveness of low-emissions technology.
- (F) Implement and administer state-funded programs such as the Carl Moyer program for retrofitting, re-powering, or replacing diesel engines with newer and cleaner engines and the Proposition 1B program that provides funding for projects to reduce air pollution associated with freight movement along California's trade corridors.

ENSURE COMPLIANCE WITH CLEAN AIR RULES

Ensure compliance with SCAQMD rules for existing major and small stationary sources.

- (A) Verify compliance with SCAQMD rules through inspections, sample collections, Visible Emissions Evaluations, certification of Continuous Emission Monitoring Systems (CEMS), and emissions audits.
- (B) Issue Notices of Violation for major violations when discovered or a Notice to Comply for minor violations or to request records.
- (C) Respond to and resolve public complaints concerning air pollution.
- (D) Participate in Hearing Board cases, investigate breakdowns and notifications of demolitions or renovations of structures which may contain asbestos, conduct periodic monitoring, and observe source tests.
- (E) Respond to industrial and chemical emergencies when requested by other agencies.
- (F) Provide training classes for compliance with various SCAQMD rules such as Gasoline Transfer and Dispensing (Rule 461), Asbestos Demolition and Renovation (Rule 1403), Chrome Plating Operations (Rule 1469), Fugitive Dust Plans (Rule 403 & 403.1), Sump and Wastewater Separators (Rule 1176) and Combustion Gas Portable Analyzer Training & Certification (Rules 1146, 1146.1 & 1110.2).

PROGRAM CATEGORIES

CUSTOMER SERVICE AND BUSINESS ASSISTANCE

Support local government, businesses, and the general public.

- (A) Provide local government, business and the public with accesses and input into the regulatory and policy processes of the SCAQMD.
- (B) Assist cities and others with AB 2766 projects.
- (C) Interact with local, state and federal agencies as well as others to share air quality information, resolve jurisdictional questions, and implement joint programs.
- (D) Support air pollution reduction through implementation of comprehensive public information, legislative and customer service programs.
- (E) Provide small business assistance services and support economic development and business retention activities.
- (F) Make presentations to and meet with regulated organizations, individuals, public agencies and the media.
- (G) Notify all interested parties of upcoming changes to air quality rules and regulations through public meetings, workshops, and printed and electronic information.
- (H) Resolve permit- and fee-related problems and provide technical assistance to industry.
- (I) Respond to Public Records Act requests.
- (J) Produce brochures, newsletters, television, radio and print media information and materials, and digital information.
- (K) Respond to letters and Internet inquiries from the public and to media inquiries and requests.

DEVELOP PROGRAMS TO ACHIEVE CLEAN AIR

Develop a regional Air Quality Management Plan (AQMP) to achieve federal and state ambient air quality standards and to meet all other requirements of the federal and California Clean Air Acts.

- (A) Analyze air quality data and provide an estimation of pollutant emissions by source category.
- (B) Develop pollutant control strategies and project future air quality using computer models and statistical analysis of alternative control scenarios.
- (C) Analyze issues pertaining to air toxics, acid deposition, and potential socioeconomic and environmental impacts (CEQA) of SCAQMD plans and regulations.
- (D) Conduct outreach activities to solicit public input on proposed control measures.
- (E) Implement Rule 2202 On-Road Motor Vehicle Mitigation Options and process employee commute reduction program submittals and registrations. Provide one-on-one assistance to employers to ensure compliance with the rule.

PROGRAM CATEGORIES

DEVELOP PROGRAMS TO ACHIEVE CLEAN AIR (Cont.)

- (F) Develop and update emissions inventories; conduct in-house auditing of annual emission reports; conduct field audits.

DEVELOP RULES TO ACHIEVE CLEAN AIR

Develop emission reduction regulations for sulfur dioxide, nitrogen dioxide, organic gases, particulate matter, toxics, and other pollutants to implement the regional AQMP, Tanner Air Toxics Process (AB 1807), National Emission Standards for Hazardous Air Pollutants (NESHAPS), and Prevention of Significant Deterioration (PSD) requirements.

- (A) Provide an assessment of control technologies, evaluation of control cost, source testing and analysis of samples to determine emissions.
- (B) Test and analyze products and processes to demonstrate pollution reduction potential.
- (C) Solicit public input through meetings and workshops.
- (D) Prepare rules to provide flexibility to industry, ensure an effective permit program and increase rule effectiveness.
- (E) Evaluate effectiveness of area source rules, evaluate area source emission inventories, and propose new rules or amendments to improve implementation of area source programs, including the certification/registration of equipment, and as necessary pursuant to statewide regulatory requirements.
- (F) Implement the AQMP. Develop feasibility studies and control measures.
- (G) Conduct research and analyze health effects of air pollutants and assess the health implications of pollutant reduction strategies.

MONITORING AIR QUALITY

Operate and maintain within SCAQMD's jurisdiction a network of air quality monitoring sites for ozone, nitrogen oxides, sulfur oxides, particulate matter, carbon monoxide and other pollutants to obtain data regarding public exposure to air contaminants.

- (A) Analyze, summarize, and report air quality information generated from the monitoring sites.
- (B) Provide continuous records for assessment of progress toward meeting federal and state air quality standards.
- (C) Develop and prepare meteorological forecasts and models.
- (D) Respond to emergency requests by providing technical assistance to first-response public safety agencies.

PROGRAM CATEGORIES

MONITORING AIR QUALITY (Cont.)

- (E) Notify the public, media, schools, regulated industries and others whenever predicted or observed levels exceed the episode levels established under state law.
- (F) Conduct special studies such as MATES V, National Air Toxics Trends (NATTS), Near Road NO₂ Monitoring, and Photochemical Assessment Monitoring Stations (PAMS).
- (G) Conduct measurement activities to identify and monitor potential sources of all toxics including high-risk facilities under the Community Air Toxics Initiative (CATI).
- (H) Evaluate and deploy low-cost sensors to monitor air pollution within communities of the South Coast Air Basin.
- (I) Assess the ability of optical remote sensing technology to characterize and quantify emissions from refineries and other sources, and to serve as a useful tool for enhancing existing leak detection and repair programs.

OPERATIONAL SUPPORT

Provide operational support to facilitate overall air quality improvement programs.

- (A) Provide services that enable SCAQMD offices to function properly. Services include facility administration, human resources and financial services.
- (B) Provide information management services in support of all SCAQMD operations, including automation of permitting and compliance records, systems analysis and design, computer programming and operations, records management, and the library.
- (C) Provide legal support and representation on all policy and regulatory issues and all associated legal actions.

TIMELY REVIEW OF PERMITS

Ensure timely processing of permits for new sources based on compliance with New Source Review and other applicable local, state and federal air quality rules and regulations.

- (A) Process applications for Permits to Construct and/or to Operate for new construction, modification and change of conditions for major and non-major sources.
- (B) Process Title V permits (Initial, Renewal, and Revisions) and facility permits for RECLAIM sources.
- (C) Process applications for Administrative Changes, Change of Operator, Plans, Emission Reductions Credits (ERCs) and RECLAIM Trading Credits (RTCs).

PROGRAM CATEGORIES

TIMELY REVIEW OF PERMITS (Cont.)

- (D) Continue efforts to streamline and expedite permit issuance through:
 - (1) Equipment certification/registration programs
 - (2) Streamlined standard permits
 - (3) Enhancement of permitting systems (including electronic permitting)
 - (4) Expedited Permit Processing Program
 - (5) Maintaining adequate staff resources
 - (6) Improved training
 - (7) Revisiting policies and rules

POLICY SUPPORT

Monitor, analyze and attempt to influence the outcome of state/federal legislation.

- (A) Track changes to the state/federal budgets that may affect SCAQMD.
- (B) Respond to Congressional and Senatorial inquiries regarding SCAQMD programs, policies or initiatives.
- (C) Assist SCAQMD consultants in identifying potential funding sources and securing funding for SCAQMD programs.
- (D) Provide support staff to the Governing Board, Board committees, and various advisory and other groups including but not limited to: the Air Quality Management Plan Advisory Group, the Environmental Justice Advisory Group, the Home Rule Advisory Group, the Local Government and Small Business Assistance Advisory Group, the Mobile Source Air Pollution Reduction Review Committee (MSRC) and MSRC Technical Advisory Committee, the Scientific, Technical and Modeling Peer Review Advisory Group, the Technology Advancement Advisory Group, as well as ad hoc committees established from time to time and various Rule working groups.

REVENUE CATEGORIES

I. **Allocatable**

A portion of SCAQMD revenue offsets operational support costs of the SCAQMD.

1a Allocatable SCAQMD: District-wide administrative and support services (e.g., Human Resources, Payroll, Information Management).

1b Allocatable Office: Administrative activities specific to a division/office.

II. **Annual Operating Emissions Fees**

III. **Permit Processing Fees**

IV. **Annual Operating Permit Renewal Fees**

V. **Federal Grants/Other Federal Revenue**

VI. **Source Test/Sample Analysis Fees**

VII. **Hearing Board Fees**

VIII. **Clean Fuels Fees**

IX. **Mobile Sources**

X. **Air Toxics AB 2588**

XI. **Transportation Programs**

XII - XIV. These revenue categories are no longer used.

XV. **California Air Resources Board Subvention/State Grants**

XVI. This revenue category is no longer used.

XVII. **Other Revenue**

XVIII. **Area Sources**

XIX. **Portable Equipment Registration Program (PERP)**

For a description of the revenue categories listed above, please refer to the corresponding revenue account in the FUND BALANCE & REVENUES section, "Explanation of Revenue Sources" within this document.

WORK PROGRAM OVERVIEW

The Work Program is a management tool that allocates resources by Office, Program Category, and project. It is developed from Program Output Justification forms prepared during the budget process by each Office. Work Programs for each Office can be found in the “OFFICE BUDGETS” section of this document. Work Programs by Program Category are within the following pages. A glossary of terms and acronyms used in the Work Programs are at the end of this section.

Professional & Special Services, Temporary Agency Services, and Capital Outlays expenditures are assigned to specific Work Program Codes associated with the project the expenditures support. All other expenditures (Salaries and Benefits and most Services and Supplies line items) are distributed within an Office by Full-Time Equivalent (FTE). A prorated share of the District General Budget has been allocated to each line in the work program based on the number of FTEs reflected on the line.

The following is a brief description of each column in the Work Program:

The # column identifies each line in the Work Program in numerical order.

The **Program Code** is a five-digit code assigned to each program. The first two digits represent the Office. The last three digits are the Program.

The **Goal** column identifies which of the three Program Goals (defined in the Draft Goals and Priority Objectives) applies to that output. The Goals are:

GOAL I **Achieve Clean Air Standards.**

GOAL II **Enhance Public Education and Equitable Treatment for All Communities.**

GOAL III **Operate Efficiently and Transparently.**

The **Office** column, which appears on the Work Program by Category document, identifies the Office responsible for performing the work.

The **Program Category** column, which appears on the Work Program by Office document, identifies one of the nine Program Categories associated with an activity.

The **Program** column identifies the Program associated with the work.

The **Activities** column provides a brief description of the work.

The **FTEs** column identifies the number of Full Time Equivalent staff positions in the current-year adopted budget, mid-year and proposed changes (+/-), and the proposed budget for the next fiscal year. An FTE position represents one person-year.

The **Expenditures** column, found in the Work Program by Category document, identifies the expenditures in the current-year adopted budget, proposed changes (+/-) and the proposed budget for the next fiscal year.

The **Revenue Category** column identifies the revenue that supports the work. Revenue Category titles can be found within this section and revenue descriptions are in the FUND BALANCE & REVENUES section, “Explanation of Revenue Sources” within this document.

**Advance Clean Air Technology
Work Program by Category**

#	Program Code	Goal	Office	Program	Activities	FTEs FY 2017-18	+/-	FTEs FY 2018-19	Expenditures FY 2017-18	+/-	Expenditures FY 2018-19	Revenue Categories
1	08 001	I	LEG	AB2766/Mob Src/Legal Advice	AB2766 Leg Adv: Trans/Mob Source	0.05	0.00	0.05	\$ 10,603	\$ 154	\$ 10,757	IX
2	04 003	III	FIN	AB2766/MSRC	MSRC Program Administration	0.35	0.00	0.35	52,494	771	53,265	IX
3	08 003	I	LEG	AB2766/MSRC	Legal Advice: MSRC Prog Admin	0.15	-0.05	0.10	31,809	(10,294)	21,514	IX
4	44 003	I	STA	Advisory Group/Small Business	Mob Src Review Comm Prog Admin	0.50	0.00	0.50	82,134	4,360	86,494	IX
5	44 004	I	STA	AB2766/MSRC/Contract Admin	AB2766 Admin Discretionary Prog	3.00	0.00	3.00	492,806	26,159	518,965	IX
6	44 012	I	STA	AQMP/Control Tech Assessment	Tech Supp: Quantify Cost Effec	0.10	0.90	1.00	16,427	156,562	172,988	VIII
7	04 030	I	FIN	AB 134	AB 134	0.00	2.00	2.00	-	304,372	304,372	IX
8	08 030	I	LEG	AB 134	AB 134	0.00	2.00	2.00	-	430,288	430,288	IX
9	44 030	I	STA	AB 134	AB 134	0.00	6.00	6.00	-	1,037,931	1,037,931	IX
10	44 039	I	STA	Admin/Office Mgt/Tech Adv	Admin Support/Coordination	0.77	0.00	0.77	126,487	6,714	133,201	VIII
11	44 048	I	STA	Admin/Prog Mgmt/Tech Advance	Overall TA Program Mgmt/Coord	1.55	0.00	1.55	254,617	13,516	268,132	VIII
12	44 066	I	STA	AQIP Marine SCR DPF	AQIP Marine SCR DPF/Admin/Impl	0.15	-0.15	0.00	24,640	(24,640)	-	IX
13	44 095	I	STA	CA Natural Gas Veh Partnership	CA Natural Gas Veh Partnership	0.05	0.05	0.10	8,213	9,085	17,299	VIII
14	04 130	III	FIN	Clean Fuels/Contract Admin	Clean Fuels Contract Admin/Monitor	0.15	0.00	0.15	22,497	331	22,828	VIII
15	44 130	I	STA	Clean Fuels/Contract Admin	Admin/Project Supp for TA Cont	3.40	1.00	4.40	558,514	202,635	761,149	VIII
16	08 131	I	LEG	Clean Fuels/Legal Advice	Legal Advice: Clean Fuels	0.05	0.10	0.15	10,603	21,669	32,272	VIII
17	44 132	I	STA	Clean Fuels/Mobile Sources	Dev/Impl Mobile Src Proj/Demo	6.00	-4.50	1.50	2,270,613	(726,130)	1,544,483	VIII
18	44 134	I	STA	Clean Fuels/Stationary Combust	Dev/Demo Clean Combustion Tech	0.50	-0.20	0.30	82,134	(30,238)	51,897	VIII
19	44 135	I	STA	Clean Fuels/Stationary Energy	Dev/Demo Alt Clean Energy	0.55	0.00	0.55	90,348	4,796	95,144	VIII
20	44 136	I	STA	Clean Fuels/Tech Transfer	Disseminate Low Emiss CF Tech	1.25	1.06	2.31	205,336	194,267	399,603	VIII
21	44 187	I	STA	DERA Sch Bus Repl	DERA Sch Bus Repl Admin/Impl	0.03	0.00	0.03	4,928	262	5,190	V
22	44 188	I	STA	DERA FY 13 Veh Repl	DERA Vehicle Repl Admin/Impl	0.20	-0.10	0.10	32,854	(15,555)	17,299	XVII
23	44 190	I	STA	Diesel Projects EPA	Diesel Projects EPA/Admin/Impl	0.11	0.00	0.11	18,070	959	19,029	V
24	44 203	I	STA	EFMP Program Support	EFMP Program Support	1.19	3.81	5.00	195,480	669,462	864,942	XVII
25	44 356	I	STA	GGRF ZEDT Demo	GGRF ZEDT Demo Admin	1.10	-0.10	1.00	180,696	(7,707)	172,988	XVII
26	44 361	I	STA	HD Trucks DOE ARRA	DOE HD Trucks Admin (ARRA)	2.00	-2.00	0.00	328,538	(328,538)	-	V,XVII
27	44 453	I	STA	Mob Src: Emiss Inven Method	Rvw CARB/US EPA emissions inven methodology	1.50	0.00	1.50	246,403	13,080	259,483	VIII,IX
28	04 457	III	FIN	Mobile Source/Moyer Adm	Carl Moyer: Contract/Fin Admin	1.02	0.00	1.02	152,982	2,248	155,230	IX
29	08 457	I	LEG	Mob Src/C Moyer/Leg Advice	Moyer/Implem/Program Dev	0.10	0.00	0.10	21,206	309	21,514	IX
30	16 457	I	AHR	MS/Carl Moyer Admin	C Moyer/Contractor Compliance	0.10	0.00	0.10	18,663	438	19,101	IX
31	44 457	I	STA	Mob Src/C Moyer Adm/Outreach	Carl Moyer: Impl/Admin Grant	11.15	1.00	12.15	1,906,597	270,213	2,176,810	IX
32	44 459	I	STA	Mob Src/C Moyer/Impl/Prg Dev	Moyer/Implem/Program Dev	2.80	0.20	3.00	459,952	59,013	518,965	IX
33	44 460	I	STA	VIP Admin	VIP Admin/Outreach/Impl	0.80	-0.30	0.50	131,415	(44,921)	86,494	IX
34	44 497	I	STA	Plug-in Hybrid EV DOE ARRA	DOE Plug-in Hybrid EV Admin (ARRA)	0.75	-0.75	0.00	123,202	(123,202)	-	V
35	44 533	I	STA	POLB AMECS Demo	POLB AMECS Demo-Admin/Impl	0.47	0.00	0.47	77,206	4,098	81,305	XVII
36	04 542	I	FIN	Prop 1B:Goods Movement	Contracts/Finance Admin	0.50	0.00	0.50	74,991	1,102	76,093	IX
37	16 542	I	AHR	Prop 1B:Goods Movement	Prop 1B: Goods Movement	0.10	0.00	0.10	18,663	438	19,101	IX
38	04 544	I	FIN	Prop 1B:Low Emiss Sch Bus	Grants/Finance Admin	0.05	0.00	0.05	7,499	110	7,609	IX
39	44 677	I	STA	School Bus/Lower Emission Prog	School Bus Program Oversight	0.70	0.80	1.50	114,988	144,495	259,483	IX
40	26 738	I	PRA	Target Air Shed EPA	Targeted Air Shed Admin/Impl	0.25	-0.25	0.00	43,023	(43,023)	-	V,XVII
41	44 738	I	STA	Target Air Shed EPA	Targeted Air Shed Admin/Impl	0.15	0.35	0.50	24,640	61,854	86,494	V,XVII
42	44 740	I	STA	Tech Adv/Commercialization	Assess Cfs/Adv Tech Potential	0.25	0.00	0.25	41,067	2,180	43,247	VIII
43	44 741	I	STA	Tech Adv/Non-Combustion	Dev/Demo Non-Combustion Tech	0.10	0.90	1.00	16,427	156,562	172,988	VIII
44	44 816	I	STA	Transportation Research	Transport Research/Adv Systems	0.50	0.00	0.50	82,134	4,360	86,494	VIII

Total Advance Clean Air Technology

44.49	11.77	56.26	\$ 8,661,899	\$ 2,450,544	\$ 11,112,443
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A prorated share of the District General Budget has been allocated to each line in the work program based on the number of FTEs reflected on the line.

**Customer Service and Business Assistance
Work Program by Category**

#	Program Code	Goal	Office	Program	Activities	FTEs	+/-	FTEs	Expenditures	+/-	Expenditures	Revenue Categories	
						FY 2017-18		FY 2018-19	FY 2017-18		FY 2018-19		
1	04	002	III	FIN	AB2766/Mobile Source	Prog Admin: Monitor/Dist/Audit	0.10	0.00	0.10	\$ 14,998	\$ 10,220	\$ 25,219	IX
2	26	007	I	PRA	AB2766/MSRC	AB2766 Prov Tech Asst to Cities	1.22	-0.02	1.20	209,951	6,212	216,164	IX
3	35	037	I	LPA	AB 617-Outreach	AB 617-Outreach	0.00	2.00	2.00	-	356,935	356,935	XV
4	50	038	I	EP	Admin/Office Management	Dev/Coord Goals/Policies/Overs	1.00	2.00	3.00	176,160	359,296	535,456	Ib
5	60	038	III	CE	Admin/Office Budget	Dev/Coord Goals/Policies/Overs	6.00	1.00	7.00	890,304	206,490	1,096,794	Ib
6	35	046	III	LPA	Admin/Prog Mgmt	Admin Office/Units/SuppCoord Staff	4.02	0.00	4.02	693,948	23,490	717,438	Ib
7	50	047	I	EP	Admin/Operations Support	Budget/Contracts/Reports/Projects	2.00	1.00	3.00	342,820	195,136	537,956	Ib
8	60	047	I	CE	Admin/Operations Support	Budget/Contracts/Reports/Projects	6.00	-1.10	4.90	892,804	(121,948)	770,856	Ib
9	35	126	II	LPA	Clean Air Connections	Coord of region-wide community group	1.00	0.00	1.00	172,624	5,843	178,467	II,IX
10	04	170	I	FIN	Billing Services	Answer/Resp/Resolv Prob & Inq	8.00	0.00	8.00	1,215,360	17,628	1,232,987	II,III,IV
11	50	200	I	EP	Economic Dev/Bus Retention	Perm Proc/Public Participation	0.10	0.00	0.10	17,016	833	17,849	III
12	35	205	II	LPA	Environmental Education	Curriculum Dev/Project Coord	0.25	0.00	0.25	43,156	1,461	44,617	II,IX,XV
13	26	216	I	PRA	AER Public Assistance	AER Design/Impl/Monitor Emiss	2.00	-2.00	0.00	344,183	(344,183)	-	II
14	35	240	I	LPA	Environmental Justice	Impl Board's EJ Pgrms/Policies	2.00	0.00	2.00	345,248	11,687	356,935	II,IV
15	04	260	III	FIN	Fee Review	Cmte Mtg/Fee-Related Complaint	0.10	0.00	0.10	14,998	220	15,219	II,III,IV,XV
16	35	260	III	LPA	Fee Review	Cmte Mtg/Fee-Related Complaint	0.50	0.00	0.50	86,312	2,922	89,234	II,III,IV,XV
17	50	260	III	EP	Fee Review	Fee Review Committee	0.45	0.00	0.45	76,572	3,746	80,318	II,III,IV
18	04	355	III	FIN	Grants Management	Grant Anlyz/Eval/Negot/Acc/Rpt	1.00	0.00	1.00	149,982	2,203	152,186	IV,V,XV
19	35	381	III	LPA	Interagency Liaison	Interact Gov Agns/Promote SCAQMD	0.15	0.00	0.15	25,894	876	26,770	Ia,XV
20	35	390	I	LPA	Intergov/Geographic Deployment	Dev/Impl Local Govt Outreach	9.50	1.00	10.50	1,677,928	233,979	1,911,907	II,IX
21	08	404	I	LEG	Legal Rep/Legislation	Draft Legis/SCAQMD Position/Mtgs	0.25	0.00	0.25	53,015	771	53,786	II,IX
22	50	425	I	EP	Lobby Permit Services	Supp Perm Proc/Customer Svc	1.00	0.00	1.00	170,160	8,325	178,485	III
23	27	481	III	IM	New System Development	Dev sys in supp of Dist-wide	1.75	0.00	1.75	357,792	17,914	375,706	Ia,III
24	03	490	II	EO	Outreach	Publ Awareness Clean Air Prog	0.97	0.00	0.97	313,039	(8,014)	305,025	Ia
25	35	491	II	LPA	Outreach/Business	Chambers/Business Meetings	1.00	0.00	1.00	172,624	5,843	178,467	II,IV
26	35	492	II	LPA	Public Education/Public Events	Pub Events/Conf/Rideshare Fair	1.00	0.00	1.00	582,624	5,843	588,467	II,V,IX,XV
27	60	492	II	CE	Outreach/Business	Pub Events/Conf/Rideshare Fair	0.20	0.00	0.20	29,610	1,670	31,280	IX
28	35	496	II	LPA	Outreach/Visiting Dignitary	Tours/Briefings-Dignitary	0.25	0.00	0.25	43,156	1,461	44,617	Ia
29	35	514	I	LPA	Permit: Expired Permit Program	Assist w Permit Reinstatement	0.30	0.00	0.30	51,787	1,753	53,540	IV
30	50	520	I	EP	Perm Proc/Pre-Appl Mtg Outreac	Pre-App Mtgs/Genl Prescreening	1.00	0.00	1.00	170,160	8,325	178,485	III
31	16	540	III	AHR	Print Shop	Printing/Collating/Binding	4.00	0.00	4.00	757,526	44,282	801,808	Ia
32	35	555	II	LPA	Public Information Center	Inform public of unhealthy air	1.00	0.00	1.00	262,624	5,843	268,467	II,V,IX
33	03	565	III	EO	Public Records Act	Comply w/ Public Req for Info	0.01	0.00	0.01	3,227	(83)	3,145	Ia
34	04	565	I	FIN	Public Records Act	Comply w/ Public Rec Requests	0.02	0.00	0.02	3,000	44	3,044	Ia
35	08	565	III	LEG	Public Records Act	Comply w/ Public Rec Requests	1.50	0.00	1.50	318,088	4,628	322,716	Ia
36	16	565	III	AHR	Public Records Act	Comply w/ Public Rec Requests	0.05	0.00	0.05	9,332	219	9,551	Ia
37	17	565	III	CB	Public Records Act	Comply w/ Public Rec Requests	0.02	0.00	0.02	4,477	355	4,832	Ia
38	26	565	III	PRA	Public Records Act	Comply w/ Public Rec Requests	0.57	0.25	0.82	98,092	49,620	147,712	Ia
39	27	565	III	IM	Public Records Act	Comply w/ Public Req for Info	4.75	0.00	4.75	887,550	48,625	936,175	Ia
40	35	565	III	LPA	Public Records Act	Comply w/ Public Req for Info	0.10	0.00	0.10	17,262	584	17,847	Ia

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**Customer Service and Business Assistance (Cont.)
Work Program by Category**

#	Program Code		Goal	Office	Program	Activities	FTEs	+/-	FTEs	Expenditures	+/-	Expenditures	Revenue Categories
	FY 2017-18	FY 2018-19					FY 2017-18		FY 2018-19				
41	44	565	III	STA	Public Records Act	Comply w/ Public Req for Info	0.17	0.00	0.17	\$ 27,926	\$ 1,482	\$ 29,408	Ia
42	50	565	III	EP	Public Records Act	Comply w/ Public Req for Info	0.25	0.00	0.25	42,540	2,081	44,621	Ia
43	60	565	III	CE	Public Records Act	Comply w/ Public Req for Info	2.00	1.00	3.00	296,101	173,096	469,198	Ia
44	04	631	III	FIN	Cash Mgmt/Refunds	Research/Doc/Prep/Proc Refunds	0.30	0.00	0.30	44,995	661	45,656	III,IV,XI
45	35	679	III	LPA	Small Business Assistance	Small Business/Financial Assistance	1.00	0.00	1.00	172,624	5,843	178,467	III
46	08	681	III	LEG	Small Business/Legal Advice	Legal Advice: SB/Fee Review	0.05	0.00	0.05	10,603	154	10,757	II,III
47	50	690	I	EP	Source Education	Prov Tech Asst To Industries	2.80	0.00	2.80	476,448	23,311	499,759	III,IV,V,XV
48	60	690	I	CE	Source Education	Prov Tech Asst To Industries	0.40	0.00	0.40	59,220	3,339	62,560	III,IV,V,XV
49	44	701	I	STA	Source Testing/Customer Svc	Conduct ST/Prov Data/Cust Svc	0.05	0.00	0.05	8,213	436	8,649	VI
50	44	709	I	STA	VOC Sample Analysis/SBA/Other	VOC Analysis & Reptg/Cust Svc	0.50	0.00	0.50	82,134	4,360	86,494	VI
51	35	710	I	LPA	Speakers Bureau	Coordinate/conduct speeches	0.10	0.00	0.10	17,262	584	17,847	Ia
52	16	720	I	AHR	Subscription Services	Rule & Gov Board Materials	1.70	0.00	1.70	317,274	7,451	324,725	IV,XVII
53	35	791	I	LPA	Toxics/AB2588	Outreach/AB 2588 Air Toxics	0.01	0.00	0.01	1,726	58	1,785	X
54	26	833	II	PRA	Rule 2202 ETC Training	Rule 2202 ETC Training	0.93	0.02	0.95	185,045	6,085	191,130	XI

Total Customer Service & Business Assistance	75.39	5.15	80.54	\$ 13,437,515	\$ 1,400,002	\$ 14,837,517
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**Develop Programs
Work Program by Category**

#	Program Code	Goal	Office	Program	Activities	FTEs	+/-	FTEs	Expenditures	+/-	Expenditures	Revenue	
						FY 2017-18		FY 2018-19	FY 2017-18		FY 2018-19	Categories	
1	26	002	I	PRA	AB2766/Mobile Source	AB2766 Mobile Source Outreach	1.04	0.01	1.05	\$ 178,975	\$ 10,168	\$ 189,143	IX
2	04	009	I	FIN	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	0.13	0.00	0.13	19,498	286	19,784	XVII
3	08	009	I	LEG	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	0.05	-0.05	0.00	10,603	(10,603)	-	XVII
4	26	009	I	PRA	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	0.30	-0.30	0.00	51,627	(51,627)	-	XVII
5	44	009	I	STA	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	0.75	0.00	0.75	123,202	6,540	129,741	XVII
6	03	010	I	EO	AQMP	Develop/Implement AQMP	0.05	0.00	0.05	16,136	(413)	15,723	II,IX
7	08	010	I	LEG	AQMP	AQMP Revision/CEQA Review	0.20	-0.10	0.10	42,412	(20,897)	21,514	II,IV,IX
8	26	010	I	PRA	AQMP	AQMP Special Studies	2.00	-1.90	0.10	352,183	(326,169)	26,014	IV,V,IX,XV
9	03	028	I	EO	Admin/SCAQMD Policy	Dev/Coord Goals/Policies/Overs	0.44	0.00	0.44	291,997	(3,635)	288,362	Ia
10	26	033	I	PRA	AB 617-Em Inventory	AB 617-Em Inventory	0.00	0.50	0.50	-	90,068	90,068	XV
11	26	034	I	PRA	AB 617-Em Reduc Plns	AB 617-Em Reduc Plns	0.00	0.50	0.50	-	90,068	90,068	XV
12	26	038	I	PRA	Admin/Office Management	Coordinate Off/Admin Activities	4.55	0.00	4.55	783,016	36,605	819,620	Ib
13	26	068	II	PRA	SCAQMD Projects	Prepare Environmental Assessments	3.35	0.00	3.35	766,506	11,951	778,457	II,IV,IX
14	44	069	I	STA	AQIP Evaluation	AQIP Contract Admin/Evaluation	0.65	-0.15	0.50	106,775	(20,280)	86,494	IX
15	26	102	II	PRA	CEQA Document Projects	Review/Prepare CEQA Comments	3.50	0.25	3.75	602,320	73,191	675,511	II,IX
16	26	104	I	PRA	CEQA Policy Development	ID/Develop/Impl CEQA Policy	1.20	-0.70	0.50	216,510	(101,441)	115,068	IV,IX
17	26	128	I	PRA	Cln Communities Pln	Cln Communities Plan Admn/Impl	0.25	0.00	0.25	43,023	2,011	45,034	II,IX
18	26	217	I	PRA	Emissions Inventory Studies	Dev Emiss DB/Dev/Update Emiss	0.70	-0.20	0.50	120,464	(30,396)	90,068	II,V,IX,XV
19	26	218	I	PRA	AQMP/Emissions Inventory	Dev Emiss Inv: Forecasts/RFPs	1.30	-0.56	0.74	223,719	(90,418)	133,301	II,IX
20	26	219	I	PRA	Emissions Field Audit	Emissions Field Audit	0.50	-0.50	0.00	86,046	(86,046)	-	II
21	44	396	I	STA	Lawnmower Exchange	Lawn Mower Admin/Impl/Outreach	0.30	0.00	0.30	49,281	2,616	51,897	XVII
22	26	397	II	PRA	Lead Agency Projects	Prep Envrnmt Assmts/Perm Proj	1.75	0.75	2.50	301,160	149,181	450,341	III
23	26	448	I	PRA	Mobile Src Strategies-Off Road	CARB Off-Road Mob Src ctrl strategy for SIP	1.00	-1.00	0.00	172,091	(172,091)	-	XVII
24	26	451	I	PRA	Mob Src/CARB/EPA Monitoring	CARB/US EPA Mob Src Fuel Policies	1.50	-1.00	0.50	258,137	(168,069)	90,068	IX
25	26	452	I	PRA	Mob Src/CEC/US DOE Monitoring	CEC/US DOE Mob Src rulemaking proposals	1.00	-0.50	0.50	172,091	(82,023)	90,068	IX,XVII
26	44	458	I	STA	Mobile Source Strategies	Implement Fleet Rules	1.00	0.00	1.00	164,269	8,720	172,988	VIII
27	26	503	I	PRA	PM Strategies	PM10 Plan/Analyze/Strategy Dev	3.40	0.00	3.40	585,111	27,353	612,464	II,V,XV
28	44	542	I	STA	Prop 1B:Goods Movement	Prop 1B:Goods Movement	9.70	-0.70	9.00	1,893,407	(36,511)	1,856,896	IX
29	35	560	I	LPA	Public Notification	Public notif of rules/hearings	0.50	0.00	0.50	106,312	2,922	109,234	II,IV,IX
30	26	685	I	PRA	Socio-Economic	Apply econ models/Socio-econ	4.10	0.40	4.50	1,185,575	(113,661)	1,071,913	II,IV
31	44	702	I	STA	ST Methods Development	Eval ST Methods/Validate	0.95	0.00	0.95	156,055	8,284	164,339	II
32	44	705	I	STA	ST Sample Analysis/Air Program	Analyze ST Samples/Air Prgms	0.25	0.00	0.25	41,067	2,180	43,247	II
33	26	745	I	PRA	Rideshare	Dist Rideshare/Telecommute Prog	0.61	0.07	0.68	104,976	17,517	122,493	IX
34	26	816	I	PRA	Transportation Regional Progs	Dev AQMP Meas/Coord w/Reg Agn	0.35	0.00	0.35	60,232	77,816	138,048	V,IX
35	26	834	I	PRA	Rule 2202 Implement	Rule 2202 Proc/Sub Plans/Tech Eval	2.55	0.12	2.67	438,833	42,131	480,964	XI
36	26	836	I	PRA	Rule 2202 Support	R2202 Supt/CmptrMaint/WebSubmt	2.59	0.06	2.65	460,717	31,645	492,361	V,XI

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Total Develop Programs

52.51	(5.00)	47.51	\$ 10,184,322	\$ (623,030)	\$ 9,561,292
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A prorated share of the District General Budget has been allocated to each line in the work program based on the number of FTEs reflected on the line.

**Develop Rules
Work Program by Category**

#	Program Code	Goal	Office	Program	Activities	FTEs	+/-	FTEs	Expenditures	+/-	Expenditures	Revenue Categories	
						FY 2017-18		FY 2018-19	FY 2017-18		FY 2018-19		
1	26	031	I	PRA	AB 617-BARCT Rules	AB 617-BARCT Rules	0.00	11.40	11.40	\$ -	\$ 2,053,554	\$ 2,053,554	XV
2	26	035	I	PRA	AB 617-General	AB 617-General	0.00	1.60	1.60	-	288,218	288,218	XV
3	44	043	I	STA	Admin/Office Mgmt/Rules	Rules: Assign/Manage/Supp	0.15	0.00	0.15	24,640	1,308	25,948	Ib
4	26	050	I	PRA	Admin/Rule Dev/PRA	Admin: Rule Development	0.60	0.50	1.10	103,255	94,895	198,150	Ib
5	26	071	I	PRA	Arch Ctgs - Admin	Rdev/Aud/DB/TA/SCAQMD/Rpts/AER	1.10	-0.10	1.00	189,301	(9,164)	180,136	XVIII
6	26	077	I	PRA	Area Sources/Rulemaking	Dev/Eval/Impl Area Source Prog	2.05	-0.05	2.00	352,787	7,485	360,273	II,IX
7	26	165	I	PRA	Conformity	Monitor Transp. Conformity	0.25	0.00	0.25	43,023	2,011	45,034	V,IX
8	26	257	I	PRA	Fac Based Mob Src	Facility Based Mobile Src Meas	0.00	5.00	5.00	-	900,682	900,682	IX
9	26	362	II	PRA	Health Effects	Study Health Effect/Toxicology	2.25	0.00	2.25	387,206	18,101	405,307	II,III,IX
10	26	385	I	PRA	Criteria Pollutants/Mob SrCs	Dev/Impl Intercredit Trading	0.75	0.00	0.75	129,069	6,034	135,102	IV,IX
11	26	449	I	PRA	Mob Src/SCAQMD Rulemaking	Prepare SCAQMD Mob Src rulemaking proposals	0.81	1.49	2.30	139,394	274,920	414,314	IX
12	44	456	I	STA	MS & AQMP Control Strategies	AQMP Control Strategies	0.30	0.00	0.30	49,281	2,616	51,897	VIII
13	26	460	I	PRA	Regional Modeling	Rule Impact/Analyses/Model Dev	5.30	-0.90	4.40	1,052,084	(19,484)	1,032,600	II,V,IX
14	50	650	I	EP	Rulemaking	Dev/Amend/Impl Rules	0.25	0.00	0.25	42,540	2,081	44,621	II,XV
15	08	651	I	LEG	Rules/Legal Advice	Legal Advice: Rules/Draft Regs	1.00	0.20	1.20	212,059	46,114	258,173	II
16	44	653	I	STA	Rulemaking/BACT	Dev/Amend BACT Guidelines	2.00	0.00	2.00	328,538	17,439	345,977	II
17	26	654	I	PRA	Rulemaking/NOX	Rulemaking/NOx	2.50	0.00	2.50	430,228	20,112	450,341	II,IV,XV
18	26	655	I	PRA	NSR/Adm Rulemaking	Amend/Develop NSR & Admin Rules	2.50	0.00	2.50	430,228	20,112	450,341	II,IV,V,XV
19	26	656	I	PRA	Rulemaking/VOC	Dev/Amend VOC Rules	5.70	-2.45	3.25	1,030,921	(445,478)	585,443	II,IV,XV
20	44	657	I	STA	Rulemaking/Support PRA	Assist PRA w/ Rulemaking	0.05	0.00	0.05	8,213	436	8,649	II
21	50	657	I	EP	Rulemaking/Support PRA	Provide Rule Development Supp	0.25	0.00	0.25	42,540	2,081	44,621	II,XV
22	60	657	I	CE	Rulemaking/Support PRA	Provide Rule Development Supp	0.50	0.50	1.00	74,025	82,374	156,399	IV,XV
23	26	659	I	PRA	Rulemaking/Toxics	Develop/Amend Air Toxic Rules	9.50	1.50	11.00	1,634,868	346,632	1,981,500	II,XV
24	08	661	I	LEG	Rulemaking/RECLAIM	RECLAIM Legal Adv/Related Iss	0.25	0.25	0.50	53,015	54,557	107,572	II
25	26	661	I	PRA	Rulemaking/RECLAIM	RECLAIM Amend Rules/Related Is	2.50	0.00	2.50	430,228	20,112	450,341	II
26	44	706	I	STA	ST Sample Analysis/Air Program	Analyze ST Samples/Rules	0.25	0.00	0.25	41,067	2,180	43,247	II
27	44	708	I	STA	VOC Sample Analysis/Rules	VOC Analysis & Rptg/Rules	0.25	0.00	0.25	41,067	2,180	43,247	II,XV
28	50	752	I	EP	Title III Rulemaking	Title III Dev/Implement Rules	0.25	0.00	0.25	42,540	2,081	44,621	II,V,XV
29	50	773	I	EP	Title V & NSR Rulemaking-Supp	Title V Rules Dev/Amend/Impl	0.25	0.00	0.25	42,540	2,081	44,621	II
Total Develop Rules							41.56	18.94	60.50	\$ 7,354,657	\$ 3,796,272	\$ 11,150,929	

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**Ensure Compliance
Work Program by Category**

#	Program Code	Goal	Office	Program	Activities	FTEs FY 2017-18	+/-	FTEs FY 2018-19	Expenditures FY 2017-18	+/-	Expenditures FY 2018-19	Revenue Categories	
1	44	015	I	STA	Acid Rain Program	Acid Rain CEMS Eval/Cert	0.50	0.00	0.50	\$ 82,134	\$ 4,360	\$ 86,494	II,IV
2	44	042	I	STA	Admin/Office Mgmt/Compliance	Compliance: Assign/Manage/Supp	0.37	0.00	0.37	60,779	3,226	64,006	Ib
3	60	070	I	CE	CARB PERP Program	CARB Audits/Statewide Equip Reg	5.00	1.00	6.00	740,253	198,142	938,395	XIX
4	08	072	I	LEG	Arch Ctgs - End User	Case Dispo/Rvw, Track, Prep NOV's	0.05	0.00	0.05	10,603	154	10,757	XVIII
5	26	072	I	PRA	Arch Ctgs - End User	Compliance/Rpts/Rule Implementation	0.80	0.00	0.80	137,673	6,436	144,109	XVIII
6	44	072	I	STA	Arch Ctgs - End User	Sample Analysis/Rpts	2.00	0.00	2.00	328,538	17,439	345,977	XVIII
7	08	073	I	LEG	Arch Ctgs - Other	Case Dispo/Rvw, Track, Prep NOV's	0.05	0.00	0.05	10,603	154	10,757	XVIII
8	26	073	I	PRA	Arch Ctgs - Other	Compliance/Rpts/Rule Implementation	0.80	0.00	0.80	137,673	6,436	144,109	XVIII
9	26	076	I	PRA	Area Sources/Compliance	Area Source Compliance	4.70	-0.20	4.50	913,829	(3,216)	910,613	III,IV,V,IX,XV
10	16	080	III	AHR	Auto Services	Vehicle/Radio Repair & Maint	3.00	0.00	3.00	559,895	13,149	573,044	Ia
11	44	105	I	STA	CEMS Certification	CEMS Review/Approval	6.15	0.00	6.15	1,010,253	53,626	1,063,879	II,III,VI
12	35	111	II	LPA	Call Center/CUT SMOG	Smoking Vehicle Complaints	8.00	0.00	8.00	1,380,992	46,747	1,427,738	IX,XV
13	08	115	I	LEG	Case Disposition	Trial/Dispo-Civil Case/Injunct	5.00	-0.25	4.75	1,060,295	(38,361)	1,021,934	II,IV,V,VII,XV
14	60	152	III	CE	Compliance/IM Related Activiti	Assist IM: Design/Review/Test	0.50	0.00	0.50	274,025	7,174	281,200	IV
15	08	154	I	LEG	Compliance/NOV Administration	Review/Track/Prep NOV's/MSAs	1.00	-0.25	0.75	212,059	(50,701)	161,358	IV
16	60	155	I	CE	Compliance Guidelines	Procedures/Memos/Manuals	2.50	-1.00	1.50	370,127	(135,528)	234,599	IV
17	50	156	I	EP	Perm Proc/Info to Compliance	Prov Permit Info to Compliance	3.00	0.00	3.00	510,480	24,976	535,456	III,IV,XV
18	60	157	I	CE	Compliance/Special Projects	Prog Audits/Data Req/Brd Supp	5.00	-2.00	3.00	740,253	(271,056)	469,198	II
19	60	158	I	CE	Compliance Testing	R461/Combustion Equip Testing	0.50	0.50	1.00	240,025	(75,626)	164,399	IV
20	44	175	I	STA	DB/Computerization	Develop Systems/Database	0.44	0.00	0.44	72,278	3,837	76,115	II,IV,VI
21	08	185	I	LEG	Database Management	Support IM/Dev Tracking System	0.75	0.25	1.00	214,044	31,100	245,144	IV
22	26	215	I	PRA	Annual Emission Reporting	Annl Des/Impl/Emiss Monitor Sys	8.00	3.00	11.00	1,481,731	504,769	1,986,500	II,V
23	08	235	I	LEG	Enforcement Litigation	Maj Prosecutions/Civil Actions	2.00	0.00	2.00	424,118	6,170	430,288	IV
24	50	240	I	EP	Environmental Justice	R461/Combustion Equip Testing	0.50	0.00	0.50	85,080	4,163	89,243	II,IV,XV
25	26	358	I	PRA	GHG Rules-Compl	Green House Gas Rules-Compliance	1.05	-0.35	0.70	180,696	(44,600)	136,095	IV
26	17	364	I	CB	Hearing Board/Abatement Orders	Attnd/Recrd/Monitr Mtgs	0.10	0.00	0.10	22,384	1,776	24,159	IV
27	17	365	I	CB	Hearing Board/Variances/Appeal	Attend/Record/Monitor HB Mtgs	3.20	0.00	3.20	801,778	56,517	858,295	IV,V,VII
28	50	365	I	EP	Hearing Bd/Variances	Variances/Orders of Abatement	0.75	0.00	0.75	127,620	6,244	133,864	VII
29	60	365	I	CE	Hearing Bd/Variances	Variances/Orders of Abatement	2.00	0.00	2.00	296,101	16,697	312,798	VII
30	08	366	I	LEG	Hearing Board/Legal	Hear/Disp-Varian/Appeal/Rev	3.00	0.00	3.00	636,177	9,255	645,432	IV,V,XV
31	60	375	I	CE	Inspections	Compliance/Inspection/Follow-up	83.10	4.90	88.00	12,303,011	1,460,116	13,763,127	II,V,XV
32	50	377	I	EP	Inspections/RECLAIM Audits	Audit/Compliance Assurance	6.00	0.00	6.00	1,020,960	49,953	1,070,912	II,IV
33	60	377	I	CE	Inspections/RECLAIM Audits	Audit/Compliance Assurance	15.00	-1.00	14.00	2,220,760	(31,172)	2,189,588	II,IV
34	08	380	I	LEG	Interagency Coordination	Coordinate with Other Agencies	0.20	0.00	0.20	42,412	617	43,029	II,V
35	08	403	III	LEG	Legal Rep/Litigation	Prep/Hearing/Disposition	3.50	0.00	3.50	941,706	10,798	952,504	Ia,II
36	44	450	I	STA	Microscopic Analysis	Asbestos/PM/Metals Analysis	2.00	0.00	2.00	328,538	17,439	345,977	VI
37	08	465	I	LEG	Mutual Settlement	Mutual Settlement Program	3.00	-1.50	1.50	636,177	(313,461)	322,716	IV
38	50	492	I	EP	Customer Service	Compliance/Inspection/Follow-up	0.50	0.00	0.50	85,080	4,163	89,243	II,V,IX,XV
39	44	500	I	STA	PM2.5 Program	Est/Operate/Maint PM2.5 Network	11.30	0.00	11.30	1,856,237	98,533	1,954,770	II,V,IX
40	60	539	I	CE	Procedure 5 Review	Evaluate Proc 5 Asbestos Plans	0.40	0.00	0.40	59,220	3,339	62,560	XVII

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**Ensure Compliance (Cont.)
Work Program by Category**

#	Program Code		Goal	Office	Program	Activities	FTEs	+/-	FTEs	Expenditures	+/-	Expenditures	Revenue Categories
	FY 2017-18	FY 2018-19					FY 2017-18		FY 2018-19				
41	60	550	II	CE	Public Complaints/Breakdowns	Compltresp/Invflwup/Resolutn	10.00	0.00	10.00	\$ 1,480,507	\$ 83,485	\$ 1,563,992	II,IV,V,XV
42	50	605	I	EP	RECLAIM/Admin Support	Admin/Policy/Guidelines	6.50	0.00	6.50	1,106,040	54,115	1,160,155	II,III,IV,XV
43	60	605	I	CE	RECLAIM/Admin Support	Admin/Policy/Guidelines	5.00	-4.50	0.50	740,253	(662,054)	78,200	II,III,IV,XV
44	26	620	I	PRA	Refinery Pilot Project	Refinery Pilot Project	0.25	-0.25	0.00	43,023	(43,023)	-	II
45	26	645	I	PRA	Rule 1610 Plan Verification	Rule 1610 Plan Verification	0.75	0.00	0.75	129,069	6,034	135,102	V,IX
46	50	678	I	EP	School Siting	Identify Haz. Emission Sources near Schools	0.25	0.00	0.25	42,540	2,081	44,621	II
47	60	678	I	CE	School Siting	Identify Haz. Emission Sources near Schools	0.05	-0.05	0.00	7,403	(7,403)	-	IV
48	50	680	I	EP	Small Business Assistance	Asst sm bus w/ Permit Process	0.50	0.00	0.50	85,080	4,163	89,243	III,IV
49	44	700	I	STA	Source Testing/Compliance	Conduct ST/Prov Data/Compl	2.25	0.00	2.25	399,605	19,619	419,224	VI
50	44	704	I	STA	ST/Sample Analysis/Compliance	Analyze ST Samples/Compliance	4.00	0.00	4.00	732,075	(40,121)	691,954	VI
51	44	707	I	STA	VOC Sample Analysis/Compliance	VOC Analysis & Rptg/Compliance	7.00	0.00	7.00	1,186,881	61,038	1,247,919	IV,XV
52	44	716	I	STA	Special Monitoring	Rule 403 Compliance Monitoring	2.20	0.00	2.20	396,391	19,183	415,575	III,IV,IX,XV
53	60	751	I	CE	Title III Inspections	Title III Comp/Insp/Follow Up	0.10	-0.10	0.00	14,805	(14,805)	-	IV
54	60	771	I	CE	Title V	Title V Compl/Inspect/Follow Up	3.50	1.00	4.50	518,177	185,619	703,796	II,IV
55	04	791	III	FIN	Toxics/AB2588	AB2588 Toxics HS Fee Collection	0.15	0.00	0.15	37,497	331	37,828	X
56	08	791	I	LEG	Toxics/AB2588	AB2588 Legal Advice: Plan & Impl	0.05	0.00	0.05	10,603	154	10,757	X
57	27	791	III	IM	Toxics/AB2588	AB2588 Database Software Supp	0.50	0.00	0.50	149,026	5,118	154,145	X
58	50	791	I	EP	Toxics/AB2588	AB2588 Rev Rprts/Risk Redplans	0.25	0.00	0.25	42,540	2,081	44,621	X
59	60	791	I	CE	Toxics/AB2588	Risk Reduct Plan Rvw/Comm Mtgs	0.10	0.00	0.10	14,805	835	15,640	X
60	26	794	I	PRA	Toxics/AB2588	AB2588 Core, Tracking, IWS	13.00	0.00	13.00	2,237,188	104,584	2,341,772	X
61	44	794	I	STA	Toxics/AB2588	Eval Protocols/Methods/ST	4.25	0.00	4.25	698,142	37,059	735,201	X
62	44	795	I	STA	Toxics/Engineering	R1401 Toxics/HRA Prot/Rpt Eval	0.05	0.00	0.05	8,213	436	8,649	VI,X
63	08	805	III	LEG	Training	Continuing Education/Training	0.50	0.25	0.75	106,029	55,329	161,358	Ib

Total Ensure Compliance

256.91	(0.55)	256.36	\$ 42,802,491	\$ 1,577,643	\$ 44,380,133
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**Monitoring Air Quality
Work Program by Category**

#	Program Code	Goal	Office	Program	Activities	FTEs FY 2017-18	+/-	FTEs FY 2018-19	Expenditures FY 2017-18	+/-	Expenditures FY 2018-19	Revenue Categories
1	44 036	I	STA	AB 617-Monitoring	AB 617-Monitoring	0.00	12.00	12.00	\$ -	\$ 2,075,861	\$ 2,075,861	XV
2	44 038	I	STA	Admin/Office Mgmt/Monitoring	Overall Program Mgmt/Coord	1.40	0.00	1.40	229,976	12,208	242,184	Ib
3	44 046	I	STA	Admin/Program Management	STA Program Administration	2.00	0.00	2.00	340,538	17,439	357,977	Ib
4	26 061	I	PRA	Air Quality Evaluation	Air Quality Evaluation	2.25	0.00	2.25	387,206	18,101	405,307	IX
5	44 063	I	STA	Ambient Air Analysis	Analyze Criteria/Tox/Pollutants	8.91	5.00	13.91	1,463,635	1,593,474	3,057,108	II,V,IX
6	44 064	I	STA	Ambient Network	Air Monitoring/Toxics Network	19.85	-0.80	19.05	3,368,335	479,695	3,848,030	II,IV,V,IX
7	44 065	I	STA	Air Quality Data Management	AM Audit/Validation/Reporting	1.00	0.00	1.00	164,269	8,720	172,988	II,V,IX
8	44 067	II	STA	Ambient Lead Monitoring	Lead Monitoring/Analysis/Reporting	0.50	0.00	0.50	82,134	4,360	86,494	IV
9	44 073	I	STA	Arch Ctgs - Other	Sample Analysis/Rpts	2.00	0.00	2.00	328,538	17,439	345,977	XVIII
10	44 079	II	STA	AQ SPEC	AQ SPEC	3.00	0.00	3.00	492,806	26,159	518,965	XVII
11	44 081	I	STA	Air Filtration EPA	Air Filtration EPA/Admn/Impl	0.15	-0.05	0.10	24,640	(7,341)	17,299	V
12	44 082	I	STA	Air Filtration Other	Air Filtration Other/Admn/Impl	0.15	0.33	0.48	24,640	58,394	83,034	XVII
13	44 084	I	STA	Blk Carbon Stdy EPA	EPA Blck Carbon Climate Study	0.20	-0.20	0.00	32,854	(32,854)	-	XVII
14	44 161	I	STA	Comm Air Tox Init	Community Air Toxics Initiative	0.00	2.19	2.19	-	378,845	378,845	XVII
15	60 210	II	CE	Emergency Response	Emerg Tech Asst to Public Saf	0.10	0.00	0.10	14,805	835	15,640	IV,XV
16	44 240	I	STA	Environmental Justice	Implement Environmental Justice	0.45	0.00	0.45	73,921	3,924	77,845	II,IX
17	44 248	I	STA	EPA Community Scale AQ-SPEC	EPA Community Scale AQ-SPEC	1.00	0.00	1.00	164,269	8,720	172,988	V,XVII
18	26 443	I	PRA	MATES V	MATES V	0.30	0.00	0.30	101,627	2,413	104,041	II,IX
19	26 445	I	PRA	Meteorology	ModelDev/Data Analysis/Forecast	2.05	0.40	2.45	477,787	113,547	591,334	II,V,IX
20	44 468	I	STA	NATTS(Natl Air Tox Trends Sta)	NATTS (Natl Air Tox Trends)	1.50	0.00	1.50	246,403	13,080	259,483	II,V,IX
21	44 469	I	STA	Near Roadway Mon	Near Roadway Monitoring	1.50	0.00	1.50	246,403	13,080	259,483	IV,V,IX
22	44 505	I	STA	PM Sampling Program (EPA)	PM Sampling Program - Addition	10.60	-2.19	8.41	1,741,249	(286,416)	1,454,833	V
23	44 507	I	STA	PM Sampling Spec	PM Sampling Special Events	0.10	0.00	0.10	16,427	872	17,299	V
24	26 530	I	PRA	Photochemical Assessment	Photochemical Assessment	0.25	0.00	0.25	43,023	2,011	45,034	II,V
25	44 530	I	STA	Photochemical Assessment	Photochemical Assess & Monitor	3.00	0.00	3.00	492,806	26,159	518,965	V,IX
26	44 585	I	STA	Quality Assurance	Quality Assurance Branch	3.00	1.00	4.00	552,806	149,148	701,954	II,V,IX
27	44 663	I	STA	Salton Sea Monit	Mon/Analyze Hydrogen Sulfide	0.25	0.00	0.25	41,067	2,180	43,247	XVII
28	44 715	II	STA	Spec Monitoring/Emerg Response	Emergency Response	0.50	0.00	0.50	82,134	4,360	86,494	II
29	44 821	II	STA	TraPac Air Filt Prg	Admin/Tech Suppt/Reptg/Monitor	1.00	-1.00	0.00	164,269	(164,269)	-	XVII

Total Monitoring Air Quality

67.01	16.68	83.69	\$ 11,398,567	\$ 4,540,143	\$ 15,938,710
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**Operational Support
Work Program by Category**

#	Program Code		Goal	Office	Program	Activities	FTEs	+/-	FTEs	Expenditures	+/-	Expenditures	Revenue Categories
	FY 2017-18	FY 2018-19					FY 2017-18		FY 2018-19				
1	04	020	III	FIN	Admin/SCAQMD Budget	Analyze/Prepare/Impl/Track WP	2.65	0.00	2.65	\$ 397,454	\$ 5,839	\$ 403,293	1a
2	04	021	III	FIN	Admin/SCAQMD Contracts	Contract Admin/Monitor/Process	3.20	0.00	3.20	479,944	7,051	486,995	1a
3	04	023	III	FIN	Admin/SCAQMD Capital Assets	FA Rep/Reconcile/Inv/Acct	0.70	0.00	0.70	104,988	1,542	106,530	1a
4	17	024	III	CB	Admin/SCAQMD/GB/HB Mgmt	Admin Governing/Hearing Brds	1.25	0.00	1.25	279,796	22,194	301,990	1a,VII,XV
5	08	025	III	LEG	Admin/SCAQMD-Legal Research	Legal Research/Staff/Exec Mgmt	1.10	0.10	1.20	233,265	24,908	258,173	1a
6	16	026	III	AHR	SCAQMD Mail	Posting/Mailing/Delivery	2.30	0.00	2.30	429,252	10,081	439,334	1a
7	04	035	I	FIN	AB 617-General	AB 617-General	0.00	0.50	0.50	-	76,093	76,093	XV
8	08	035	I	LEG	AB 617-General	AB 617-General	0.00	1.00	1.00	-	215,144	215,144	XV
9	16	035	I	AHR	AB 617-General	AB 617-General	0.00	2.00	2.00	-	382,029	382,029	XV
10	27	035	I	IM	AB 617-General	AB 617-General	0.00	5.00	5.00	-	985,447	985,447	XV
11	03	038	III	EO	Admin/Office Management	Budget/Program Management	2.00	-1.00	1.00	322,721	(8,261)	314,459	1b
12	04	038	III	FIN	Admin/Office Management	Fin Mgmt/Oversee Activities	4.75	-1.00	3.75	712,417	(141,719)	570,697	1b
13	08	038	III	LEG	Admin/Office Management	Attorney Timekeeping/Perf Eval	3.50	0.00	3.50	749,706	10,548	760,254	1b
14	16	038	III	AHR	Admin/Office Management	Reports/Proj/Budget/Contracts	3.85	0.00	3.85	723,531	28,875	752,406	1b
15	27	038	III	IM	Admin/Office Management	Overall Direction/Coord of IM	2.25	-0.25	2.00	607,271	(213,092)	394,179	1b
16	04	045	III	FIN	Admin/Office Budget	Office Budget/Prep/Impl/Track	0.05	0.00	0.05	7,499	110	7,609	1b
17	16	060	III	AHR	Equal Employment Opportunity	Program Dev/Monitor/Reporting	0.10	0.00	0.10	18,663	438	19,101	1a
18	04	071	I	FIN	Arch Ctgs - Admin	Cost Analysis/Payments	0.04	0.00	0.04	5,999	88	6,087	XVIII
19	08	071	I	LEG	Arch Ctgs - Admin	Rule Dev/TA/Reinterpretations	0.05	0.00	0.05	10,603	154	10,757	XVIII
20	27	071	I	IM	Arch Ctgs - Admin	Database Dev/Maintenance	0.25	0.00	0.25	46,713	2,559	49,272	XVIII
21	04	085	III	FIN	Building Corporation	Building Corp Acct/Fin Reports	0.02	0.00	0.02	3,000	44	3,044	1a
22	16	090	III	AHR	Building Maintenance	Repairs & Preventative Maint	7.00	0.00	7.00	1,309,671	37,432	1,347,102	1a
23	16	092	III	AHR	Business Services	Building Services Admin/Contracts	2.55	0.00	2.55	475,910	11,177	487,087	1a
24	08	102	II	LEG	CEQA Document Projects	CEQA Review	0.50	0.25	0.75	106,029	55,329	161,358	II,III,IX
25	27	160	III	IM	Computer Operations	Oper/Manage Host Computer Sys	5.25	0.00	5.25	1,389,926	53,743	1,443,669	1a
26	27	184	III	IM	Database Information Support	Ad Hoc Reports/Bulk Data Update	1.00	0.00	1.00	206,853	10,237	217,089	1a
27	27	185	III	IM	Database Management	Dev/Maintain Central Database	2.25	0.00	2.25	420,418	23,033	443,451	1a
28	27	215	I	IM	Annual Emission Reporting	System Enhancements for GHG	0.50	0.00	0.50	93,426	5,118	98,545	II,XVII
29	16	225	III	AHR	Employee Benefits	Benefits Analysis/Orient/Records	1.50	0.00	1.50	279,947	6,575	286,522	1a
30	16	226	III	AHR	Classification & Pay	Class & Salary Studies	0.30	0.00	0.30	55,989	1,315	57,304	1a
31	08	227	III	LEG	Employee/Employment Law	Legal Advice: Employment Law	0.50	0.00	0.50	106,029	1,543	107,572	1a
32	16	228	III	AHR	Recruitment & Selection	Recruit Candidates for SCAQMD	3.25	0.00	3.25	630,052	17,745	647,797	1a
33	16	232	III	AHR	Position Control	Track Positions/Workforce Anlys	0.55	0.00	0.55	102,647	2,411	105,058	1a
34	04	233	III	FIN	Employee Relations	Assist HR/Interpret Salary Res	0.10	0.00	0.10	14,998	220	15,219	1a
35	16	233	III	AHR	Employee Relations	Meet/Confer/Labor-Mgmt/Grievance	2.20	0.00	2.20	410,589	9,643	420,232	1a
36	16	255	III	AHR	Facilities Services	Phones/Space/Keys/Audio-Visual	1.00	0.00	1.00	188,632	4,383	193,015	1a
37	04	265	III	FIN	Financial Mgmt/Accounting	Record Accts Rec & Pay/Rpts	6.20	0.00	6.20	974,891	22,571	997,463	1a
38	04	266	III	FIN	Financial Mgmt/Fin Analysis	Fin/SCAQMD Stat Analysis & Audit	0.80	0.00	0.80	119,986	1,763	121,749	1a
39	04	267	III	FIN	Financial Mgmt/Treasury Mgmt	Treas Mgt Anlyz/Trk/Proj/Invst	1.00	0.00	1.00	234,632	2,203	236,836	1a
40	04	268	III	FIN	Financial Systems	CLASS/Rev/Acct/PR/Sys Analyze	0.10	0.00	0.10	14,998	220	15,219	1a
41	02	275	II	GB	Governing Board	Rep of Dist Meet/Conf/Testimony	0.00	0.00	0.00	1,711,896	71,791	1,783,687	1a
42	08	275	III	LEG	Governing Board	Legal Advice:Attend Board/Cmte Mtgs	1.00	0.00	1.00	212,059	3,085	215,144	1a
43	17	275	III	CB	Governing Board	Attend/Record/Monitor Meetings	1.40	0.00	1.40	313,372	24,857	338,229	1a
44	35	350	III	LPA	Graphic Arts	Graphic Arts	2.00	0.00	2.00	364,648	(7,713)	356,935	1a

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**Operational Support (Cont.)
Work Program by Category**

#	Program Code	Goal	Office	Program	Activities	FTEs	+/-	FTEs	Expenditures	+/-	Expenditures	Revenue Categories	
						FY 2017-18		FY 2018-19	FY 2017-18		FY 2018-19		
45	27	370	III	IM	Information Technology Svcs	Enhance Oper Effic/Productivity	2.75	0.00	2.75	\$ 536,595	\$ 28,151	\$ 564,746	1a
46	08	401	III	LEG	Legal Advice/SCAQMD Programs	General Advice: Contracts	2.00	0.00	2.00	474,118	6,170	480,288	1a
47	27	420	III	IM	Library	General Library Svcs/Archives	0.25	0.00	0.25	55,063	2,559	57,622	1a
48	04	447	I	FIN	Mobile Sources/Accounting	Record Acct Rec & Pay/Special Funds	0.65	0.00	0.65	97,489	1,432	98,921	IX
49	27	470	III	IM	Network Operations/Telecomm	Operate/Maintain/Implem SCAQMD	9.25	0.00	9.25	2,054,047	464,691	2,518,738	1a
50	27	480	III	IM	New System Development	Dev sys for special oper needs	2.50	0.00	2.50	559,327	592	559,920	II,IV
51	04	493	II	FIN	Outreach/SB/MB/DVBE	Outreach/Incr SB/DVBE Partic	0.05	0.00	0.05	7,499	110	7,609	1a
52	04	510	III	FIN	Payroll	Ded/Ret Rpts/PR/St & Fed Rpts	3.60	0.50	4.10	587,437	84,025	671,462	1a
53	04	570	III	FIN	Purchasing	Purch/Track Svcs & Supplies	2.50	0.00	2.50	374,956	81,309	456,265	1a
54	04	571	III	FIN	Purchasing/Receiving	Receive/Record SCAQMD Purchases	1.20	0.00	1.20	179,979	2,644	182,623	1a
55	04	572	III	FIN	Purchasing-Receiving/Stockroom	Track/Monitor SCAQMD Supplies	1.00	0.00	1.00	149,982	2,203	152,186	1a
56	27	615	III	IM	Records Information Mgmt Plan	Plan/Impl/Dir/Records Mgmt plan	1.25	0.00	1.25	285,566	12,796	298,362	1a
57	27	616	III	IM	Records Services	Records/Documents processing	3.75	0.00	3.75	838,297	31,788	870,085	1a,III,IV
58	04	630	III	FIN	Cash Mgmt/Revenue Receiving	Receive/Post Pymts/Reconcile	5.25	0.00	5.25	787,408	11,568	798,976	II,III,IV,XI
59	16	640	III	AHR	Risk Management	Liabl/Property/Wk Comp/SelfIns	2.25	0.00	2.25	531,921	(27,138)	504,783	1a
60	27	735	III	IM	Systems Maintenance	Maintain Existing Software Prog	4.50	0.00	4.50	1,351,177	136,700	1,487,876	II,III,IV
61	27	736	III	IM	Systems Implementation/PeopleS	Fin/HR PeopleSoft Systems Impl	1.50	0.00	1.50	530,279	(234,645)	295,634	1a
62	04	805	III	FIN	Training	Continuing Education/Training	0.20	0.00	0.20	29,996	441	30,437	1b
63	26	805	III	PRA	Training	Training	0.25	0.00	0.25	43,023	2,011	45,034	1b
64	50	805	III	EP	Training	Dist/Org Unit Training	3.10	0.00	3.10	527,496	25,809	553,305	1b
65	60	805	III	CE	Training	Dist/Org Unit Training	4.00	-2.00	2.00	592,203	(279,404)	312,798	1b
66	04	825	III	FIN	Union Negotiations	Official Labor/Mgmt Negotiate	0.02	0.00	0.02	3,000	44	3,044	1a
67	08	825	III	LEG	Union Negotiations	Legal Adv: Union Negotiations	0.05	-0.05	0.00	10,603	(10,603)	-	1a
68	26	825	III	PRA	Union Negotiations	Official Labor/Mgmt Negotiate	0.02	0.00	0.02	3,442	161	3,603	1a
69	35	825	III	LPA	Union Negotiations	Official Labor/Mgmt Negotiate	0.01	0.00	0.01	1,726	58	1,785	1a
70	44	825	III	STA	Union Negotiations	Labor/Mgmt Negotiations	0.05	0.00	0.05	8,213	436	8,649	1a
71	50	825	III	EP	Union Negotiations	Official Labor/Mgmt Negotiate	0.05	0.00	0.05	8,508	416	8,924	1a
72	60	825	III	CE	Union Negotiations	Official Labor/Mgmt Negotiate	0.10	0.00	0.10	14,805	835	15,640	1a
73	04	826	III	FIN	Union Steward Activities	Rep Employees in Grievance Act	0.01	0.00	0.01	1,500	22	1,522	1a
74	08	826	III	LEG	Union Steward Activities	Rep Employees in Grievance Act	0.05	-0.05	0.00	10,603	(10,603)	-	1a
75	26	826	III	PRA	Union Steward Activities	Rep Employees in Grievance Act	0.02	0.00	0.02	3,442	161	3,603	1a
76	35	826	III	LPA	Union Steward Activities	Union Steward Activities	0.01	0.00	0.01	1,726	58	1,785	1a
77	44	826	III	STA	Union Steward Activities	Rep Employees in Grievance Act	0.05	0.00	0.05	8,213	436	8,649	1a
78	50	826	III	EP	Union Steward Activities	Rep Employees in Grievance Act	0.05	0.00	0.05	8,508	416	8,924	1a
79	60	826	III	CE	Union Steward Activities	Rep Employees in Grievance Act	0.10	0.00	0.10	14,805	835	15,640	1a
80	03	855	II	EO	Web Tasks	Create/edit/review web content	0.03	0.00	0.03	9,682	(248)	9,434	1a
81	04	855	II	FIN	Web Tasks	Create/edit/review web content	0.02	0.00	0.02	3,000	44	3,044	1a
82	17	855	II	CB	Web Tasks	Create/edit/review web content	0.03	0.00	0.03	6,715	533	7,248	1a
83	26	855	II	PRA	Web Tasks	Create/edit/review web content	0.50	0.00	0.50	86,046	4,022	90,068	1a
84	27	855	II	IM	Web Tasks	Create/edit/review web content	3.25	0.00	3.25	893,071	33,270	926,341	1a
85	35	855	II	LPA	Web Tasks	Create/edit/review web content	0.40	0.00	0.40	69,050	2,337	71,387	1a
86	50	855	II	EP	Web Tasks	Creation/Update of Web Content	0.25	0.00	0.25	42,540	2,081	44,621	1a
87	60	855	II	CE	Web Tasks	Creation/Update of Web Conten	0.50	1.00	1.50	74,025	240,573	314,599	1a

Total Operational Support

126.38	6.00	132.38	\$ 26,747,503	\$ 2,387,853	\$ 29,135,356
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A prorated share of the District General Budget has been allocated to each line in the work program based on the number of FTEs reflected on the line.

**Policy Support
Work Program by Category**

#	Program Code	Goal	Office	Program	Activities	FTEs FY 2017-18	+/-	FTEs FY 2018-19	Expenditures FY 2017-18	+/-	Expenditures FY 2018-19	Revenue Categories	
1	44	041	I	STA	Admin/Office Mgmt/Policy Supp	Overall Policy Supp/Mgmt/Coord	0.49	0.00	0.49	\$ 80,492	\$ 4,273	\$ 84,764	Ib
2	03	083	II	EO	Hlth Effects Air Pollution Fou	Health Effects Air Poll Foundation Support	0.01	0.00	0.01	3,227	(83)	3,145	Ia
3	04	083	II	FIN	Hlth Effects Air Pollution Fou	Health Effects Air Poll Foundation Support	0.02	0.00	0.02	3,000	44	3,044	Ia
4	26	083	II	PRA	Hlth Effects Air Pollution Fou	Health Effects Air Poll Foundation Support	0.10	0.00	0.10	17,209	804	18,014	Ia,II,IV
5	26	148	I	PRA	Climate Change	GHG/Climate Change Policy Development	3.10	0.25	3.35	533,483	69,973	603,457	IV,XVII
6	50	148	I	EP	Climate Change	GHG/Climate Change Support	0.50	0.00	0.50	85,080	4,163	89,243	II,IX
7	60	148	I	CE	Climate Change	GHG/Climate Chg Support	0.10	-0.10	0.00	14,805	(14,805)	-	IV,IX
8	26	240	I	PRA	EJ-AQ Guidance Document	AQ Guidance Document	0.05	0.05	0.10	8,605	9,409	18,014	II,IX
9	03	275	I	EO	Governing Board	Board/Committee Support	1.72	0.00	1.72	555,079	(14,210)	540,870	Ia
10	26	276	I	PRA	Advisory Group/Home Rule	Governing Board Advisory Group	0.30	0.00	0.30	51,627	2,413	54,041	Ia
11	44	276	I	STA	Advisory Group/Technology Adva	Tech Adv Advisory Group Supp	0.10	0.00	0.10	16,427	872	17,299	VIII
12	50	276	I	EP	Board Committees	Admin/Stationary Source Committees	0.25	0.00	0.25	42,540	2,081	44,621	Ia
13	60	276	I	CE	Board Committees	Admin/Stationary Source Committee	0.15	0.00	0.15	22,208	1,252	23,460	Ia
14	26	277	I	PRA	Advisory Group/AQMP	Governing Board AQMP Advisory Group	0.05	0.00	0.05	8,605	402	9,007	II,IX
15	26	278	I	PRA	Advisory Group/Sci,Tech,Model	Scientific/Tech/Model Peer Rev	0.15	0.00	0.15	25,814	1,207	27,020	II,IX
16	35	280	I	LPA	Advisory Group/Ethnic Comm	GB Ethnic Comm Advisory Group	0.40	0.00	0.40	69,050	2,337	71,387	II,IX
17	35	281	I	LPA	Advisory Group/Small Business	SBA Advisory Group Staff Support	0.50	0.00	0.50	86,312	2,922	89,234	IV,IX
18	35	283	I	LPA	Governing Board Policy	Brd sup/Respond to GB req	0.55	0.00	0.55	94,943	3,214	98,157	Ia
19	35	345	II	LPA	Goods Mvmt&Financial Incentive	Goods Movement & Financial Incentives Progr	1.00	0.00	1.00	172,624	5,843	178,467	IX
20	03	381	I	EO	Interagency Liaison	Local/State/Fed Coord/Interact	0.71	0.00	0.71	229,132	(5,866)	223,266	Ia,IX
21	03	410	I	EO	Legislation	Testimony/Mtgs:New/Current Leg	0.03	0.00	0.03	9,682	(248)	9,434	Ia,IX
22	44	410	I	STA	Legislation	Support Pollution Reduction thru Legislatio	0.50	0.00	0.50	82,134	4,360	86,494	IX
23	35	412	I	LPA	Legislation/Federal	Lobbying/Analyses/Tracking/Out	0.25	0.00	0.25	708,286	1,461	709,747	Ia
24	35	413	I	LPA	Legislation/Exec Office Suppor	Coord Legis w/ EO, EC, Mgmt	0.25	0.00	0.25	43,156	1,461	44,617	Ia
25	35	414	I	LPA	Legislation-Effects	Lobbying/Analyses/Tracking/Out	0.80	0.00	0.80	148,099	4,675	152,774	Ia,IX
26	03	416	I	EO	Legislative Activities	Supp/Promote/Influence Legis/Adm	0.03	0.00	0.03	9,682	(248)	9,434	Ia
27	08	416	I	LEG	Legislative Activities	Lobbying: Supp/Promote/Influence legis/Adm	0.10	0.00	0.10	21,206	309	21,514	Ia
28	26	416	I	PRA	Legislative Activities	Supp/Promote/Influence Legis/Adm	0.50	0.00	0.50	86,046	4,022	90,068	Ia
29	35	416	I	LPA	Legislative Activities	Supp/Promote/Influence Legis/Adm	0.50	0.00	0.50	451,312	2,922	454,234	Ia
30	50	416	I	EP	Legislative Activities	Legislative Activities	0.25	0.00	0.25	42,540	2,081	44,621	Ia
31	60	416	I	CE	Legislative Activities	Legislative Activities	0.05	-0.05	0.00	7,403	(7,403)	-	Ia
32	26	454	I	PRA	Mob Src:Greenhs Gas Reduc Meas	Provide comments on mob src portion of AB32	0.89	-0.89	0.00	153,161	(153,161)	-	XVII
33	35	494	I	LPA	Outreach/Collateral/Media	Edits,Brds,Talk shows,Commercl	5.60	0.00	5.60	1,131,410	32,723	1,164,133	Ia
34	08	717	II	LEG	Student Interns	Gov Board/Student Intern Program	0.10	0.00	0.10	21,206	309	21,514	Ia
35	16	717	II	AHR	Student Interns	Gov Board/Student Intern Program	0.20	0.00	0.20	37,326	877	38,203	Ia
36	26	717	II	PRA	Student Interns	Gov Bd/Student Intern Program	0.25	0.00	0.25	43,023	2,011	45,034	Ia
37	35	717	II	LPA	Student Interns	Student Interns	0.10	0.00	0.10	17,262	584	17,847	Ia
38	60	717	II	CE	Student Interns	Gov Board/Student Intern Program	0.05	0.00	0.05	7,403	417	7,820	Ia
Total Policy Support						20.70	(0.74)	19.96	\$ 5,140,597	\$ (26,601)	\$ 5,113,996		

A prorated share of the District General Budget has been allocated to each line in the work program based on the number of FTEs reflected on the line.

**Timely Review of Permits
Work Program by Category**

#	Program Code	Goal	Office	Program	Activities	FTEs FY 2017-18	+/-	FTEs FY 2018-19	Expenditures FY 2017-18	+/-	Expenditures FY 2018-19	Revenue Categories	
1	50	120	I	EP	Certification/Registration Pro	Certification/Registration Prog	2.00	-1.00	1.00	\$ 340,320	\$ (161,835)	\$ 178,485	III
2	50	253	I	EP	ERC Appl Processing	Process ERC Applications	3.50	0.00	3.50	595,560	29,139	624,699	III
3	50	367	I	EP	Hearing Board/Appeals	Appeals: Permits & Denials	0.25	0.00	0.25	42,540	2,081	44,621	III
4	26	461	I	PRA	Permit & CEQA Modeling Review	Review Model Permit/Risk Assmt	1.30	0.00	1.30	273,719	10,458	284,177	III
5	50	475	I	EP	NSR Implementation	Implement NSR/Allocate ERCs	2.50	0.00	2.50	425,400	20,814	446,214	II,III,V,XV
6	50	476	I	EP	NSR Data Clean Up	Edit/Update NSR Data	0.50	0.00	0.50	85,080	4,163	89,243	II
7	50	515	I	EP	Perm Proc/Non TV/Non RECLAIM	PP: Non TitlV/TitlIII/RECLAIM	51.75	-1.00	50.75	8,831,779	316,356	9,148,135	III,XV
8	08	516	I	LEG	Permit Processing/Legal	Legal Advice: Permit Processing	0.20	-0.10	0.10	42,412	(20,897)	21,514	III
9	50	517	I	EP	Permit Services	Facility Data-Create/Edit	12.50	0.00	12.50	2,127,000	104,068	2,231,068	III,XV
10	50	518	I	EP	RECLAIM Non-Title V	Process RECLAIM Only Permits	4.50	0.00	4.50	765,720	37,464	803,184	III,IV,XV
11	50	519	I	EP	Perm Proc/Title III (Non TV)	Process Title III Permits	1.00	0.00	1.00	170,160	8,325	178,485	III
12	50	521	I	EP	Perm Proc/Expedited Permit	Proc Expedited Permits (301OT)	4.00	0.00	4.00	680,640	33,302	713,942	III
13	27	523	III	IM	Permit Streamlining	Permit Streamlining	0.25	0.00	0.25	46,713	2,559	49,272	III
14	50	523	I	EP	Permit Streamlining	Permit Streamlining	3.75	1.00	4.75	638,100	209,706	847,806	III
15	44	545	I	STA	Protocols/Reports/Plans	Eval Test Protocols/Cust Svc	0.10	0.00	0.10	16,427	872	17,299	III,IV
16	44	546	I	STA	Protocols/Reports/Plans	Eval Test Protocols/Compliance	6.15	0.00	6.15	1,010,253	53,626	1,063,879	IV,VI
17	50	607	I	EP	RECLAIM & Title V	Process RECLAIM & TV Permits	18.40	0.00	18.40	3,150,944	153,188	3,304,132	III
18	26	643	I	PRA	Rule 222 Filing Program	Rule 222 Filing Program	0.00	0.00	0.00	50,000	(50,000)	-	IV
19	50	643	I	EP	Rule 222 Filing Program	Rule 222 Filing Program	0.50	0.00	0.50	85,080	4,163	89,243	IV
20	35	680	I	LPA	Small Business/Permit Streamln	Asst sm bus to comply/SCAQMD req	3.95	0.00	3.95	681,865	23,081	704,946	II,III,IV,V,XV
21	44	725	I	STA	Permit Processing/Support E&C	Assist EAC w/ Permit Process	0.05	0.00	0.05	8,213	436	8,649	III
22	50	728	I	EP	Perm Proc/IM Programming	Assist IM: Design/Review/Test	2.55	0.00	2.55	433,908	21,230	455,138	II,III,IV
23	08	770	I	LEG	Title V	Leg Advice: Title V Prog/Perm Dev	0.05	0.00	0.05	10,603	154	10,757	II,IV
24	27	770	I	IM	Title V	Dev/Maintain Title V Program	1.50	0.00	1.50	395,279	(99,645)	295,634	III
25	08	772	I	LEG	Title V Permits	Leg Advice: New Source Title V Permit	0.05	0.00	0.05	10,603	154	10,757	III
26	50	774	I	EP	TV/Non-RECLAIM	Process Title V Only Permits	18.00	0.00	18.00	3,062,880	149,858	3,212,737	III
27	50	775	I	EP	Title V – Admin	Title V Administration	1.00	0.00	1.00	170,160	8,325	178,485	III

Total Timely Review of Permits

140.30	(1.10)	139.20	\$ 24,151,356	\$ 861,146	\$ 25,012,502
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Total SCAQMD

825.25	51.15	876.40	\$ 149,878,906	\$ 16,363,971	\$ 166,242,877
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WORK PROGRAM GLOSSARY

Below are descriptions of the activities related to the Work Program.

AB 134 – Community Air Protection Program adds funding to the Carl Moyer Program (See Carl Moyer Program).

AB 617 – Community Air Protection Program to improve air quality in disadvantaged communities with high cumulative exposure through monitoring and emission reduction plans.

AB 1318 Mitigation - an eligible electrical generating facility shall pay mitigation fees for the transfer of emission credits from SCAQMD's internal emission credit accounts. Mitigation fees shall be used to finance emission reduction projects, pursuant to the requirements of AB 1318.

AB 2766 (Mobile Sources, MSRC) - programs funded from motor vehicle registration revenues. The activities include: evaluation, monitoring, technical assistance, and tracking of AB2766 Subvention Fund Program progress reports including cost-effectiveness and emissions reductions achieved; supporting programs implemented by the Mobile Source Review Committee (MSRC); disbursing and accounting for revenues subvented to local governments; and performing SCAQMD activities related to reduction of emissions from mobile sources.

Acid Rain Program - developing and implementing the Continuous Emissions Monitoring (CEMS) Program in compliance with 40 CFR Part 75 of the Clean Air Act.

Administration/SCAQMD - supporting the administration of the SCAQMD. Examples are tracking fixed assets, operating the mailroom, preparing and reviewing contracts, conducting oversight of SCAQMD activities, developing District-wide policies and procedures, preparing the SCAQMD budget, providing legal advice on SCAQMD programs and other activities, and performing activities in support of the SCAQMD as a whole.

Admin/SCAQMD Capital Assets (Asset Management) – tracking of acquisitions, disposals/retirements and reconciliation of capital assets to the Capital Outlay account, and conducting annual lab and biennial asset inventories.

Administration/Office Management - supporting the administration of an organizational unit or a unit within an Office. This includes such items as preparing Office budgets, tracking programs, providing overall direction and coordination, providing program management and integration, preparing policies and procedures manuals, and preparing special studies and projects.

Advisory Group – providing support to various groups such as: AQMP (Air Quality Management Plan), Environmental Justice, Home Rule, Local Government and Small Business Assistance, Technology Advancement, and Permit Streamlining Task Force.

Air Filtration - installation of high-efficiency air filtration devices in schools with the goal of reducing children's exposure to particulate matter in the classroom.

WORK PROGRAM GLOSSARY

Air Quality Evaluation - analyzing air quality trends and preparing the Reasonable Further Progress (RFP) report.

Ambient Air Analysis/Ambient Network (Audit, Data Reporting, Special Monitoring) – complying with Federal regulations to monitor air quality for criteria pollutants at air monitoring stations to determine progress toward meeting the federal ambient air quality standards. This includes operating the SCAQMD’s air monitoring network and localized monitoring at landfill sites as well as conducting specialized monitoring in response to public nuisance situations. SCAQMD monitoring stations also collect samples which are analyzed by SCAQMD’s laboratory. Also see Special Monitoring.

Ambient Lead Monitoring – maintain the current ambient lead monitoring network to meet federal monitoring requirements.

Annual Emission Reporting (AER) – implementing the AER Program and tracking actual emissions reported by facilities, conducting audits of data, handling refunds, and preparing inventories and various reports.

Annual Emission Reporting Program Public Assistance - providing public assistance in implementing SCAQMD’s AER program by conducting workshops, resolving fee-related issues, and responding to questions.

AQIP Evaluation – provides incentive funding for projects to meet VOC, NO_x, and CO emission targets with funds generated from companies who pay fees in lieu of carpool programs. Projects are funded through a semi-annual solicitation process.

AQMP (Air Quality Management Plan) – Management Plan for the South Coast Air Basin and the Interagency AQMP Implementation Committee.

Air Quality Sensor Performance Evaluation Center (AQ-SPEC) - program to test commercially available, low-cost air quality sensors.

Architectural Coatings – Rule 314 requires architectural coatings manufacturers which distribute into and/or sell their manufactured architectural coatings within the SCAQMD for use in the SCAQMD to submit an Annual Quantity and Emissions Report. To recover the cost of the program, a fee is assessed to these manufacturers. The fee is based on the quantity of coatings sold as well as the cumulative emissions from the quantity of coatings distributed or sold for use in the SCAQMD.

Area Sources/Compliance – developing rules and compliance programs, as well as alternatives to traditional permitting for smaller sources of emissions of VOCs and NO_x.

Auto Services - maintaining the SCAQMD's fleet of automobiles, trucks, and vans as well as providing messenger services as needed.

WORK PROGRAM GLOSSARY

Billing Services - administering the SCAQMD's permit billing system, responding to inquiries, and resolving issues related to fees billed.

Black Carbon Study – analyzing black carbon emissions in the Basin to determine climate implications that may be used within the AB 32 climate programs and in other air districts.

Board Committees - participation in Governing Board committees by preparing materials, presenting information on significant or new programs and providing technical expertise.

Building Corporation - managing the South Coast Air Quality Management District Building Corporation. The Building Corporation issued Installment Sale Revenue Bonds in conjunction with the construction of the SCAQMD's Diamond Bar headquarters facility.

Building Maintenance - maintaining and repairing the Diamond Bar Headquarters facility and SCAQMD air monitoring sites.

Business Services – overseeing operation of Facilities Services, Automotive Services, Print Shop and Mail/Subscriptions Services; negotiating and administering leases for the Diamond Bar facility, Long Beach Office, and air monitoring stations.

California Natural Gas Vehicle Partnership – strategic, non-binding partnership formed to work together in developing and deploying natural gas vehicles and implementing a statewide natural gas infrastructure.

Call Center - operates the 24-hour radio communication system via telephone between SCAQMD headquarters and the public/field staff.

CARB PERP (Portable Equipment Registration Program) – a program established by CARB allowing the operation of portable equipment in any air district throughout the state without individual local district permits. Amended to enhance enforceability and expand CARB's requirements for portable engines and equipment units, creating a more comprehensive and inclusive statewide registration program that now provides for triennial inspection and renewal of PERP registration.

Carl Moyer Program – provides incentive funding for the repower, replacement, or purchase of new heavy-duty vehicles and equipment beyond the emission limits mandated by regulations. Awards are granted through an annual solicitation process. Separate program announcements are also issued for pre-1990 diesel Class 7 or 8 truck fleet and ports truck fleet modernization programs. Also see Mobile Sources.

Case Disposition - resolving Notices of Violation (NOV) issued by SCAQMD inspectors. This includes preparing both civil and criminal cases and administering SCAQMD's Mutual Settlement Agreement Program.

WORK PROGRAM GLOSSARY

Cash Management – receiving revenue, posting of payments, processing of refunds associated with SCAQMD programs, and bank and preparing cash reconciliations.

CEMS Certification (Continuous Emissions Monitoring System) - evaluating, approving, and certifying the continuous emissions monitoring systems installed on emissions sources to ensure compliance with SCAQMD rules and permit conditions.

CEQA Document Projects/Special Projects (California Environmental Quality Act) - reviewing, preparing, assessing, and commenting on projects which have potential air quality impacts.

Certification/Registration Program – manufacturers can voluntarily apply to have standard, off-the-shelf equipment certified by SCAQMD to ensure that it meets all applicable requirements.

Classification and Pay – maintaining the classification plan and conducting job analyses to ensure SCAQMD positions are allocated to the proper class, and conducting compensation studies to ensure classes are appropriately compensated and salaries remain competitive in the workforce.

Clean Air Connections – increase awareness of air quality issues and SCAQMD’s programs and goals by developing and nurturing a region-wide group of community members with an interest in air quality issues.

Clean Communities Plan (CCP) – an update to the 2000 Air Toxics Control Plan (ATCP) and the 2004 Addendum. The objective of the 2010 CCP is to reduce the exposure to air toxics and air-related nuisances throughout the District, with emphasis on cumulative impacts.

Clean Fuels Program – accelerate the development and deployment of advanced, low emission technologies, including, but not limited to electric, hydrogen, and plug-in hybrid electric vehicles, low emission heavy-duty engines, after treatment for off-road construction equipment and identification of tailpipe emissions from biofuels.

Climate Change – developing and evaluating policy and strategy related to local, state, federal and international efforts on climate change. Seek to maximize synergies for criteria and toxic reduction and minimize and negative impacts.

Compliance – ensuring compliance of clean air rules and regulations through regular inspection of equipment and facilities, as well as responding to air quality complaints made by the general public.

Compliance/Notice of Violation (NOV) Administration – NOV processing and review for preparation for assignment to Mutual Settlement Agreement (MSA), civil, or criminal handling.

WORK PROGRAM GLOSSARY

Computer Operations - operating and managing the SCAQMD's computer resources. These resources support the SCAQMD's business processes, air quality data, and modeling activities and the air monitoring telemetry system. Also see Systems Maintenance.

Conformity - reviewing of federal guidance and providing input on conformity analysis for the Regional Transportation Improvement Program (RTIP). Staff also participates in various Southern California Association of Governments (SCAG) meetings, the Statewide Conformity Working group, and other meetings to address conformity implementation issues. Staff participates in the federal Conformity Rule revision process, and monitors and updates Rule 1902, Transportation Conformity, as needed.

Credit Generation Programs (Intercredit Trading) – rulemaking and developing and implementing a program that expands emission credit trading by linking the SCAQMD's stationary and mobile source credit markets.

Criteria Pollutants/Mobile Sources – coordinating the implementation of the AQMP and conducting feasibility studies for mobile source categories; developing control measures and amended rules as warranted.

1-800-CUT-SMOG - The Call Center handles (1-800-CUT-SMOG) calls from drivers who identify a vehicle emitting excessive amounts of exhaust smoke.

Database Information Support – day-to-day support of ad hoc reports and bulk data updates required from SCAQMD's enterprise databases.

Database Management - developing and supporting the data architecture framework, data modeling, database services, and the ongoing administration of SCAQMD's central information repository.

DB/Computerization – developing laboratory instrument computer systems for data handling and control, evaluating the quality of the stored information. Further develop and maintain the Source Test Information Management System (STIMS).

DERA (Diesel Emission Reduction Act) School Bus Replacement – a U.S. EPA funded project to replace diesel school buses with Compressed Natural Gas (CNG) and electric buses.

DERA (Diesel Emission Reduction Act) FY 13 Vehicle Replacement – a U.S. EPA funded project to replace on-road medium-duty diesel trucks with battery electric trucks.

Economic Development/Business Retention – meeting with various governmental agencies to assist company expansion or retention in the Basin.

EJ-AQ Guidance Document (Environmental Justice-Air Quality Guidance Document) – providing outreach to local governments as they update their general plans and make land use

WORK PROGRAM GLOSSARY

decisions. Providing updates to the reference document titled “Guidance Document for Addressing Air Quality Issues in General Plans and Local Planning.”

Emergency Response - responding to emergency air pollution (toxic) incidents, providing air quality monitoring support to local authorities.

Emission Reduction Credit Application Processing – processing applications for Emission Reduction Credits (ERC).

Emissions Field Audit – conducting field audits at facilities that have reported through Annual Emissions Reporting (AER) to ensure accurate emission reporting and to improve the program.

Emissions Inventory Studies – developing major point source emissions data and area source emissions inventory, updating emissions factors, developing and updating control factors, performing special studies to improve emission data, and responding to public inquiries regarding emission data.

Employee Benefits – administering SCAQMD’s benefit plans, including medical, dental, vision, and life insurance, as well as State Disability Insurance, Section 125 cafeteria plan, Long Term Care and Long Term Disability plans, Section 457 Deferred Compensation Plan, and Consolidated Omnibus Budget Reconciliation Act (COBRA) program.

Employee Relations – managing the collective bargaining process, administering MOU’s, preparing disciplinary documents, and administering SCAQMD’s performance appraisal program, Family and Medical Leave Act (FMLA) requests, tuition reimbursement, and outside training requests.

Employee/Employment Law – handling legal issues dealing with employment law in coordination with outside counsel.

Enforcement Litigation – staff attorneys pursue enforcement litigation including actions for civil penalties or injunctions when violations have not been settled or circumstances otherwise dictate.

Environmental Education - informing and educating the public about air pollution and their role in bringing clean air to the basin.

Environmental Justice (EJ) - a strategy for equitable environmental policymaking and enforcement to protect the health of all persons who live or work in the South Coast District from the health effects of air pollution regardless of age, culture, ethnicity, gender, race, socioeconomic status, or geographic location. The Environmental Justice Initiatives help to identify and address potential areas where citizens may be disproportionately impacted by air pollutants and ensure clean air benefits are afforded to all citizens and communities of the region.

WORK PROGRAM GLOSSARY

Equal Employment Opportunity – ensuring non-discrimination and equal employment for employees and applicants through broad-based, targeted advertising; training interviewers to ensure fairness in evaluating candidates; ensuring that selection processes and testing instruments are appropriate and job-related; coaching supervisors and managers regarding hiring processes; and gathering data and preparing related staffing reports.

Facilities Services – monitoring service contracts, supporting tenants, overseeing conference center use, administering identification badges, overseeing building access control, maintaining key/lock systems, and configuring workspaces.

Facility-Based Mobile Source Measures (FBMSMs) – effort to begin implementation of the five FBMSMs (Warehouse Distribution Centers, Commercial Airports, New or Redevelopment Projects, Commercial Marine Ports, and Railyard & Intermodal Facilities) adopted in the 2016 AQMP to reduce emissions from facilities and ensure that these reductions are counted towards the region’s emissions budget.

Fee Review – activities relating to conducting Fee Review Committee hearings for businesses that contest SCAQMD fees (Rule 313).

Financial Management - managing the financial aspects of the SCAQMD. This includes cash management, treasury/investment, accounting, and program and financial audits. It also includes maintaining SCAQMD’s permit-related financial and accounting records as well as maintaining and enhancing SCAQMD's payroll and accounting systems.

Goods Movement and Financial Incentives – programs to evaluate the air quality issues associated with goods movement and traffic congestion, and for the identification of financial incentives for expedited facility modernization and diesel engine conversion.

Governing Board – supporting the operation of the Governing Board and advisory groups of the SCAQMD. These activities range from preparing the agenda and minutes to providing support services, legal advice, speeches, letters, and conference coordination.

Grants Management - coordinating, negotiating, monitoring, accounting, and reporting of the SCAQMD's air pollution program and financial activities relating to grants, including U.S. EPA, DOE, CEC, DHS grants, and CARB Subvention.

Graphics Arts - designing and producing presentation materials and SCAQMD publications.

Green House Gas Reporting (GHG) - many of the businesses and facilities within SCAQMD’s jurisdiction are required to report their GHG emissions to CARB under the regulation for Mandatory Reporting of Greenhouse Gases (state) and, beginning in 2011, to the U.S. EPA under their Mandatory Reporting Rule (federal).

Green House Gas Reduction Fund – CARB’s Low Carbon Transportation Greenhouse Gas Reduction Fund (GGRF) Investment Program funds a project to demonstrate zero emission drayage trucks.

WORK PROGRAM GLOSSARY

Health Effects – conducting research and analyzing the health effects of air pollutants and assessing the health implications of pollutant reduction strategies; working with industry, trade associations, environmental groups, CARB and U.S. EPA and providing information to concerned citizens.

Hearing Board – supporting operation of the SCAQMD’s Hearing Board. These activities include accepting petitions filed; preparing and distributing notices; preparing minute orders, findings, and decisions of the Board; collecting fees; and general clerical support for the Board.

Information Technology Services - implementing new information technologies to enhance operational efficiency and productivity. Examples include developing workflow applications, training and supporting computer end users, and migrating network operating systems.

Inspections - inspecting facilities and equipment that emit or have the potential to emit air pollutants.

Inspections/RECLAIM Audits – conducting RECLAIM inspections and audits at facilities subject to Regulation XX (RECLAIM).

Interagency Coordination/Liaison - interacting with state, local, and federal control agencies and governmental entities.

Intergovernmental/Geographic Deployment - influencing local policy development and implementing a local government clean air program.

Lawnmower Exchange – residents of the South Coast Air Basin may trade in their gas-powered lawnmower and purchase a new zero-emission, battery electric lawnmower at a significant discount.

Lead Agency Projects – SCAQMD permitting and rule development projects where a CEQA document is prepared and the SCAQMD is the lead agency.

Legal - providing legal support to SCAQMD in the areas of liability defense, writs of mandate, injunctions, and public hearings. This activity also includes reviewing contracts, and advising staff on rules, fees and other governmental issues.

Legislation - drafting new legislation, analyzing and tracking proposed legislation, and developing position recommendations on legislation which impacts air quality.

Library - acquiring and maintaining reference materials and documentation that support the SCAQMD's programs.

WORK PROGRAM GLOSSARY

Lobby Permit Services – providing information and support to applicants to expedite permit processing. Includes consolidating forms, prescreening review for completeness of applications, providing internet access of certain forms, and providing “over-the-counter” permits in the lobby of the SCAQMD’s Diamond Bar headquarters.

Meteorology - modeling, characterizing, and analyzing both meteorological and air quality data to produce the SCAQMD's daily air quality forecast.

Microscopic Analysis - analyzing, identifying, and quantifying asbestos for compliance with SCAQMD, state, and federal regulations.

Mobile Sources - transportation monitoring, strategies, control measures, demonstration projects, the Mobile Source Air Pollution Reduction Review Committee (MSRC), implementation of Fleet Rules, High Emitter Repair & Scrappage Program, and locomotive remote sensing.

Mobile Source and AQMP (Air Quality Management Plan) Control Strategies – provide technical assistance on the mobile source element of the AQMP.

Moyer Program – see Carl Moyer Program

Mutual Settlement Program - resolving civil penalties without court intervention; this program is a mechanism to resolve violations and avoid criminal proceedings.

National Air Toxics Trends Stations (NATTS) – through U.S. EPA funding, two sites in the monitoring network are utilized to collect ambient VOC and particulate samples. Samples are analyzed by the SCAQMD lab and reported to U.S. EPA where the data is used to determine toxic trends.

Near Roadway (NO₂) Monitoring – federal monitoring requirement that calls for state and local air monitoring agencies to install near-road NO₂ monitoring stations at locations where peak hourly NO₂ concentrations are expected to occur within the near-road environment in larger urban areas.

Network Operations/Telecommunications – installing, maintaining, and providing operational support of the SCAQMD's PC, voice, data, image, and radio networks; planning, designing, and implementing new network systems or services in response to the SCAQMD's communications and business needs; and providing training, support, and application development services for end-users of voice and PC systems.

New Systems Development – providing support for major computer systems development efforts.

WORK PROGRAM GLOSSARY

New Source Review (NSR) - developing and implementing New Source Review rules; designing, implementing, and maintaining the Emission Reduction Credits and the New Source Review programs. These programs streamline the evaluation of permit renewal and emissions reporting.

Outreach - increasing public awareness of the SCAQMD's programs, goals, permit requirements, and employment opportunities; interacting, providing technical assistance, and acting as liaison between SCAQMD staff and various sectors of private industry, local governments, small businesses, and visiting dignitaries.

Outreach Media/Communications - monitoring local and national press accounts, both print and broadcast media, to assess SCAQMD's outreach and public opinion on SCAQMD rules and activities. This also includes responding to media calls for informational background material on SCAQMD news stories.

Payroll - paying salaries and benefits to SCAQMD employees, withholding and remitting applicable taxes, and issuing W2s.

Permit Processing - inspecting, evaluating, auditing, analyzing, reviewing and preparing final approval or denial to operate equipment which may emit or control air contaminants.

Permit Streamlining – activities relating to reducing organizational costs and streamlining regulatory and permit requirements on businesses.

Photochemical Assessment Monitoring Systems (PAMS) - promulgating PAMS (a federal regulation), which requires continuous ambient monitoring of speciated hydrocarbons during smog season. Through U.S. EPA funding, ozone precursors are measured at seven stations and samples are collected.

PM Sampling Program (U.S. EPA) – daily collection of particulate samples

Port of Long Beach (POLB) Advanced Maritime Emission Control System (AMECS) Demo – funded by the Port of Long Beach, the proposed project will assess the performance and effectiveness of a barge-mounted emission control system to capture and treat hoteling emissions from ocean-going vessels (OGV) at berth at the Port of Long Beach.

Portable Equipment Registration Program (PERP) – see CARB PERP Program.

Position Control – tracking Board-authorized positions and SCAQMD workforce utilization, processing personnel transactions for use by Payroll, and preparing reports regarding employee status, personnel transactions, and vacant positions.

Print Shop – performing in-house printing jobs and contracting outside printing/binding services when necessary.

WORK PROGRAM GLOSSARY

Proposition 1B - providing incentive funding for goods movement and lower emission school bus projects with funds approved by voters in November 2006.

Protocols/Reports/Plans/LAP - evaluating and approving protocols, source testing plans and reports submitted by regulated facilities as required by SCAQMD rules and permit conditions, New Source Review, state and federal regulations; and evaluating the capabilities of source test laboratories under the Laboratory Approval Program (LAP).

Public Complaints/Breakdowns - responding to air pollution complaints about odors, smoke, dust, paint overspray, or companies operating out of compliance; responding to industry notifications of equipment breakdowns, possibly resulting in emission exceedances.

Public Education/Public Events – implementing community events and programs to increase the public’s understanding of air pollution and their role in improving air quality.

Public Information Center - notifying schools and large employers of predicted and current air quality conditions on a daily basis and providing the public with printed SCAQMD information materials.

Public Notification – providing timely and adequate notification to the public of SCAQMD rulemaking workshops and public hearings, proposed rules, upcoming compliance dates, and projects of interest to the public.

Public Records Act - providing information to the public as requested and as required by Government Code, Section 6254.

Purchasing (Receiving, Stockroom) - procuring services and supplies necessary to carry out SCAQMD programs.

Quality Assurance – assuring the data quality from the Monitoring and Analysis Division meets or exceeds state and federal standards and also assuring the appropriateness of the data for supporting SCAQMD regulatory, scientific and administrative decisions.

RECLAIM/Admin Support – developing and implementing rules, and monitoring of emissions of the REgional Clean Air Incentives Market (RECLAIM) program, a market incentives trading program designed to help achieve federal and state ambient air quality standards in a cost-effective manner with minimal impacts to jobs or public health.

RECLAIM and Title V – permit processing of applications from facilities that are both RECLAIM and Title V.

RECLAIM Non-Title V – permit processing of applications from RECLAIM facilities only.

WORK PROGRAM GLOSSARY

Records Information Management Plan – providing the process to comply with internal and external requirements for the retention and retrieval of information pertinent to the mission and operation of the SCAQMD.

Records Services – maintaining SCAQMD’s central records and files, converting paper files to images, and operating the network image management system; providing for all off-site long-term storage of records and for developing and monitoring the SCAQMD’s Records Retention Policy.

Recruitment and Selection – assisting SCAQMD management in meeting staffing needs by conducting fair and non-discriminatory recruitment and selection processes that result in qualified, diverse applicants for SCAQMD jobs; overseeing promotional and transfer processes, and reviewing proposed staff reassignments.

Refinery Pilot Project – pursuant to the AQMP, a working group was formed to examine the efficacy of an alternative regulatory approach to reducing refinery emissions beyond the current requirements by establishing a targeted emission reduction commitment for each refinery for a set period of time and allow the use of on-site or off-site reduction strategies with acceptable environmental justice attributes.

Regional Modeling – designing, performing, and reviewing modeling and risk assessment analysis to assess the air quality impacts of new or modified sources of air pollution. Also see Meteorology.

Ridesharing - implementing the SCAQMD’s Rule 2202 Trip Reduction Plan.

Risk Management - developing and administering SCAQMD's liability, property, and workers’ compensation and safety programs.

Rule 1610 – ensuring compliance with Rule 1610, Old-Vehicle Scrapping.

Rule 2202 ETC Training – administering and conducting monthly Rule 2202 implementation training classes, workshops and/or forums for the regulated public and other interested individuals.

Rule 222 Implement/Support/Filing Program – ensuring compliance with Rule 222 for equipment subject to a filing requirement with the SCAQMD.

Rulemaking/Rules – developing new rules and evaluating existing SCAQMD and CARB rules and compliance information to assure timely implementation of the AQMP and its control measures.

Salton Sea Monitoring – maintaining the monitoring network for expected nuisance pollutants, primarily hydrogen sulfide, which are released from the Salton Sea area.

WORK PROGRAM GLOSSARY

School Bus Lower Emission Program – funding to replace pre-1987 diesel school buses with new alternative fuel buses owned and operated by public school districts.

SCAQMD Mail – processing and delivering all incoming and outgoing mail.

SCAQMD Projects – SCAQMD permitting and rule development projects where a California Environmental Quality Act (CEQA) document is prepared and the SCAQMD is the lead agency.

School Siting – identifying any hazardous emission sources within one-quarter mile of a new school site as required by AB3205. District activities include reporting of criteria and toxic pollutant information and conducting inspections of permitted facilities within a quarter-mile radius of proposed schools.

Small Business Assistance - providing technical and financial assistance to facilitate the permit process for small businesses.

Socio-Economic - developing an economic database to forecast economic activity, analyzing economic benefits of air pollution control, and analyzing the social impact of economic activity resulting from air quality regulations and plans.

Source Education - providing classes to facility owners and operators to ensure compliance with applicable SCAQMD's rules and regulations.

Source Testing (ST) – conducting source tests as needed in support of permitting functions and to determine compliance with permit conditions and SCAQMD Rules. Additionally, data submitted by facilities is reviewed for protocol approval, CEMS certification, or test data acceptance.

Speaker's Bureau - training SCAQMD staff for advising local government and private industry on air quality issues.

Special Monitoring – performing special ambient air sampling at locations where public health, nuisance concern, or Rule 403 violations may exist; determining the impacts from sources emitting toxics on receptor areas; and performing special monitoring in support of the emergency response program and public complaints response. Also see Emergency Response.

Sample Analyses – analyzing samples submitted by inspectors to determine compliance with SCAQMD Rules. Samples are also analyzed in support of rule development activities.

Student Interns – providing mutually beneficial educational hands-on experience for high school and college students by providing them with the opportunity to engage in day-to-day work with mentoring professionals within SCAQMD.

WORK PROGRAM GLOSSARY

Subscription Services - maintaining SCAQMD's rule subscription mailing list and coordinating the mailing of SCAQMD publications.

Systems Implementation PeopleSoft – implementing activities required to maintain an integrated Financial and Human Resources system, including additional features and functions introduced with scheduled software upgrades.

Systems Maintenance - routinely maintaining installed production data systems that support SCAQMD's business fluctuations, including minor modifications, special requests, fixes, and general maintenance.

Targeted Air Shed – funding from U.S. EPA to reduce air pollution in the nation's areas with the highest levels of ozone or particulate matter 2.5 (PM_{2.5}) exposure.

Technology Advancement - supporting the development of innovative controls for mobile and stationary sources, reviewing promising control technologies, and identifying those most deserving of SCAQMD developmental support.

Title III - permitting equipment that emits hazardous air pollutants in compliance with the federal Clean Air Act.

Title V - developing and implementing a permit program in compliance with the federal Clean Air Act.

Toxics/AB 2588 – evaluation of toxic inventories, risk assessments and risk reduction plans, with public notification as required. Analyzing, evaluating, reviewing, and making recommendations regarding toxic substances and processes and contributing input to District toxic rules and programs.

Training (Education, Organizational and Human Resources Development, Staff) - providing increased training in the areas of personnel education, computers, safety procedures, new programs, hazardous materials, and new technologies.

Transportation Regional Programs/Research – actively participating in Advisory Groups and Policy Committees involving the development and monitoring of the District's AQMP, Congestion Mitigation Air Quality Improvement Program (CMAQ), Safe Accountable Flexible Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), Transportation Control Measures (TCMs) and regional alternative commute mode programs.

TraPac Air Filtration Program – implementing/administering the installation and maintenance of air filtration systems at Wilmington area schools.

Union Negotiations/Union Steward Activities – Union-related activities of union stewards including labor management negotiations and assisting in the filing of employee grievances.

WORK PROGRAM GLOSSARY

VOC Sample Analysis - providing data and technical input for VOC rule development, performing analytical testing for compliance with SCAQMD rules regulating VOC content in coatings, inks, plastic foam, paint, adhesives, and solvents, and providing assistance and technical input to small businesses and other regulatory agencies, industry and the public.

Voucher Incentive Program (VIP) - incentive program designed to reduce emissions by replacing old, high-polluting vehicles with newer, lower-emission vehicles, or by installing a Verified Diesel Emission Control Strategy (VDECS).

Web Tasks – preparing and reviewing materials for posting to SCAQMD’s internet and/or intranet website.

WORK PROGRAM ACRONYMS

ORGANIZATIONAL UNITS

AHR	Administrative & Human Resources
CB	Clerk of the Boards
CE	Compliance & Enforcement
DG	District General
EP	Engineering & Permitting
EO	Executive Office
FIN	Finance
GB	Governing Board
IM	Information Management
LEG	Legal
LPAM	Legislative & Public Affairs/Media Office
PRA	Planning, Rule Development & Area Sources
STA	Science & Technology Advancement

PROGRAMS

AB 134	Community Air Protection Program (Carl Moyer)
AB 617	Community Air Protection Program
AB 1318	Offsets-Electrical Generating Facilities
AB 2588	Air Toxics (“Hot Spots”)
AB 2766	Motor Vehicle Subvention Program
APEP	Annual Permit Emissions Program
AQIP	Air Quality Investment Program
AQMP	Air Quality Management Plan
BACT	Best Available Control Technology
CEMS	Continuous Emissions Monitoring Systems
CEQA	California Environmental Quality Act
CF	Clean Fuels Program
CMP	Carol Moyer Program
DERA	Diesel Emission Reduction Act
ERC	Emission Reduction Credit
GGRF	Greenhouse Gas Reduction Fund
MS	Mobile Sources Program
NSR	New Source Review
PERP	Portable Equipment Registration Program
PR	Public Records Act
QA	Quality Assurance
RFP	Reasonable Further Progress
RECLAIM	REgional Clean Air Incentives Market
ST	Source Test
Title III	Federally Mandated Toxics Program
Title V	Federally Mandated Permit Program
VIP	Voucher Incentive Program

POLLUTANTS

CO	Carbon Monoxide
NO _x	Oxides of Nitrogen
O ₃	Ozone
PM _{2.5}	Particulate Matter <2.5 microns
PM ₁₀	Particulate Matter ≤ 10 microns
ROG	Reactive Organic Gases
SO _x	Oxides of Sulfur
VOC	Volatile Organic Compound

GOVERNMENT AGENCIES

APCD	Air Pollution Control District (Generic)
CARB	California Air Resources Board
CEC	California Energy Commission
DHS	Department of Homeland Security
DOE	Department of Energy
EPA	Environmental Protection Agency
NACAA	National Association of Clean Air Agencies
SCAG	Southern California Association of Governments

GENERAL

AA	Affirmative Action
AER	Annual Emissions Reporting
AM	Air Monitoring
AQSCR	Air Quality Standards Compliance Report
AQ-SPEC	Air Quality Sensor Performance Evaluation Center
ATIP	Air Toxics Inventory Plan
AVR	Average Vehicle Ridership
BARCT	Best Available Retrofit Control Technology
CE-CERT	College of Engineering-Center for Environmental Research and Technology
CLASS	Clean Air Support System
CNG	Compressed Natural Gas
CTC	County Transportation Commission
CTG	Control Techniques Guideline
DB	Database
DPF	Diesel Particulate Filter
EIR	Environmental Impact Report
EJ	Environmental Justice
ERC	Emission Reduction Credit
ETC	Employee Transportation Coordinator
EV	Electric Vehicle
FBMSMs	Facility-Based Mobile Source Measures
FY	Fiscal Year
GHG	Greenhouse Gas
HR	Human Resources
HRA	Health Risk Assessment
IAIC	Interagency AQMP Implementation Committee
IGA	Intergovernmental Affairs
ISR	Indirect Source Rules
LAER	Lowest Achievable Emissions Rate
LEV	Low Emission Vehicle
LNG	Liquefied Natural Gas
LS	Laboratory Services
MOU	Memorandum of Understanding
MSERCs	Mobile Source Emission Reduction Credits
MSRC	Mobile Source (Air Pollution Reduction) Review Committee
NATTS	National Air Toxics Trends Stations
NESHAPS	National Emission Standards for Hazardous Air Pollutants
NGV	Natural Gas Vehicle
NOV	Notice of Violation
NSR	New Source Review
ODC	Ozone Depleter Compounds
PAMS	Photochemical Assessment Monitoring System
PAR	Proposed Amended Rule
PE	Program Evaluations
PR	Proposed Rule
RFP	Request for Proposal
RFQ	Request for Quotations
RTC	RECLAIM Trading Credit
SBA	Small Business Assistance
SIP	State Implementation Plan
SCR	Selective Catalytic Reduction
STE	Source Testing Evaluations
SULEV	Super Ultra Low-Emission Vehicle
TCM	Transportation Control Measure
ULEV	Ultra- Low-Emissions Vehicle
VMT	Vehicle Miles Traveled
ZECT	Zero Emission Cargo Transport
ZEV	Zero-Emission Vehicle



SOUTH COAST

AIR QUALITY MANAGEMENT DISTRICT

GOVERNING BOARD

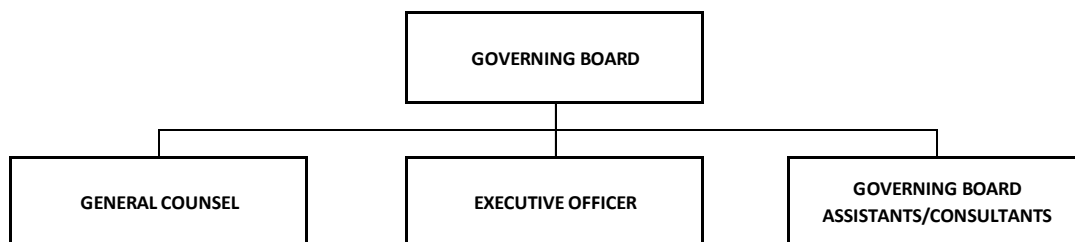
At a Glance:	
FY 2017-2018 Budget	\$1.7M
FY 2018-2019 Proposed	\$1.8M
Percent of SCAQMD Budget	1.1%
Total Proposed FTEs	-

DESCRIPTION OF MAJOR SERVICES:

The Governing Board is made up of 13 officials who meet monthly to establish policy and review new or amended rules for approval. The Governing Board appoints the SCAQMD Executive Officer and General Counsel, and members of the Hearing Board. Each Governing Board member is allocated funds to retain the services of Board Consultants and/or Assistants to provide support in their duties as Governing Board members.

Governing Board members include:

- One county Board of Supervisor’s representative each from the counties of Los Angeles, Orange, Riverside, and San Bernardino;
- One representative each from cities within Orange, Riverside, and San Bernardino counties, two representatives from cities within Los Angeles County, and one city representative from the City of Los Angeles;
- One representative appointed by the Governor, one by the Assembly Speaker, and one by the Senate Rules Committee.



Governing Board Line Item Expenditure						
Major Object / Account # / Account Description		FY 2016-17 Actuals	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2017-18 Estimate *	FY 2018-19 Proposed Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 255,514	\$ 449,322	\$ 449,322	\$ 220,136	\$ 462,913
53000-55000	Employee Benefits	18,618	260,646	260,646	18,926	261,190
Sub-total Salary & Employee Benefits		\$ 274,132	\$ 709,968	\$ 709,968	\$ 239,062	\$ 724,103
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	-	-	-	-	-
67350	Rents & Leases Structure	-	-	-	-	-
67400	Household	-	-	-	-	-
67450	Professional & Special Services	664,366	713,628	713,628	713,628	771,284
67460	Temporary Agency Services	-	-	-	-	-
67500	Public Notice & Advertising	40,791	52,000	52,000	52,000	52,000
67550	Demurrage	-	-	-	-	-
67600	Maintenance of Equipment	-	-	-	-	-
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	13,887	10,000	10,000	10,000	10,000
67750	Auto Service	-	-	-	-	-
67800	Travel	34,950	64,800	64,800	64,800	64,800
67850	Utilities	-	-	-	-	-
67900	Communications	11,321	20,000	20,000	20,000	20,000
67950	Interest Expense	-	-	-	-	-
68000	Clothing	-	-	-	-	-
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	1,120	10,000	10,000	2,103	10,000
68100	Office Expense	1,026	4,000	4,000	2,352	4,000
68200	Office Furniture	-	-	-	-	-
68250	Subscriptions & Books	-	-	-	-	-
68300	Small Tools, Instruments, Equipment	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	141,097	112,500	112,500	112,500	112,500
69550	Memberships	-	-	-	-	-
69600	Taxes	-	-	-	-	-
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	8,029	15,000	15,000	14,019	15,000
69750	Prior Year Expense	-	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 916,587	\$ 1,001,928	\$ 1,001,928	\$ 991,403	\$ 1,059,584
77000	Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 1,190,719	\$ 1,711,896	\$ 1,711,896	\$ 1,230,465	\$ 1,783,687

* Estimates based on July 2017 through February 2018 actual expenditures and budget amendments.

EXECUTIVE OFFICE

**WAYNE NASTRI
EXECUTIVE OFFICER**

At a Glance:	
FY 2017-2018 Budget	\$1.7M
FY 2018-2019 Proposed	\$1.6M
Percent of SCAQMD Proposed	1.0%
Total Proposed FTEs	5

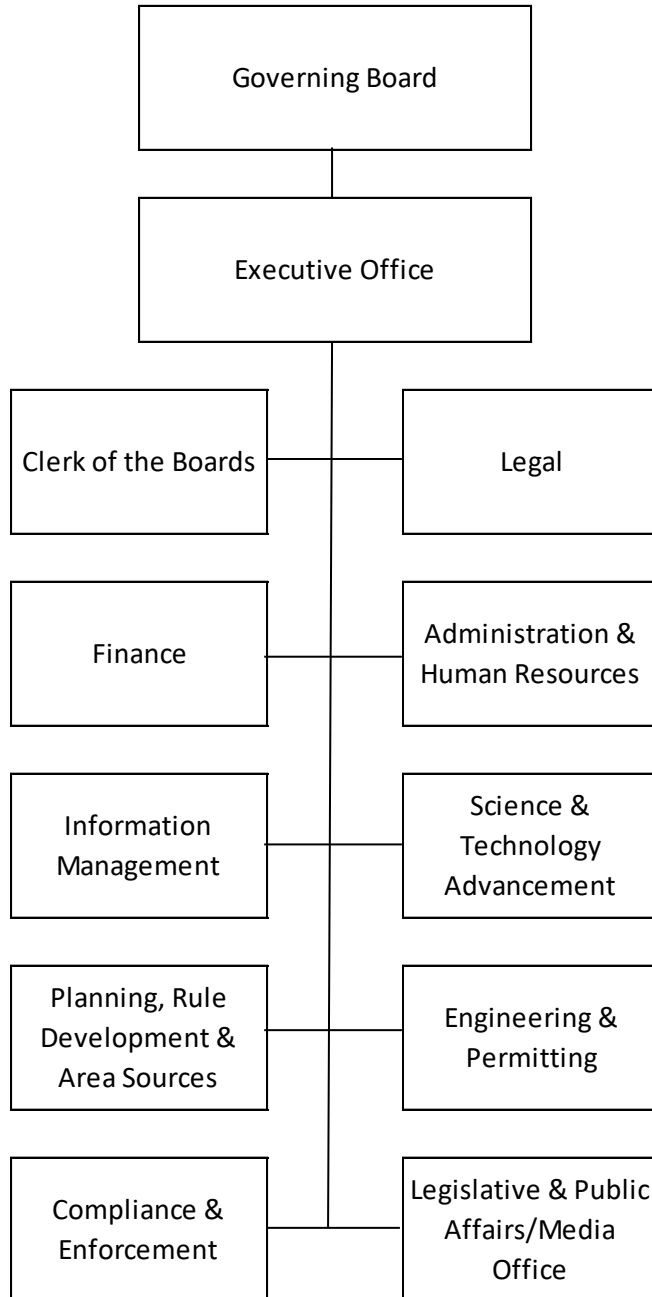
DESCRIPTION OF MAJOR SERVICES:

The Executive Office is responsible for the comprehensive management of the SCAQMD and the development and implementation of near-term and long-term strategies to attain ambient air quality standards. The Executive Office also translates set goals and objectives into effective programs and enforceable regulations that meet federal and state statutory requirements, while being sensitive to potential socioeconomic and environmental justice impacts in the South Coast Air Basin.

The Executive Office currently consists of the Executive Officer, Chief Operating Officer, and three support staff. The Executive Officer serves as Chief of Operations in implementing policy directed by the agency's 13-member Governing Board and in working proactively with state and federal regulatory officials. The Executive Officer also oversees all of the day-to-day administrative functions of staff and the annual operating budget.

EXECUTIVE OFFICE (cont.)

ORGANIZATIONAL CHART:



EXECUTIVE OFFICE (cont.)

POSITION SUMMARY: 5 FTEs

Executive Office Unit	Amended FY 2017-18	Change	Proposed FY 2018-19
Administration	6	-1	5

STAFFING DETAIL:

2018-19 Proposed Staffing

<u>Position</u>	<u>Title</u>
1	Chief Operating Officer
1	Executive Officer
<u>3</u>	Executive Secretary
5	Total Proposed Positions

**Executive Office
Work Program by Office**

#	Program Code		Program Categories	Program	Activities	FTEs	+/-	FTEs	Revenue Categories
						FY 2017-18		FY 2018-19	
1	03	010	Develop Programs	AQMP	Develop/Implement AQMP	0.05	0.00	0.05	II,IX
2	03	028	Develop Programs	Admin/SCAQMD Policy	Dev/Coord Goals/Policies/Overs	0.44	0.00	0.44	Ia
3	03	038	Operational Support	Admin/Office Management	Budget/Program Management	2.00	-1.00	1.00	Ib
4	03	083	Policy Support	Hlth Effects Air Pollution Fou	Health Effects Air Poll Foundation Support	0.01	0.00	0.01	Ia
5	03	275	Policy Support	Governing Board	Board/Committee Support	1.72	0.00	1.72	Ia
6	03	381	Policy Support	Interagency Liaison	Local/State/Fed Coord/Interact	0.71	0.00	0.71	Ia,IX
7	03	410	Policy Support	Legislation	Testimony/Mtgs:New/Current Leg	0.03	0.00	0.03	Ia,IX
8	03	416	Policy Support	Legislative Activities	Supp/Promote/Influence Legis/Adm	0.03	0.00	0.03	Ia
9	03	490	Customer Service and Business Assistance	Outreach	Publ Awareness Clean Air Prog	0.97	0.00	0.97	Ia
10	03	565	Customer Service and Business Assistance	Public Records Act	Comply w/ Public Req for Info	0.01	0.00	0.01	Ia
11	03	855	Operational Support	Web Tasks	Create/edit/review web content	0.03	0.00	0.03	Ia
Total Executive Office						6.00	(1.00)	5.00	

Executive Office Line Item Expenditure					
Major Object / Account # / Account Description	FY 2016-17 Actuals	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2017-18 Estimate *	FY 2018-19 Proposed Budget
Salary & Employee Benefits					
51000-52000 Salaries	\$ 913,577	\$ 928,153	\$ 912,262	\$ 929,982	\$ 855,927
53000-55000 Employee Benefits	533,913	455,978	471,869	468,404	457,306
Sub-total Salary & Employee Benefits	\$ 1,447,490	\$ 1,384,131	\$ 1,384,131	\$ 1,398,386	\$ 1,313,233
Services & Supplies					
67250 Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300 Rents & Leases Equipment	-	-	-	-	-
67350 Rents & Leases Structure	-	-	-	-	-
67400 Household	-	-	-	-	-
67450 Professional & Special Services	80,656	150,000	148,000	79,580	150,000
67460 Temporary Agency Services	-	-	-	-	-
67500 Public Notice & Advertising	-	7,500	7,500	-	7,500
67550 Demurrage	-	-	-	-	-
67600 Maintenance of Equipment	-	400	400	-	400
67650 Building Maintenance	-	-	-	-	-
67700 Auto Mileage	794	800	800	794	800
67750 Auto Service	-	-	-	-	-
67800 Travel	30,921	52,000	52,000	52,000	77,000
67850 Utilities	-	-	-	-	-
67900 Communications	3,548	6,500	6,500	5,465	6,500
67950 Interest Expense	-	-	-	-	-
68000 Clothing	157	-	-	-	-
68050 Laboratory Supplies	-	-	-	-	-
68060 Postage	158	7,000	7,000	158	7,000
68100 Office Expense	6,972	6,300	6,300	5,292	6,300
68200 Office Furniture	-	-	-	-	-
68250 Subscriptions & Books	-	5,000	4,914	-	5,000
68300 Small Tools, Instruments, Equipment	-	-	-	-	-
68400 Gas and Oil	-	-	-	-	-
69500 Training/Conference/Tuition/ Board Exp.	3,361	1,000	3,000	2,801	1,000
69550 Memberships	38,000	26,000	26,000	26,000	26,000
69600 Taxes	-	-	-	-	-
69650 Awards	-	-	-	-	-
69700 Miscellaneous Expenses	2,554	25,000	25,000	3,130	25,000
69750 Prior Year Expense	-	-	-	-	-
69800 Uncollectable Accounts Receivable	-	-	-	-	-
89100 Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies	\$ 167,120	\$ 287,500	\$ 287,414	\$ 175,219	\$ 312,500
77000 Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -
79050 Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures	\$ 1,614,610	\$ 1,671,631	\$ 1,671,545	\$ 1,573,605	\$ 1,625,733

* Estimates based on July 2017 through February 2018 actual expenditures and budget amendments.



SOUTH COAST

AIR QUALITY MANAGEMENT DISTRICT

DISTRICT GENERAL

At a Glance:	
FY 2017-2018 Budget	\$15.2M
FY 2018-2019 Proposed	\$16.8M
Percent of SCAQMD Proposed	10.2%
Total Proposed FTEs	n/a

Accounts associated with general operations of the SCAQMD are budgeted and tracked in District General. Included are such items as retirement payouts, principal and interest payments, insurance, utilities, taxes, housekeeping, security, and building maintenance and improvements.

District General Line Item Expenditure						
Major Object / Account # / Account Description		FY 2016-17 Actuals	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2017-18 Estimate *	FY 2018-19 Proposed Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ -	\$ 990,000	\$ 902,769	\$ 902,769	\$ 1,785,964
53000-55000	Employee Benefits	250,359	380,000	380,000	382,884	480,000
Sub-total Salary & Employee Benefits		\$ 250,359	\$ 1,370,000	\$ 1,282,769	\$ 1,285,653	\$ 2,265,964
Services & Supplies						
67250	Insurance	\$ 1,101,642	\$ 1,317,400	\$ 1,317,400	\$ 1,254,921	\$ 1,317,400
67300	Rents & Leases Equipment	35,966	28,143	28,143	28,143	117,000
67350	Rents & Leases Structure	-	-	-	-	-
67400	Household	606,374	755,866	755,866	755,866	755,866
67450	Professional & Special Services	1,071,613	1,185,975	1,201,161	1,201,161	1,215,975
67460	Temporary Agency Services	-	-	-	-	-
67500	Public Notice & Advertising	14,013	25,000	25,000	18,783	25,000
67550	Demurrage	-	-	-	-	100,000
67600	Maintenance of Equipment	43,498	259,400	270,630	270,630	403,654
67650	Building Maintenance	536,964	831,479	829,329	829,329	1,231,479
67700	Auto Mileage	-	-	-	-	-
67750	Auto Service	-	-	-	-	-
67800	Travel	-	-	-	-	-
67850	Utilities	1,679,503	2,213,288	2,096,640	1,656,329	2,213,288
67900	Communications	137,358	150,900	150,900	137,237	150,900
67950	Interest Expense	3,863,482	3,756,716	3,756,716	3,756,716	3,637,290
68000	Clothing	-	-	-	-	-
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	12,597	30,000	30,000	15,117	17,083
68100	Office Expense	242,682	287,550	277,835	245,050	288,200
68200	Office Furniture	3,749	4,000	4,000	3,749	4,000
68250	Subscriptions & Books	-	-	-	-	-
68300	Small Tools, Instruments, Equipment	-	-	5,000	530	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	-	-	-	-	-
69550	Memberships	-	-	-	-	-
69600	Taxes	14,983	71,000	51,000	20,471	56,000
69650	Awards	19,007	27,342	27,342	19,007	27,342
69700	Miscellaneous Expenses	14,784	14,375	14,375	13,723	14,375
69750	Prior Year Expense	(5,441)	-	-	-	-
69800	Uncollectable Accounts Receivable	399,092	-	-	-	-
89100	Principal Repayment	2,331,010	2,432,798	2,432,798	2,432,798	2,553,110
Sub-total Services & Supplies		\$ 12,122,878	\$ 13,391,232	\$ 13,274,135	\$ 12,659,560	\$ 14,127,962
77000	Capital Outlays	\$ -	\$ 418,717	\$ 343,717	\$ 274,974	\$ 435,000
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 12,373,237	\$ 15,179,949	\$ 14,900,621	\$ 14,220,186	\$ 16,828,926

* Estimates based on July 2017 through February 2018 actual expenditures and budget amendments. Does not include Transfers Out.

ADMINISTRATIVE & HUMAN RESOURCES

A. JOHN OLVERA

ASSISTANT DEPUTY EXECUTIVE OFFICER

At a Glance:	
FY 2017-2018 Budget	\$6.2M
FY 2018-2019 Proposed	\$6.7M
Percent of SCAQMD Proposed	4.1%
Total Proposed FTEs	38

DESCRIPTION OF MAJOR SERVICES:

Administrative & Human Resources is comprised of several units: Employment & Labor Relations/Benefits & Records, Classification & Pay/Recruitment & Selection, Risk Management, Business Services, and Building Services. Human Resources units are responsible for planning and administering the personnel and employee relations programs to maximize hiring, retention, and development of highly-qualified employees necessary to meet SCAQMD's air quality goals. Risk Management is responsible for programs aimed at ensuring a healthful and safe work environment, as well as to reduce liability and accident-related costs. Business Services oversees the administration of the SCAQMD headquarters facility services, its leases, the maintenance of fleet vehicles, and the management of Print Shop and Mail/Subscription services. Building Services is responsible for the maintenance and repair of the SCAQMD headquarters building, childcare center, field offices, air monitoring stations, and meteorological stations.

ACCOMPLISHMENTS:

RECENT:

- Reached agreement with three bargaining units for a new three-year labor agreement and amended Salary Resolution and Administrative Code for unrepresented employees.
- Administered employee benefits programs, including the transition to a public agency joint powers authority to maximize cost effectiveness of the health insurance program.
- Conducted successful recruitment efforts for promotional opportunities and new hires.
- Completed reclassification studies; received Board approval for the reclassification of 14 positions.
- Provided support and direction to management and staff with respect to adherence to relevant state and federal laws and SCAQMD policies, procedures and Memos of Understanding.
- Supported SCAQMD's Succession Planning program through the Executive Office.

ADMINISTRATIVE & HUMAN RESOURCES (cont.)

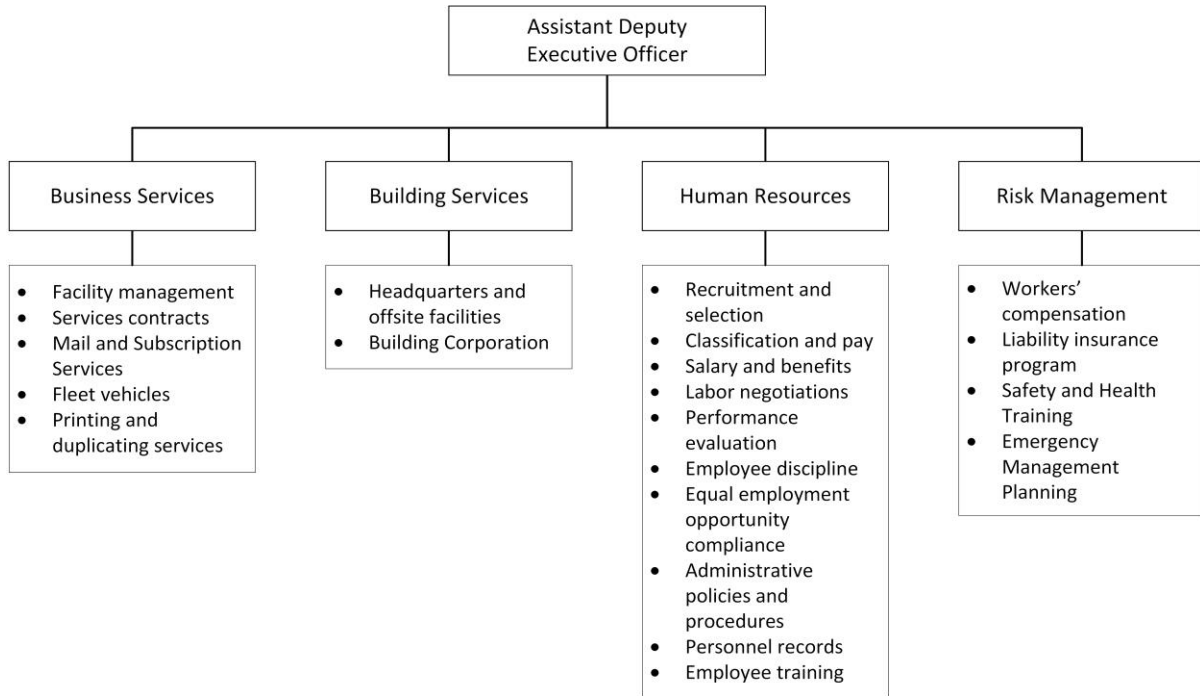
- Implemented an electronic on-boarding process for newly hired employees to complete their paperwork on-line.
- Administered the Governing Board Summer Intern Program.
- Conducted ergonomic workspace evaluations and other safety training programs.
- Implemented a Teleworking Pilot Program for employees.
- Conducted Active Assailant Training for all employees.
- Held training on sexual harassment prevention and anti-bullying policies, as well as other programs for career development and workforce education.
- Completed new office construction and conference room updates.
- Completed work space design and reconfiguration on several floors.

ANTICIPATED:

- Continue to provide support and direction to management and staff with respect to adherence to relevant state and federal laws and SCAQMD policies, procedures and memoranda of understanding.
- Continue recruitment and selection efforts, and conduct classification studies.
- Provide training workshops for supervisors and managers.
- Complete the preparation of a Continuity of Operations Plan and program.
- Implement a mentorship program.
- Continue updates and implementation of SCAQMD's Succession Planning program.
- Evaluate and plan for significant turnover of vehicle fleet due to CNG tank expiration.
- Install two 770-ton chillers at Diamond Bar headquarters.
- Install two 800-ton cooling towers at Diamond Bar headquarters.

ADMINISTRATIVE & HUMAN RESOURCES (cont.)

ORGANIZATIONAL CHART:



POSITION SUMMARY: 38 FTEs

Administrative & Human Resources Units	Amended FY 17-18	Change	Proposed FY 18-19
Office Administration	4	-	4
Business Services	15	(1)	14
Building Services	7	1	8
Classification & Pay/Recruitment & Selection	6	-	6
Employee & Labor Relations/Benefits & Records	4	-	4
Risk Management	2	-	2
Total	38	-	38

ADMINISTRATIVE & HUMAN RESOURCES (cont.)

STAFFING DETAIL:

2018-19 Proposed Staffing

<u>Position</u>	<u>Title</u>
1	Assistant Deputy Executive Officer/Administrative & Human Resources
1	Building Maintenance Manager
1	Building Supervisor
1	Business Services Manager
2	Career Development Intern
1	Facilities Services Technician
1	Fleet Services Supervisor
2	Fleet Services Worker II
5	General Maintenance Worker
5	Human Resources Analyst
2	Human Resources Manager
2	Human Resources Technician
2	Mail Subscription Services Clerk
1	Mail Subscription Services Supervisor
2	Office Assistant
1	Offset Press Operator
2	Print Shop Duplicator
1	Print Shop Supervisor
1	Risk Manager
2	Secretary
1	Senior Administrative Secretary
<u>1</u>	Staff Specialist
38	Total Proposed Positions

**Administrative & Human Resources
Work Program by Office**

#	Program Code		Program Categories	Program	Activities	FTEs	+/-	FTEs	Revenue Categories
						FY 2017-18		FY 2018-19	
1	16	026	Operational Support	SCAQMD Mail	Posting/Mailing/Delivery	2.30	0.00	2.30	1a
2	16	035	Operational Support	AB 617-General	AB 617-General	0.00	2.00	2.00	XV
3	16	038	Operational Support	Admin/Office Management	Reports/Proj/Budget/Contracts	3.85	0.00	3.85	1b
4	16	060	Operational Support	Equal Employment Opportunity	Program Dev/Monitor/Reporting	0.10	0.00	0.10	1a
5	16	080	Ensure Compliance	Auto Services	Vehicle/Radio Repair & Maint	3.00	0.00	3.00	1a
6	16	090	Operational Support	Building Maintenance	Repairs & Preventative Maint	7.00	0.00	7.00	1a
7	16	092	Operational Support	Business Services	Building Services Admin/Contracts	2.55	0.00	2.55	1a
8	16	225	Operational Support	Employee Benefits	Benefits Analysis/Orient/Records	1.50	0.00	1.50	1a
9	16	226	Operational Support	Classification & Pay	Class & Salary Studies	0.30	0.00	0.30	1a
10	16	228	Operational Support	Recruitment & Selection	Recruit Candidates for SCAQMD	3.25	0.00	3.25	1a
11	16	232	Operational Support	Position Control	Track Positions/Workforce Anlysis	0.55	0.00	0.55	1a
12	16	233	Operational Support	Employee Relations	Meet/Confer/Labor-Mgmt/Grievance	2.20	0.00	2.20	1a
13	16	255	Operational Support	Facilities Services	Phones/Space/Keys/Audio-Visual	1.00	0.00	1.00	1a
14	16	457	Advance Clean Air Technology	MS/Carl Moyer Admin	C Moyer/Contractor Compliance	0.10	0.00	0.10	IX
15	16	540	Customer Service and Business Assistance	Print Shop	Printing/Collating/Binding	4.00	0.00	4.00	1a
16	16	542	Advance Clean Air Technology	Prop 1B:Goods Movement	Prop 1B: Goods Movement	0.10	0.00	0.10	IX
17	16	565	Customer Service and Business Assistance	Public Records Act	Comply w/ Public Rec Requests	0.05	0.00	0.05	1a
18	16	640	Operational Support	Risk Management	Liabl/Property/Wk Comp/Selfins	2.25	0.00	2.25	1a
19	16	717	Policy Support	Student Interns	Gov Board/Student Intern Program	0.20	0.00	0.20	1a
20	16	720	Customer Service and Business Assistance	Subscription Services	Rule & Gov Board Materials	1.70	0.00	1.70	IV,XVII
Total Administrative & Human Resources						36.00	2.00	38.00	

**Administrative & Human Resources
Line Item Expenditure**

Major Object / Account # / Account Description		FY 2016-17 Actuals	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2017-18 Estimate *	FY 2018-19 Proposed Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 2,912,814	\$ 2,997,925	\$ 3,141,849	\$ 2,969,326	\$ 3,324,993
53000-55000	Employee Benefits	1,662,132	1,705,914	1,705,914	1,711,976	2,009,181
Sub-total Salary & Employee Benefits		\$ 4,574,946	\$ 4,703,839	\$ 4,847,763	\$ 4,681,302	\$ 5,334,174
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	113,323	117,540	106,310	106,310	41,600
67350	Rents & Leases Structure	-	-	-	-	-
67400	Household	-	2,850	1,350	-	5,284
67450	Professional & Special Services	308,976	151,750	151,750	151,750	151,750
67460	Temporary Agency Services	-	5,000	22,000	22,000	17,000
67500	Public Notice & Advertising	10,312	26,500	24,530	24,530	12,066
67550	Demurrage	40	-	-	-	-
67600	Maintenance of Equipment	65,923	79,754	79,754	73,264	5,500
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	5,774	4,200	4,700	4,700	4,200
67750	Auto Service	466,402	470,000	470,000	470,000	470,000
67800	Travel	3,868	2,500	3,500	3,500	2,500
67850	Utilities	-	-	-	-	-
67900	Communications	18,173	21,900	21,900	19,212	21,900
67950	Interest Expense	-	-	-	-	-
68000	Clothing	23,833	10,808	10,808	10,808	10,808
68050	Laboratory Supplies	-	-	1,300	1,300	-
68060	Postage	5,057	11,469	5,414	4,318	5,469
68100	Office Expense	144,788	105,300	125,300	125,300	111,300
68200	Office Furniture	41,184	90,000	90,000	74,286	90,000
68250	Subscriptions & Books	3,131	2,520	2,520	2,520	2,520
68300	Small Tools, Instruments, Equipment	5,202	5,030	5,030	5,030	5,030
68400	Gas and Oil	178,020	372,000	372,000	333,840	372,000
69500	Training/Conference/Tuition/ Board Exp.	21,994	15,062	22,787	22,787	15,062
69550	Memberships	3,604	3,265	3,265	-	3,265
69600	Taxes	-	-	-	-	-
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	3,371	12,000	12,000	12,000	12,000
69750	Prior Year Expense	(1,282)	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 1,421,691	\$ 1,509,448	\$ 1,536,218	\$ 1,467,455	\$ 1,359,254
77000	Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 5,996,638	\$ 6,213,287	\$ 6,383,981	\$ 6,148,757	\$ 6,693,428

* Estimates based on July 2017 through February 2018 actual expenditures and budget amendments.

CLERK OF THE BOARDS

**DENISE GARZARO
CLERK OF THE BOARDS**

At a Glance:	
FY 2017-2018 Budget	\$1.3M
FY 2018-2019 Proposed	\$1.4M
Percent of SCAQMD Proposed	0.9%
Total Proposed FTEs	6

DESCRIPTION OF MAJOR SERVICES:

Clerk of the Boards coordinates the activities, provides operational support, and maintains the official records for both the Governing Board and the Hearing Board. The Office is responsible for preparing the legal notices for hearings and meetings, and ensuring that such notices are published as required. Clerk of the Boards' staff assist petitioners and attorneys in the filing of petitions before the Hearing Board and explain the Hearing Board's functions and procedures. Staff prepares Minute Orders, Findings and Decisions of the Hearing Board, and Summary Minutes of Governing Board meetings. The Clerk acts as communication liaison for the Boards with SCAQMD staff and state and federal agencies.

ACCOMPLISHMENTS:

RECENT

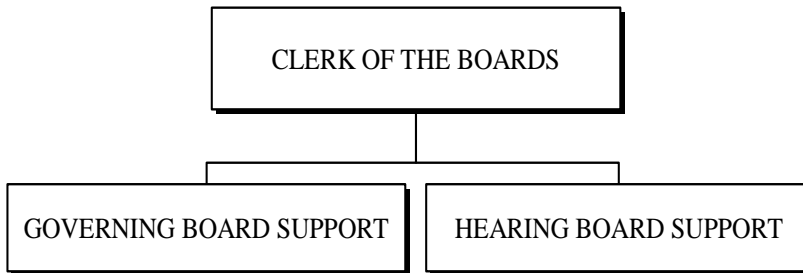
- Received and processed 70 subpoenas, public/administrative records requests, and claims against the District.
- Provided support for 11 Governing Board meetings, including: preparing an agenda and minutes for each meeting; preparation, distribution, and publication of 30 meeting and public hearing notices; preparation of 18 Board Resolutions.
- Provided support for 85 hearings, pre-hearing conferences, and general meetings held by the Hearing Board, including: processing 118 petitions; preparation, distribution, and publication of 85 meeting and public hearing notices; preparation of 125 Minute Orders, Findings & Decisions, Pre-hearing Memoranda, and General Meeting Reports of Actions; and preparation and distribution of 130 daily agendas and monthly case calendars.
- Planned/coordinated efforts and provided clerical support for special offsite meetings, including: Governing Board – Mobile Board Meeting 10/7/2016 in Riverside, Board Retreat 3/9/17 in Irvine; Hearing Board – off-site hearings held on the following Saturdays – 7/9/2016, 8/6/2016 and 9/17/2016 in Northridge and Woodland Hills.

CLERK OF THE BOARDS (cont.)

ANTICIPATED:

- Provide support for approximately 80 hearings, pre-hearing conferences, and general meetings held by the Hearing Board, including: processing approximately 100 petitions; preparation, distribution, and publication of 110-120 meeting and public hearing notices; preparation of over 100 Minute Orders, Findings and Decisions, Pre-hearing Memoranda, and General Meeting Reports of Actions; and preparing and distributing more than 140 daily agendas and monthly case calendars. Provide support for 11 Governing Board meetings, including preparation of meeting agendas, minutes and Board Resolutions.

ORGANIZATIONAL CHART:



POSITION SUMMARY: 6 FTEs

Clerk of the Boards Unit	Amended FY 2017-18	Change	Proposed FY 2018-19
Governing/Hearing Board Support	6	-	6

STAFFING DETAIL:

2018-19 Proposed Staffing

<u>Position</u>	<u>Title</u>
1	Clerk of the Board
3	Deputy Clerk/Transcriber
1	Office Assistant
<u>1</u>	Senior Deputy Clerk
6	Total Proposed Positions

**Clerk of the Boards
Work Program by Office**

#	Program Code		Program Categories	Program	Activities	FTEs	+/-	FTEs	Revenue Categories
						FY 2017-18		FY 2018-19	
1	17	024	Operational Support	Admin/SCAQMD/GB/HB Mgmt	Admin Governing/Hearing Brds	1.25	0.00	1.25	la,VII,XV
2	17	275	Operational Support	Governing Board	Attend/Record/Monitor Meetings	1.40	0.00	1.40	la
3	17	364	Ensure Compliance	Hearing Board/Abatement Orders	Attnd/Recrd/Monitr Mtgs	0.10	0.00	0.10	IV
4	17	365	Ensure Compliance	Hearing Board/Variences/Appeal	Attend/Record/Monitor HB Mtgs	3.20	0.00	3.20	IV,V,VII
5	17	565	Customer Service and Business Assistance	Public Records Act	Comply w/ Public Rec Requests	0.02	0.00	0.02	la
6	17	855	Operational Support	Web Tasks	Create/edit/review web content	0.03	0.00	0.03	la
Total Clerk of the Boards						6.00	-	6.00	

**Clerk of the Boards
Line Item Expenditure**

Major Object / Account # / Account Description		FY 2016-17 Actuals	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2017-18 Estimate *	FY 2018-19 Proposed Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 410,565	\$ 382,381	\$ 382,381	\$ 406,212	\$ 401,668
53000-55000	Employee Benefits	248,659	266,774	266,775	274,738	297,490
Sub-total Salary & Employee Benefits		\$ 659,224	\$ 649,156	\$ 649,156	\$ 680,950	\$ 699,158
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	-	-	-	-	-
67350	Rents & Leases Structure	-	-	-	-	-
67400	Household	-	-	-	-	-
67450	Professional & Special Services	54,648	85,500	85,500	54,680	85,200
67460	Temporary Agency Services	-	-	-	-	-
67500	Public Notice & Advertising	24,057	40,000	40,000	27,278	40,000
67550	Demurrage	-	-	-	-	-
67600	Maintenance of Equipment	-	200	200	-	200
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	151	100	100	33	100
67750	Auto Service	-	-	-	-	-
67800	Travel	-	200	200	30	200
67850	Utilities	-	-	-	-	-
67900	Communications	388	500	500	184	500
67950	Interest Expense	-	-	-	-	-
68000	Clothing	-	-	-	-	-
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	843	1,200	1,200	843	1,200
68100	Office Expense	905	6,600	6,600	1,504	6,600
68200	Office Furniture	-	-	-	-	-
68250	Subscriptions & Books	-	-	-	-	-
68300	Small Tools, Instruments, Equipment	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	383,775	534,200	534,200	534,200	584,920
69550	Memberships	300	-	-	-	300
69600	Taxes	-	-	-	-	-
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	47	500	500	-	500
69750	Prior Year Expense	-	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 465,113	\$ 669,000	\$ 669,000	\$ 618,753	\$ 719,720
77000	Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ -
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 1,124,337	\$ 1,318,156	\$ 1,318,156	\$ 1,299,703	\$ 1,418,878

* Estimates based on July 2017 through February 2018 actual expenditures and budget amendments.

COMPLIANCE & ENFORCEMENT

MARIAN COLEMAN DEPUTY EXECUTIVE OFFICER

At a Glance:	
FY 2017-2018 Budget	\$20.2M
FY 2018-2019 Proposed	\$21.1M
Percent of SCAQMD Proposed	12.8%
Total Proposed FTEs	152

DESCRIPTION OF MAJOR SERVICES:

Compliance and Enforcement (C&E) ensures public health by conducting unannounced field inspections to verify compliance with SCAQMD, state and federal rules and regulations and investigating air quality complaints and equipment breakdowns. Title V and RECLAIM sources are inspected at least annually, with the exception of select industries targeted for more frequent evaluation (e.g., at least quarterly inspection of chrome plating facilities). All other 24,000 stationary sources and 13,000 PERP engines/equipment are inspected at least once every three years. Notices to Comply are issued when additional information is required of a source to determine compliance, and for minor administrative violations. Notices of Violation are issued for more serious, typically emissions-based violations. Other activities include participation in Emergency Response and joint inspection activities with other agencies, providing expert testimony before the SCAQMD Hearing Board, and conducting training classes for the public and regulated community.

KEY ACCOMPLISHMENTS*:

RECENT:

- Completed 224 inspections of chrome plating facilities (quarterly inspections of 119 facilities)
- Completed 230 Title V facility inspections
- Completed 72 RECLAIM facility audits
- Completed inspections of 4,549 other permitted stationary source facilities
- Completed inspections of 2,926 PERP-registered engines/ equipment
- Completed seven “Blue Sky” team inspections at refineries
- Responded to 6,953 complaints (93% of those received)
- Responded to 414 breakdown notifications (52% of those received)
- Conducted 50 multi-agency targeted inspections to identify and confirm possible sources of excess Cr6 emissions in the City of Compton

COMPLIANCE & ENFORCEMENT (cont.)

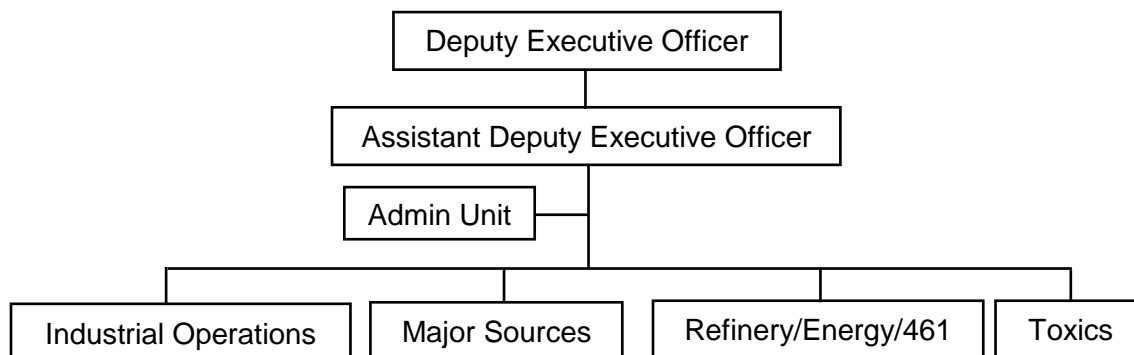
- Issued 2,551 Notices to Comply and 1,289 Notices of Violation
- Conducted 22 training classes for members of the public and the regulated community
- Promoted five AQ Inspectors II to Supervising AQ Inspector

*FY 2017-18, through March 21, 2018

ANTICIPATED:

- Select and train approximately ten candidates to fill Inspector vacancies
- Conduct additional multi-agency inspection sweeps to identify and confirm possible sources of excess Cr6 emissions in other communities
- Reduce paperwork and streamlining report writing process to increase inspection efficiencies
- Improve timeliness of complaint response
- Efficiently providing NOV reports to the General Counsel's office
- Work closely with the General Counsel's office to address significant violations
- Work closely with monitoring and rule-making staff to identify, assess, and address facilities with high emissions
- Update policies and procedures governing enforcement actions

ORGANIZATIONAL CHART:



COMPLIANCE & ENFORCEMENT (cont.)

POSITION SUMMARY: 152 FTEs

Office of Compliance and Enforcement Units	FY 2017-18	Change	Proposed FY 2018-19
Major Sources	20	-	20
Industrial Operations	49	-	49
Refinery/Energy/461	39	-	39
Toxics	36	-	36
Senior Admin/Staff	7	1	8
Total	151	1	152

STAFFING DETAIL:

2018-19 Proposed Staffing

<u>Position</u>	<u>Title</u>
6	AQ Analysis & Compliance Supervisor
89	AQ Inspector II
14	AQ Inspector III
1	Assistant Deputy Executive Officer
1	Deputy Executive Officer
11	Office Assistant
2	Senior Office Assistant
4	Senior Enforcement Manager
3	Staff Specialist
2	Senior Administrative Secretary
2	Secretary
<u>17</u>	Supervising AQ Inspector
152	Total Proposed Positions

**Compliance & Enforcement
Work Program by Office**

#	Program Code		Program Categories	Program	Activities	FTEs	+/-	FTEs	Revenue Categories
						FY 2017-18		FY 2018-19	
1	60	038	Customer Service and Business Assistance	Admin/Office Budget	Dev/Coord Goals/Policies/Overs	6.00	1.00	7.00	Ib
2	60	047	Customer Service and Business Assistance	Admin/Operations Support	Budget/Contracts/Reports/Projects	6.00	-1.10	4.90	Ib
3	60	070	Ensure Compliance	CARB PERP Program	CARB Audits/Statewide Equip Reg	5.00	1.00	6.00	XIX
4	60	148	Policy Support	Climate Change	GHG/Climate Chg Support	0.10	-0.10	0.00	IV,IX
5	60	152	Ensure Compliance	Compliance/IM Related Activiti	Assist IM: Design/Review/Test	0.50	0.00	0.50	IV
6	60	155	Ensure Compliance	Compliance Guidelines	Procedures/Memos/Manuals	2.50	-1.00	1.50	IV
7	60	157	Ensure Compliance	Compliance/Special Projects	Prog Audits/Data Req/Brd Supp	5.00	-2.00	3.00	II
8	60	158	Ensure Compliance	Compliance Testing	R461/Combustion Equip Testing	0.50	0.50	1.00	IV
9	60	210	Monitoring Air Quality	Emergency Response	Emerg Tech Asst to Public Saf	0.10	0.00	0.10	IV,XV
10	60	276	Policy Support	Board Committees	Admin/Stationary Source Committee	0.15	0.00	0.15	Ia
11	60	365	Ensure Compliance	Hearing Bd/Variances	Variances/Orders of Abatement	2.00	0.00	2.00	VII
12	60	375	Ensure Compliance	Inspections	Compliance/Inspection/Follow-up	83.10	4.90	88.00	II,V,XV
13	60	377	Ensure Compliance	Inspections/RECLAIM Audits	Audit/Compliance Assurance	15.00	-1.00	14.00	II,IV
14	60	416	Policy Support	Legislative Activities	Legislative Activities	0.05	-0.05	0.00	Ia
15	60	492	Customer Service and Business Assistance	Outreach/Business	Pub Events/Conf/Rideshare Fair	0.20	0.00	0.20	IX
16	60	539	Ensure Compliance	Procedure 5 Review	Evaluate Proc 5 Asbestos Plans	0.40	0.00	0.40	XVII
17	60	550	Ensure Compliance	Public Complaints/Breakdowns	Compltresp/Infwlup/Resolutn	10.00	0.00	10.00	II,IV,V,XV
18	60	565	Customer Service and Business Assistance	Public Records Act	Comply w/ Public Req for Info	2.00	1.00	3.00	Ia
19	60	605	Ensure Compliance	RECLAIM/Admin Support	Admin/Policy/Guidelines	5.00	-4.50	0.50	II,III,IV,XV
20	60	657	Develop Rules	Rulemaking/Support PRA	Provide Rule Development Supp	0.50	0.50	1.00	IV,XV
21	60	678	Ensure Compliance	School Siting	Identify Haz. Emission Sources near Schools	0.05	-0.05	0.00	IV
22	60	690	Customer Service and Business Assistance	Source Education	Prov Tech Asst To Industries	0.40	0.00	0.40	III,IV,V,XV
23	60	717	Policy Support	Student Interns	Gov Board/Student Intern Program	0.05	0.00	0.05	Ia
24	60	751	Ensure Compliance	Title III Inspections	Title III Comp/Insp/Follow Up	0.10	-0.10	0.00	IV
25	60	771	Ensure Compliance	Title V	Title V Compl/Inspect/Follow Up	3.50	1.00	4.50	II,IV
26	60	791	Ensure Compliance	Toxics/AB2588	Risk Reduct Plan Rvw/Comm Mtgs	0.10	0.00	0.10	X
27	60	805	Operational Support	Training	Dist/Org Unit Training	4.00	-2.00	2.00	Ib
28	60	825	Operational Support	Union Negotiations	Official Labor/Mgmt Negotiate	0.10	0.00	0.10	Ia
29	60	826	Operational Support	Union Steward Activities	Rep Employees in Grievance Act	0.10	0.00	0.10	Ia
30	60	855	Operational Support	Web Tasks	Creation/Update of Web Conten	0.50	1.00	1.50	Ia

Total Compliance & Enforcement

153.00	(1.00)	152.00
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Compliance & Enforcement Line Item Expenditure						
Major Object / Account # / Account Description		FY 2016-17 Actuals	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2017-18 Estimate *	FY 2018-19 Proposed Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 10,775,652	\$ 12,769,476	\$ 12,774,832	\$ 11,655,083	\$ 12,919,549
53000-55000	Employee Benefits	5,410,039	6,684,445	6,684,445	5,921,586	7,520,528
Sub-total Salary & Employee Benefits		\$ 16,185,691	\$ 19,453,921	\$ 19,459,277	\$ 17,576,669	\$ 20,440,077
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	-	-	-	-	-
67350	Rents & Leases Structure	80,895	106,791	106,791	106,791	106,791
67400	Household	-	-	-	-	-
67450	Professional & Special Services	11,263	9,500	11,000	11,000	15,500
67460	Temporary Agency Services	1,394	2,000	10,000	8,416	2,000
67500	Public Notice & Advertising	-	-	-	-	-
67550	Demurrage	-	250	250	-	250
67600	Maintenance of Equipment	6,412	20,500	12,500	3,910	26,000
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	336	1,000	1,000	521	1,000
67750	Auto Service	-	1,000	1,000	-	1,000
67800	Travel	11,403	17,555	13,555	8,439	15,000
67850	Utilities	-	-	-	-	-
67900	Communications	52,334	117,350	117,350	62,536	117,350
67950	Interest Expense	-	-	-	-	-
68000	Clothing	19,463	19,590	15,590	15,590	30,685
68050	Laboratory Supplies	7,480	9,000	9,000	9,000	12,000
68060	Postage	4,971	3,000	11,000	11,000	3,000
68100	Office Expense	137,062	33,800	33,800	33,800	35,400
68200	Office Furniture	9,193	1,250	11,250	11,250	1,250
68250	Subscriptions & Books	-	400	214	214	400
68300	Small Tools, Instruments, Equipment	2,177	20,009	11,009	4,580	15,769
68350	Film	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	39,294	26,250	17,750	17,750	25,450
69550	Memberships	-	750	750	-	750
69600	Taxes	-	-	-	-	-
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	2,757	5,000	5,000	3,608	5,000
69750	Prior Year Expense	-	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 386,433	\$ 394,995	\$ 388,809	\$ 308,405	\$ 414,595
77000	Capital Outlays	\$ -	\$ 361,000	\$ 787,000	\$ 787,000	\$ 280,000
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 16,572,124	\$ 20,209,916	\$ 20,635,086	\$ 18,672,074	\$ 21,134,672

* Estimates based on July 2017 through February 2018 actual expenditures and budget amendments.



SOUTH COAST

AIR QUALITY MANAGEMENT DISTRICT

ENGINEERING & PERMITTING

LAKI TISOPULOS DEPUTY EXECUTIVE OFFICER

At a Glance:	
FY 2017-2018 Budget	\$24.2M
FY 2018-2019 Proposed	\$25.7M
Percent of SCAQMD Proposed	15.6%
Total Proposed FTEs	161

DESCRIPTION OF MAJOR SERVICES:

The office of Engineering & Permitting (E&P) is responsible for processing applications for Permits to Construct & Operate, and special services. The permit processing activities involve nearly 400 major facilities that have been issued Title V Federal Operating permits, almost 300 facilities in the RECLAIM program, and over 27,000 large and small business operations. In addition, staff also participate in activities with other agencies, assist with Economic Development and Business Retention programs, provide engineering support to other divisions, and evaluate and implement permit backlog reduction and permit streamlining activities, including automation and other permit processing modernization efforts.

KEY ACCOMPLISHMENTS

RECENT:

- Continued implementation of the Action Plan to reduce the permit application backlog and total pending permit applications, improve permit processing efficiency and timely issuance of permits.
- Since the commencement of the backlog reduction effort in July 2016, reduced total pending applications by 46%, from more than 7,300 to less than 4,000 pending applications by the end of December, 2017.
- Processed 9,321 applications for Permits, Plans, and ERCs in FY 2016-2017. Exceeded Goals and Objectives target for FY 2016-17 by 34%.
- Issued more than 2,180 Permits to Construct (PC) in FY 2016-2017. Exceeded Goals and Objectives target of FY 2016-17 by 21%.
- Issued more than 200 Title V renewal and modification permits in Calendar Year 2017.
- Initiated a program to recognize top performing individuals and teams to help maintain high morale and acknowledge good performance.
- Initiated development of Online Permit Processing tools and other automation efforts. Deployed online permitting tool for dry cleaning equipment and issued SCAQMD's first online permit.

ENGINEERING & PERMITTING (cont.)

- Met Division's Permit Streamlining goal of application delivery to Permitting Teams within 4 business days.
- Developed an end of the fiscal year summary report highlighting key accomplishments of the backlog reduction effort (uploaded to the District website).
- Refined the Online Permit Dashboard tool on SCAQMD's website to display quarterly as well as monthly progress in reducing pending applications inventory, inclusive and exclusive of Permits to Construct issued, in an effort to more accurately communicate to the public the true pending applications inventory,.
- Developed and deployed plan to address EPA Title V Program Audit Findings.
- Participated in public meetings to address public concerns regarding high toxic risks and emissions.
- Participated in multi-agency neighborhood sweeps in the cities of Paramount and Compton to investigate hexavalent chromium and other toxic air contaminant-emitting sources.
- Provided technical guidance regarding grinding operations at metal forging and metal finishing operations and lead emitting facilities to other District Offices.
- Assisted in developing and amending SCAQMD Rules and Regulations such as Rule 219/222, Reg. III, Reg. XI, Reg. XIV, including Rule 1420.1, and Reg. XX.
- Provided Pre- and Post-application conferences to help permit applicants.
- Participated, reviewed and provided permit remedies to permit holders throughout Calendar Year 2017 from Fee Review cases.
- Provided technical support to IM to test and troubleshoot CLASS programs issues, including working to test and verify assessment of fees for rapidly-deployed 2017-2018 new Title V fee schedules under the Regulation III amendment.
- Successfully provided engineering support and/or expert testimony in hearing board cases throughout calendar year 2017.
- Organized and administered the annual Certified Permit Processing Professional exam for 26 participants. Certified 11 new CPP holders as well as provided support to 170 existing CPP holders.
- Prepared Federal NSR Equivalency Determination Reports pursuant to Rule 1315.
- Prepared annual report on the NOx and SOx RECLAIM Program in accordance with Rule 2015.
- Provided an in-depth overview of District's permitting process and refinery operations to Hearing Board members.

ANTICIPATED:

- Continue implementing all elements of the Action Plan developed to reduce permit backlog.
- Complete permit backlog reduction effort:
 - a) Reduce pending applications to less than 3,800 by end of FY 2017/2018 and less than 3,600 by October 2018;

ENGINEERING & PERMITTING (cont.)

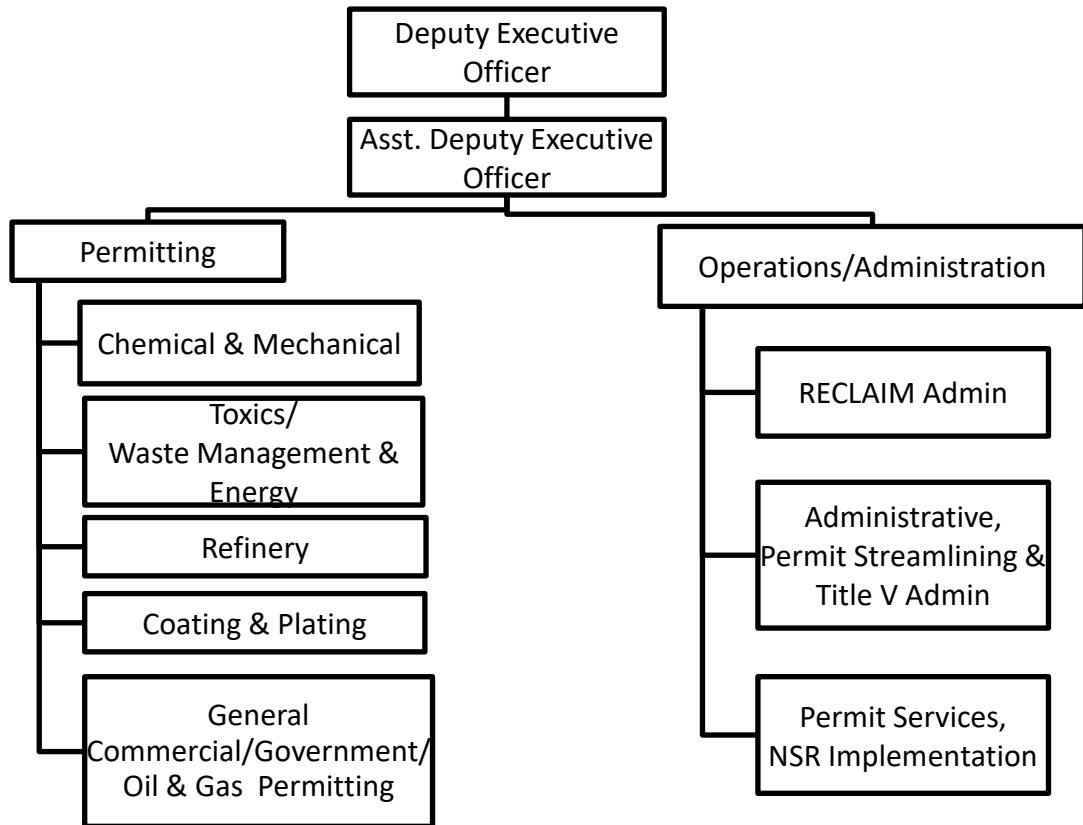
- b) Seek to process more than 1,800 Permit to Construct and a total of 7,500 applications for Permits, Plans, and ERCs during FY 2018/19;
 - c) Focus on reducing last remaining aged permit applications to the extent possible; and,
 - d) Seek to reduce pending applications beyond targets established in Action Plan in an effort to establish a cushion to help address additional incoming permit applications anticipated from RECLAIM program phase-out during the next one to three years.
- Complete timely renewal of Title V permits.
 - Implement action plan to further improve Title V program pursuant to U.S. EPA's recommendations:
 - a) Prepare expanded Statement of Basis (SOB) for all initial Title V permits, at least 10% of Title V renewals, and all De-Minimus and Significant Title V revisions;
 - b) Develop capability to publish Title V permits online;
 - c) Provide more detailed account of applicable federal requirement in Title V permits,
 - d) Provide public with online access to Title V permits; and,
 - e) Develop formal policy that will allow a source to be reclassified as a synthetic minor and exit the Title V program.
 - Continue efforts to streamline and expedite permit issuance and reduce permit application backlog through:
 - a) Equipment certification/registration programs;
 - b) Streamlined standard permits;
 - c) Enhancement of permitting systems; and,
 - d) Expedited Permit Processing Program
 - Continue certification of Permit Processing professionals.
 - Complete the development of and deploy online permitting and permit automation tools for gasoline dispensing facilities and automotive spray booths, and initiate the process to identify additional candidate equipment/processes suitable for online permitting.
 - Initiate the development and deployment of Phase II Online Permitting efforts:
 - a) On-line Dash Board tool for Permit Application Status Tracking that will allow public to track the status of individual permit applications;
 - b) Rule 222 Filing & Registration Forms;
 - c) Registration/Certification for Emergency Generators and Soil Vapor Extraction Systems;
 - d) 400-E-xx Permit Application Forms; and
 - e) Enhancements to Dry Cleaning, Gasoline Dispensing and Automotive Spray Booth modules.
 - Continue permit processing modernization efforts by initiating the development of a plan and business model that will facilitate transition to electronic permit application submittal and processing and can be deployed as soon as the development of electronic smart permit applications forms is complete.
 - Continue implementation of the staff recognition program, recognizing top performing individuals and teams to help maintain high morale and acknowledge good performance.

ENGINEERING & PERMITTING (cont.)

- Continue to improve and monitor the operational and permitting efficiency of permitting teams by:
 - a) Streamlining workflow;
 - b) Enhancing permitting tools;
 - c) Standardizing permit conditions;
 - d) Reviewing and updating outdated Permitting Policies and Procedures; and,
 - e) Tracking and developing time metrics for processing permit applications.
- Continue soliciting stakeholder input on permit application backlog reduction and permit streamlining efforts through quarterly Permit Streamlining Task Force subcommittee meetings.
- Provide quarterly status reports on permit backlog reduction efforts to Stationary Source Committee and semi-annual reports to the Governing Board until permit backlog reduction goals are fully accomplished.
- Continue to improve customer services and public outreach by:
 - a) Providing public education by attending public meetings and addressing public concerns;
 - b) Providing assistance to permit applicants through pre- and post-conferences; and,
 - c) Providing permitting information for Public Record requests.
- Review and comment on Rule 1402 Risk Reduction Plans.
- Continue to provide critical input in developing and amending SCAQMD Rules.
- Continue to provide critical input in enforcing SCAQMD Rules.
- Continue to provide support in Fee Review cases and Hearing Board cases.
- Conduct a thorough evaluation of the Expedited Permitting Program and propose improvements as warranted.
- Continue to prepare Federal NSR Equivalency Determination Reports pursuant to Rule 1315.
- Continue to prepare annual report on the NO_x and SO_x RECLAIM Program in accordance with Rule 2015.
- Initiate the process to update and expand the SCAQMD's Permit Processing Handbook.

ENGINEERING & PERMITTING (cont.)

ORGANIZATIONAL CHART:



POSITION SUMMARY: 161 FTEs

Engineering & Permitting	Amended FY 2017-2018	Change	Proposed FY 2018-2019
Administration	4	-	4
Engineering	130	-	130
Operations	27	-	27
Total	161	-	161

ENGINEERING & PERMITTING (cont.)

STAFFING DETAIL:

2018-19 Proposed Staffing

<u>Position</u>	<u>Title</u>
92	Air Quality Engineer II
1	Air Quality Specialist
1	Assistant Deputy Executive Officer
2	Data Technician
1	Deputy Executive Officer
1	Office Assistant
1	Principal Office Assistant
1	Program Supervisor
5	Secretary
2	Senior Administrative Secretary
20	Senior Air Quality Engineer
6	Senior Air Quality Engineering Manager
17	Senior Office Assistant
2	Staff Specialist
8	Supervising Air Quality Engineer
<u>1</u>	Supervising Office Assistant
161	Total Proposed Positions

**Engineering & Permitting
Work Program by Office**

#	Program Code		Program Categories	Program	Activities	FTEs	+/-	FTEs	Revenue Categories
						FY 2017-18		FY 2018-19	
1	50	038	Customer Service and Business Assistance	Admin/Office Management	Dev/Coord Goals/Policies/Overs	1.00	2.00	3.00	Ib
2	50	047	Customer Service and Business Assistance	Admin/Operations Support	Budget/Contracts/Reports/Projects	2.00	1.00	3.00	Ib
3	50	120	Timely Review of Permits	Certification/Registration Pro	Certification/Registration Prog	2.00	-1.00	1.00	III
4	50	148	Policy Support	Climate Change	GHG/Climate Change Support	0.50	0.00	0.50	II,IX
5	50	156	Ensure Compliance	Perm Proc/Info to Compliance	Prov Permit Info to Compliance	3.00	0.00	3.00	III,IV,XV
6	50	200	Customer Service and Business Assistance	Economic Dev/Bus Retention	Perm Proc/Public Participation	0.10	0.00	0.10	III
7	50	240	Ensure Compliance	Environmental Justice	R461/Combustion Equip Testing	0.50	0.00	0.50	II,IV,XV
8	50	253	Timely Review of Permits	ERC Appl Processing	Process ERC Applications	3.50	0.00	3.50	III
9	50	260	Customer Service and Business Assistance	Fee Review	Fee Review Committee	0.45	0.00	0.45	II,III,IV
10	50	276	Policy Support	Board Committees	Admin/Stationary Source Committees	0.25	0.00	0.25	Ia
11	50	365	Ensure Compliance	Hearing Bd/Variances	Variances/Orders of Abatement	0.75	0.00	0.75	VII
12	50	367	Timely Review of Permits	Hearing Board/Appeals	Appeals: Permits & Denials	0.25	0.00	0.25	III
13	50	377	Ensure Compliance	Inspections/RECLAIM Audits	Audit/Compliance Assurance	6.00	0.00	6.00	II,IV
14	50	416	Policy Support	Legislative Activities	Legislative Activities	0.25	0.00	0.25	Ia
15	50	425	Customer Service and Business Assistance	Lobby Permit Services	Supp Perm Proc/Customer Svc	1.00	0.00	1.00	III
16	50	475	Timely Review of Permits	NSR Implementation	Implement NSR/Allocate ERCs	2.50	0.00	2.50	II,III,V,XV
17	50	476	Timely Review of Permits	NSR Data Clean Up	Edit/Update NSR Data	0.50	0.00	0.50	II
18	50	492	Ensure Compliance	Customer Service	Compliance/Inspection/Follow-up	0.50	0.00	0.50	II,V,IX,XV
19	50	515	Timely Review of Permits	Perm Proc/Non TV/Non RECLAIM	PP: Non TitlV/TitlIII/RECLAIM	51.75	-1.00	50.75	III,XV
20	50	517	Timely Review of Permits	Permit Services	Facility Data-Create/Edit	12.50	0.00	12.50	III,XV
21	50	518	Timely Review of Permits	RECLAIM Non-Title V	Process RECLAIM Only Permits	4.50	0.00	4.50	III,IV,XV
22	50	519	Timely Review of Permits	Perm Proc/Title III (Non TV)	Process Title III Permits	1.00	0.00	1.00	III
23	50	520	Customer Service and Business Assistance	Perm Proc/Pre-Appl Mtg Outreac	Pre-App Mtgs/Genl Prescreening	1.00	0.00	1.00	III
24	50	521	Timely Review of Permits	Perm Proc/Expedited Permit	Proc Expedited Permits (301OT)	4.00	0.00	4.00	III
25	50	523	Timely Review of Permits	Permit Streamlining	Permit Streamlining	3.75	1.00	4.75	III
26	50	565	Customer Service and Business Assistance	Public Records Act	Comply w/ Public Req for Info	0.25	0.00	0.25	Ia
27	50	605	Ensure Compliance	RECLAIM/Admin Support	Admin/Policy/Guidelines	6.50	0.00	6.50	II,III,IV,XV
28	50	607	Timely Review of Permits	RECLAIM & Title V	Process RECLAIM & TV Permits	18.40	0.00	18.40	III
29	50	643	Timely Review of Permits	Rule 222 Filing Program	Rule 222 Filing Program	0.50	0.00	0.50	IV
30	50	650	Develop Rules	Rulemaking	Dev/Amend/Impl Rules	0.25	0.00	0.25	II,XV
31	50	657	Develop Rules	Rulemaking/Support PRA	Provide Rule Development Supp	0.25	0.00	0.25	II,XV
32	50	678	Ensure Compliance	School Siting	Identify Haz. Emission Sources near Schools	0.25	0.00	0.25	II
33	50	680	Ensure Compliance	Small Business Assistance	Asst sm bus w/ Permit Process	0.50	0.00	0.50	III,IV
34	50	690	Customer Service and Business Assistance	Source Education	Prov Tech Asst To Industries	2.80	0.00	2.80	III,IV,V,XV
35	50	728	Timely Review of Permits	Perm Proc/IM Programming	Assist IM: Design/Review/Test	2.55	0.00	2.55	II,III,IV
36	50	752	Develop Rules	Title III Rulemaking	Title III Dev/Implement Rules	0.25	0.00	0.25	II,V,XV
37	50	773	Develop Rules	Title V & NSR Rulemaking-Supp	Title V Rules Dev/Amend/Impl	0.25	0.00	0.25	II
38	50	774	Timely Review of Permits	TV/Non-RECLAIM	Process Title V Only Permits	18.00	0.00	18.00	III
39	50	775	Timely Review of Permits	Title V – Admin	Title V Administration	1.00	0.00	1.00	III
40	50	791	Ensure Compliance	Toxics/AB2588	AB2588 Rev Rprts/Risk Redplans	0.25	0.00	0.25	X
41	50	805	Operational Support	Training	Dist/Org Unit Training	3.10	0.00	3.10	Ib
42	50	825	Operational Support	Union Negotiations	Official Labor/Mgmt Negotiate	0.05	0.00	0.05	Ia
43	50	826	Operational Support	Union Steward Activities	Rep Employees in Grievance Act	0.05	0.00	0.05	Ia
44	50	855	Operational Support	Web Tasks	Creation/Update of Web Content	0.25	0.00	0.25	Ia

Total Engineering & Permitting

159.00	2.00	161.00
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**Engineering & Permitting
Line Item Expenditure**

Major Object / Appount # / Appount Description		FY 2016-17 Actuals	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2017-18 Estimate *	FY 2018-19 Proposed Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 15,518,030	\$ 15,902,868	\$ 15,931,282	\$ 16,081,625	\$ 16,405,670
53000-55000	Employee Benefits	7,419,991	7,882,580	7,882,580	7,651,468	8,846,582
Sub-total Salary & Employee Benefits		\$ 22,938,021	\$ 23,785,448	\$ 23,813,862	\$ 23,733,093	\$ 25,252,251
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	-	10,000	10,000	4,477	10,000
67350	Rents & Leases Structure	15,963	10,000	10,000	-	10,000
67400	Household	-	-	-	-	-
67450	Professional & Special Services	351	2,500	6,725	6,725	2,500
67460	Temporary Agency Services	24,257	32,000	32,000	29,855	20,000
67500	Public Notice & Advertising	140,066	160,000	160,000	160,000	160,000
67550	Demurrage	-	250	250	-	250
67600	Maintenance of Equipment	(0)	-	-	-	-
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	27,018	26,500	26,500	26,500	35,000
67750	Auto Service	-	-	-	-	-
67800	Travel	9,592	17,555	17,555	11,597	17,555
67850	Utilities	-	-	-	-	-
67900	Communications	11,913	10,650	10,650	10,650	6,450
67950	Interest Expense	-	-	-	-	-
68000	Clothing	970	2,930	2,930	2,930	2,930
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	28,589	37,000	37,000	28,589	37,000
68100	Office Expense	57,248	57,700	57,700	57,700	79,700
68200	Office Furniture	1,396	3,050	3,050	1,558	3,050
68250	Subscriptions & Books	-	400	344	344	400
68300	Small Tools, Instruments, Equipment	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	3,045	3,500	3,500	3,500	4,500
69550	Memberships	520	750	750	520	750
69600	Taxes	-	-	-	-	-
69650	Awards	-	-	-	-	2,000
69700	Miscellaneous Expenses	1,111	5,000	5,000	2,222	5,000
69750	Prior Year Expense	(85)	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 321,953	\$ 379,785	\$ 383,954	\$ 347,167	\$ 397,085
77000	Capital Outlays	\$ -	\$ 20,000	\$ 20,000	\$ 20,000	\$ 90,000
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 23,259,974	\$ 24,185,233	\$ 24,217,816	\$ 24,100,260	\$ 25,739,336

* Estimates based on July 2017 through February 2018 actual expenditures and budget amendments.

FINANCE

SUJATA JAIN

ASSISTANT DEPUTY EXECUTIVE OFFICER

At a Glance:	
FY 2017-2018 Budget	\$6.3M
FY 2018-2019 Proposed	\$6.7M
Percent of SCAQMD Proposed	4.1%
Total Proposed FTEs	48

DESCRIPTION OF MAJOR SERVICES:

Finance provides services to internal and external customers and stakeholders, including fee payers, internal divisions, employees, the Mobile Source Air Pollution Reduction Review Committee, the Building Corporation, and the Health Effects of Air Pollution Foundation. These services are provided through three distinct units: Controller, Financial Services, and Procurement. The Controller is responsible for accounting, financial reporting, accounts payable, payroll, state and federal tax reporting, revenue posting, and asset management. The Financial Services Manager is responsible for budget preparation, budgetary reporting, forecasting, grants management, billing services, and ad-hoc internal financial support. The Procurement Manager is responsible for the procurement of goods and services, contracting, proposal/bid solicitations and advertising, processing supplier deliveries, and controlling/dispensing/reconciling inventory.

ACCOMPLISHMENTS:

RECENT:

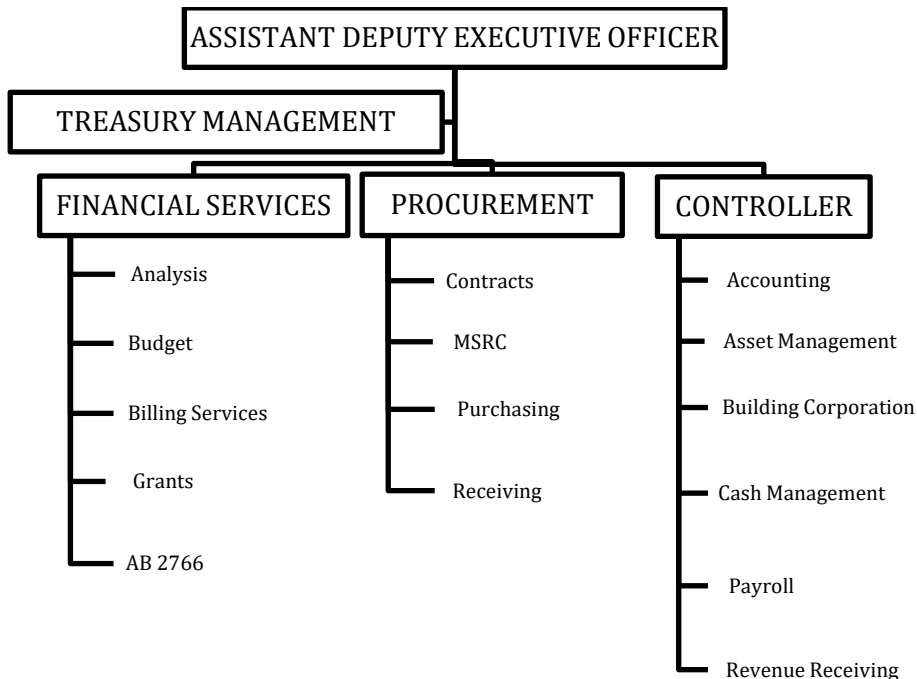
- Continued to expand electronic payment options to include Permit Processing Fee payments for asbestos and dry cleaners.
- Processed 685 contracts and modifications, issued 37 Request for Proposals/Quotes, and processed 309 proposals/quotations. Processed 1,462 purchase orders and 463 CalCard payments.
- Implemented new Internal Revenue Service tax reporting requirements under the Affordable Care Act (ACA).
- Received the Government Finance Officer's Association's (GFOA) awards for the Annual Budget, Comprehensive Annual Financial Report (CAFR), and Popular Annual Financial Report (PAFR) for the most recent fiscal year.

FINANCE (cont.)

ANTICIPATED:

- Continue to identify and implement additional opportunities for electronic payments.
- Implement the new financial reporting requirements, as required by Governmental Accounting Standards Board (GASB) Statement Number 75 "Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pension Plans," through coordination with Los Angeles County Employees' Retirement Association (LACERA), and external auditors.
- Continue to receive GFOA Awards for the Annual Budget, CAFR, and PAFR to ensure SCAQMD's financial reports meet the highest professional standards.
- Ensure compliance with all AB 617 and AB 134 guidelines for financial reporting and tracking of revenue and expenditures.

ORGANIZATIONAL CHART:



FINANCE (cont.)

POSITION SUMMARY: 48 FTEs

Finance Units	Amended FY 2017-18	Change	Proposed FY 2018-19
Office Administration	5	(1)	4
Financial Services	14	-	14
Procurement	10	-	10
Controller	20	-	20
Total	49	(1)	48

STAFFING DETAIL:

2018-19 Proposed Staffing

<u>Position</u>	<u>Title</u>
2	Accounting Technician
1	Assistant Deputy Executive Officer
1	Chief Administrative Officer*
2	Contracts Assistant
1	Controller
1	District Storekeeper
3	Financial Analyst
1	Financial Services Manager
7	Fiscal Assistant
3	Payroll Technician
1	Procurement Manager
2	Purchasing Assistant
1	Purchasing Supervisor
2	Secretary
3	Senior Accountant
1	Senior Administrative Secretary
2	Senior Fiscal Assistant
9	Senior Office Assistant
1	Staff Assistant
1	Staff Specialist
1	Stock Clerk
1	Supervising Office Assistant
<u>1</u>	Supervising Payroll Technician
48	Total Proposed Positions

* Not reflected in Finance's Organizational Chart

**Finance
Work Program by Office**

#	Program Code	Program Categories	Program	Activities	FTEs FY 2017-18	+/-	FTEs FY 2018-19	Revenue Categories
1	04 002	Customer Service and Business Assistance	AB2766/Mobile Source	Prog Admin: Monitor/Dist/Audit	0.10	0.00	0.10	IX
2	04 003	Advance Clean Air Technology	AB2766/MSRC	MSRC Program Administration	0.35	0.00	0.35	IX
3	04 009	Develop Programs	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	0.13	0.00	0.13	XVII
4	04 020	Operational Support	Admin/SCAQMD Budget	Analyze/Prepare/Impl/Track WP	2.65	0.00	2.65	Ia
5	04 021	Operational Support	Admin/SCAQMD Contracts	Contract Admin/Monitor/Process	3.20	0.00	3.20	Ia
6	04 023	Operational Support	Admin/SCAQMD Capital Assets	FA Rep/Reconcile/Inv/Acct	0.70	0.00	0.70	Ia
7	04 030	Advance Clean Air Technology	AB 134	AB 134	0.00	2.00	2.00	IX
8	04 035	Operational Support	AB 617-General	AB 617-General	0.00	0.50	0.50	XV
9	04 038	Operational Support	Admin/Office Management	Fin Mgmt/Oversee Activities	4.75	-1.00	3.75	Ib
10	04 045	Operational Support	Admin/Office Budget	Office Budget/Prep/Impl/Track	0.05	0.00	0.05	Ib
11	04 071	Operational Support	Arch Ctgs - Admin	Cost Analysis/Payments	0.04	0.00	0.04	XVIII
12	04 083	Policy Support	Hlth Effects Air Pollution Fou	Health Effects Air Poll Foundation Support	0.02	0.00	0.02	Ia
13	04 085	Operational Support	Building Corporation	Building Corp Acct/Fin Reports	0.02	0.00	0.02	Ia
14	04 130	Advance Clean Air Technology	Clean Fuels/Contract Admin	Clean Fuels Contract Admin/Monitor	0.15	0.00	0.15	VIII
15	04 170	Customer Service and Business Assistance	Billing Services	Answer/Resp/Resolv Prob & Inq	8.00	0.00	8.00	II,III,IV
16	04 233	Operational Support	Employee Relations	Assist HR/Interpret Salary Res	0.10	0.00	0.10	Ia
17	04 260	Customer Service and Business Assistance	Fee Review	Cmte Mtg/Fee-Related Complaint	0.10	0.00	0.10	II,III,IV,XV
18	04 265	Operational Support	Financial Mgmt/Accounting	Record Accts Rec & Pay/Rpts	6.20	0.00	6.20	Ia
19	04 266	Operational Support	Financial Mgmt/Fin Analysis	Fin/SCAQMD Stat Analysis & Audit	0.80	0.00	0.80	Ia
20	04 267	Operational Support	Financial Mgmt/Treasury Mgmt	Treas Mgt Anlyz/Trk/Proj/Invst	1.00	0.00	1.00	Ia
21	04 268	Operational Support	Financial Systems	CLASS/Rev/Acct/PR/Sys Analyze	0.10	0.00	0.10	Ia
22	04 355	Customer Service and Business Assistance	Grants Management	Grant Anlyz/Eval/Negot/Acc/Rpt	1.00	0.00	1.00	IV,V,XV
23	04 447	Operational Support	Mobile Sources/Accounting	Record Acct Rec & Pay/Special Funds	0.65	0.00	0.65	IX
24	04 457	Advance Clean Air Technology	Mobile Source/Moyer Adm	Carl Moyer: Contract/Fin Admin	1.02	0.00	1.02	IX
25	04 493	Operational Support	Outreach/SB/MB/DVBE	Outreach/Incr SB/DVBE Partic	0.05	0.00	0.05	Ia
26	04 510	Operational Support	Payroll	Ded/Ret Rpts/PR/St & Fed Rpts	3.60	0.50	4.10	Ia
27	04 542	Advance Clean Air Technology	Prop 1B:Goods Movement	Contracts/Finance Admin	0.50	0.00	0.50	IX
28	04 544	Advance Clean Air Technology	Prop 1B:Low Emiss Sch Bus	Grants/Finance Admin	0.05	0.00	0.05	IX
29	04 565	Customer Service and Business Assistance	Public Records Act	Comply w/ Public Rec Requests	0.02	0.00	0.02	Ia
30	04 570	Operational Support	Purchasing	Purch/Track Svcs & Supplies	2.50	0.00	2.50	Ia
31	04 571	Operational Support	Purchasing/Receiving	Receive/Record SCAQMD Purchases	1.20	0.00	1.20	Ia
32	04 572	Operational Support	Purchasing-Receiving/Stockroom	Track/Monitor SCAQMD Supplies	1.00	0.00	1.00	Ia
33	04 630	Operational Support	Cash Mgmt/Revenue Receiving	Receive/Post Pymts/Reconcile	5.25	0.00	5.25	II,III,IV,XI
34	04 631	Customer Service and Business Assistance	Cash Mgmt/Refunds	Research/Doc/Prep/Proc Refunds	0.30	0.00	0.30	III,IV,XI
35	04 791	Ensure Compliance	Toxics/AB2588	AB2588 Toxics HS Fee Collection	0.15	0.00	0.15	X
36	04 805	Operational Support	Training	Continuing Education/Training	0.20	0.00	0.20	Ib
37	04 825	Operational Support	Union Negotiations	Official Labor/Mgmt Negotiate	0.02	0.00	0.02	Ia
38	04 826	Operational Support	Union Steward Activities	Rep Employees in Grievance Act	0.01	0.00	0.01	Ia
39	04 855	Operational Support	Web Tasks	Create/edit/review web content	0.02	0.00	0.02	Ia

Total Finance

46.00	2.00	48.00
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Finance Line Item Expenditure						
Major Object / Account # / Account Description		FY 2016-17 Actuals	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2017-18 Estimate *	FY 2018-19 Proposed Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 3,371,871	\$ 3,601,840	\$ 3,738,952	\$ 3,673,783	\$ 3,723,363
53000-55000	Employee Benefits	2,049,567	2,213,027	2,213,027	2,137,716	2,416,395
Sub-total Salary & Employee Benefits		\$ 5,421,438	\$ 5,814,867	\$ 5,951,979	\$ 5,811,499	\$ 6,139,758
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	-	-	-	-	-
67350	Rents & Leases Structure	-	-	-	-	-
67400	Household	-	900	900	-	900
67450	Professional & Special Services	126,712	144,650	144,650	120,863	163,560
67460	Temporary Agency Services	62,047	63,000	63,000	59,262	63,000
67500	Public Notice & Advertising	11,778	7,000	7,000	7,000	7,000
67550	Demurrage	-	780	780	-	780
67600	Maintenance of Equipment	1,219	1,860	1,860	1,718	1,860
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	2,359	4,488	4,488	2,501	4,468
67750	Auto Service	-	-	-	-	-
67800	Travel	3,339	6,000	6,000	2,827	6,000
67850	Utilities	-	-	-	-	-
67900	Communications	1,355	9,000	9,000	1,355	9,000
67950	Interest Expense	-	-	-	-	-
68000	Clothing	857	1,200	1,200	-	1,200
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	141,246	130,050	130,050	111,300	130,050
68100	Office Expense	22,334	36,120	41,120	39,933	36,120
68200	Office Furniture	-	2,125	2,125	-	2,125
68250	Subscriptions & Books	2,538	3,470	3,384	2,622	3,470
68300	Small Tools, Instruments, Equipment	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	6,441	27,250	27,250	8,516	27,250
69550	Memberships	1,095	2,793	2,793	2,385	2,793
69600	Taxes	-	-	-	-	-
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	3,035	5,150	5,150	3,789	5,150
69750	Prior Year Expense	-	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 386,356	\$ 445,836	\$ 450,750	\$ 364,072	\$ 464,726
77000	Capital Outlays	\$ -	\$ -	\$ -	\$ -	\$ 75,800
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 5,807,794	\$ 6,260,703	\$ 6,402,729	\$ 6,175,570	\$ 6,680,284
* Estimates based on July 2017 through February 2018 actual expenditures and budget amendments.						



SOUTH COAST

AIR QUALITY MANAGEMENT DISTRICT

INFORMATION MANAGEMENT

RON MOSKOWITZ ASSISTANT DEPUTY EXECUTIVE OFFICER

At a Glance:	
FY 2017-2018 Budget	\$10.8M
FY 2018-2019 Proposed	\$12.0M
Percent of SCAQMD Proposed	7.3%
Total Proposed FTEs	54

DESCRIPTION OF MAJOR SERVICES:

Information Management (IM) provides a wide range of information management systems and services in support of all SCAQMD operations. In addition to IM's administrative unit which provides for overall planning, administration and coordination of all IM activities, IM is comprised of two Information Technology (IT) units, and a Special Projects unit. The two IT units are distinguished from each other in that one is primarily concerned with hardware and network issues (while acquiring and applying software to integrate systems and functions), whereas the other focuses on system development (while integrating communication functions and the latest computer technologies). Due to the increasing convergence between hardware, software and digital technologies, the work performed by the two IT units often overlaps and requires close coordination. Areas where the two units overlap include workflow automation, imaging, and automatic system messaging (e.g., through email). The Special Projects unit processes all of the public records requests and handles day-to-day updates and additions to the SCAQMD website along with other projects as they arise.

ACCOMPLISHMENTS:

RECENT:

- Information Technology Review: Evaluated the information technologies and processes in place and those needed to support the District's goals and objectives.
- New Website, Website Facelift
- CLASS Database Upgrade
- OnBase Version Upgrade
- E-Forms with Workflow: Lawn mower rebate, EV charger voucher, wireless equipment, policies, contact information, Rule 1466
- Enterprise GIS Infrastructure on-line and on-premise
- Network Core Switch Upgrade
- Wi-Fi Deployment

INFORMATION MANAGEMENT (cont.)

- Virus Scan Upgrade
- Desktop Upgrades
- Permitting Automation New System Development: Automated 400A form filing and permit processing of dry cleaner, gas station and spray booth operations and online Facility ID generation.
- Security Portal Lite Registration Implementation: Core infrastructure for all web applications including login and registration, user and application management, reporting copy of record, and application administration
- “Replace Your Ride” (RZR) New System Development: Developed web-based application that supports the implementation of a program providing monetary incentives to eligible individuals to retire their older vehicle and purchase a cleaner burning, more fuel efficient vehicle.
- Financial Services Web Services Upgrade: Converted all major financial subsidiary functions to 64-bit web services including Finance daily report, refunds sweep, Bank of America Link Reporting Services, on-line payment processing, and PeopleSoft to CLASS link.
- GIS Services Implementation and Migration to ESRI: Map layer conversion and spatial query/web services for 400A and RZR system support
- On-line training system implementation: Support registration for on-line and leader-lead classes and on-line training
- PeopleSoft Financials 9.1 upgrade and e-Benefits Self Service Module implementation for open enrollment

ANTICIPATED:

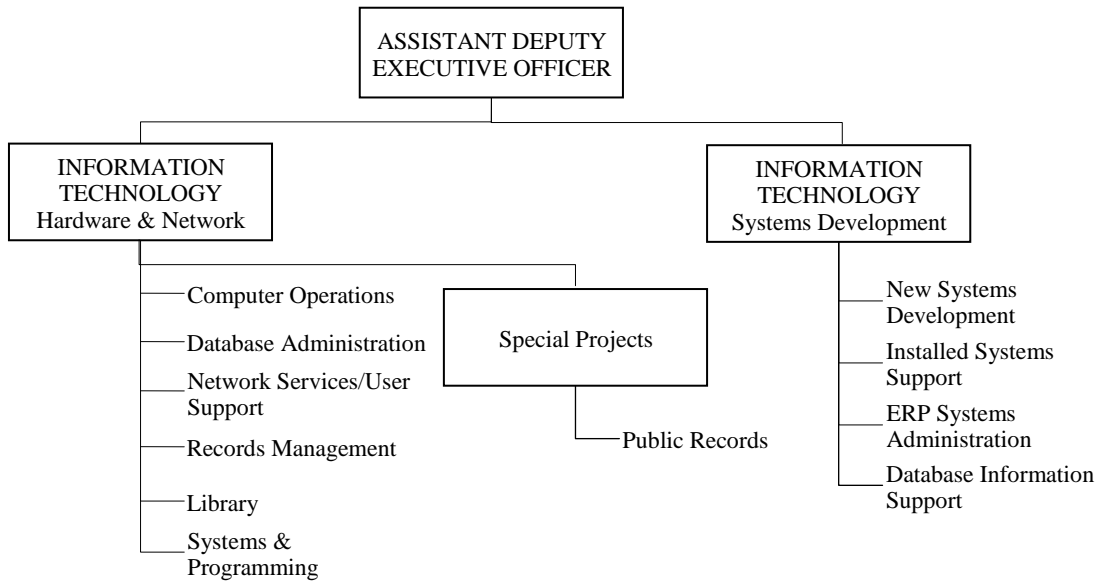
- Implementation of selected recommendations from IT Review
- Website Upgrade
- Database Administration: CLASS database high availability
- Records: Agenda Tracking System Application Upgrade, E-Discovery implementation
- IT Services and Operations: Enterprise GIS applications implementation (web mapping), HF Monitoring System replacement, and RECLAIM Electronic Reporting System replacement (electronic reporting systems)
- Network and Hardware: Cloud based email and file sharing (Office 365), internet bandwidth upgrade, vertical network fiber upgrade, Wi-Fi deployment continued, virtualization and storage upgrades, server migration to the Cloud, Windows 10 Version upgrade, laptop disk encryption, and Desktop upgrades
- Permitting Automation Phase II New System Development: 400 E Series form filing, on-line permits IC engine/vapor recovery, equipment registration form processing, permit status dashboard, internal workflow automation, and paperless permit equipment evaluation

INFORMATION MANAGEMENT (cont.)

- Geographic Information Systems Implementation: Open Data Portal, FIND Map replacement, and GEO coding services and tooling
- Annual Emission Reporting (AER) System Migration: Evaluation and upgrade and/or replacement of the existing AER system for better support and integration with the District's enterprise database and programs.
- Legal Division New System Development: Replacement of existing Courtview Case Management Solution with a more robust solution that integrates with the CLASS system.
- Flare Notification New System Development: Replacement of existing Flare Notification System with a more robust solution that integrates with the CLASS system and supports recent rule changes.
- Title V Compliance Form Filing: New web-based outward facing application to support the filing of Title V Compliance forms
- FIND System Replacement: Replacement of the existing Facility Information Detail system to provide updated user interface, responsive design, and better search and reporting capabilities for staff and users in the public sector.
- Mobile Health Smartphone Application: Mobile application to engage the public and to provide relevant air quality information, support a more user-friendly interface, expand existing capabilities, and provide more relevant and critical health information to users via their cell phones and tablets
- Compliance System Replacement: New web-based application to replace the aging client/server desktop application for the tracking and processing of complaints, inspections, notifications, breakdowns, Notices of Violation, and Notices to Comply
- Transportation Plan Form Filing on the Web: New outward-facing web application to allow the online filing of Transportation Plans
- PeopleSoft Upgrades, Customizations and Module Implementations: Benefits Administration BCC Module implementation and labor negotiation customization and implementation

INFORMATION MANAGEMENT (cont.)

ORGANIZATIONAL CHART:



POSITION SUMMARY: 54 FTEs

Information Management Units	FY 2017-18	Change	Proposed FY 2018-19
Office Administration	2.25	- 0.25	2
Hardware & Network	27	-	27
Systems Development	19		19
Special Projects	2		2
Public Records	4		4
Total	54.25	-0.25	54

INFORMATION MANAGEMENT (cont.)

STAFFING DETAIL:

2018-19 Proposed Staffing

<u>Position</u>	<u>Title</u>
1	Assistant Database Administrator
1	Assistant Deputy Executive Officer/Information Management
3	Assistant Information Technology Specialist
1	Database Administrator
1	Information Technology Specialist I
2	Information Technology Specialist II
3	Information Technology Supervisor
4	Office Assistant
1	Principal Office Assistant
1	Public Affairs Specialist
2	Secretary
1	Senior Administrative Secretary
4	Senior Information Technology Specialist
4	Senior Office Assistant
1	Supervising Office Assistant
13	Systems Analyst
9	Systems and Programming Supervisor
<u>2</u>	Technology Implementation Manager
54	Total Proposed Positions

**Information Management
Work Program by Office**

#	Program Code		Program Categories	Program	Activities	FTEs	+/-	FTEs	Revenue Categories
						FY 2017-18		FY 2018-19	
1	27	035	Operational Support	AB 617-General	AB 617-General	0.00	5.00	5.00	XV
2	27	038	Operational Support	Admin/Office Management	Overall Direction/Coord of IM	2.25	-0.25	2.00	Ib
3	27	071	Operational Support	Arch Ctgs - Admin	Database Dev/Maintenance	0.25	0.00	0.25	XVIII
4	27	160	Operational Support	Computer Operations	Oper/Manage Host Computer Sys	5.25	0.00	5.25	Ia
5	27	184	Operational Support	Database Information Support	Ad Hoc Reports/Bulk Data Update	1.00	0.00	1.00	Ia
6	27	185	Operational Support	Database Management	Dev/Maintain Central Database	2.25	0.00	2.25	Ia
7	27	215	Operational Support	Annual Emission Reporting	System Enhancements for GHG	0.50	0.00	0.50	II,XVII
8	27	370	Operational Support	Information Technology Svcs	Enhance Oper Effic/Productivity	2.75	0.00	2.75	Ia
9	27	420	Operational Support	Library	General Library Svcs/Archives	0.25	0.00	0.25	Ia
10	27	470	Operational Support	Network Operations/Telecomm	Operate/Maintain/Implem SCAQMD	9.25	0.00	9.25	Ia
11	27	480	Operational Support	New System Development	Dev sys for special oper needs	2.50	0.00	2.50	II,IV
12	27	481	Customer Service and Business Assistance	New System Development	Dev sys in supp of Dist-wide	1.75	0.00	1.75	Ia,III
13	27	523	Timely Review of Permits	Permit Streamlining	Permit Streamlining	0.25	0.00	0.25	III
14	27	565	Customer Service and Business Assistance	Public Records Act	Comply w/ Public Req for Info	4.75	0.00	4.75	Ia
15	27	615	Operational Support	Records Information Mgmt Plan	Plan/Impl/Dir/Records Mgmt plan	1.25	0.00	1.25	Ia
16	27	616	Operational Support	Records Services	Records/Documents processing	3.75	0.00	3.75	Ia,III,IV
17	27	735	Operational Support	Systems Maintenance	Maintain Existing Software Prog	4.50	0.00	4.50	II,III,IV
18	27	736	Operational Support	Systems Implementation/PeopleS	Fin/HR PeopleSoft Systems Impl	1.50	0.00	1.50	Ia
19	27	770	Timely Review of Permits	Title V	Dev/Maintain Title V Program	1.50	0.00	1.50	III
20	27	791	Ensure Compliance	Toxics/AB2588	AB2588 Database Software Supp	0.50	0.00	0.50	X
21	27	855	Operational Support	Web Tasks	Create/edit/review web content	3.25	0.00	3.25	Ia
Total Information Management						49.25	4.75	54.00	

**Information Management
Line Item Expenditure**

Major Object / Account # / Account Description		FY 2016-17 Actuals	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2017-18 Estimate *	FY 2018-19 Proposed Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 4,998,805	\$ 5,007,929	\$ 5,483,569	\$ 5,282,761	\$ 5,516,499
53000-55000	Employee Benefits	2,886,709	2,899,399	2,899,398	3,042,587	3,471,307
Sub-total Salary & Employee Benefits		\$ 7,885,514	\$ 7,907,328	\$ 8,382,967	\$ 8,325,347	\$ 8,987,806
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	-	1,880	-	-	1,880
67350	Rents & Leases Structure	-	-	-	-	-
67400	Household	-	1,250	500	-	1,250
67450	Professional & Special Services	1,203,713	1,313,487	1,145,787	1,710,787	1,404,121
67460	Temporary Agency Services	308,297	494,960	536,460	172,786	494,960
67500	Public Notice & Advertising	-	-	-	-	-
67550	Demurrage	90	650	650	90	650
67600	Maintenance of Equipment	71,665	103,300	144,972	144,972	157,750
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	3,099	1,250	3,130	3,130	1,250
67750	Auto Service	-	-	-	-	-
67800	Travel	11,171	2,160	8,364	8,364	2,160
67850	Utilities	-	-	-	-	-
67900	Communications	9,511	36,900	36,900	11,289	36,900
67950	Interest Expense	-	-	-	-	-
68000	Clothing	-	-	-	-	-
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	1,000	5,500	5,500	1,147	5,500
68100	Office Expense	594,673	323,912	440,084	440,084	323,912
68200	Office Furniture	-	-	8,875	8,875	-
68250	Subscriptions & Books	16,120	30,000	90,500	90,500	30,000
68300	Small Tools, Instruments, Equipment	-	2,000	2,000	-	2,000
68350	Film	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	57,906	46,575	40,371	40,371	46,575
69550	Memberships	354	1,320	1,320	354	1,320
69600	Taxes	-	1,000	1,000	-	1,000
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	-	-	-	-	-
69750	Prior Year Expense	-	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 2,277,599	\$ 2,366,144	\$ 2,466,413	\$ 2,632,750	\$ 2,511,228
77000	Capital Outlays	\$ 1,803,916	\$ 506,600	\$ 2,161,660	\$ 1,596,660	\$ 480,000
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 11,967,029	\$ 10,780,072	\$ 13,011,040	\$ 12,554,757	\$ 11,979,034

* Estimates based on July 2017 through February 2018 actual expenditures and budget amendments.



SOUTH COAST

AIR QUALITY MANAGEMENT DISTRICT

LEGAL

BAYRON T. GILCHRIST GENERAL COUNSEL

At a Glance:	
FY 2017-2018 Budget	\$6.5M
FY 2018-2019 Proposed	\$6.9M
Percent of SCAQMD Proposed	4.2%
Total Proposed FTEs	34

DESCRIPTION OF MAJOR SERVICES:

The General Counsel's Office is responsible for advising the SCAQMD Board and staff on all legal matters and enforcing SCAQMD rules and state laws related to air pollution control. Attorneys review and assist in the drafting of SCAQMD rules and regulations to ensure they are within the District's authority, and are written in a clear and enforceable manner. Attorneys ensure that all legal requirements for noticing, public workshop, CEQA analysis, and socioeconomic analysis of proposed rules and air quality management plans are satisfied.

The General Counsel's Office is also responsible for representing the SCAQMD Board and staff in court proceedings and administrative hearings related to matters arising out of staff's performance of official duties as SCAQMD officers and employees.

The Office is responsible for the enforcement of all SCAQMD rules and regulations and applicable state law. In addition, staff attorneys represent the Executive Officer in all matters before the SCAQMD Hearing Board, including variances, permit appeals, and abatement orders. Staff investigators support civil penalty and litigation and settlement efforts, including the minor source penalty program which is handled by investigators.

ACCOMPLISHMENTS:

RECENT:

- The Court of Appeals upheld our win in a CEQA lawsuit challenging the Southern California International Gateway railyard project at the Port of Los Angeles. The Court held that the Environmental Impact Report's analysis of the railyard's localized air pollutant concentrations and the cumulative impacts of those concentrations was inadequate because it did not disclose the air quality concentrations at any point in time or provide the duration of expected exceedances.
- The Court of Appeals upheld the trial court's decision to deny a CEQA challenge to an oil refinery's (Phillips 66) permits for expanded crude oil storage. The petitioners had argued that the permits would allow the refinery to increase their refining capacity. Our

LEGAL (cont.)

analysis showed that the refinery itself was already operating near capacity so that the storage tanks could not increase the refining capacity.

- AB1132/AB1274 – Legal staff played a key role in drafting, testifying, and negotiating with stakeholders in obtaining legislation this year. This includes obtaining authority to issue interim abatement orders in the case of an imminent and substantial endangerment to public health, welfare, or the environment. In addition, staff provided legal support for the constitutionality of the smog abatement fee (AB 1274).
- An Order for Abatement issued against Sunshine Canyon Landfill has resulted in eight consecutive months and counting without issuance of any odor nuisance NOVs. The OA has resulted in successful diversion of food waste from the landfill; increased gas collection efficiency; and odor mitigation at the landfill and transfer stations. A settlement was reached for the recovery of over \$1.3 million of the four prior years of odor nuisance NOVs.
- Orders for Abatement issued against Aerocraft Heat Treating Company, Anaplex Corp., and Lubeco required implementation of numerous actions directed at identifying sources of hexavalent chromium emissions from the facilities operations and successfully implemented curtailment procedures when concentrations of hex chrome exceed 1 ng/m³, based on a three sample average.
- An Order for Abatement issued against Carlton Forge Works required operation of permanent carbon controls and restriction of grinding operations to reduce odors impacting the nearby school and community. Odor complaints from the community have decreased markedly.
- ExxonMobil OA – Obtained an Order for Abatement requiring the Torrance Refinery to upgrade its outdated electrical systems on an expedited basis. Frequent electrical failures have caused the refinery to over-utilize its flares as Air Pollution Control Devices (APCDs), in one instance leading to a shelter-in-place notification from the City of Torrance.
- Community Air Toxics Initiative - Obtained Orders for Abatement in the City of Paramount requiring facilities that had been identified as signification contributors to high hexavalent chrome levels in the community to take immediate steps to reduce emissions. The Legal Department's efforts contributed to a staff effort that caused a significant reduction of hexavalent chrome levels in Paramount and the elimination of a significant threat to public health.
- Provided legal advice for implementation of 2016 AQMP and Funding Incentives Plan, evaluating potential options and relative legal benefits/risks.
- Provided legal advice for all rules and amendments including air toxics and the initiation of amendments to phase-out RECLAIM.

LEGAL (cont.)

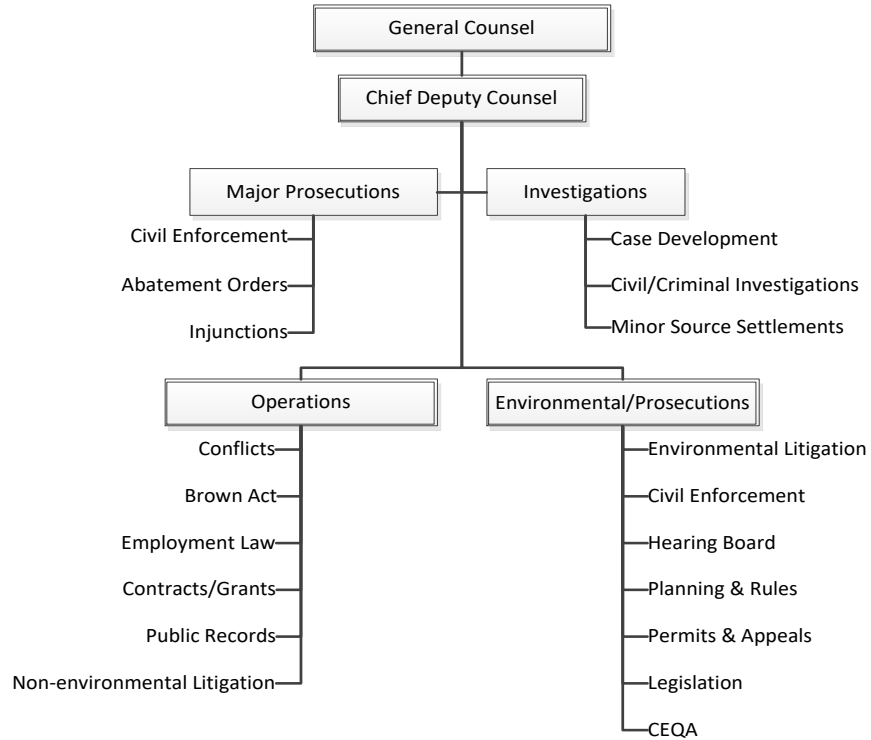
- Settled excessive flaring violations with SoCal Holding, LLC, an oil and gas production facility located on the Huntington Beach shoreline. The settlement provides for \$500,000 in civil penalties and a SEP valued at \$1 million for the construct and operation of a natural gas pipeline that will connect the facility to the Southern California Gas Company Distribution System to eliminate non-emergency natural gas emissions that had previously been flared by the facility.
- We developed SCAQMD Policy Number 44 to provide guidance to staff on the use of non-SCAQMD devices, accounts, or storage locations, for SCAQMD business. This policy is in response to a recent court decision in *City of San Jose v. Superior Court of Santa Clara County* (2017) 2 Cal.5th 608.

ANTICIPATED:

- Develop high impact enforcement cases to maximize deterrence for air pollution violations.
- Implement training programs to broaden staff knowledge of and ability to handle all types of work handled by the office.
- Provide legal advice concerning the SCAQMD's priority projects such as the 2016 AQMP, and rules to implement the 2012 and 2016 AQMPs and reduce toxic exposure, phase-out RECLAIM, implement BARCT as required by AB 617.
- Provide legal advice for implementation of AB 617, including community emission reduction plans and potential enforcement actions.
- Update key chapters of Rule Development Manual (w/Planning).
- Implement incentive program funding under AB 134, including hiring staff, training new and existing staff and contracting and developing streamlined procedures.
- Implement tracking system for agreements not currently maintained in Procurement tracking (w/Finance).
- Issue Board policy on District Records on Personal Devices.
- Provide training for staff on Public Records Act implementation.
- Enforcement of Idling Rules (Ports, school buses, large vehicles).

LEGAL (cont.)

ORGANIZATIONAL CHART:



POSITION SUMMARY: 34 FTEs

Legal Units	Amended FY 2017-18	Change	Proposed FY 2018-19
Office Administration	4	-	4
General Counsel	25	-	25
Investigations	6	-1	5
Total	35	-1	34

LEGAL (cont.)

STAFFING DETAIL:

2018-19 Proposed Staffing

<u>Position</u>	<u>Title</u>
4	Administrative Secretary/Legal
1	Assistant Chief Deputy – Major Prosecutions
1	Chief Deputy Counsel
1	General Counsel
4	Investigator
3	Legal Secretary
1	Office Assistant
2	Paralegal
4	Principal Deputy District Counsel
9	Senior Deputy District Counsel
1	Senior Office Assistant
1	Senior Paralegal
1	Staff Specialist
<u>1</u>	Supervising Investigator
34	Total Proposed Positions

Legal Work Program by Office									
#	Program Code	Program Categories	Program	Activities	FTEs FY 2017-18	+/-	FTEs FY 2018-19	Revenue Categories	
1	08 001	Advance Clean Air Technology	AB2766/Mob Src/Legal Advice	AB2766 Leg Adv: Trans/Mob Source	0.05	0.00	0.05	IX	
2	08 003	Advance Clean Air Technology	AB2766/MSRC	Legal Advice: MSRC Prog Admin	0.15	-0.05	0.10	IX	
3	08 009	Develop Programs	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	0.05	-0.05	0.00	XVII	
4	08 010	Develop Programs	AQMP	AQMP Revision/CEQA Review	0.20	-0.10	0.10	II,IV,IX	
5	08 025	Operational Support	Admin/SCAQMD-Legal Research	Legal Research/Staff/Exec Mgmt	1.10	0.10	1.20	Ia	
6	08 030	Advance Clean Air Technology	AB 134	AB 134	0.00	2.00	2.00	IX	
7	08 035	Operational Support	AB 617-General	AB 617-General	0.00	1.00	1.00	XV	
8	08 038	Operational Support	Admin/Office Management	Attorney Timekeeping/Perf Eval	3.50	0.00	3.50	Ib	
9	08 071	Operational Support	Arch Ctgs - Admin	Rule Dev/TA/Reinterpretations	0.05	0.00	0.05	XVIII	
10	08 072	Ensure Compliance	Arch Ctgs - End User	Case Dispo/Rvw, Track, Prep NOV's	0.05	0.00	0.05	XVIII	
11	08 073	Ensure Compliance	Arch Ctgs - Other	Case Dispo/Rvw, Track, Prep NOV's	0.05	0.00	0.05	XVIII	
12	08 102	Operational Support	CEQA Document Projects	CEQA Review	0.50	0.25	0.75	II,III,IX	
13	08 115	Ensure Compliance	Case Disposition	Trial/Dispo-Civil Case/Injunct	5.00	-0.25	4.75	II,IV,V,VII,XV	
14	08 131	Advance Clean Air Technology	Clean Fuels/Legal Advice	Legal Advice: Clean Fuels	0.05	0.10	0.15	VIII	
15	08 154	Ensure Compliance	Compliance/NOV Administration	Review/Track/Prep NOV's/MSAs	1.00	-0.25	0.75	IV	
16	08 185	Ensure Compliance	Database Management	Support IM/Dev Tracking System	0.75	0.25	1.00	IV	
17	08 227	Operational Support	Employee/Employment Law	Legal Advice: Employment Law	0.50	0.00	0.50	Ia	
18	08 235	Ensure Compliance	Enforcement Litigation	Maj Prosecutions/Civil Actions	2.00	0.00	2.00	IV	
19	08 275	Operational Support	Governing Board	Legal Advice:Attend Board/Cmte Mtgs	1.00	0.00	1.00	Ia	
20	08 366	Ensure Compliance	Hearing Board/Legal	Hear/Disp-Varian/Appeal/Rev	3.00	0.00	3.00	IV,V,XV	
21	08 380	Ensure Compliance	Interagency Coordination	Coordinate with Other Agencies	0.20	0.00	0.20	II,V	
22	08 401	Operational Support	Legal Advice/SCAQMD Programs	General Advice: Contracts	2.00	0.00	2.00	Ia	
23	08 403	Ensure Compliance	Legal Rep/Litigation	Prep/Hearing/Disposition	3.50	0.00	3.50	Ia,II	
24	08 404	Customer Service and Business Assistance	Legal Rep/Legislation	Draft Legis/SCAQMD Position/Mtgs	0.25	0.00	0.25	II,IX	
25	08 416	Policy Support	Legislative Activities	Lobbying: Supp/Promote/Influence legis/Adm	0.10	0.00	0.10	Ia	
26	08 457	Advance Clean Air Technology	Mob Src/C Moyer/Leg Advice	Moyer/Implem/Program Dev	0.10	0.00	0.10	IX	
27	08 465	Ensure Compliance	Mutual Settlement	Mutual Settlement Program	3.00	-1.50	1.50	IV	
28	08 516	Timely Review of Permits	Permit Processing/Legal	Legal Advice: Permit Processing	0.20	-0.10	0.10	III	
29	08 565	Customer Service and Business Assistance	Public Records Act	Comply w/ Public Rec Requests	1.50	0.00	1.50	Ia	
30	08 651	Develop Rules	Rules/Legal Advice	Legal Advice: Rules/Draft Regs	1.00	0.20	1.20	II	
31	08 661	Develop Rules	Rulemaking/RECLAIM	RECLAIM Legal Adv/Related Iss	0.25	0.25	0.50	II	
32	08 681	Customer Service and Business Assistance	Small Business/Legal Advice	Legal Advice: SB/Fee Review	0.05	0.00	0.05	II,III	
33	08 717	Policy Support	Student Interns	Gov Board/Student Intern Program	0.10	0.00	0.10	Ia	
34	08 770	Timely Review of Permits	Title V	Leg Advice: Title V Prog/Perm Dev	0.05	0.00	0.05	II,IV	
35	08 772	Timely Review of Permits	Title V Permits	Leg Advice: New Source Title V Permit	0.05	0.00	0.05	III	
36	08 791	Ensure Compliance	Toxics/AB2588	AB2588 Legal Advice: Plan & Impl	0.05	0.00	0.05	X	
37	08 805	Ensure Compliance	Training	Continuing Education/Training	0.50	0.25	0.75	Ib	
38	08 825	Operational Support	Union Negotiations	Legal Adv: Union Negotiations	0.05	-0.05	0.00	Ia	
39	08 826	Operational Support	Union Steward Activities	Rep Employees in Grievance Act	0.05	-0.05	0.00	Ia	
Total Legal					32.00	2.00	34.00		

Legal Line Item Expenditure						
Major Object / Account # / Account Description		FY 2016-17 Actuals	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2017-18 Estimate *	FY 2018-19 Proposed Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 3,671,591	\$ 3,867,700	\$ 3,888,329	\$ 3,794,767	\$ 4,076,224
53000-55000	Employee Benefits	1,987,464	2,135,617	2,135,617	2,013,785	2,387,847
Sub-total Salary & Employee Benefits		\$ 5,659,055	\$ 6,003,317	\$ 6,023,946	\$ 5,808,551	\$ 6,464,071
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	-	-	-	-	-
67350	Rents & Leases Structure	-	-	-	-	-
67400	Household	-	-	-	-	-
67450	Professional & Special Services	1,483,018	279,500	629,500	629,500	279,500
67460	Temporary Agency Services	-	7,500	7,500	-	7,250
67500	Public Notice & Advertising	-	2,500	2,500	292	2,500
67550	Demurrage	-	4,000	4,000	210	3,500
67600	Maintenance of Equipment	-	300	300	-	300
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	811	1,600	1,600	811	1,600
67750	Auto Service	-	-	-	-	-
67800	Travel	11,280	15,000	15,000	15,000	15,000
67850	Utilities	-	-	-	-	-
67900	Communications	1,642	10,300	10,300	3,380	10,300
67950	Interest Expense	-	-	-	-	-
68000	Clothing	264	250	250	248	500
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	2,268	4,750	4,750	2,268	4,750
68100	Office Expense	11,810	16,000	21,000	21,000	16,000
68200	Office Furniture	637	5,000	5,000	-	4,500
68250	Subscriptions & Books	120,800	112,000	111,943	111,943	115,000
68300	Small Tools, Instruments, Equipment	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	14,239	19,500	19,500	12,340	17,500
69550	Memberships	525	750	750	645	750
69600	Taxes	-	-	-	-	-
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	46,267	2,000	2,000	1,387	2,000
69750	Prior Year Expense	-	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 1,693,561	\$ 480,950	\$ 835,893	\$ 799,024	\$ 480,950
77000	Capital Outlays	\$ -	\$ 25,000	\$ 25,000	\$ 25,000	\$ -
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 7,352,616	\$ 6,509,267	\$ 6,884,839	\$ 6,632,575	\$ 6,945,021

* Estimates based on July 2017 through February 2018 actual expenditures and budget amendments.



SOUTH COAST

AIR QUALITY MANAGEMENT DISTRICT

LEGISLATIVE, PUBLIC AFFAIRS AND MEDIA OFFICE

**DERRICK ALATORRE
DEPUTY EXECUTIVE OFFICER**

At a Glance:	
FY 2017-2018 Budget	\$9.0M
FY 2018-2019 Proposed	\$9.7M
Percent of SCAQMD Proposed	5.9%
Total Proposed FTEs	50

DESCRIPTION OF MAJOR SERVICES:

Legislative, Public Affairs and Media Office provides a broad range of services to internal and external stakeholders. These services include:

Legislative/Communications

State and Federal Legislative Program

The State and Federal Legislative Program works with state and federal legislators and legislative staff to support a clean air agenda by promoting SCAQMD’s legislative priorities and sponsored legislation, seeking to satisfy funding needs for clean air efforts, and by securing support for the AQMP. This unit also works to defend against legislative activities by others detrimental to the goals and priorities of clean air. Finally, this unit works to foster coalitions of stakeholders at the local, state, and federal levels to work in tandem with these clean air supportive efforts.

Social Media

SCAQMD’s Social Media program updates and monitors the District’s social media websites. The agency is active on Facebook, Twitter and Instagram on a daily basis.

Communications & Public Information Center

The Communications & Public Information Center serve and assist members of the public who wish to report air quality/air pollution complaints, contact District staff or acquire additional information regarding District programs. The Communications Center and its associated toll-free numbers, along with the District’s main telephone line, provide easy access to the public for reporting of a wide variety of air quality related concerns. The Public Information Center (PIC), which is located in the SCAQMD lobby, serves as a walk-up resource for all visitors to the District. The PIC assists with other inquiries made by the public, which can range from requests for available materials to consultations on SCAQMD programs and regulations.

Graphics

The graphics department is responsible for providing all graphic services for the agency, from conceptual design to final design and completion of projects.

LEGISLATIVE, PUBLIC AFFAIRS AND MEDIA OFFICE (cont.)

Local Government/Community Relations

The Community Relations responsibilities are to provide government and community relations efforts in all four counties in SCAQMD jurisdiction, including 86 cities in Los Angeles County, 34 cities in Orange County, 27 cities in Riverside County and 16 cities in San Bernardino County. Activities include monitoring government actions on all levels (local, state and federal); facilitating a two-way flow of communication between the District and stakeholders; assisting with inquiries from government offices, community members, health and environmental justice organizations, and business organizations; and, promoting and providing information on SCAQMD programs and initiatives.

Environmental Justice

SCAQMD's Environmental Justice initiatives focus on addressing air pollution in disadvantaged communities while giving voice to community stakeholders who historically have not had a voice in the decision-making process.

Media

The Media Relations Office serves as the agency's official liaison with news media in its many forms, including the Internet; newspapers and radio; broadcast, cable and satellite TV; books, magazines and newsletters; digital and social media. The Media Relations Office also supports programs and policies of SCAQMD and its Board with a wide range of proactive media and public relations programs. The Office provides strategic counsel to the Executive Officer, Board members and their staff and Executive Council members on sensitive, high-profile media relations issues as well as building public awareness of air quality issues.

Small Business Assistance

The Small Business Assistance (SBA) program is required under Section 40448 of the California Health and Safety Code to provide administrative, technical services and information to small businesses and the public.

ACCOMPLISHMENTS:

RECENT:

State Legislative

SCAQMD sponsored two bills that passed the state legislature and were signed into law by the Governor:

- AB 1132 (C. Garcia) which authorizes local air pollution control officers to issue a temporary order for abatement requiring a facility to cease operations that cause violations resulting in an imminent and substantial endangerment to the public health, welfare, or the environment, pending a hearing by the local air district's Hearing Board. This bill has created a critical new tool that will help protect disadvantaged communities from serious toxic emission situations; and

LEGISLATIVE, PUBLIC AFFAIRS AND MEDIA OFFICE (cont.)

- AB 1274 (O'Donnell) which, beginning January 1, 2019, defers a smog check for motor vehicles by 2 years, from the end of model year six to eight. The smog check costs that the vehicle owner would have paid are redirected through annual smog abatement fees to fund the Carl Moyer Program for more effective reductions in diesel particulate matter and nitrogen oxide emissions from heavy duty vehicles. This will double current statewide Carl Moyer Program funding, garnering about \$30 million per year for the South Coast region. This bill provides a sustainable source of funding that can help address the ongoing challenge of improving unhealthy, polluted air to meet federal standards in the region.
- SCAQMD secured funding through budget trailer bill AB 134, from Greenhouse Gas Reduction Fund (GGRF) monies, and the District will receive \$107.5 million in increased Carl Moyer Program funding for the South Coast region, as part of a larger \$250 million funding package; and is eligible to compete for additional statewide GGRF monies, totaling \$645 million, made available largely through grant applications, including:
 - \$180 million for the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Program, with at least \$35 million allocated for zero-emission buses;
 - \$140 million for the Clean Vehicle Rebate Program, for rebates for light-duty vehicles;
 - \$140 million for equipment and improvements at ports, including projects for ships at berth;
 - \$100 million for the Enhanced Fleet Modernization Program; and
 - \$85 million for reducing agricultural emissions through agricultural equipment, heavy-duty truck and tractor replacement
- SCAQMD engaged in statewide policy discussions and efforts to address disproportionate air quality burdens faced by disadvantaged communities and to reduce community level health impacts of criteria pollutant and toxic emissions from large stationary sources, which came to fruition through AB 617 (C. Garcia). SCAQMD also helped secure, through budget trailer bill AB 109, \$27 million in statewide funding for local air districts to fund initial implementation of the new duties and responsibilities mandated by AB 617, of which SCAQMD will receive \$10.8 million.

Federal Legislative

- Provided consistent and focused support for increases in Diesel Emission Reduction Act (DERA) and Targeted Airshed Grant Program (TAGP) funding. Ultimately for Fiscal Year 2017, DERA funding increased from \$50 million to \$60 million and TAGP funding increased from \$20 million to \$30 million.
- Traveled to Washington DC five times in 2017, including a May 2017 trip with six Board Members to promote clean air priorities, including protection of the California Waiver, DERA reauthorization and increased funding, and clean air funding through the proposed National Infrastructure bill. SCAQMD staff met with Congressional Members, Congressional, White House, and Agency staff, and various stakeholders, including those representing business interests and air quality and public health advocates.

LEGISLATIVE, PUBLIC AFFAIRS AND MEDIA OFFICE (cont.)

- In April 2017, U.S. Senate and House staff from five Congressional offices visited the South Coast region and joined SCAQMD staff for presentations and a tour at the District. The visiting staff also toured key areas in the Inland Empire and the Port of Los Angeles to highlight air pollution challenges and technological efforts being developed and implemented to address them.

Social Media

- Established Governing Board Facebook Live streams during the March 2017 Board Meeting allowing Facebook viewers to comment in real time during meetings.
- Continued event coverage (Clean Air Awards, MLK Day of Service, Cesar Chavez Day of Remembrance Day, EJ Conference and other EJ events) utilizing Live Tweets/Quotes + Photo + Video.
- Timely reaction to publishing news/advisories resulting in extended news media + outside government agency exposure.

Communications & Public Information Center

- Assisted the Small Business Assistance Unit by performing nearly 1,300 initial calls to businesses with expired permits to remind them about the expired status of the permits, and to encourage them to bring the permits current.
- Processed 2,650 walk-up inquiries through the PIC in the SCAQMD lobby.
- Assisted in the updating/publishing of about 230 web pages, including specific web pages relating to: 1) the Aliso Canyon Natural Gas Leak; 2) ongoing air monitoring activities in Paramount and Compton; 3) Sunshine Canyon Landfill; 4) Torrance Refinery; and 5) the Exide Lead Battery Recycling facility.

Graphics

- Approximately 500 major graphics projects/assignments completed
- Collateral Brochures and Promotional Items
- Bi-Monthly Advisor Publication
- Quarterly Governing Board Member Newsletters
- Yearly Clean Car Buying Guide
- Program Announcements
- Educational Materials
- Advertisements
- Signage
- Video projects
- Newspaper Advertorials
- Informational materials for Town Hall Meetings, Community Meetings and Events (including the Clean Air Awards, the Martin Luther King Jr. Day event, the Cesar Chavez Day event, the Environmental Justice Conference, multiple environmental justice workshops and senior events).

LEGISLATIVE, PUBLIC AFFAIRS AND MEDIA OFFICE (cont.)

Local Government/Community Affairs

- Provided educational information on key legislative issues affecting air quality in the region.
- Regular attendance at regional and community meetings throughout the four (4) counties including League of California Cities, the Councils of Governments, and Chambers of Commerce and business organizations.
- Assisted with communications, outreach and issue management for high profile items such as the Special Toxics Investigations in Paramount and Compton, Torrance Refinery (formerly ExxonMobil), SoCalGas Aliso Canyon Storage Facility, Sunshine Canyon Landfill, and several other facilities.
- Produced newsletters for four Governing Board Members.
- Organized logistics, conducted outreach and staffed five (5) Town Hall/Community Meetings; five (5) Rule-related meetings; one (1) Title V Meeting; two (2) Committee on Refineries hearings; and, assisted with one (1) Marine Port Committee meeting.
- Coordinated with, organized logistics and staffed seven (7) Department of Toxic Substances Control (DTSC) & SCAQMD Exide Community Advisory Group meetings throughout the communities in the vicinity of Exide Technologies.
- Worked with Legal Department on a system to identify high profile issues coming before the Hearing Board to conduct community outreach. There were nine instances where community outreach was conducted for high profile cases.
- Participated in and represented SCAQMD throughout the four-county region at 55 community events ranging from health and environmental justice resources fairs, to Council of Government General Assemblies, to air quality related forums and conferences.
- Planned, organized and produced the 2017 “Martin Luther King, Jr. Day of Service Forum” which had more than 400 attendees at the California Science Center in Los Angeles.
- Planned, organized and produced the 2017 “Cesar Chavez Day of Remembrance” which had more than 300 attendees at La Plaza De Culturas y Artes and featured a keynote by Antonio Villaraigosa.
- Planned, organized and produced the 2017 “Clean Air Awards” which honored ten individuals, businesses, and organizations. Over 400 attended the event.
- Coordinated with MSRC staff to promote the Local Government Partnership program and other initiatives.
- Completed 34 Visiting Dignitaries and Speakers Bureau presentations and tours.
- On an Administrative level, the team met on a regular weekly basis to share information on administrative business, rule related activity, high profile topics, and events, programs and initiatives, including specific items of interest in each of the counties. These meetings included the Environmental Justice staff as well to better facilitate programs and share information across the department.

LEGISLATIVE, PUBLIC AFFAIRS AND MEDIA OFFICE (cont.)

Environmental Justice

- On June 28, 2017, SCAQMD hosted an all-day workshop to help individuals better understand how agencies within Los Angeles County process their environmental complaints, and to discuss ways in which environmental complaints can be processed more collaboratively and efficiently. 100 guests were in attendance.
- On December 2, 2017, SCAQMD hosted a day-long forum on environmental justice, air pollution, and health in which 300 guests attended.
- In 2017, SCAQMD established the Young Leaders Advisory Council (YLAC), which will educate and engage young adults regarding the region's clean air issues.

Media

- Provided media relations services and strategic counsel for high-profile media issues through press releases, media advisories, talking points, in-person and on-camera interviews, and opinion pieces and letters to the editor.
- Handled 1,749 media interactions
- Wrote and issued 45 news releases and translated 11 into Spanish; issued a total of 53 Smoke Advisories, Odor Advisories, and No-burn Alerts
- Wrote more than 50 talking points documents
- Coverage of high-profile topics including Paramount hex-chrome facilities, abatement orders, facility curtailments and air monitoring; Porter Ranch, PBF/Torrance Refining Co. refinery; refinery rules including Rules 1118, 1180 and 1410; Community Air Toxics Initiative including Compton air monitoring; Board adoption of 2016 Air Quality Management Plan; Tesoro refinery integration EIR; Rule 415 (odors from rendering facilities), AB 1132, RECLAIM, coastal odors, cool roof study and air quality during wildfires.

Small Business Assistance

- Conducted 85 on-site consultations
- Provided assistance to businesses relating to 2,702 permit applications
- Approved and processed 938 Air Quality Permit Checklist submittals
- Helped 714 businesses understand SCAQMD rules and regulations
- Provided 25 businesses with recordkeeping training
- Issued nine dry cleaning grants
- Assisted five businesses file variances before the SCAQMD Hearing Board
- Participated in 14 small business related events
- Outreached to 620 facilities as part of the Expired Permit Program

ANTICIPATED:

State Legislative

- Introduce and/or actively support legislation, based on Governing Board direction, to address, among other things:
 - Garnering new and sustainable funding sources for the 2016 AQMP;

LEGISLATIVE, PUBLIC AFFAIRS AND MEDIA OFFICE (cont.)

- Garnering sustainable funding for local air districts' continued implementation of the duties and responsibilities mandated by AB 617;
- Enhancing SCAQMD's fleet rule authority to move public fleets towards accelerated transition to near-zero and zero emission heavy duty vehicles;
- Modernizing, streamlining, and making more effective local air districts' public notice requirements; and
- Strengthen our state legislative outreach and communication by increased engagement with the Governor's Office and state legislators and Capitol staff (members and committees), to promote SCAQMD's legislative priorities, sponsored legislation, and to support 2016 AQMP efforts.
- Strengthen our legislative outreach, communication, partnership and coalition building efforts by increased engagement with all stakeholders, including, but not limited to, government entities, business, environmental groups and the community, to promote SCAQMD's legislative priorities, sponsored legislation, and to support 2016 AQMP efforts.
- Continue to work with SCAQMD departments to improve efficiency and ease with which existing data can be extracted on a recurring basis for specified, approved purposes for the benefit of public outreach and governmental relations. (CLASS and PeopleSoft.)

Federal Legislative

- Work to ensure that the federal government does its fair share to reduce air pollution by:
 - Providing funding or regulatory authority adequate for nonattainment areas to attain National Ambient Air Quality Standards (NAAQS) by upcoming federal deadlines, and in particular, SCAQMD to implement the 2016 AQMP and attain federal ozone and particulate matter standards by upcoming federal deadlines;
 - Reauthorizing and expanding funding for DERA;
 - Increasing funding for the TASG program;
 - Authorizing and funding new programs which will reduce air pollution through the adoption and deployment of zero and near-zero emission technologies, fuels and recharging/refueling infrastructure;
 - Establishing programs or policies that incentivize the federal government to purchase and use advanced clean technologies and eliminate the use of technologies generating NOx and particulate matter emissions; and
 - Incentivizing individuals, businesses, states, and local governments to purchase and use advanced clean technologies and eliminate the use of technologies generating NOx and particulate matter emissions.
- Actively partner with stakeholders, including, but not limited to, government entities, business, environmental groups and health advocacy groups, on federal legislation (such as the Transportation Infrastructure bill and the Energy bill) to support clean air and engage with regional issues related to clean air.
- Monitor and stay engaged with federal legislation that provides air quality-related incentives or impacts air quality issues.
- Invite key elected officials, Administration representatives and Congressional staff to SCAQMD for tours of the region and discussions on air quality issues.

LEGISLATIVE, PUBLIC AFFAIRS AND MEDIA OFFICE (cont.)

Social Media

- Continue follower growth (goal of 30% increase for 2018).
- Streamline the Advisory publishing process to ensure the public gets content in a timely manner.
- Utilize more original SCAQMD content, including new up-to-date photos and content from various SCAQMD departments.

Communications Center & Public Information

- Receive and process about 47,000-51,000 main line calls from the public in the form of Cut Smog calls, after hour calls, Spanish line calls, and Clean Air Connection calls. These calls also include air quality complaints, reports of equipment breakdowns, and emergency response requests;
- Assist the Small Business Assistance Unit by contacting about 1,400 businesses with expired permits to remind them about the expired status of the permits, and to encourage them to bring the permits current; and
- Process 2,700-3,200 walk-up inquiries via the PIC in the SCAQMD lobby.
- Assist in updating / publishing about 230 web pages, including specific web pages relating to various key issues/items in 2018, including ongoing air monitoring activities in various communities within the South Coast region.
- Implement TTY software system for the hearing impaired in the Communication Center.

Graphics

- Complete about 750 major graphics projects/assignments, including: 1) collateral brochures and promotional items; 2) Bi-Monthly Advisor publication; 3) Quarterly Governing Board Member Newsletters; 4) Yearly Clean Car Buying Guide; 5) signage, and informational materials for Town Hall Meetings, community meetings and events, etc.; 6) educational materials; 7) advertisements; 8) Program Announcements; and 9) video projects.
- In coordination with a new Director of Communications, redesign and redevelop SCAQMD core collaterals and electronic and social media content to ensure consistent themes and messaging and to create focused and clear branding of SCAQMD throughout all SCAQMD collateral materials and electronic content provided to elected officials, agency staff, stakeholders, impacted communities and the public at large.
- Continue to build, maintain and update our outreach databases and management systems to communicate more effectively with elected officials, agency staff, stakeholders, impacted communities and the public at large.

Local Government/Community Relations

- Continue to improve Internal Communication to facilitate Senior Public Information Specialists' (Field Representatives) ability to serve SCAQMD and the public, including elected officials, city/county entities, environmental, health, businesses and other stakeholders.

LEGISLATIVE, PUBLIC AFFAIRS AND MEDIA OFFICE (cont.)

- Compilation of a “Hot List” on an on-going basis for Field Representatives including, but not limited to, Governing Board initiatives, Committees, Advisory Group meetings; Permitting and Compliance information for counties and cities; SBA activities to better promote city/county awareness of SCAQMD programs both for their own information and for businesses in their communities; Legislative issues; “Business Opportunities” at SCAQMD to create and maintain an updated list of RFPs, grants and other opportunities; Rules, Title V, AB 2588 and other processes as related to their assigned geographic regions or in general; and, STA projects and programs such as Carl Moyer, Prop 1B, Residential Charging and others.
- Coordinate with the Public Advisor on developing a system to better inform communities/stakeholders throughout the region, including a Crisis Management Plan.
- Enhance email blasts and coordination with social media to provide clear information in a timely fashion.
- Enhance Governing Board Member newsletter team coordination to expedite the process and provide more quality articles.
- Increase relationship building with all levels of government, community, health, environmental, business and other stakeholder groups. A focused subset of this outreach for specific geographic regions will focus on environmental justice.
- Create and implement a schedule by which the assigned geographic outreach staff will meet with targeted individuals and organizations including Chambers of Commerce.
- Build upon Community Partnership concept to develop relationships and shared actions to promote air quality related health issues and other SCAQMD initiatives.
- Enhance database and list management to increase successful communications.
- Work with Small Business Assistance (SBA) to provide information on their programs and services. Support SBA efforts by facilitating relationships with cities/counties, business organizations, and community groups. Improve community access to SBA programs through outreach efforts as directed by Public Advisor and SBA Supervisor.
- Increase working relationship with Legislative staff to ensure that the Local Government and Community Relations staff are well informed and appropriately conversant in state and federal issues. Support Legislative Team to promote key initiatives/goals. Assist with bill analysis and other activities. Provide and facilitate a two-way flow of communication between local, state and federal elected officials and their staff, along with businesses, and community organizations to assist with legislative efforts.
- Collaborate and assist other SCAQMD Departments on major initiatives and projects including, but not limited to, Title V permits and other permits, compliance and enforcement issues, rule making process, AQMP, AB2588 Toxic Hotspots program, AB2766 outreach to cities, incentive programs, “Check Before You Burn”, and other projects.
- Partner with environmental education organizations, develop and implement an educational outreach program to reach children and their families. It is possible that SCAQMD can provide technical expertise to an existing educational program that is being implemented.

LEGISLATIVE, PUBLIC AFFAIRS AND MEDIA OFFICE (cont.)

- Build relationships with organizations to expand air quality awareness among young adults and professionals.
- Increase training opportunities for Senior Public Information Specialists including foreign languages that assist in their geographic areas.

Environmental Justice

- Educational Workshops on AB 617 and AB 134: SCAQMD will support the Science and Technology Advancement Department with hosting a series of educational workshops to inform community members about AB 617, and how funding through AB 134 will help improve air quality and health in disadvantaged neighborhoods.
- Environmental Justice Events: As part of the Environmental Justice Community Partnership, staff will organize four environmental justice events throughout the South Coast Air Basin, to listen to the communities' concerns about air quality, and to recognize outstanding environmental justice leaders.
- Environmental Justice Community Partnership Advisory Council: SCAQMD will host four Environmental Justice Community Partnership Advisory Council meetings to discuss how SCAQMD can better implement environmental justice efforts. Members of this group include community group leaders, scholars, lawyers, activists, residents, business owners, and public health professionals.
- Inter-Agency Workshop: SCAQMD will host one inter-agency workshop on how government agencies can better collaborate on environmental complaints. This will be a follow up to the first Inter-Agency Workshop which took place in 2017, in response to the community's request for government agencies to improve their coordination in responding to environmental complaints.
- Internal Environmental Justice Working Group: SCAQMD staff realized the need to improve collaboration among SCAQMD departments working on environmental justice projects. In an effort to improve communication, efficiency, and effectiveness, SCAQMD will host monthly staff meetings to improve collaboration among departments, hopefully resulting in better use of staff, time, and resources in addressing environmental justice issues.
- Brown Bag Lunch on Environmental Justice: SCAQMD will host a Brown Bag Lunch for employees, regarding environmental justice efforts in the Agency. The Brown Bag Lunch will further augment how SCAQMD addresses environmental justice internally, by better informing staff on how their work helps areas that have been disproportionately affected by air pollution.
- Attendance at Events: Staff will continue participating in community meetings and events throughout the Air Basin, to learn more about the issues in the different neighborhoods, and to network with leaders in the area who may be interested in supporting SCAQMD's environmental justice efforts.
- Presentations on Environmental Justice: Upon request, SCAQMD staff will deliver presentations on environmental justice. The presentations are an opportunity for audiences to learn more about air pollution, public health, and ways they can get involved with the Agency's environmental justice programs.

LEGISLATIVE, PUBLIC AFFAIRS AND MEDIA OFFICE (cont.)

- Environmental Justice Advisory Group (EJAG): SCAQMD will host four Environmental Justice Advisory Group meetings in 2018 for in-depth discussions of high priority topics as suggested by members and staff.

Media

- Hire a Director of Communications by the 2nd Quarter. This position will develop a strategic communications plan for overall agency messaging and critical issues and crisis management communications as they arise; oversees media relations through subordinate managers; and does other work as required.
- Provide media relations services and strategic counsel for high-profile media issues as well as ongoing SCAQMD programs and projects through press releases, media advisories, talking points, in-person and on-camera interviews, opinion pieces and letters to the editor.
- Complete production of update to SCAQMD's signature video, "The Right to Breathe."
- Promote update to The Right to Breathe through dedicated Google AdWords campaign.
- Implement outreach for the 2018-19 "Check Before You Burn" season and mandatory no-burn days.
- Continue to maintain SCAQMD web micro-sites on high-profile issues.
- Continue to help focus/narrow Public Records Requests (PRR) from news media; review PRR documents provided to news media and advise management of potential news stories that could result from them.
- Write advertorials for newspapers as part of SCAQMD sponsorships.
- Review requests from partner agencies, organizations and firms for quotes from SCAQMD officials for articles and press releases.

Small Business Assistance

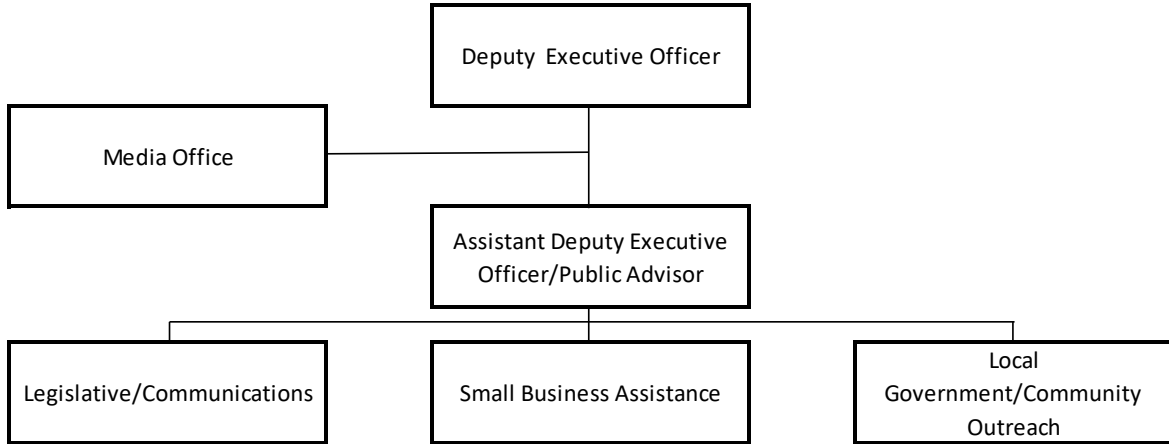
- Expand the awareness of SCAQMD's Small Business Assistance Program by outreaching to trade organizations, municipalities, and other agencies to inform them about our services.
- Provide timely and accurate information to all persons seeking information from the Small Business Assistance Program.
- Provide easy to understand information about compliance, permit application requirements, and incentive programs offered to small businesses, to business in general and the general public.
- Develop, collect and coordinate information concerning air quality compliance methods and technologies for small businesses by actively participating in SCAQMD rulemaking workshops and hearings.
- Assist small businesses in determining applicable requirements, applying for permits, and petitioning for variances.
- Conduct more "no-fault" inspections to provide compliance audits on the operations of small businesses.

LEGISLATIVE, PUBLIC AFFAIRS AND MEDIA OFFICE (cont.)

- Assist small businesses with air pollution control and air pollution prevention by providing information concerning alternative technologies, process changes, products, and methods of operation that reduce air pollution.

LEGISLATIVE, PUBLIC AFFAIRS AND MEDIA OFFICE (cont.)

CURRENT ORGANIZATIONAL CHART:



POSITION SUMMARY: 50 FTEs

Legislative & Public Affairs Units	Amended FY 2017-2018	Change	Proposed FY 2018-2019
Administration	6	-	6
Legislative & Public Affairs	36	3	39
Media Office	5	-	5
Total	47	3	50

LEGISLATIVE, PUBLIC AFFAIRS AND MEDIA OFFICE (cont.)

STAFFING DETAIL:

2018-19 Proposed Staffing

<u>Position</u>	<u>Title</u>
2	Air Quality Engineer
2	Air Quality Inspector
1	Assistant Deputy Executive Officer
2	Community Relations Manager
1	Deputy Executive Officer
1	Director of Communications
3	Graphic Illustrator II
2	Public Affairs Manager
1	Office Assistant
1	Public Affairs Specialist
7	Radio Telephone Operator
3	Secretary
2	Senior Administrative Secretary
2	Senior Office Assistant
1	Senior Public Affairs Manager
15	Senior Public Information Specialist
1	Senior Staff Specialist
2	Staff Assistant
<u>1</u>	Supervising Radio Telephone Operator
50	Total Proposed Positions

**Legislative & Public Affairs/Media Office
Work Program by Office**

#	Program Code		Program Categories	Program	Activities	FTEs	+/-	FTEs	Revenue Categories
						FY 2017-18		FY 2018-19	
1	35	037	Customer Service and Business Assistance	AB 617-Outreach	AB 617-Outreach	0.00	2.00	2.00	XV
2	35	046	Customer Service and Business Assistance	Admin/Prog Mgmt	Admin Office/Units/SuppCoord Staff	4.02	0.00	4.02	Ib
3	35	111	Ensure Compliance	Call Center/CUT SMOG	Smoking Vehicle Complaints	8.00	0.00	8.00	IX,XV
4	35	126	Customer Service and Business Assistance	Clean Air Connections	Coord of region-wide community group	1.00	0.00	1.00	II,IX
5	35	205	Customer Service and Business Assistance	Environmental Education	Curriculum Dev/Project Coord	0.25	0.00	0.25	II,IX,XV
6	35	240	Customer Service and Business Assistance	Environmental Justice	Impl Board's EJ Pgrms/Policies	2.00	0.00	2.00	II,IV
7	35	260	Customer Service and Business Assistance	Fee Review	Cmte Mtg/Fee-Related Complaint	0.50	0.00	0.50	II,III,IV,XV
8	35	280	Policy Support	Advisory Group/Ethnic Comm	GB Ethnic Comm Advisory Group	0.40	0.00	0.40	II,IX
9	35	281	Policy Support	Advisory Group/Small Business	SBA Advisory Group Staff Support	0.50	0.00	0.50	IV,IX
10	35	283	Policy Support	Governing Board Policy	Brd sup/Respond to GB req	0.55	0.00	0.55	Ia
11	35	345	Policy Support	Goods Mvmt&Financial Incentive	Goods Movement & Financial Incentives Progr	1.00	0.00	1.00	IX
12	35	350	Operational Support	Graphic Arts	Graphic Arts	2.00	0.00	2.00	Ia
13	35	381	Customer Service and Business Assistance	Interagency Liaison	Interact Gov Agns/Promote SCAQMD	0.15	0.00	0.15	Ia,XV
14	35	390	Customer Service and Business Assistance	Intergov/Geographic Deployment	Dev/Impl Local Govt Outreach	9.50	1.00	10.50	II,IX
15	35	412	Policy Support	Legislation/Federal	Lobbying/Analyses/Tracking/Out	0.25	0.00	0.25	Ia
16	35	413	Policy Support	Legislation/Exec Office Suppor	Coord Legis w/ EO, EC, Mgmt	0.25	0.00	0.25	Ia
17	35	414	Policy Support	Legislation-Effects	Lobbying/Analyses/Tracking/Out	0.80	0.00	0.80	Ia,IX
18	35	416	Policy Support	Legislative Activities	Supp/Promote/Influence Legis/Adm	0.50	0.00	0.50	Ia
19	35	491	Customer Service and Business Assistance	Outreach/Business	Chambers/Business Meetings	1.00	0.00	1.00	II,IV
20	35	492	Customer Service and Business Assistance	Public Education/Public Events	Pub Events/Conf/Rideshare Fair	1.00	0.00	1.00	II,V,IX,XV
21	35	494	Policy Support	Outreach/Collateral/Media	Edits,Brds,Talk shows,Commercl	5.60	0.00	5.60	Ia
22	35	496	Customer Service and Business Assistance	Outreach/Visiting Dignitary	Tours/Briefings-Dignitary	0.25	0.00	0.25	Ia
23	35	514	Customer Service and Business Assistance	Permit: Expired Permit Program	Assist w Permit Reinstatement	0.30	0.00	0.30	IV
24	35	555	Customer Service and Business Assistance	Public Information Center	Inform public of unhealthy air	1.00	0.00	1.00	II,V,IX
25	35	560	Develop Programs	Public Notification	Public notif of rules/hearings	0.50	0.00	0.50	II,IV,IX
26	35	565	Customer Service and Business Assistance	Public Records Act	Comply w/ Public Req for Info	0.10	0.00	0.10	Ia
27	35	679	Customer Service and Business Assistance	Small Business Assistance	Small Business/Financial Assistance	1.00	0.00	1.00	III
28	35	680	Timely Review of Permits	Small Business/Permit Streamln	Asst sm bus to comply/SCAQMD req	3.95	0.00	3.95	II,III,IV,V,XV
29	35	710	Customer Service and Business Assistance	Speakers Bureau	Coordinate/conduct speeches	0.10	0.00	0.10	Ia
30	35	717	Policy Support	Student Interns	Student Interns	0.10	0.00	0.10	Ia
31	35	791	Customer Service and Business Assistance	Toxics/AB2588	Outreach/AB 2588 Air Toxics	0.01	0.00	0.01	X
32	35	825	Operational Support	Union Negotiations	Official Labor/Mgmt Negotiate	0.01	0.00	0.01	Ia
33	35	826	Operational Support	Union Steward Activities	Union Steward Activities	0.01	0.00	0.01	Ia
34	35	855	Operational Support	Web Tasks	Create/edit/review web content	0.40	0.00	0.40	Ia

Total Legislative & Public Affairs/Media Office

47.00	3.00	50.00
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**Legislative & Public Affairs/Media Office
Line Item Expenditure**

Major Object / Account # / Account Description		FY 2016-17 Actuals	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2017-18 Estimate *	FY 2018-19 Proposed Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 4,178,282	\$ 4,320,002	\$ 4,664,696	\$ 4,155,172	\$ 4,583,894
53000-55000	Employee Benefits	2,239,784	2,431,358	2,431,358	2,296,149	2,876,414
Sub-total Salary & Employee Benefits		\$ 6,418,066	\$ 6,751,360	\$ 7,096,054	\$ 6,451,322	\$ 7,460,308
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	15,954	7,000	7,000	590	7,000
67350	Rents & Leases Structure	50,820	9,000	9,000	4,279	9,000
67400	Household	-	-	-	-	-
67450	Professional & Special Services	2,281,361	1,648,846	1,885,945	1,885,945	1,648,846
67460	Temporary Agency Services	47,035	114,000	114,000	107,720	114,000
67500	Public Notice & Advertising	16,485	26,600	26,600	16,485	26,600
67550	Demurrage	-	-	959	959	-
67600	Maintenance of Equipment	-	9,000	9,000	-	9,000
67650	Building Maintenance	-	-	-	-	-
67700	Auto Mileage	14,289	24,800	24,800	14,289	24,800
67750	Auto Service	-	-	-	-	-
67800	Travel	48,426	45,200	45,200	45,200	45,200
67850	Utilities	-	-	-	-	-
67900	Communications	35,793	47,000	47,000	36,085	47,000
67950	Interest Expense	-	-	-	-	-
68000	Clothing	205	-	-	-	-
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	51,397	137,800	77,800	46,826	137,800
68100	Office Expense	48,672	45,300	55,300	55,300	45,300
68200	Office Furniture	-	-	-	-	-
68250	Subscriptions & Books	22,322	18,200	31,926	31,926	18,200
68300	Small Tools, Instruments, Equipment	-	-	-	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	7,155	8,500	8,500	4,850	8,500
69550	Memberships	22,098	26,250	26,250	26,250	26,250
69600	Taxes	-	-	-	-	-
69650	Awards	51,202	49,681	49,681	49,681	49,681
69700	Miscellaneous Expenses	45,192	43,100	43,100	43,100	43,100
69750	Prior Year Expense	-	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 2,758,406	\$ 2,260,277	\$ 2,462,061	\$ 2,370,075	\$ 2,260,277
77000	Capital Outlays	\$ -	\$ 19,400	\$ 19,400	\$ 15,520	\$ -
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 9,176,472	\$ 9,031,037	\$ 9,577,515	\$ 8,836,916	\$ 9,720,585

* Estimates based on July 2017 through February 2018 actual expenditures and budget amendments.

PLANNING, RULE DEVELOPMENT & AREA SOURCES

PHILIP FINE DEPUTY EXECUTIVE OFFICER

At a Glance:	
FY 2017-18 Budget	\$19.8M
FY 2018-19 Proposed	\$22.7M
Percent of SCAQMD Proposed	13.8%
Total Proposed FTEs	134

DESCRIPTION OF MAJOR SERVICES:

Planning, Rule Development and Area Sources (PRDAS) is responsible for the majority of SCAQMD's air quality planning functions, including State Implementation Plan (SIP)-related activities, air quality management and maintenance plans, reporting requirements and other state and federal Clean Air Act requirements. PRDAS is also responsible for developing proposals for new rules and amendments to existing rules to implement the SIP obligations, to seek funding for air quality projects through grants, to reduce air toxic emissions/exposures, to conduct socioeconomic and environmental assessments of Air Quality Management Plans (AQMPs) and rulemaking actions. All permit modeling review and California Environmental Quality Act (CEQA) functions are part of this office, including acting as lead agency (for SCAQMD permitting projects and rulemaking projects), responsible agency, and commenting agency under CEQA. In addition, this office is responsible for developing and implementing the SCAQMD's Clean Communities Plan which is an overall plan for air toxics and includes communities that support the agency's overall goals for environmental justice. PRDAS implements AB 2588, the state Toxic "Hot Spots" Program which includes updating the guidelines for estimating health risk for the AB 2588 program and permitting, as well as the Annual Emissions Reporting program (AER), and is responsible for climate change and energy policy. The office also conducts air quality evaluations and forecasting, inventories of area sources, and compliance activities related to area sources. In addition, PRDAS is responsible for overseeing the development of the Multiple Air Toxics Exposure Study and for providing input and guidance on health effects associated with air quality policies and other air quality related issues that arise from individual facilities or communities throughout the air basin. The Transportation Program in PRDAS implements Rule 2202 and provides AB2766 Subvention fund program assistance and training to the regulated community and local governments. Finally, PRDAS develops and implements fleet rules, mobile source policy, and facility-based measures aimed at achieving emission reductions from the indirect mobile sources associated with facilities.

PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

ACCOMPLISHMENTS:

RECENT:

AB 2588

- Implemented the updated Prioritization Procedures.
- Based on the prioritization scores, notified 20 facilities to prepare an Air Toxics Inventory Report (ATIR) or participate in the Voluntary Risk Reduction Program in Rule 1402, if eligible.
- Conducted significant analysis of potential health risks from metal working facilities, particularly from hexavalent chromium in the community of Paramount. Designated an additional 'Potentially High Risk Level Facility' (Lubeco).
- Prioritized approximately 150 facilities for 2016 reporting year.
- Closed out five facility notifications after detailed review.
- Approved one ATIR (Griswold) and two Risk Reduction Plans (RRP; Bowman/Quemetco).
- Two facilities underwent RRP progress report (Hixson/Gerdau).
- Audited priority scores for many facilities for 2015 and 2016 reporting year.
- Reviewed 12 Rule 1420.2 Monitoring Plans.

Air Quality Forecasting

- Transferred all operational forecasts and data to a new data management system.
- Continued working with Sonoma Tech, Inc. to implement the H2S monitoring and public website in the Salton Sea area.
- Provided programmatic support (meteorology), including daily air quality forecasting, issuing no-burn alerts for the Check Before You Burn program (22 days in 2017), issuing Smoke Advisories (82 days in 2017), issuing H2S odor advisories (9 days in 2017) and windblown dust and ash advisories (2 days in 2017).
- Provided programmatic support (point source modeling), including completing 22 permit modeling requests and releasing the updated meteorological data set.

Air Quality Modeling/Emissions Inventory

- Collaborated with NASA and other academic and research agencies to utilize satellite retrieved data in air quality modeling and analysis.
- Continued to improve air quality model's predictability to be the state-of-the-science and appropriate for AQMP attainment demonstrations.
- Continued to refine AQMP/SIP emissions inventory to assist the implementation of AQMP control measures.
- Developing an emissions analysis tool to estimate NO_x and GHG emission reductions associated with potential implementation of cleaner energy sources and zero to near-zero emission appliances in residential and commercial sectors.
- Reviewed General Conformity requirements for the projects submitted to SCAQMD to be accommodated in the SIP set aside account.
- Tracked the usage of SIP/SCAQMD General Conformity account.

PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

- Continued assisting inter and intra divisional projects that require Geographical Information System.

Annual Emissions Reporting

- Completed emissions inventories for about 2,400 facilities and collected about \$16.1 million in annual emissions fees.
- Updated the Annual Emissions Reporting web tool software.
- Began coordination with CARB in the implementation of new emissions reporting requirements under AB 617.

AQMP/SIP

- Began the implementation of the 2016 AQMP to assist in the attainment of the 8-hour and 1-hour ozone federal standards as well as the 24 hour and annual PM2.5 federal standards for both the South Coast Air Basin and Coachella Valley.
- Pursuant to U.S. EPA Federal Register action, two deficiencies in the SIP have been corrected. A supplemental RACM/RACT analysis was prepared and approved by the Governing Board to demonstrate that NOx allocations in the RECLAIM program are at least equivalent, in the aggregate, to emission levels that would result from direct application of RACT on affected sources in South Coast and Coachella Valley. In addition, staff prepared a compliance demonstration of the nonattainment New Source Review (NSR) plan or plan revision for the 2008 ozone standard certifying that the current SIP-approved nonattainment NSR program meets the requirements for the implementation of the 2008 ozone NAAQS. This compliance demonstration was also approved by the Governing Board before submittal to CARB and U.S. EPA.
- Issued an RFP to solicit stationary and mobile source incentive projects for reducing emission/toxic exposure and technology demonstration and deployment.

CEQA

- Conducted environmental assessments for 14 SCAQMD rule projects and oversaw the preparation of the environmental assessments for seven ongoing permit projects.
- Reviewed and commented on over 1,000 CEQA documents prepared by other lead agencies.
- Provided technical support for the CEQA lawsuit SCAQMD initiated against the Southern California Intermodal Gateway rail yard project.

Clean Communities Plan

- Completed implementation of U.S. EPA's Targeted Air Shed Grant. Approximately \$3 million was spent on the following programs: residential lawn mower exchanges, weatherization program in collaboration with the Southern California Gas Company, aqueous brake cleaning systems for auto repair shops, air filtration for several schools, super-compliant coatings for several beautification projects, pilot program to test and demonstrate commercial mowers at municipal agencies, and EV chargers for non-profit organizations. Completed final report for U.S. EPA.

PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

Facility Based Mobile Source Measures

- Conducted 17 working group meetings covering airports, marine ports, new and redevelopment projects, rail yards, and warehouses as part of the implementation of several 2016 AQMP control measures.
- Worked extensively with the ports of Long Beach and Los Angeles before and after adoption of their 2017 Clean Air Action Plan, and with Los Angeles World Airports in the amendment of their Alternative Fuel Policy.

Health Effects

- Provided extensive input and support for the Community Air Toxics Initiative projects in Paramount and Compton, including presenting at public meetings, participating on weekly phone calls with the city, agencies, elected officials and the public, addressing public inquiries, coordinating closely with other agencies to ensure appropriate follow-up, and providing input and support for the investigation and reporting of results.
- Provided critical staff support and leadership for the work related to the Aliso Canyon gas leak, and initiated work to begin the health study that was funded through the settlement agreement.
- Completed four reports and fact sheets for public audiences related to high-profile and/or emergency response situations. These reports and fact sheets are posted on the website.
- Completed three public presentations or panel presentations for the Environmental Justice Community Partnership, and additional public presentations to other academic, professional, and community audiences.
- Developed content for a “Wildfires and Health” webpage to bring together information about air quality impacts of wildfires, and resources pertaining to public health.
- Initiated planning for the MATES V study, including convening two meetings of the Technical Advisory Group. The planning for MATES V also includes an extensive advanced monitoring component.

Rule Development

- Amended Rules 2001 and 2002 to prevent new facilities from entering the program and to establish the framework for facilities exiting the program. Have initiated the process for facilities exiting the program for those currently at BARCT or no RECLAIM equipment without any amendments to existing rules.
- Adopted Rule 1180 (Refinery Fenceline and Community Air Monitoring) that will require real-time fenceline air monitoring system that will provide air quality information at or near the property of petroleum refineries who are also responsible for funding refinery-related community air monitoring systems. A plan to establish and operate the fenceline monitoring is due August 1, 2018.
- Amended Rule 1466 (Control of PM Emissions from Soil with TACs) to expand list of applicable TAC's and clarify provisions.
- Amended Rule 1420 - Emissions Standards for Lead which established new requirements for metal melting and lead processing facilities to reduce point and fugitive source lead emissions and help ensure continued attainment of the National Ambient Air Quality Standard for Lead.

PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

- Adopted Rule 415 (Odors at Rendering Plans) that is designed to reduce odors from facilities conducting inedible rendering operation through the implementation of Best Management Practices and use of permanent total enclosures or a closed system for process areas.
- Amended Rule 1168 (Adhesive and Sealants) to achieve 1.4 tons per day (tpd) reduction in VOC by 2023 and fulfilling the 1.0 tpd VOC reduction commitment in the 2016 AQMP.
- Amended Rule 1401 to require the use of the 2015 Office of Environmental Health Hazard Assessment (OEHHA) Health Risk Assessment (HRA) Guidelines for all permit applications. In the previous amendments to Rule 1401, gas stations and spray booths were allowed to continue to use the previous HRA methodology as staff needed more time to assess impacts to those permitted sources.
- Amended Rule 1118 to place new limits on refinery flaring, require facilities to prepare scoping documents to evaluate the feasibility of significantly reducing or eliminating flaring, removed previous mitigation fee limits for excessive flaring, and improved public notification procedures for flaring events.
- Rule 1147 was amended to relax NOx emission limits for a limited number of units in specific categories and delays compliance dates for small and low emission units with NOx emissions less than 1 pound per day starting July 1, 2017. The amendment achieves equivalent NOx emissions reductions as the original 2008 rule through retrofit of in-use units or replacement with new units over time that comply with emission limits. The amendment also clarified existing requirements and provided additional options for demonstrating compliance with emission limits.
- Continued work to shift regulated facilities under Regulation XX, RECLAIM to command and control rules pursuant to control measure CMB-05 (Further Reductions from RECLAIM) from the 2016 AQMP. Conducted monthly RECLAIM meetings and have held over 50 individual facility-or industry specific meetings.
- Initiated BARCT rulemaking for the Rule 1146 series rules (boilers), Rule 1135 (electricity generating facilities), Rule 1134 (gas turbines), and Rule 1109.1 (refinery equipment).

Socioeconomic Impacts

- Completed ten Socioeconomic Impact Assessments for amendments to Rules 1118, <previous FY>, 1168, 1401, 1420, 1466, and 2001 & 2002; and new Rules 415, 1180, and 1466.
- Received the REMI award for the 2016 AQMP Socioeconomic Report, recognizing staff's contributions in economic and demographic analysis.
- Issued two Requests for Proposals (RFP) to implement recommendations by Abt Associates on enhancing the evaluation of public welfare benefits of clean air for future AQMPs. Such benefits include visibility, agriculture, ecology, and materials benefits.
- Supported Legislative & Public Affairs Office and District Counsel with legislative campaigns and petitions to U.S. EPA.

Transportation Programs

- Assisted local governments with the implementation of AB 2766 funds to reduce mobile source emissions. The annual report submitted in 2017 covered FY 2015-16 and reflected 162

PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

eligible cities, and funded 395 projects of which 261 had quantified mobile emission reductions.

- Assisted regulated employers in the development of their Rule 2202 plans. Evaluated and processed over 1,350 Rule 2202 plan submittals.
- Conducted 19 Rule 2202 Employee Transportation Coordinator (ETC) certification classes.

Other

- Finalized guidelines to implement emission reduction funding programs via fees paid for use of offsets by electrical generating facilities (EGFs).
- Completed contract management for three PM control related projects funded by AB 1318.
- Continued working with stakeholders to develop protocols and conduct NOx characterization study of residential and commercial food service equipment (ovens, fryers, griddles, etc.). Completed underfired charbroiler PM control testing at UCR CE-CERT.
- Continued inventory, and implementation and enforcement of rules relative to area sources of emissions.
- Initiated audits relative to approved Rule 1111 alternate compliance plans.
- Reviewed General Conformity requirements for the projects submitted to SCAQMD to be accommodated in the SIP set aside account.
- Tracked the usage of SIP/SCAQMD General Conformity account.
- Began implementation of AB 617 including the technical analysis and outreach for community identification. Participated in all the working groups with CARB staff and staff from other air districts to discuss implementation of AB 617. Held one day summits and various public workshops to collaborate with stakeholders (both industry and environmental groups).

ANTICIPATED:

AB 617

- Conduct public outreach and develop recommendations for the selection and prioritization of communities for AB 617 community emissions reduction plans and/or community air monitoring.
- Conduct public outreach in Year 1 communities, begin developing monitoring plans and community emission reduction plans (as appropriate).
- Participate in working groups and coordinate on the development of a CARB regulation.
- Participate in AB 617 conference calls and meetings with CARB, other air agencies and stakeholders.

AB 2588

- Update the Industry-Wide AB 2588 Health Risk Assessment for gas stations using new health risk guidelines from OEHHA and new emission factors from CARB. Work with consultants to allow quicker approval of ATIRs, HRAs, and RRP.
- Update the Rule 1402 Guidelines to allow a greater level of transparency.
- Complete the Model/Monitoring Reconciliation Study.

PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

Air Quality Forecasting

- Work with IM to implement NowCast on the AQI map, and other enhancements to better communicate air quality data to the public.
- Continue supporting program functions through air quality forecasting and issuing advisories.

Air Quality Modeling/Emissions Inventory

- Continue collaboration with NASA and other academic and research agencies to utilize satellite retrieved data in air quality modeling and analysis.
- Continue to improve air quality model's predictability to be the state-of-the science and appropriate for AQMP attainment demonstrations.
- Continue to refine AQMP/SIP emissions inventory to assist the implementation of AQMP control measures.
- Developing an emissions analysis tool, Net Emissions Estimation Tool (NEAT) to estimate NOx and GHG emission reductions associated with potential implementation of cleaner energy sources and zero to near-zero emission appliances in residential and commercial sectors.
- Continue to track emissions associated with General Conformity requirements.
- Continue assisting inter and intra divisional projects that require Geographical Information System.

Annual Emissions Reporting

- Continue evaluating emissions inventories and annual emissions fees.
- Improve AER on-line reporting system to facilitate data entry for users and incorporate changes to facilitate emission reporting required under AB 617.

AQMP/SIP

- Adopt and implement the 2016 AQMP SIP obligations through development of new and amended VOC, NOx, and PM2.5 rules, as well as development of incentive programs and guidelines per U.S. EPA requirements. In addition, update as necessary Administrative and NSR rules.
- Continue working on developing funding to implement the incentive control measures in the 2016 AQMP.
- Evaluate proposals, provide recommendations, and issue awards to stationary and mobile source projects that reduce / mitigate emissions / toxic exposure.
- Continue working groups and rule amendments and other initiatives consistent with the 2016 AQMP, including RECLAIM, Facility-based measures, life-cycle emissions assessment, SCAQMD's solar initiative, etc.
- Develop a tracking system for emission reductions achieved as a co-benefit to existing climate change programs.

CEQA

- Initiate working group process to establish guidelines to reflect 2015 Revised OEHHA Guidelines for Estimating Health Risk and current air quality standards.
- Continue developing and reviewing CEQA lead agency projects (rules and permitting projects) and commenting on CEQA documents through the SCAQMD's Intergovernmental Review program.

PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

Clean Communities Plan

- Summarize pilot studies for Clean Communities Plan for San Bernardino and Boyle Heights.

Facility-Based Mobile Source Measures

- Continue work to develop voluntary and potential regulatory approaches for achieving further emission reductions from airports, marine ports, new and redevelopment projects, rail yards, and warehouses.

Health Effects

- Work with Monitoring and Analysis staff to implement MATES V, with deployment of fixed site monitors in January 2018, and the planning and implementation of the Advanced Monitoring and community outreach components.
- Perform regional modeling to estimate long-term cancer risks.

Mobile Source

- Continue working on implementation of existing fleet rules including compliance verification activities, amend existing fleet rules pending new legislative authority, and implement mobile source 2016 AQMP measures, such as facility-based measures and fleet rule amendments.
- Secure SIP credits for mobile source incentive projects working with CARB and U.S. EPA.

Rule Development

- Continue ongoing rulemaking efforts to achieve further reductions of VOC emissions from storage tanks at petroleum facilities (Rule 1178).
- Amend rule to address toxic metal emissions such as metal finishing operations for Rule 1469.
- Amend Rule 408 to clarify applicability to the rule when mitigating odor and prohibit temporary alterations to normal business operations or equipment to dilute, suppress, or conceal detection during monitoring or testing.
- Amend Rules 1146, 1146.1, and 1146.2 to incorporate requirements for facilities that are in RECLAIM that are required to meet BARCT emission control levels.
- Amend Regulation III-Fees to incorporate the CPI adjustment to keep pace with inflation pursuant to Rule 320, and make any other needed adjustments to Regulation III-Fees.
- Amend Regulation XIII to address NSR for facilities that are transitioning from RECLAIM to command and control.
- Adopt flaring rule for non-refinery flares (Rule 1118.1).
- Amend Rule 1403 to include specific requirements when conducting asbestos-emitting demolition/renovation activities at schools, daycare centers, and possibly establishments that have sensitive populations. Amendments may include other provisions to improve the implementation of the rule.
- Rule 1110.2 will be amended to incorporate provisions for facilities that are transitioning from NO_x RECLAIM to command and control.
- Continue the work to develop a new rule to address hydrogen fluoride use at refineries (Rule 1410).
- Develop rule for non-ferrous metal melting operations for Rule 1407 and 1407.1.
- Develop rule to address and an ambient air monitoring rule for toxics for Rule 1480.

PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

- Amend Regulations IX and X to incorporate by reference new and amended federal performance standards enacted by U.S. EPA for stationary sources.
- Amend Rule 1134 to update the emission standard to incorporate Best Available Retrofit Control Technology and incorporate provisions for facilities that are transitioning from NOx RECLAIM to command and control.
- Amend Rule 1135 to incorporate requirements for electric power generating facilities that are to transition from NOx RECLAIM to command and control.
- Develop rule for laser cutting operations for Rule 1435.
- Develop Proposed Rule 1109.1 that will establish requirements for refineries that are transitioning from RECLAIM to command and control.
- Develop Rule 1100 that will establish the implementation schedule for specific NOx RECLAIM facilities that are transitioning to command and control.
- Begin work on developing Proposed Rule 1450 to reduce exposure to methylene chloride from furniture stripping, remove potential regulatory loopholes, achieve emission reductions where possible and cost effective, include reporting requirements, and improve consistency with other SCAQMD VOC rules. Amend various Regulation XVI rules, to provide greater opportunity to reduce mobile source emissions and to obtain credit in the State Implementation Plan for these reductions where possible, including addressing the recent U.S. EPA proposed disapproval of Rule 1610.
- Develop Proposed Rules 1147.1 (Large Misc. Combustion Sources), 1147.2 (Metal Melting and Heat Treating Furnaces), and 1147.3 (Aggregate Facilities) that will establish requirements for facility that are transitioning from RECLAIM to command and control.
- Continue monthly RECLAIM Working Group Meetings to discuss the transition of RECLAIM facilities to a command and control regulatory structure consistent with the 2016 AQMP control measure CMB-05 and AB 617.
- Continue working with stakeholders to assess implementation of Rule 1111 and the development of new Rule 1111.1, if necessary.

Socioeconomic Impacts

- Execute a contract to evaluate potential nationwide economic impacts of a Federal Clean Air Investment Fund.
- Begin enhancing small business impact analysis and using an alternative modeling tool to complement REMI analysis when evaluating small scale socioeconomic impacts.
- Issue Requests for Proposal (RFPs) or sole-source contracts to further implement the remaining Abt recommendations including updates to non-health benefits.
- Conduct socioeconomic analyses for rules and other special projects.

Transportation Programs

- Continue conducting Employee Transportation Coordinator training sessions and review and analyze Rule 2202 annual program submittals.
- Work towards the development of an on-line Rule 2202 plan submittal process.
- Work towards the development of an on-line Rule 2202 Employee Transportation Coordinator training platform.

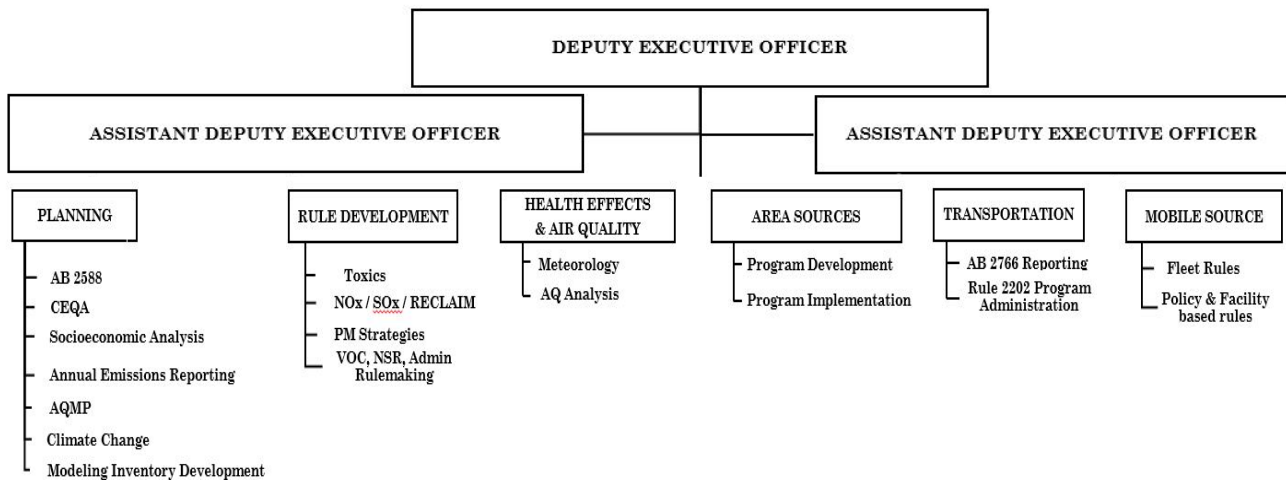
PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

- Continue compliance verification activities.

Other

- Continue inventory and implementation of rules in support of rulemaking efforts and compliance verification activities, inclusive of Rule 317 accounting.
- Establish technical assessments and incentive guideline development for rule development, as needed.
- Track the potential need for use of internal offsets by Electricity Generating Facilities (EGFs).
- Complete development and launch on-line Rule 1415 registration.
- Continue compliance verification and rule development assistance for area wide sources of emissions.
- Work with STA to develop process and review Rule 1180 refinery monitoring plans, conduct outreach and develop process for data evaluation.
- Finalize scope and initiate contract for the health study of the Aliso Canyon gas leak.
- Complete AB617 Community identification process and begin development of Community Emission Reduction Plans where appropriate.

ORGANIZATIONAL CHART:



PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

POSITION SUMMARY: 134 FTEs

Planning, Rule Development and Area Sources Units	Amended FY 2017-18	Change	Proposed FY 2018-19
Office Administration	6	-	8
Planning	68	-	60
Rule Development	14	-	21
Area Sources	10	-	8
Transportation Programs	13	-	11
Health Effects	2	-	3
Mobile Source	7	-	9
AB 617	14	-	14
Total	134	-	134

PLANNING, RULE DEVELOPMENT & AREA SOURCES (cont.)

STAFFING DETAIL:

2018-19 Proposed Staffing

<u>Position</u>	<u>Title</u>
2	Administrative Secretary
9	Air Quality Engineer II
4	Air Quality Inspector II
1	Air Quality Inspector III
56	Air Quality Specialist
2	Assistant Deputy Executive Officer
1	Contracts Assistant
1	Deputy Executive Officer - Planning, Rule Development & Area Sources
1	Director of Strategic Initiatives
1	Health Effects Officer
4	Office Assistant
7	Planning and Rules Manager
22	Program Supervisor
9	Secretary
3	Senior Administrative Secretary
3	Senior Air Quality Engineer
1	Senior Meteorologist
4	Senior Office Assistant
<u>3</u>	Senior Staff Specialist
134	Total Proposed Positions

**Planning, Rule Development & Area Sources
Work Program by Office**

#	Program Code		Program Categories	Program	Activities	FTEs	+/-	FTEs	Revenue Categories
						FY 2017-18		FY 2018-19	
1	26	002	Develop Programs	AB2766/Mobile Source	AB2766 Mobile Source Outreach	1.04	0.01	1.05	IX
2	26	007	Customer Service and Business Assistance	AB2766/MSRC	AB2766 Prov Tech Asst to Cities	1.22	-0.02	1.20	IX
3	26	009	Develop Programs	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	0.30	-0.30	0.00	XVII
4	26	010	Develop Programs	AQMP	AQMP Special Studies	2.00	-1.90	0.10	IV,V,IX,XV
5	26	031	Develop Rules	AB 617-BARCT Rules	AB 617-BARCT Rules	0.00	11.40	11.40	XV
6	26	033	Develop Programs	AB 617-Em Inventory	AB 617-Em Inventory	0.00	0.50	0.50	XV
7	26	034	Develop Programs	AB 617-Em Reduc Plns	AB 617-Em Reduc Plns	0.00	0.50	0.50	XV
8	26	035	Develop Rules	AB 617-General	AB 617-General	0.00	1.60	1.60	XV
9	26	038	Develop Programs	Admin/Office Management	Coordinate Off/Admin Activities	4.55	0.00	4.55	Ib
10	26	050	Develop Rules	Admin/Rule Dev/PRA	Admin: Rule Development	0.60	0.50	1.10	Ib
11	26	061	Monitoring Air Quality	Air Quality Evaluation	Air Quality Evaluation	2.25	0.00	2.25	IX
12	26	068	Develop Programs	SCAQMD Projects	Prepare Environmental Assessments	3.35	0.00	3.35	II,IV,IX
13	26	071	Develop Rules	Arch Ctgs - Admin	Rdev/Aud/DB/TA/SCAQMD/Rpts/AER	1.10	-0.10	1.00	XVIII
14	26	072	Ensure Compliance	Arch Ctgs - End User	Compliance/Rpts/Rule Implementation	0.80	0.00	0.80	XVIII
15	26	073	Ensure Compliance	Arch Ctgs - Other	Compliance/Rpts/Rule Implementation	0.80	0.00	0.80	XVIII
16	26	076	Ensure Compliance	Area Sources/Compliance	Area Source Compliance	4.70	-0.20	4.50	III,IV,V,IX,XV
17	26	077	Develop Rules	Area Sources/Rulemaking	Dev/Eval/Impl Area Source Prog	2.05	-0.05	2.00	II,IX
18	26	083	Policy Support	Hlth Effects Air Pollution Fou	Health Effects Air Poll Foundation Support	0.10	0.00	0.10	Ia,II,IV
19	26	102	Develop Programs	CEQA Document Projects	Review/Prepare CEQA Comments	3.50	0.25	3.75	II,IX
20	26	104	Develop Programs	CEQA Policy Development	ID/Develop/Impl CEQA Policy	1.20	-0.70	0.50	IV,IX
21	26	128	Develop Programs	Cln Communities Pln	Cln Communities Plan Admn/Impl	0.25	0.00	0.25	II,IX
22	26	148	Policy Support	Climate Change	GHG/Climate Change Policy Development	3.10	0.25	3.35	IV,XVII
23	26	165	Develop Rules	Conformity	Monitor Transp. Conformity	0.25	0.00	0.25	V,IX
24	26	215	Ensure Compliance	Annual Emission Reporting	Annl Des/Impl/Emiss Monitor Sys	8.00	3.00	11.00	II,V
25	26	216	Customer Service and Business Assistance	AER Public Assistance	AER Design/Impl/Monitor Emiss	2.00	-2.00	0.00	II
26	26	217	Develop Programs	Emissions Inventory Studies	Dev Emiss DB/Dev/Update Emiss	0.70	-0.20	0.50	II,V,IX,XV
27	26	218	Develop Programs	AQMP/Emissions Inventory	Dev Emiss Inv: Forecasts/RFPs	1.30	-0.56	0.74	II,IX
28	26	219	Develop Programs	Emissions Field Audit	Emissions Field Audit	0.50	-0.50	0.00	II
29	26	240	Policy Support	EJ-AQ Guidance Document	AQ Guidance Document	0.05	0.05	0.10	II,IX
30	26	257	Develop Rules	Fac Based Mob Src	Facility Based Mobile Src Meas	0.00	5.00	5.00	IX
31	26	276	Policy Support	Advisory Group/Home Rule	Governing Board Advisory Group	0.30	0.00	0.30	Ia
32	26	277	Policy Support	Advisory Group/AQMP	Governing Board AQMP Advisory Group	0.05	0.00	0.05	II,IX
33	26	278	Policy Support	Advisory Group/Sci,Tech,Model	Scientific/Tech/Model Peer Rev	0.15	0.00	0.15	II,IX
34	26	358	Ensure Compliance	GHG Rules-Compl	Green House Gas Rules-Compliance	1.05	-0.35	0.70	IV
35	26	362	Develop Rules	Health Effects	Study Health Effect/Toxicology	2.25	0.00	2.25	II,III,IX
36	26	385	Develop Rules	Criteria Pollutants/Mob Srcs	Dev/Impl Intercredit Trading	0.75	0.00	0.75	IV,IX
37	26	397	Develop Programs	Lead Agency Projects	Prep Envrnmt Assmts/Perm Proj	1.75	0.75	2.50	III
38	26	416	Policy Support	Legislative Activities	Supp/Promote/Influence Legis/Adm	0.50	0.00	0.50	Ia
39	26	443	Monitoring Air Quality	MATES V	MATES V	0.30	0.00	0.30	II,IX
40	26	445	Monitoring Air Quality	Meteorology	ModelDev/Data Analysis/Forecast	2.05	0.40	2.45	II,V,IX
41	26	448	Develop Programs	Mobile Src Strategies-Off Road	CARB Off-Road Mob Src ctrl strategy for SIP	1.00	-1.00	0.00	XVII

**Planning, Rule Development & Area Sources (Cont.)
Work Program by Office**

#	Program Code		Program Categories	Program	Activities	FTEs	+/-	FTEs	Revenue Categories
						FY 2017-18		FY 2018-19	
42	26	449	Develop Rules	Mob Src/SCAQMD Rulemaking	Prepare SCAQMD Mob Src rulemaking proposals	0.81	1.49	2.30	IX
43	26	451	Develop Programs	Mob Src/CARB/EPA Monitoring	CARB/US EPA Mob Src Fuel Policies	1.50	-1.00	0.50	IX
44	26	452	Develop Programs	Mob Src/CEC/US DOE Monitoring	CEC/US DOE Mob Src rulemaking proposals	1.00	-0.50	0.50	IX,XVII
45	26	454	Policy Support	Mob Src:Greenhs Gas Reduc Meas	Provide comments on mob src portion of AB32	0.89	-0.89	0.00	XVII
46	26	460	Develop Rules	Regional Modeling	Rule Impact/Analyses/Model Dev	5.30	-0.90	4.40	II,V,IX
47	26	461	Timely Review of Permits	Permit & CEQA Modeling Review	Review Model Permit/Risk Assmt	1.30	0.00	1.30	III
48	26	503	Develop Programs	PM Strategies	PM10 Plan/Analyze/Strategy Dev	3.40	0.00	3.40	II,V,XV
49	26	530	Monitoring Air Quality	Photochemical Assessment	Photochemical Assessment	0.25	0.00	0.25	II,V
50	26	565	Customer Service and Business Assistance	Public Records Act	Comply w/ Public Rec Requests	0.57	0.25	0.82	Ia
51	26	620	Ensure Compliance	Refinery Pilot Project	Refinery Pilot Project	0.25	-0.25	0.00	II
52	26	643	Timely Review of Permits	Rule 222 Filing Program	Rule 222 Filing Program	0.00	0.00	0.00	IV
53	26	645	Ensure Compliance	Rule 1610 Plan Verification	Rule 1610 Plan Verification	0.75	0.00	0.75	V,IX
54	26	654	Develop Rules	Rulemaking/NOX	Rulemaking/NOx	2.50	0.00	2.50	II,IV,XV
55	26	655	Develop Rules	NSR/Adm Rulemaking	Amend/Develop NSR & Admin Rules	2.50	0.00	2.50	II,IV,V,XV
56	26	656	Develop Rules	Rulemaking/VOC	Dev/Amend VOC Rules	5.70	-2.45	3.25	II,IV,XV
57	26	659	Develop Rules	Rulemaking/Toxics	Develop/Amend Air Toxic Rules	9.50	1.50	11.00	II,XV
58	26	661	Develop Rules	Rulemaking/RECLAIM	RECLAIM Amend Rules/Related Is	2.50	0.00	2.50	II
59	26	685	Develop Programs	Socio-Economic	Apply econ models/Socio-econ	4.10	0.40	4.50	II,IV
60	26	717	Policy Support	Student Interns	Gov Bd/Student Intern Program	0.25	0.00	0.25	Ia
61	26	738	Advance Clean Air Technology	Target Air Shed EPA	Targeted Air Shed Admin/Impl	0.25	-0.25	0.00	V,XVII
62	26	745	Develop Programs	Rideshare	Dist Rideshare/Telecommute Prog	0.61	0.07	0.68	IX
63	26	794	Ensure Compliance	Toxics/AB2588	AB2588 Core, Tracking, IWS	13.00	0.00	13.00	X
64	26	805	Operational Support	Training	Training	0.25	0.00	0.25	Ib
65	26	816	Develop Programs	Transportation Regional Progs	Dev AQMP Meas/Coord w/Reg Agn	0.35	0.00	0.35	V,IX
66	26	825	Operational Support	Union Negotiations	Official Labor/Mgmt Negotiate	0.02	0.00	0.02	Ia
67	26	826	Operational Support	Union Steward Activities	Rep Employees in Grievance Act	0.02	0.00	0.02	Ia
68	26	833	Customer Service and Business Assistance	Rule 2202 ETC Training	Rule 2202 ETC Training	0.93	0.02	0.95	XI
69	26	834	Develop Programs	Rule 2202 Implement	Rule 2202 Proc/Sub Plans/Tech Eval	2.55	0.12	2.67	XI
70	26	836	Develop Programs	Rule 2202 Support	R2202 Supt/CmptrMaint/WebSubmt	2.59	0.06	2.65	V,XI
71	26	855	Operational Support	Web Tasks	Create/edit/review web content	0.50	0.00	0.50	Ia

Total Planning, Rule Development, and Area Sources 120.00 14.00 134.00

**Planning, Rule Development & Area Sources
Line Item Expenditure**

Major Object / Account # / Account Description		FY 2016-17 Actuals	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2017-18 Estimate *	FY 2018-19 Proposed Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 9,904,449	\$ 11,873,576	\$ 13,027,997	\$ 10,774,638	\$ 13,518,915
53000-55000	Employee Benefits	4,880,945	6,118,764	6,118,763	5,290,888	7,431,475
Sub-total Salary & Employee Benefits		\$ 14,785,394	\$ 17,992,339	\$ 19,146,760	\$ 16,065,526	\$ 20,950,390
Services & Supplies						
67250	Insurance	\$ -	\$ -	\$ -	\$ -	\$ -
67300	Rents & Leases Equipment	-	-	-	-	-
67350	Rents & Leases Structure	22,077	2,000	11,000	7,589	2,000
67400	Household	-	-	-	-	-
67450	Professional & Special Services	548,778	1,173,000	2,091,940	1,526,280	974,300
67460	Temporary Agency Services	131,504	50,000	73,000	73,000	100,000
67500	Public Notice & Advertising	65,241	100,000	100,000	100,000	125,000
67550	Demurrage	675	1,000	1,000	735	1,000
67600	Maintenance of Equipment	19,030	5,000	14,000	5,609	5,000
67650	Building Maintenance	5,160	1,000	10,000	5,160	1,000
67700	Auto Mileage	2,634	3,500	5,500	4,280	3,500
67750	Auto Service	-	-	-	-	-
67800	Travel	22,131	40,000	30,000	30,000	45,000
67850	Utilities	-	-	-	-	-
67900	Communications	28,915	40,000	49,000	44,271	50,000
67950	Interest Expense	-	-	-	-	-
68000	Clothing	1,305	800	1,680	1,680	1,500
68050	Laboratory Supplies	-	-	-	-	-
68060	Postage	67,388	50,000	65,000	65,000	100,000
68100	Office Expense	84,860	150,000	221,120	175,323	160,000
68200	Office Furniture	-	-	-	-	-
68250	Subscriptions & Books	160	2,000	1,830	1,355	2,000
68300	Small Tools, Instruments, Equipment	-	-	4,000	-	-
68400	Gas and Oil	-	-	-	-	-
69500	Training/Conference/Tuition/ Board Exp.	13,567	25,000	23,000	11,513	25,000
69550	Memberships	5,843	4,000	4,000	3,895	4,000
69600	Taxes	-	-	-	-	-
69650	Awards	-	-	-	-	-
69700	Miscellaneous Expenses	65,750	27,000	47,000	41,177	75,000
69750	Prior Year Expense	(75)	-	-	-	-
69800	Uncollectable Accounts Receivable	-	-	-	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 1,084,942	\$ 1,674,300	\$ 2,753,070	\$ 2,096,868	\$ 1,674,300
77000	Capital Outlays	\$ 1,960	\$ 180,000	\$ 180,000	\$ 144,000	\$ 110,000
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 15,872,296	\$ 19,846,639	\$ 22,079,830	\$ 18,306,394	\$ 22,734,690

* Estimates based on July 2017 through February 2018 actual expenditures and budget amendments.



SOUTH COAST

AIR QUALITY MANAGEMENT DISTRICT

SCIENCE & TECHNOLOGY ADVANCEMENT

MATT MIYASATO DEPUTY EXECUTIVE OFFICER

At a Glance:	
FY 2017-2018 Budget	\$27.0M
FY 2018-2019 Proposed	\$32.9M
Percent of SCAQMD Proposed	19.9%
Total Proposed FTEs	194.4

DESCRIPTION OF MAJOR SERVICES:

Science & Technology Advancement is responsible for three key areas of operation: monitoring and analysis; technology research and development; and technology implementation. The Monitoring & Analysis Division maintains the SCAQMD's air monitoring network, operates the analytical laboratory and conducts source tests and evaluation, responds to local community monitoring requests, implements quality assurance programs, evaluates low cost sensors, evaluates and implements optical remote sensing (ORS) technologies for emission measurements, and provides meteorological, sampling and analytical support as part of the SCAQMD's emergency response program and special monitoring projects for the agency. The Technology Advancement Office (TAO) implements the Clean Fuels Program to commercialize advanced low- and zero-emission technologies and fund incentive programs such as the Carl Moyer, Lower-Emission School Bus, and Proposition 1B-Goods Movement programs. TAO will also provide support for the Enhanced Fleet Modernization Program (EFMP) and the Mobile Source Air Pollution Reduction Review Committee (MSRC).

ACCOMPLISHMENTS:

RECENT:

- Continued the implementation of the Carl Moyer, Surplus Off-Road Opt-In for NOx (SOON), Lower-emission School Bus, Enhanced Fleet Modernization Program and the Proposition 1B-Goods Movement programs with total funding exceeding \$135 million. Implemented the Voucher Incentive Program (VIP) for replacement of on-road trucks on a first-come-first-served basis. Awarded an additional \$9 million to Southern California Regional Rail Authority with another \$18 million to be considered with the progress of the project, for the replacement of ten Tier 0 locomotives with Tier 4 locomotives. The total SCAQMD contribution to this project after completion will amount to \$110 million. Executed contracts totaling \$79 million for truck and locomotive replacements, and zero emission transportation refrigeration units and supporting infrastructure under the Proposition 1B-Goods Movement Program.
- Continued the Clean Fuels program, which is the research, development, demonstration and early deployment program for the SCAQMD. Executed over \$17 million in contracts with \$51 million in total project costs (1:3 leveraging). Projects in key technical areas include heavy-duty electric drive technologies, near-zero emission heavy-duty engines,

SCIENCE & TECHNOLOGY ADVANCEMENT (cont.)

in-use emissions testing of heavy-duty trucks, local renewable natural gas production, and refueling infrastructure for alternative fuels (natural gas, electricity and hydrogen).

- Continued implementation of incentive programs for old vehicle scrapping, off-road equipment repowers and replacement of Tier 0 locomotives with Tier 4 locomotives.
- Continued to assess ambient air quality in the Basin, operated and maintained approximately 43 air monitoring sites resulting in 70,000 valid pollutant data points per month, collected and analyzed of 3,800 canisters for ambient Volatile Organic Compounds (VOCs) and toxics and over 15,000 filters for components including mass, ions, carbon and metals. The monitoring network and analysis is in support of federal programs including those for National Air Toxics Trends Stations (NATTS), Photochemical Assessment Monitoring Stations (PAMS), National Core (NCORE) PM2.5 Speciation, and Near-Road Monitoring. Data from this monitoring and analysis provides the basis for the compliance with the national ambient air quality standards (NAAQS) along with verifying emission models and understanding source contributions for future control measures.
- Continued special monitoring efforts to respond to community concerns and better characterize emissions from oil reclamation activities, metal finishing, metal forging and recycling, battery recycling facilities, oil and gas operations, and metals from various forging, grinding, and heat treating operations. Continued PM2.5 monitoring to assess potential impacts from mining operations in the city of Duarte. Also maintained monitoring efforts near the Salton Sea measuring hydrogen sulfide and PM10 to provide information to alert the public of potential dust and/or odor events.
- Supported and verified compliance with current rules and regulations, analyzed over 2,100 samples for asbestos from demolition sites based on complaints and concerns about fallout (deposition), analyzed approximately 500 products for VOC and Hazardous Air Pollutants (HAP) content; and conducted over 1,800 Source Test (ST) protocol and report evaluations, Continuous Emissions Monitoring System (CEMS) certifications, Laboratory Approval Program (LAP) application reviews and ST observations.
- Provided training and support for Rule 1420.2 which requires lead producing facilities to perform on-site sampling.
- Performed audit of laboratory test methods in support of federal programs including those for NATTS, PAMS and PM2.5 Speciation; performed field audits of monitoring stations in support of federal programs including those for NCORE, NATTS, PAMS, Criteria Pollutants, and PM2.5 Speciation; Performed 2016 data certification and review.
- Continued SCAQMD's audit program to improve quality assurance by including "in-house" audits for air toxics, Total Suspended Particulate (TSP), PM10 and PM2.5 performed by SCAQMD staff.
- Approximately 50 "low-cost" air quality sensors have been evaluated in the field and laboratory within the AQ-SPEC program since the July 2014 inception. Substantially enhanced the AQ-SPEC website (www.aqmd.gov/aq-spec) which now includes detailed information about the sensor testing program, technical information on the use of commercially available air quality sensors, reports and tables summarizing all available testing results, and other useful information for people interested in the use and applications of air quality sensors.
- Deployed different particle and gas sensors in small networks for specific applications. A network of nine particle sensors has been deployed at the fenceline of Rainbow Environmental in Huntington Beach to monitor fugitive emissions of PM2.5 and PM10

SCIENCE & TECHNOLOGY ADVANCEMENT (cont.)

from this facility in real time. Also, a network of 24 particle sensors has been maintained in the Redlands/Mentone/Highland/Yucaipa region to test the performance and durability of these devices, increase the spatial distribution of PM measurements in that area, and test cloud platform data management service. An additional 25 sensors have been installed throughout the Los Angeles Air Basin for the NASA Citizen Science project. Data collected by these sensors will assist NASA scientists to improve our understanding of relationship between satellite aerosol optical depth (AOD) and surface PM, ultimately leading to better observations of air quality from space.

- As part of the U.S. EPA STAR Grant project, many sensors have already been installed to monitor and measure criteria pollutants at the community level in West Los Angeles, Brawley, Alhambra and Seal Beach. In addition, a network of sensors measuring ozone, nitrogen dioxide, and particulate matter have been installed predominantly in the Inland Empire and Imperial Valley. The community recruitment process is on-going and in collaboration with other CAPCOA (i.e., Bay Area Air Quality Management District) agencies.
- The "Making Sense of Sensors" Conference was held at SCAQMD's headquarters and was an international event with nine countries and 22 U.S. states represented amongst the more than 350 participants. Additionally, webcast participation over the two days included 714 live views from 15 countries. The Conference brought together experts from government, academia, environmental and research organizations, community groups, and the sensor industry. Technical sessions covered the history of air quality sensors, recent advances in sensor technology, data interpretation and mapping, the integration of satellite and low-cost sensor data, and the use and application of this emerging technology by environmental justice communities. The Conference included more than 40 speakers with keynote lectures from Weather Underground and Microsoft, 22 exhibitors displaying sensor technology, data management tools, data visualization software, and networking solutions. The poster session showcased 27 posters on sensor network deployments and sensor evaluations. Over 125 attendees participated in an evening networking event, and more than 220 of the participants were provided exclusive tours of the SCAQMD's AQ-SPEC chamber testing system.
- Three reports from SCAQMD's fenceline monitoring program have been finalized and posted online on a dedicated web-site: <http://www.aqmd.gov/fenceline-monitoring>. These reports cover three optical remote sensing projects: Quantification of Fugitive Emissions from Large Refineries; Quantification of Gaseous Emissions from Gas Stations, Oil Wells and Other Small Point Sources; and Quantification of Stack Emissions from Marine Vessels.
- Continued quarterly implementation of optical remote sensing technologies for emission measurements and community monitoring, specifically in Carson/Wilmington/Long Beach areas to characterize and quantify emissions from refineries and to assess their impact on surrounding communities.
- Continued federal programs efforts to maintain a network of 31 samplers for the Department of Homeland Security operating 7 days a week 24 hours a day. Approximately 12,000 samples were delivered to the LA County Department of Public Health in support of the program.
- Continued to provide sampling, monitoring, and laboratory analyses in support of SCAQMD Incident and Nuisance Response efforts, including recent wildfire smoke

SCIENCE & TECHNOLOGY ADVANCEMENT (cont.)

incidents and coastal odor investigations. This involved the use of state-of-the-science conventional sampling and analysis techniques and low-cost sensors, as well as advanced optical remote sensing as part of the coastal odor investigation.

ANTICIPATED:

- Continue the development and demonstration of heavy-duty zero emission cargo transport trucks and off-road equipment, and initiate the development and demonstration of a zero emission goods movement corridors.
- Continue the implementation of the VIP on a first-come-first-served basis; solicit and complete contracting on- and off-road projects, including marine vessel engine repowering projects, under the “Year 20” Carl Moyer Program, identify and obtain community support for eligible projects to be funded by AB134 and initiate contracting for these projects, and obligate all remaining Proposition 1B-Goods Movement Program funds awarded to SCAQMD. Also, issue grants for the replacement of school buses with lower emission buses under the Lower Emission School Bus Program.
- Increase deployment of cleaner construction equipment, locomotives, and on-road heavy-duty vehicles through the continued implementation of funding incentive programs, compliance with SCAQMD Clean Fleet Vehicle Rules, and identification of future mobile source strategies for implementing the 2016 AQMP.
- Provide monitoring, source testing, and analysis for rule development related to upcoming amendments for Rules 1407 and 1420.2.
- Continue source test protocol and report evaluations, CEMS certifications, LAP application reviews and ST observations. Increase throughput on source test evaluations anticipated due to RECLAIM (Regional Clean Air Incentives Market) sunset and permit streamlining efforts.
- Conduct air toxic monitoring for the Multiple Air Toxics Exposure Study (MATES-V) at ten fixed locations to characterize and spatially identify hazardous air pollutant exposure in the Basin. Conduct air monitoring in and around communities neighboring refineries using a combination of standardized, advanced and low cost methods to assess air pollution levels that may be related to refinery emissions.
- Work with CARB on the development of a state-wide air monitoring plan as part of AB 617 and conduct initial air surveys that may provide input to community selection.
- Evaluate refinery fence-line air monitoring plans and develop and implement refinery-related community air monitoring as required under Rule 1180.
- Continue with the implementation of air monitoring network and special monitoring and analysis efforts critical to the SCAQMD operations, including compliance verification efforts and rule development, including the Paramount and Compton. Expand to other areas to assess toxic metal levels in industrialized areas as part of the SCAQMD Community Air Toxics Initiative.
- Implement enhanced ozone monitoring strategy for the U.S. EPA Photochemical Assessment Monitoring Station program as an early adopter to a re-engineering of the program to provide more relevant and robust data sets for VOCs that are ozone precursors.
- Continue to enhance and modernize the laboratory instrumentation, methodologies, and analysis capabilities to help with special monitoring projects, incident and wildfire

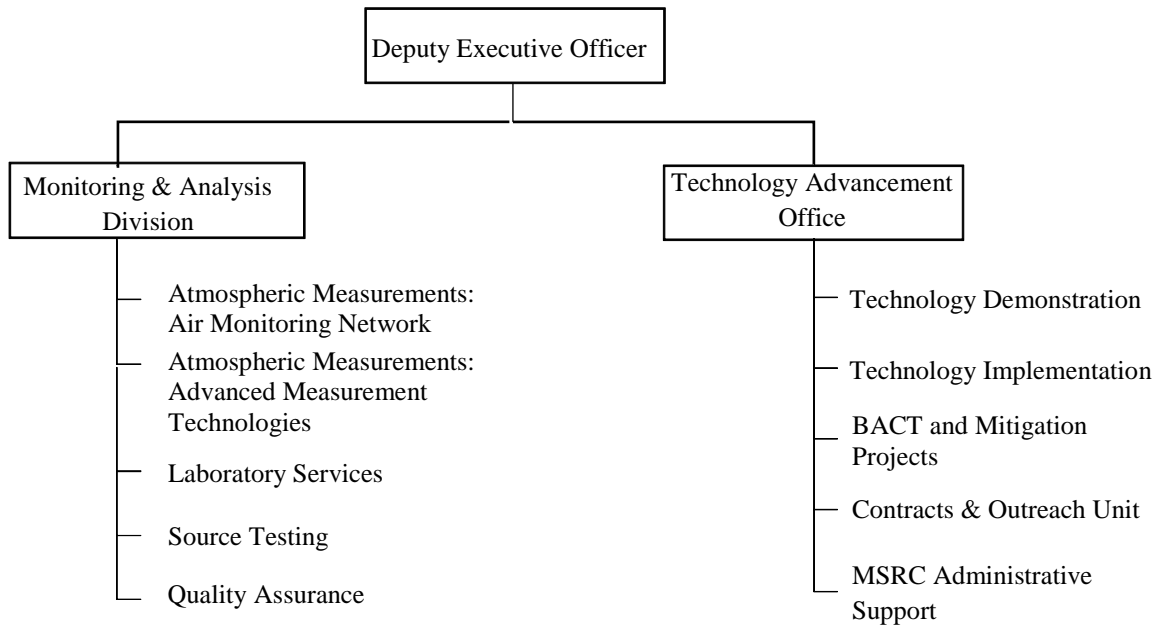
SCIENCE & TECHNOLOGY ADVANCEMENT (cont.)

response. Continue operational efficiency improvement by investing in latest software, automated instruments and equipment and other workflow streamlining efforts.

- Perform technology demonstration study to conduct real-time mobile monitoring for toxic metals, including Cr (VI) using novel advanced monitoring techniques.
- Continue to enhance and modernize the District's telemetry system and data management system that receives and validates the incoming data from the air monitoring stations and special monitoring locations.
- Continue to assess and oversee operational integrity, efficiency and quality assurance through monthly internal audits of laboratory and field monitoring stations.
- Assist organizing two conferences (UC Davis and American Association for Aerosol Research) focusing on novel sensor technologies for measuring air quality, on current networking capabilities for developing sensor networks, and available cloud-based platforms for storing, validating, analyzing, and visualizing sensor data.
- Continue with full-scale testing of air quality sensors in AQ-SPEC and share testing results with the public. Develop concept for certification program of low-cost particle and gaseous sensors.
- Deploy and pilot several air quality sensor networks for the purposes of developing new low-cost monitoring capabilities for SCAQMD, regulated entities, and the public. Implement the goals and objectives of the U.S. EPA STAR grant to engage, educate, and empower California communities on the use and applications of "low-cost" air monitoring sensors and complete the deployment of sensor networks throughout California in collaboration with CAPCOA agencies and environmental justice groups and communities.
- Continue and expand the operation and development of the PM sensor network around/near Rainbow Environmental to study the correlation between fugitive PM emissions and activity information at the facility (e.g., truck traffic, recycling operations).
- Continue with the implementation of the remote sensing technology projects and experimentation with other next generation monitoring technologies and formulate appropriate recommendations to best integrate into the SCAQMD's current measurement toolbox.

SCIENCE & TECHNOLOGY ADVANCEMENT (cont.)

ORGANIZATIONAL CHART:



POSITION SUMMARY: 194.4 FTEs

Science & Technology Advancement Units	Amended FY 2017-18	Change	Proposed FY 2018-19
Office Administration	13	-	13
Monitoring & Analysis	124	5	129
Technology Advancement	52	0.4	52.4
Total	189	5.4	194.4

SCIENCE & TECHNOLOGY ADVANCEMENT (cont.)

STAFFING DETAIL:

2018-19 Proposed Staffing

<u>Position</u>	<u>Title</u>
25	Air Quality Chemist
10	Air Quality Engineer II
3	Air Quality Inspector II
18	Air Quality Instrument Specialist I
19	Air Quality Instrument Specialist II
23	Air Quality Specialist
2.4	Assistant Deputy Executive Officer/Science & Technology Advancement (a)
3	Atmospheric Measurement Manager
12	Contracts Assistant
1	Deputy Executive Officer/Science & Technology Advancement
5	Laboratory Technician
1	Meteorologist Technician
8	Office Assistant
2	Planning and Rules Manager
3	Principal Air Quality Chemist
3	Principal Air Quality Instrument Specialist
16	Program Supervisor
6	Secretary
3	Senior Administrative Secretary
10	Senior Air Quality Chemist
2	Senior Air Quality Engineer
8	Senior Air Quality Instrument Specialist
1	Senior Enforcement Manager
1	Senior Public Information Specialist
1	Senior Office Assistant
1	Senior Staff Specialist
1	Source Test Manager
2	Staff Assistant
2	Staff Specialist
1	Supervising Air Quality Engineer
<u>1</u>	Technology Implementation Manager
194.4	Total Proposed Positions

(a) 0.4 FTE budgeted for only 5 months.

**Science & Technology Advancement
Work Program by Office**

#	Program Code		Program Categories	Program	Activities	FTEs		FTEs	Revenue Categories
						FY 2017-18	+/-		
1	44	003	Advance Clean Air Technology	Advisory Group/Small Business	Mob Src Review Comm Prog Admin	0.50	0.00	0.50	IX
2	44	004	Advance Clean Air Technology	AB2766/MSRC/Contract Admin	AB2766 Admin Discretionary Prog	3.00	0.00	3.00	IX
3	44	009	Develop Programs	AB 1318 Mitigation	AB 1318 Projects Admn/Impl	0.75	0.00	0.75	XVII
4	44	012	Advance Clean Air Technology	AQMP/Control Tech Assessment	Tech Supp: Quantify Cost Effec	0.10	0.90	1.00	VIII
5	44	015	Ensure Compliance	Acid Rain Program	Acid Rain CEMS Eval/Cert	0.50	0.00	0.50	II,IV
6	44	030	Advance Clean Air Technology	AB 134	AB 134	0.00	6.00	6.00	IX
7	44	036	Monitoring Air Quality	AB 617-Monitoring	AB 617-Monitoring	0.00	12.00	12.00	XV
8	44	038	Monitoring Air Quality	Admin/Office Mgmt/Monitoring	Overall Program Mgmt/Coord	1.40	0.00	1.40	Ib
9	44	039	Advance Clean Air Technology	Admin/Office Mgt/Tech Adv	Admin Support/Coordination	0.77	0.00	0.77	VIII
10	44	041	Policy Support	Admin/Office Mgmt/Policy Supp	Overall Policy Supp/Mgmt/Coord	0.49	0.00	0.49	Ib
11	44	042	Ensure Compliance	Admin/Office Mgmt/Compliance	Compliance: Assign/Manage/Supp	0.37	0.00	0.37	Ib
12	44	043	Develop Rules	Admin/Office Mgmt/Rules	Rules: Assign/Manage/Supp	0.15	0.00	0.15	Ib
13	44	046	Monitoring Air Quality	Admin/Program Management	STA Program Administration	2.00	0.00	2.00	Ib
14	44	048	Advance Clean Air Technology	Admin/Prog Mgmt/Tech Advance	Overall TA Program Mgmt/Coord	1.55	0.00	1.55	VIII
15	44	063	Monitoring Air Quality	Ambient Air Analysis	Analyze Criteria/Tox/Pollutants	8.91	5.00	13.91	II,V,IX
16	44	064	Monitoring Air Quality	Ambient Network	Air Monitoring/Toxics Network	19.85	-0.80	19.05	II,IV,V,IX
17	44	065	Monitoring Air Quality	Air Quality Data Management	AM Audit/Validation/Reporting	1.00	0.00	1.00	II,V,IX
18	44	066	Advance Clean Air Technology	AQIP Marine SCR DPF	AQIP Marine SCR DPF/Admin/Impl	0.15	-0.15	0.00	IX
19	44	067	Monitoring Air Quality	Ambient Lead Monitoring	Lead Monitoring/Analysis/Reporting	0.50	0.00	0.50	IV
20	44	069	Develop Programs	AQIP Evaluation	AQIP Contract Admin/Evaluation	0.65	-0.15	0.50	IX
21	44	072	Ensure Compliance	Arch Ctgs - End User	Sample Analysis/Rpts	2.00	0.00	2.00	XVIII
22	44	073	Monitoring Air Quality	Arch Ctgs - Other	Sample Analysis/Rpts	2.00	0.00	2.00	XVIII
23	44	079	Monitoring Air Quality	AQ SPEC	AQ SPEC	3.00	0.00	3.00	XVII
24	44	081	Monitoring Air Quality	Air Filtration EPA	Air Filtration EPA/Admn/Impl	0.15	-0.05	0.10	V
25	44	082	Monitoring Air Quality	Air Filtration Other	Air Filtration Other/Admn/Impl	0.15	0.33	0.48	XVII
26	44	084	Monitoring Air Quality	Blk Carbon Stdy EPA	EPA Blck Carbon Climate Study	0.20	-0.20	0.00	XVII
27	44	095	Advance Clean Air Technology	CA Natural Gas Veh Partnership	CA Natural Gas Veh Partnership	0.05	0.05	0.10	VIII
28	44	105	Ensure Compliance	CEMS Certification	CEMS Review/Approval	6.15	0.00	6.15	II,III,VI
29	44	130	Advance Clean Air Technology	Clean Fuels/Contract Admin	Admin/Project Supp for TA Cont	3.40	1.00	4.40	VIII
30	44	132	Advance Clean Air Technology	Clean Fuels/Mobile Sources	Dev/Impl Mobile Src Proj/Demo	6.00	-4.50	1.50	VIII
31	44	134	Advance Clean Air Technology	Clean Fuels/Stationary Combust	Dev/Demo Clean Combustion Tech	0.50	-0.20	0.30	VIII
32	44	135	Advance Clean Air Technology	Clean Fuels/Stationary Energy	Dev/Demo Alt Clean Energy	0.55	0.00	0.55	VIII
33	44	136	Advance Clean Air Technology	Clean Fuels/Tech Transfer	Disseminate Low Emiss CF Tech	1.25	1.06	2.31	VIII
34	44	161	Monitoring Air Quality	Comm Air Tox Init	Community Air Toxics Initiative	0.00	2.19	2.19	XVII
35	44	175	Ensure Compliance	DB/Computerization	Develop Systems/Database	0.44	0.00	0.44	II,IV,VI
36	44	187	Advance Clean Air Technology	DERA Sch Bus Repl	DERA Sch Bus Repl Admin/Impl	0.03	0.00	0.03	V
37	44	188	Advance Clean Air Technology	DERA FY 13 Veh Repl	DERA Vehicle Repl Admin/Impl	0.20	-0.10	0.10	XVII
38	44	190	Advance Clean Air Technology	Diesel Projects EPA	Diesel Projects EPA/Admin/Impl	0.11	0.00	0.11	V
39	44	203	Advance Clean Air Technology	EFMP Program Support	EFMP Program Support	1.19	3.81	5.00	XVII
40	44	240	Monitoring Air Quality	Environmental Justice	Implement Environmental Justice	0.45	0.00	0.45	II,IX

**Science & Technology Advancement (Cont.)
Work Program by Office**

#	Program Code	Program Categories	Program	Activities	FTEs		Revenue Categories		
					FY 2017-18	+/-		FTEs FY 2018-19	
41	44	248	Monitoring Air Quality	EPA Community Scale AQ-SPEC	EPA Community Scale AQ-SPEC	1.00	0.00	1.00	V,XVII
42	44	276	Policy Support	Advisory Group/Technology Adva	Tech Adv Advisory Group Supp	0.10	0.00	0.10	VIII
43	44	356	Advance Clean Air Technology	GGRF ZEDT Demo	GGRF ZEDT Demo Admin	1.10	-0.10	1.00	XVII
44	44	361	Advance Clean Air Technology	HD Trucks DOE ARRA	DOE HD Trucks Admin (ARRA)	2.00	-2.00	0.00	V,XVII
45	44	396	Develop Programs	Lawnmower Exchange	Lawn Mower Admin/Impl/Outreach	0.30	0.00	0.30	XVII
46	44	410	Policy Support	Legislation	Support Pollution Reduction thru Legislatio	0.50	0.00	0.50	IX
47	44	450	Ensure Compliance	Microscopic Analysis	Asbestos/PM/Metals Analysis	2.00	0.00	2.00	VI
48	44	453	Advance Clean Air Technology	Mob Src: Emiss Inven Method	Rww CARB/US EPA emissions inven methodology	1.50	0.00	1.50	VIII,IX
49	44	456	Develop Rules	MS & AQMP Control Strategies	AQMP Control Strategies	0.30	0.00	0.30	VIII
50	44	457	Advance Clean Air Technology	Mob Src/C Moyer Adm/Outreach	Carl Moyer: Impl/Admin Grant	11.15	1.00	12.15	IX
51	44	458	Develop Programs	Mobile Source Strategies	Implement Fleet Rules	1.00	0.00	1.00	VIII
52	44	459	Advance Clean Air Technology	Mob Src/C Moyer/Impl/Prg Dev	Moyer/Implem/Program Dev	2.80	0.20	3.00	IX
53	44	460	Advance Clean Air Technology	VIP Admin	VIP Admin/Outreach/Impl	0.80	-0.30	0.50	IX
54	44	468	Monitoring Air Quality	NATTS(Natl Air Tox Trends Sta)	NATTS (Natl Air Tox Trends)	1.50	0.00	1.50	II,V,IX
55	44	469	Monitoring Air Quality	Near Roadway Mon	Near Roadway Monitoring	1.50	0.00	1.50	IV,V,IX
56	44	497	Advance Clean Air Technology	Plug-in Hybrid EV DOE ARRA	DOE Plug-in Hybrid EV Admin (ARRA)	0.75	-0.75	0.00	V
57	44	500	Ensure Compliance	PM2.5 Program	Est/Operate/Maint PM2.5 Network	11.30	0.00	11.30	II,V,IX
58	44	505	Monitoring Air Quality	PM Sampling Program (EPA)	PM Sampling Program - Addition	10.60	-2.19	8.41	V
59	44	507	Monitoring Air Quality	PM Sampling Spec	PM Sampling Special Events	0.10	0.00	0.10	V
60	44	530	Monitoring Air Quality	Photochemical Assessment	Photochemical Assess & Monitor	3.00	0.00	3.00	V,IX
61	44	533	Advance Clean Air Technology	POLB AMECS Demo	POLB AMECS Demo-Admin/Impl	0.47	0.00	0.47	XVII
62	44	542	Develop Programs	Prop 1B:Goods Movement	Prop 1B:Goods Movement	9.70	-0.70	9.00	IX
63	44	545	Timely Review of Permits	Protocols/Reports/Plans	Eval Test Protocols/Cust Svc	0.10	0.00	0.10	III,IV
64	44	546	Timely Review of Permits	Protocols/Reports/Plans	Eval Test Protocols/Compliance	6.15	0.00	6.15	IV,VI
65	44	565	Customer Service and Business Assistance	Public Records Act	Comply w/ Public Req for Info	0.17	0.00	0.17	Ia
66	44	585	Monitoring Air Quality	Quality Assurance	Quality Assurance Branch	3.00	1.00	4.00	II,V,IX
67	44	653	Develop Rules	Rulemaking/BACT	Dev/Amend BACT Guidelines	2.00	0.00	2.00	II
68	44	657	Develop Rules	Rulemaking/Support PRA	Assist PRA w/ Rulemaking	0.05	0.00	0.05	II
69	44	663	Monitoring Air Quality	Salton Sea Monit	Mon/Analyze Hydrogen Sulfide	0.25	0.00	0.25	XVII
70	44	677	Advance Clean Air Technology	School Bus/Lower Emission Prog	School Bus Program Oversight	0.70	0.80	1.50	IX
71	44	700	Ensure Compliance	Source Testing/Compliance	Conduct ST/Prov Data/Compl	2.25	0.00	2.25	VI
72	44	701	Customer Service and Business Assistance	Source Testing/Customer Svc	Conduct ST/Prov Data/Cust Svc	0.05	0.00	0.05	VI
73	44	702	Develop Programs	ST Methods Development	Eval ST Methods/Validate	0.95	0.00	0.95	II
74	44	704	Ensure Compliance	ST/Sample Analysis/Compliance	Analyze ST Samples/Compliance	4.00	0.00	4.00	VI
75	44	705	Develop Programs	ST Sample Analysis/Air Program	Analyze ST Samples/Air Prgms	0.25	0.00	0.25	II
76	44	706	Develop Rules	ST Sample Analysis/Air Program	Analyze ST Samples/Rules	0.25	0.00	0.25	II
77	44	707	Ensure Compliance	VOC Sample Analysis/Compliance	VOC Analysis & Rptg/Compliance	7.00	0.00	7.00	IV,XV
78	44	708	Develop Rules	VOC Sample Analysis/Rules	VOC Analysis & Rptg/Rules	0.25	0.00	0.25	II,XV
79	44	709	Customer Service and Business Assistance	VOC Sample Analysis/SBA/Other	VOC Analysis & Reptg/Cust Svc	0.50	0.00	0.50	VI
80	44	715	Monitoring Air Quality	Spec Monitoring/Emerg Response	Emergency Response	0.50	0.00	0.50	II

**Science & Technology Advancement (Cont.)
Work Program by Office**

#	Program	Program Categories	Program	Activities	FTEs	+/-	FTEs	Revenue	
81	44	716	Ensure Compliance	Special Monitoring	Rule 403 Compliance Monitoring	2.20	0.00	2.20	III,IV,IX,XV
82	44	725	Timely Review of Permits	Permit Processing/Support E&C	Assist EAC w/ Permit Process	0.05	0.00	0.05	III
83	44	738	Advance Clean Air Technology	Target Air Shed EPA	Targeted Air Shed Admin/Impl	0.15	0.35	0.50	V,XVII
84	44	740	Advance Clean Air Technology	Tech Adv/Commercialization	Assess CFs/Adv Tech Potential	0.25	0.00	0.25	VIII
85	44	741	Advance Clean Air Technology	Tech Adv/Non-Combustion	Dev/Demo Non-Combustion Tech	0.10	0.90	1.00	VIII
86	44	794	Ensure Compliance	Toxics/AB2588	Eval Protocols/Methods/ST	4.25	0.00	4.25	X
87	44	795	Ensure Compliance	Toxics/Engineering	R1401 Toxics/HRA Prot/Rpt Eval	0.05	0.00	0.05	VI,X
88	44	816	Advance Clean Air Technology	Transportation Research	Transport Research/Adv Systems	0.50	0.00	0.50	VIII
89	44	821	Monitoring Air Quality	TraPac Air Filt Prg	Admin/Tech Suppt/Reptg/Monitor	1.00	-1.00	0.00	XVII
90	44	825	Operational Support	Union Negotiations	Labor/Mgmt Negotiations	0.05	0.00	0.05	Ia
91	44	826	Operational Support	Union Steward Activities	Rep Employees in Grievance Act	0.05	0.00	0.05	Ia

Total Science & Technology Advancement

171.00	23.40	194.40
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Science & Technology Advancement Line Item Expenditure						
Major Object / Account # / Account Description		FY 2016-17 Actuals	FY 2017-18 Adopted Budget	FY 2017-18 Amended Budget	FY 2017-18 Estimate *	FY 2018-19 Proposed Budget
Salary & Employee Benefits						
51000-52000	Salaries	\$ 15,609,525	\$ 15,216,665	\$ 16,379,988	\$ 15,092,882	\$ 18,202,513
53000-55000	Employee Benefits	7,967,939	8,118,155	8,118,154	7,884,736	10,023,791
Sub-total Salary & Employee Benefits		\$ 23,577,464	\$ 23,334,820	\$ 24,498,142	\$ 22,977,618	\$ 28,226,304
Services & Supplies						
67250	Insurance	\$ 30,637	\$ -	\$ 40,000	\$ -	\$ -
67300	Rents & Leases Equipment	57,529	36,800	\$ 93,806	81,649	36,800
67350	Rents & Leases Structure	166,514	169,000	\$ 194,510	194,510	419,000
67400	Household	-	500	\$ 500	-	500
67450	Professional & Special Services	1,009,232	1,455,000	\$ 1,786,698	1,317,073	1,630,000
67460	Temporary Agency Services	620,647	141,600	\$ 491,500	451,098	191,600
67500	Public Notice & Advertising	30,644	22,000	\$ 25,150	23,919	22,000
67550	Demurrage	86,574	55,000	\$ 116,550	101,101	55,000
67600	Maintenance of Equipment	402,553	205,000	\$ 467,737	467,737	255,000
67650	Building Maintenance	27,493	170,000	\$ 208,300	176,555	270,000
67700	Auto Mileage	71,678	3,909	\$ 94,720	67,296	43,909
67750	Auto Service	33	-	\$ -	199	-
67800	Travel	80,791	48,403	\$ 93,493	74,679	48,403
67850	Utilities	-	-	\$ 1,900	1,900	-
67900	Communications	289,540	231,000	\$ 260,480	259,901	241,000
67950	Interest Expense	-	-	\$ -	-	-
68000	Clothing	7,919	4,000	\$ 10,475	7,680	4,000
68050	Laboratory Supplies	401,567	295,000	\$ 512,793	512,793	320,000
68060	Postage	51,364	17,318	\$ 45,568	33,545	17,318
68100	Office Expense	127,863	41,393	\$ 224,683	175,944	102,393
68200	Office Furniture	15,039	-	\$ 23,500	23,500	-
68250	Subscriptions & Books	1,061	1,527	\$ 2,327	840	1,527
68300	Small Tools, Instruments, Equipment	342,752	195,000	\$ 227,206	224,264	220,000
68400	Gas and Oil	-	-	\$ -	-	-
69500	Training/Conference/Tuition/ Board Exp.	22,620	107,000	\$ 57,760	41,149	107,000
69550	Memberships	95,747	2,250	\$ 154,750	127,688	2,250
69600	Taxes	8,126	2,000	\$ 2,000	756	2,000
69650	Awards	-	-	\$ -	-	-
69700	Miscellaneous Expenses	7,407	2,600	\$ 45,550	42,915	2,600
69750	Prior Year Expense	(8,020)	-	\$ -	-	-
69800	Uncollectable Accounts Receivable	-	-	\$ -	-	-
89100	Principal Repayment	-	-	-	-	-
Sub-total Services & Supplies		\$ 3,947,309	\$ 3,206,300	\$ 5,181,956	\$ 4,408,689	\$ 3,992,300
77000	Capital Outlays	\$ 2,232,014	\$ 420,000	\$ 3,969,874	\$ 3,891,061	\$ 740,000
79050	Building Remodeling	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenditures		\$ 29,756,787	\$ 26,961,120	\$ 33,649,972	\$ 31,277,368	\$ 32,958,604

* Estimates based on July 2017 through February 2018 actual expenditures and budget amendments.



SOUTH COAST

AIR QUALITY MANAGEMENT DISTRICT

SCAQMD Quick Facts

- Created by the 1977 Lewis Air Quality Management Act; amended by 1988 Lewis-Presley Air Quality Management Act (Health & Safety Code §40400-40540).
 - Regional governmental agency (Special District)
- Jurisdiction for comprehensive air pollution control over all of Orange County, all of Los Angeles County except for the Antelope Valley, the non-desert portion of western San Bernardino County and the western and Coachella Valley portion of Riverside County
 - 10,743 Square Miles; Population of 16,962,478 (2016)
 - Boundaries are Pacific Ocean to the west; San Gabriel, San Bernardino and San Jacinto Mountains to the north and east, and the San Diego County line to the south
 - Vehicle Registrations - 13,686,059 (2016); Average Daily Miles Traveled Per Vehicle – 28 (2016)
 - Two of the world’s busiest seaports are within its boundaries, Port of Los Angeles and Port of Long Beach, who combined handle almost 4,000 vessel calls and more than 16 million 20-foot long container units or 20-foot equivalent units (TEUs) annually (2017)
- Responsibilities include:
 - Monitoring air quality - 43 air monitoring stations
 - Planning, implementing, and enforcing programs to attain and maintain state and federal ambient air quality standards
 - Developing air quality rules and regulations that regulate stationary source emissions from such facilities as oil refineries, power plants, paint spray booths, incinerators, manufacturing plants, dry cleaners, and service stations
 - Establishing permitting requirements and issuing permits for stationary sources (26,052 operating locations with 68,205 permits)
- Decision-making body is a 13 member Governing Board
 - Ten elected officials with four appointed by the Board of Supervisors from each of the four counties and six appointed by cities within the District
 - Three members appointed by the Governor, the Speaker of the State Senate, and the Rules Committee of the State Senate

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
Operating Indicators by Function
Last Nine Fiscal Years

<u>Program Category</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Advance Clean Air Technology									
Contracts awarded	292	530	526	556	938	523	1,047	421	403
Total Funding awarded (\$M)	\$89.4	\$180.7	\$131.4	\$82.5	\$207.2	\$216.1	\$123.2	\$153.9	\$137.4
Ensure Compliance with Clean Air Rules									
Inspections	40,558	33,735	33,560	34,191	32,535	29,501	22,871	24,037	21,419
Notices of Violations	1,908	1,530	1,254	1,211	965	956	811	499	632
Hearing Board Orders for Abatement	36	35	47	93	51	46	411	23	27
Hearing Board Appeals	19	20	2	7	3	7	-	3	3
Customer Service									
Public Information Requests	4,962	3,821	3,410	3,543	3,460	4,505	4,012	4,958	5,282
Community/Public Meetings attended	198	202	190	274	294	264	217	239	210
Small Business Assistance Contacts	2,662	2,578	2,497	2,574	2,266	1,850	1,711	1,865	2,834
Develop Programs to Achieve Clean Air									
Transportation Plans processed	1,412	1,372	1,385	1,392	1,371	1,333	1,329	1,337	1,348
Emission Inventory Updates	586	703	521	530	408	460	336	356	244
Develop Rules to Achieve Clean Air									
Rules Developed	32	15	40	8	20	24	24	16	15
Monitoring Air Quality									
Samples Analyzed by the Laboratory	25,400	29,685	28,915	29,520	32,520	29,340	30,824	32,400	38,541
Source Testing Analyses/Evaluations/Review	718	740	1,030	952	1,035	968	996	936	952
Timely Review of Permits									
Applications Processed	11,564	9,627	13,044	12,225	14,153	13,217	9,495	10,116	11,780
Applications Received-Small Business	627	694	798	732	615	514	629	594	535
Applications Received-All Others	10,954	10,941	10,769	11,682	11,709	11,156	9,961	9,894	8,376
Policy Support									
News releases	76	69	64	57	61	62	76	89	86
Media Calls	334	313	252	520	1,131	774	532	1,450	1,201
Media Inquiries Completed	334	313	252	520	1,131	774	532	1,450	1,201

FINANCIAL POLICIES

SCAQMD is required to follow specific sections of the California Health & Safety Code, which guide SCAQMD's overall financial parameters. The Governing Board also provides financial direction to SCAQMD staff through the adoption of various financial-related policies. In addition, the Administrative Policies and Procedures offer further financial guidance. Below is an overview of the guidelines and procedures for the applicable financial-related policies.

California Health & Safety Code (CA H&SC)

- District Budget Adoption – CA H&SC §40130

The District shall prepare, and make available to the public at least 30 days prior to public hearing, a summary of its budget and any supporting documents, including, but not limited to, a schedule of fees to be imposed by the District to fund its programs. The District shall notify each person who was subject to fees imposed by the district in the preceding year of the availability of information. The District shall notice and hold a public hearing for the exclusive purpose of reviewing the budget and of providing the public with the opportunity to comment upon the proposed District budget.

- Fees Assessed on Stationary Sources – CA H&SC §40500.1

Fees assessed on stationary sources shall not exceed, for any fiscal year, the actual costs of District programs for the immediately preceding fiscal year with an adjustment not greater than the change in the California Consumer Price Index (CPI), for the preceding calendar year, from January 1 of the prior year to January 1 of the current year. Unless specifically authorized by statute, the total amount of all of the fees collected from stationary sources of emissions in the 1995-96 fiscal year, and in each subsequent fiscal year, shall not exceed the level of expenditure in the 1993-94 fiscal year, except that the total fee amount may be adjusted annually by not more than the percentage increase in the California CPI. Any new state or federal mandate that is applicable to the SCAQMD on and after January 1, 1994 shall not be subject to this section.

- Limitation on Increase in Permit Fees – CA H&SC §40510.5

Existing permit fees shall not increase by a percentage greater than any percentage increase in the California CPI for the preceding calendar year, unless the board makes a finding, based upon relevant information in a rulemaking record, that the fee increase is necessary and will result in an apportionment of fees that is equitable. Any fee increase above CPI shall be phased in over a period of at least two years.

FINANCIAL POLICIES (cont.)

SCAQMD Governing Board Policy

- Rule 320 - Automatic Fee Adjustment

Rule 320 provides that all Regulation III fees, with specified exceptions, are automatically adjusted July 1 of each year by the California Consumer Price Index for the preceding calendar year unless the Governing Board decides not to implement a fee adjustment, or to implement a different adjustment for a given year, either for all fees or for a specified fee or fees. The Executive Officer is directed to prepare annually a socioeconomic impact of the effect of the fee adjustment for review by stakeholders and the Governing Board and to hold a public hearing on the automatic fee adjustment to receive any public comments. Public comments and any responses, along with recommendations by the Budget Advisory Committee, are to be forwarded to the Governing Board by April 15 of each year.

- Unreserved Fund Balance Policy

The Unreserved Fund Balance Policy, originally adopted by the Board in June 2005 and adjusted in June 2014, states that the Unreserved Fund Balance in the General Fund should be maintained at a minimum of 20% of revenues. GFOA Recommended Best Practices prescribe a minimum 17% reserve amount plus an additional amount based on the organization's reliance on revenue over which it has no control. The 20% reserve amount is derived from the minimum 17% plus an additional 3% to account for SCAQMD's reliance on state subvention (\$4M), U.S. EPA Section 103/105 grants (\$5M), and one-time penalties and settlements (\$5M).

- Fund Balance Use

When both restricted and unrestricted resources are available for use, it is SCAQMD's policy to use restricted resources first and then unrestricted resources as they are needed. When using unrestricted fund balance amounts, SCAQMD's Governing Board approved policy is to use committed amounts first, followed by assigned and then unassigned.

- Annual Investment Policy

The Annual Investment Policy sets forth the investment guidelines for all general, special revenue, trust, agency and enterprise funds of the South Coast Air Quality Management District (SCAQMD). The purpose of this policy is to ensure all of SCAQMD's funds are prudently invested to preserve principal and provide necessary liquidity, while earning a market average rate of return. The SCAQMD Annual Investment Policy conforms to the California Government Code as well as customary standards of prudent investment management.

FINANCIAL POLICIES (cont.)

The objectives of the policy, in priority order, are Safety of Principal, Liquidity, and Market Rate of Return. The policy establishes and defines investable funds, authorized instruments, credit quality requirements, maximum maturities and concentrations, collateral requirements, and qualifications of brokers, dealers, and financial institutions doing business with or on behalf of the SCAQMD.

The policy provides the Governing Board, the Treasurer, the Assistant Deputy Executive Officer of Finance, and the Investment Oversight Committee with set duties and responsibilities to execute the policy.

- Treasury Operations Contingency Plan and Procedures

The Treasury Operations Contingency Plan and Procedures states the course of action that may be implemented by the SCAQMD to protect the safety and liquidity of the SCAQMD funds and to protect SCAQMD from disruptions to ongoing operations if: 1) the financial stability of Los Angeles County may jeopardize SCAQMD funds invested through the Los Angeles County Treasurer; and/or 2) the Los Angeles County Treasurer, as Treasurer of SCAQMD, can no longer provide the treasury services currently provided in a satisfactory manner.

Under authority granted by Resolution 97-32, the Executive Officer can appoint either the Assistant Deputy Executive Officer of Finance or Controller as Acting Treasurer to immediately begin implementing the defined procedures to safeguard SCAQMD funds.

- Budget Advisory Committee

Established by the SCAQMD Governing Board, the Budget Advisory Committee serves in an advisory capacity to the SCAQMD on budgeting and financial planning matters. The committee, made up of members from the business and environmental community, provides additional insight during the annual budget process by reviewing and commenting on the proposed budget. The Budget Advisory Committee's comments are required to be provided to the Governing Board by April 15th of each year pursuant to SCAQMD Rule 320.

- Administrative Code

The Administrative Code of Rules and Procedures prescribes the responsibilities, conduct and specified reimbursements of SCAQMD employees and SCAQMD Board members. Sections include, but are not limited to, mileage reimbursement, travel expenses, tuition reimbursement, professional licenses and memberships, and bilingual pay.

FINANCIAL POLICIES (cont.)

- Procurement Policy and Procedure

The Procurement Policy and Procedure provides the guidelines for the contracting and/or purchasing of services, material, equipment, supplies and fixed assets (i.e. capital outlays) by the SCAQMD under the direction of the Procurement Manager. These guidelines include, but are not limited to, purchasing methods, bidding procedures, signature authorization levels, fixed asset acquisition and disposition, and publication requirements for advertised procurements.

Procedures are in place to ensure that all businesses including minority business enterprises, women business enterprises, disabled veteran business enterprises and small businesses have a fair and equitable opportunity to compete for and participate in SCAQMD contracts and that SCAQMD utilizes, when necessary, the most highly qualified outside consultants/contractors to carry out the organization's responsibilities. SCAQMD Executive Officer, Deputy/Assistant Deputy Executive Officers, Legal Counsel, the Procurement Section, and staff all have responsibilities to execute the Procurement Policy and Procedure.

Executive Officer Administrative Policies and Procedures

- Travel

The Travel Policy provides guidance on allowable travel expenses, travel advances, and documentation requirements.

- Fixed Assets and Controlled Items

The Fixed Assets and Controlled Items policy provides guidance on the receipt, transfer, inventory, accountability, and disposal of fixed assets and controlled items.

- Purchasing of Non-Consultant Services and Supplies

The Purchasing of Non-Consultant Services and Supplies policy provides guidance in implementing the purchase of non-consultant services and supplies as addressed in Section IV of the SCAQMD Procurement Policy and Procedure document.

- Contracting for Consulting and Professional Services

Contracting for Consulting and Professional Services policy provides guidance in contracting for consulting and professional services in both a competitive and sole source environment as addressed in Section VIII of the SCAQMD Procurement Policy and Procedure document.

BUDGET GLOSSARY

Adopted Budget	The annual budget for the General Fund that has been approved by SCAQMD's Governing Board.
Amended Budget	The adopted budget plus any modifications approved by SCAQMD's Governing Board during the fiscal year.
Appropriation	A specific amount of money authorized by SCAQMD's Governing Board which permits the SCAQMD to incur obligations and to make expenditures of resources.
Assigned Fund Balance	The portion of the fund balance that has been allocated by SCAQMD's Governing Board for a specific purpose.
Budget Advisory Committee	A committee made up of representatives from the business and environmental communities who review and provide feedback on SCAQMD's financial performance and proposed budget.
Budgetary Basis of Accounting	A form of accounting used in the budget where encumbered amounts are recognized as cash expenditures.
Balanced Budget	A budget in which planned expenditures do not exceed planned revenues.
Capital Asset	Tangible asset with an initial individual cost of \$5,000 or more and a useful life of at least three years or intangible assets with an individual cost of \$5,000 or more and a useful life of at least one year.
Capital Outlays	Expenditures for capital assets; A Major Object, or classification of expenditures, within SCAQMD's budget.
Committed Fund Balance	The portion of the fund balance that includes amounts that can be used only for specific purposes as determined by the SCAQMD Governing Board.
CPI-Based Fee Increase	Increases to fees (emission, annual operating, permit processing, Hot Spots, area sources, transportation, source test/analysis, and Hearing Board) based on the change in the Consumer Price Index for the preceding calendar year as reported for California Department of Finance—All Urban Consumer Series. This is in accordance with the California Health and Safety Code §40510.5.

BUDGET GLOSSARY (cont.)

Debt Service	The cost to cover the repayment of interest and principal on a debt for a particular period of time.
Debt Structure	The make-up of long-term debt. SCAQMD's long-term debt has been taken on to fund building and pension obligations.
Designation	A portion of the Fund Balance that has been assigned for specific purposes by actions of SCAQMD's Governing Board.
Encumbrance	An amount of money committed for the payment of goods and services that have not yet been received or paid for.
Expenditures	Charges incurred for goods and services.
Fee Schedule	The State Legislature has authorized air districts to levy fees to support industry related programs which improve air quality. The schedule of fees levied by SCAQMD is approved by SCAQMD's Governing Board as part of the annual budget process. (Also see Regulation III.)
Fiscal Year	A period of 12 consecutive months selected to be the budget year. SCAQMD's fiscal year runs from July 1 to June 30.
FTE	Full Time Equivalent; A measure of the level of staffing. One FTE equates to 2,080 hours of paid time within a 12 month period.
Fund Balance	The accumulation of revenues less expenditures within a fund for a specific year. SCAQMD's fund balance is broken out into Reserves (nonspendable and committed) and Unreserved Designations. Unreserved Designations is further broken out into Assigned and Unassigned Fund Balance. This terminology is in accordance with GASB 54.
GASB 54	A standard issued by the Government Accounting Standards Board (GASB) to guide fund balance reporting.
General Fund	The primary operating fund for SCAQMD where expenditures and revenues associated with the daily operations of SCAQMD are accounted for.
Grant	A sum of money given by an organization for a particular purpose. The grants which provide funding to SCAQMD's General Fund are primarily received from the U. S. Environmental Protection Agency (EPA), the

BUDGET GLOSSARY (cont.)

	Department of Homeland Security (DHS), and the Department of Energy (DOE).
Inventory	Value at cost of office, computer, cleaning and laboratory supplies at year-end.
Major Object	The expenditure classification of SCAQMD's annual budget into four categories: Salaries and Employee Benefits, Services and Supplies, Capital Outlays, and Building Remodeling. Transfers between Major Objects must be Board approved.
Mobile Source Revenues	Revenues received from motor vehicle registrations and from the administration of motor vehicle programs aimed at reducing air pollution from motor vehicles.
Nonspendable Fund Balance	Amounts in the fund balance that are not in a spendable form. In SCAQMD's General Fund, inventory makes up the nonspendable fund balance.
Pension Obligation Bonds (POBs)	A method of financing used by SCAQMD to refinance its obligations to its employees' pension fund.
Proposed Budget	The annual budget that has been developed by SCAQMD and made available to the public for review before being presented to the Governing Board for approval.
Regulation III	The rule that establishes the fee rates and schedules associated with permitting, annual renewals, emissions and other activities that help fund most of SCAQMD's regulatory programs and services. (Also see Fee Schedule.)
Reserves	Funding within the Fund Balance that is set aside for a specific future use and not available for any other purpose. It consists of both nonspendable amounts (inventory of supplies) and committed amounts (encumbrances).
Revenue	Monies the SCAQMD receives as income. SCAQMD's revenue is mainly from fees charged to control or regulate emissions.
SBCERA	San Bernardino County Employment Retirement System manages the retirement plan for SCAQMD employees.

BUDGET GLOSSARY (cont.)

Salaries and Employee Benefits	Expenditures for Salary expenses, employee benefits, retirement and insurance benefits. It is a Major Object, or classification of expenditures, within SCAQMD's budget.
Services and Supplies	Expenditures for items and services needed for the daily operations of the SCAQMD including professional services, utilities, office expenses, maintenance, and debt service. It is a Major Object, or classification of expenditures, within SCAQMD's budget.
Special Revenue Fund	A fund used to account for revenues and expenditures from specific sources earmarked for specific purposes. SCAQMD's main operating fund is its General Fund. All other funds are designated as Special Revenue Funds. The SCAQMD does not adopt a budget for Special Revenue Funds. Instead, Board action is required for all expenditures.
State Subvention	The state of California provides assistance to air districts for on-going operations to perform mandated functions such as compliance and enforcement, planning, and rule development.
Stationary Source Fees	Revenues collected from emission fees, permit fees, and annual operating fees to support activities for improving air quality.
Transfer In/Out	A transfer of funds between different funds within SCAQMD. A transfer of cash from the General Fund to a Special Revenue Fund would be a Transfer Out for the General Fund and a Transfer In for the Special Revenue Fund.
Unassigned Fund Balance	The residual fund balance of the General Fund. It is not designated for a specific purpose and can only be used upon approval of SCAQMD's Governing Board.
Unreserved Designations	The portion of the Fund Balance that has not been committed by SCAQMD's Governing Board or is nonspendable due to specific Board constraints. It is further broken down into either amounts assigned by SCAQMD's Governing Board for specific purposes or an unassigned amount that can only be used upon approval of SCAQMD's Governing Board.
Work Programs	Activities carried out by SCAQMD staff. Work Programs are classified into nine Work Program Categories according to the nature of the activity being performed.

Air Quality Historical Timeline



Photo courtesy of Los Angeles Times Collection, Department of Special Collections, UCLA Library

First recognized episodes of smog occur in Los Angeles in the summer of 1943.

1943

1950

Orange County APCD established.



1966



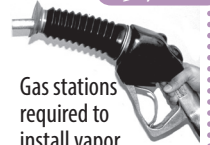
California adopts first automobile tailpipe emission standards in the nation.

1970

Federal Clean Air Act is enacted, establishing the basic U.S. program for controlling air pollution.



1978



Gas stations required to install vapor recovery "boots" on gas nozzles.

1947

Los Angeles County Air Pollution Control District (APCD) established—the first of its kind in the nation.



1957

San Bernardino and Riverside County APCDs formed.



California Air Resources Board (CARB) holds its first meeting with Dr. Arie J. Haagen-Smit as its first chairman.

U.S. EPA, created in 1970, adopts first national air quality standards.

1971

SCAQMD formed through merger of Los Angeles, Orange, Riverside and San Bernardino APCDs.



1968

1977

1984



California's Smog Check program takes effect.

1989

SCAQMD adopts first Air Quality Management Plan to show attainment of clean air standards.



California Global Warming Solutions Act of 2006 (AB 32) enacted to establish first ever comprehensive program to reduce greenhouse gases.

2006

SCAQMD adopts the nation's first phase-out of the toxic chemical perchloroethylene (or "perc") used at dry cleaners.

2002



2014-2027

Projected achievement of current air quality health standards in South Coast air basin.



2008

SCAQMD adopts Climate Change Policy.

1990

Federal Clean Air Act Amendments of 1990 enacted. Established new programs aimed at curbing urban ozone, toxic emissions, and vehicle emissions.

The Carl Moyer Program established to reduce mobile source emissions.

1998

1993

RECLAIM (REgional Clean Air Incentives Market) emissions trading program adopted.



2003

SCAQMD Mow Down Air Pollution Electric Lawnmower Exchange Program begins.



2011

Federal agencies and the State of California establish single timeframe for corporate average fuel economy (CAFE) and greenhouse gas standards for the next generation of cars and light-duty trucks.



SCAQMD establishes ridesharing requirements for region's employers.

1987



South Coast
Air Quality Management District

21865 Copley Drive
Diamond Bar, CA 91765-4178

www.aqmd.gov

ATTACHMENT C

KEY ISSUES AND RESPONSES

Proposed Amended Regulation III – Fees Fiscal Year 2018-19

PAR 301(aa) – Refinery Related Community Air Monitoring System Annual Operating and Maintenance Fees

Issue: Representatives from the petroleum refineries that would be affected by the proposed new fee – Refinery Related Community Air Monitoring System Annual Operating and Maintenance Fees, commented that the estimated cost per monitoring station staff used to determine the fee amounts appeared high. They requested that the proposed fees be reassessed every three years based on actual program expenditures incurred by SCAQMD. It was further requested that SCAQMD establish a mechanism for annual carry-over of any unused fees and allow the facilities to review costs of annually operating and maintaining refinery related to community air monitoring system(s).

Response: Staff estimated the Refinery Related Community Air Monitoring System Annual Operating and Maintenance Fees based on the expectation that they will recover actual costs incurred. Neither overages nor deficits are anticipated at this time. However, in response to stakeholder comments and to further ensure ongoing compliance with California Health and Safety Code Section 42705.6, Proposed Amended Rule 301 now includes the requirement of a triennial fee reassessment in paragraph (aa)(4). During the reassessment, staff will evaluate if a fee adjustment is necessary. Staff will use historical operating and maintenance costs associated with refinery-related community air monitoring to determine the appropriate fees during the reassessment and will take into consideration the existence of any historical differences between collected fees and program expenditures.

PAR 306(l)(16) – Facility Permit Reissuance Fee for Facilities Exiting RECLAIM

Issue: The fees proposed pursuant to PAR 301(l)(16), which consist of an initial flat fee and an additional time and materials (T&M) charge where applicable, are necessary to recover reasonable costs of SCAQMD’s efforts to convert a RECLAIM Facility Permit to a Command-and-Control Facility Permit. Representatives from some NO_x RECLAIM facilities commented that the proposed initial flat fee appeared too high for Title V facilities with 20 or more permitted RECLAIM NO_x sources. It was further commented that, if most of the NO_x sources at a facility are the same and subject to the same “landing rules” (i.e., command-and-control rules applicable to NO_x source equipment in a former NO_x RECLAIM facility), then

ATTACHMENT C

the evaluation of each additional piece of the same equipment would not require as much effort as evaluating a different type of NOx source equipment. Additionally, other stakeholders suggested to cap the T&M charge at \$13,023 for non-Title V and \$21,067 for Title V facilities to provide economic certainty and minimize cost impacts to facilities during RECLAIM transition.

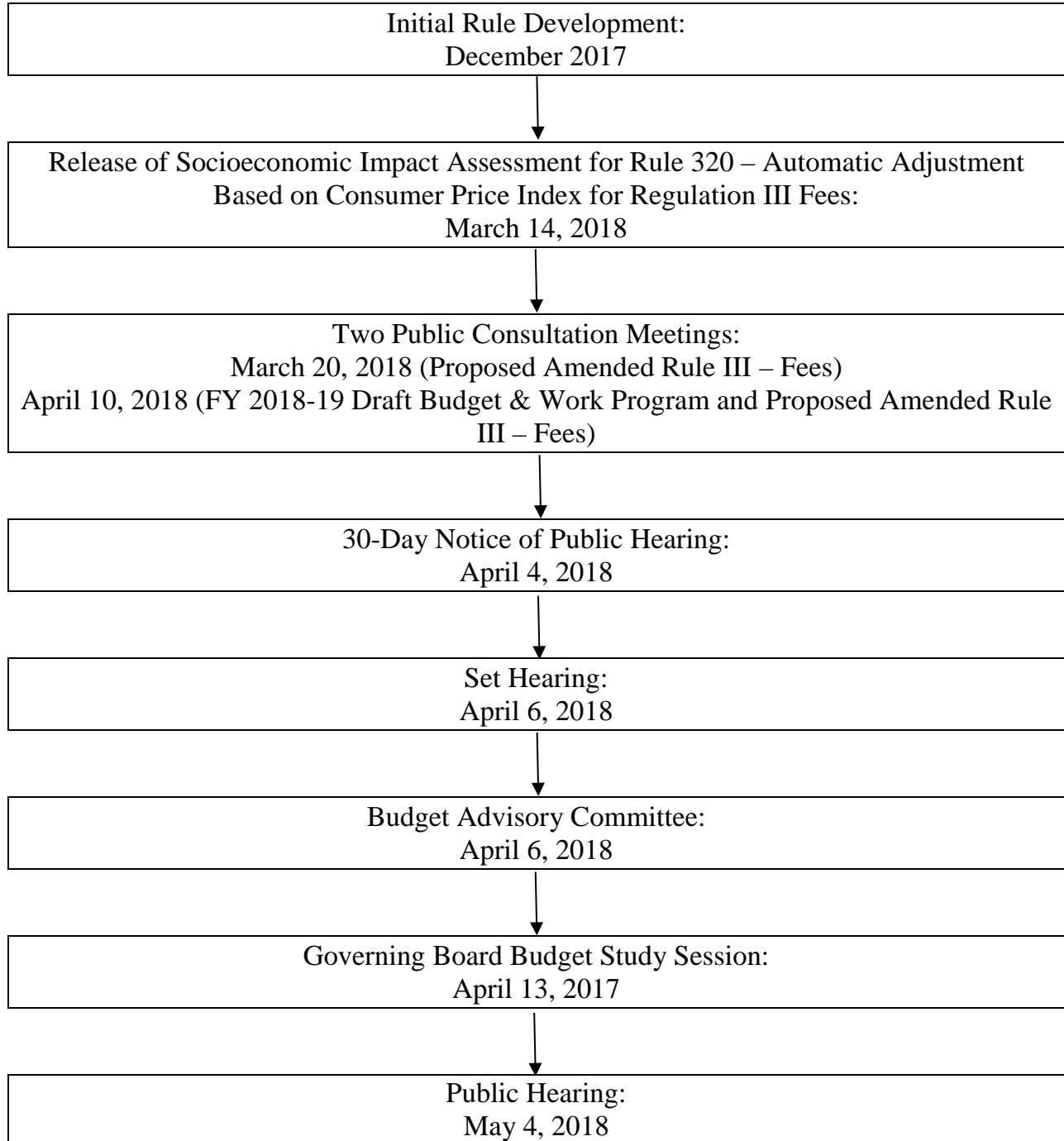
Response: Staff agrees that the overall evaluation efforts, and thus the associated costs, may be lower if a facility has multiple pieces of equipment that are similar and subject to the same “landing rules”. Based on staff’s evaluation, this is more likely the case among facilities with a large number of permitted RECLAIM NOx sources. Therefore, the fee schedules in PAR 301(1)(16) have been revised to include a lower initial flat fee for both Title V and non-Title V facilities with 20 or more permitted RECLAIM NOx sources, based on a lower number of minimum or baseline hours needed for permit evaluation and conversion. The T&M charge applicable to the evaluation hours that are additional to the baseline hours will continue to ensure the recovery of reasonable costs incurred by SCAQMD. With respect to the suggested caps to the T&M charge, staff believes that it is premature to establish such caps at this initial stage of NOx RECLAIM program transition, as it could potentially hinder SCAQMD’s ability to adequately recover the reasonable costs to complete the necessary permit conversion.

ATTACHMENT D

RULE DEVELOPMENT PROCESS

Proposed Amended Regulation III – Fees

Fiscal Year 2018-19



Five (5) months spent in rule development

Two (2) Public Consultation Meetings

One (1) Budget Advisory Committee Meeting

One (1) Governing Board Budget Study Session

ATTACHMENT E

KEY CONTACTS LIST

Susan Stark	Andeavor Corporation
Bill Pearce	Boeing Company
Ed Camarena	Budget Advisory Committee and SCAQMD Hearing Board Member
Curtis Coleman	Budget Advisory Committee and Southern California Air Quality Alliance
Jean Kayano	Budget Advisory Committee and Center for Community Action and Environmental Justice
Bill LaMarr	Budget Advisory Committee and California Small Business Alliance
Daniel McGivney	Budget Advisory Committee and Southern California Gas Company
Bill Quinn	Budget Advisory Committee and California Council for Environmental and Economic Balance
Anny Huang	California Air Resources Board
Melissa Traverso	California Air Resources Board
Bill Widger	California Air Resources Board
Devin Richards	California Council for Environmental and Economic Balance
Janet Whittick	California Council for Environmental and Economic Balance
Matt Kent	Northrop Grumman
Marshall Waller	Phillips 66
Alek Van Houghton	Ramboll
Priscilla Hamilton	Southern California Gas Company
Craig Sakamoto	Torrance Refining Company
Penny Wersin	Torrance Refining Company
Bridget McCann	Western States Petroleum Association

ATTACHMENT F

RESOLUTION NO. 18-_____

A Resolution of the Governing Board of the South Coast Air Quality Management District (SCAQMD) determining that Proposed Amended Regulation III – Fees, which includes Proposed Amended Rule 301 – Permitting and Associated Fees, Proposed Amended Rule 303 – Hearing Board Fees, Proposed Amended Rule 304 – Equipment, Materials and Ambient Air Analyses, Proposed Amended Rule 304.1 – Analyses Fees, Proposed Amended Rule 306 – Plan Fees, Proposed Amended Rule 307.1 – Alternative Fees for Air Toxics Emissions Inventory, Proposed Amended Rule 308 – On-Road Motor Vehicle Mitigation Options Fees, Proposed Amended Rule 309 – Fees for Regulation XVI and Regulation XXV, Proposed Amended Rule 311 – Air Quality Investment Program (AQIP) Fees, Proposed Amended Rule 313 – Authority to Adjust Fees and Due Dates, Proposed Amended Rule 314 – Fees for Architectural Coatings, and Proposed Amended Rule 315 – Fees for Training Classes and License Renewal, is exempt from the requirements of the California Environmental Quality Act (CEQA).

A Resolution of the SCAQMD Governing Board amending Regulation III – Fees, including Rule 301 – Permitting and Associated Fees, Rule 303 – Hearing Board Fees, Rule 304 – Equipment, Materials and Ambient Air Analyses, Rule 304.1 – Analyses Fees, Rule 306 – Plan Fees, Rule 307.1 – Alternative Fees for Air Toxics Emissions Inventory, Rule 308 – On-Road Motor Vehicle Mitigation Options Fees, Rule 309 – Fees for Regulation XVI and Regulation XXV, Rule 311 – Air Quality Investment Program (AQIP) Fees, Rule 313 – Authority to Adjust Fees and Due Dates, Rule 314 – Fees for Architectural Coatings, and Rule 315 – Fees for Training Classes and License Renewal.

WHEREAS, the SCAQMD Governing Board finds and determines that Proposed Amended Regulation III, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, is considered a "project" pursuant to CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and

WHEREAS, the SCAQMD has had its regulatory program certified pursuant to Public Resources Code Section 21080.5 and has conducted a CEQA review pursuant to such program (SCAQMD Rule 110); and

WHEREAS, the SCAQMD Governing Board finds and determines that after conducting a review of the proposed project in accordance with CEQA Guidelines Section 15002(k) - General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA, and CEQA Guidelines Section 15061 - Review for Exemption, procedures for determining if a project is exempt from CEQA, that Proposed Amended Regulation III, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, is determined to be exempt from CEQA; and

WHEREAS, the SCAQMD Governing Board finds and determines that it can be seen with certainty that there is no possibility that Proposed Amended Regulation III, which includes proposed fee updates and new fees in Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, and other amendments in Proposed Amended Rules 301, 304, 304.1, 306, 307.1, and 313 that are identified as being strictly administrative in nature, may have any significant effects on the environment, and is therefore, exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Activities Covered by General Rule; and

WHEREAS, the SCAQMD Governing Board finds and determines that the proposed amendments to Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 reflect fee updates and new fees, and the administrative amendments to Rules 301, 304, 304.1, 306, 307.1, and 313 also involve fees charged by the SCAQMD, such that all of the amendments are statutorily exempt from CEQA requirements pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges, because the proposed amendments involve charges by a public agency for the purpose of meeting operating expenses; and

WHEREAS, the SCAQMD staff has prepared a Notice of Exemption for Proposed Amended Regulation III, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, that was completed in compliance with CEQA Guidelines Section 15062 – Notice of Exemption; and

WHEREAS, Proposed Amended Regulation III, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, and supporting documentation, including the Notice of Exemption, were presented to the SCAQMD Governing Board and the SCAQMD Governing Board has reviewed and considered the entirety of this information, considered staff testimony and public comment prior to approving the project; and

WHEREAS, the SCAQMD Governing Board finds and determines, taking into consideration the factors in Section (d)(4)(D) of the Governing Board Procedures (codified as Section 30.5(4)(D)(i) of the Administrative Code), that the modifications to Proposed Amended Regulation III - Fees since the notice of public hearing was published are not so substantial as to significantly affect the meaning of the proposed amended rules within the meaning of Health and Safety Code Section 40726 because: (a) the changes do not impact emission reductions, (b) the changes do not affect the number or type of sources regulated by the rules, (c) the changes are consistent with the information contained in the notice of public hearing, and (d) the consideration of the range of CEQA alternatives is not applicable because Proposed Amended Regulation III is exempt from CEQA; and

WHEREAS, Proposed Amended Regulation III, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, is not a control measure in the 2016 Air Quality Management Plan (AQMP) and was not ranked by cost-effectiveness relative to other AQMP control measures in the 2016 AQMP; and

WHEREAS, Proposed Amended Regulation III, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, will not be submitted for inclusion into the State Implementation Plan; and

WHEREAS, California Health and Safety Code Section 40727 requires that prior to adopting, amending or repealing a rule or regulation, the SCAQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the public hearing and in the staff report; and

WHEREAS, the SCAQMD Governing Board has determined that in order to add rule clarity and to recover reasonable and actual costs incurred by SCAQMD in meeting requirements of recently adopted rules and state mandates and implementing necessary clean air programs, a need exists to amend Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314 and 315, to fund the Proposed Budget in Fiscal Year 2018-2019 and thereafter; and

WHEREAS, California Health and Safety Code Section 40510.5(a) requires the SCAQMD Governing Board to find that an increased fee will result in an equitable apportionment of fees when increasing fees beyond the Consumer Price Index (CPI). Based on relevant information presented at the public hearing and in the staff report, the proposed new fees and proposed increases in fee rates beyond the CPI in Proposed Amended Rules 301, 306, and Rule 307.1 are found to be equitably apportioned because such fees are necessary to better align program costs

and revenues, are based on the reasonable costs to SCAQMD, and are reasonably related to the benefits received and burdens imposed by the fee payors; and

WHEREAS, the SCAQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from California Health and Safety Code Sections 40000, 40001, 40440, 40500, 40500.1, 40502, 40506, 40510, 40510.5, 40511, 40522, 40522.5, 40523, 40701.5, 40702, 41512, and 44380, and Clean Air Act section 502(b)(3) [42 U.S.C. §7661(b)(3)]; and

WHEREAS, the SCAQMD Governing Board has determined that Proposed Amended Regulation III – Fees, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314 and 315, is written or displayed so that their meaning can be easily understood by the persons directly affected by them; and

WHEREAS, the SCAQMD Governing Board has determined that Proposed Amended Regulation III – Fees, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314 and 315, is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations; and

WHEREAS, the SCAQMD Governing Board has determined that Proposed Amended Regulation III – Fees, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314 and 315, does not impose the same requirements as any existing state or federal regulation and are necessary and proper to execute the power and duties granted to, and imposed upon, the SCAQMD; and

WHEREAS, the SCAQMD Governing Board, in amending Regulation III – Fees, references the following statutes which the SCAQMD hereby implements, interprets, or makes specific: California Health and Safety Code Sections 40500, 40500.1, 40502, 40506, 40510, 40510.5, 40511, 40522, 40522.5, 40523, 41512, and 44380, and Clean Air Act Section 502(b)(3) [42 U.S.C §7661(b)(3)]; and

WHEREAS, a public hearing has been properly noticed in accordance with all provisions of California Health and Safety Code Section 40725; and

WHEREAS, the SCAQMD Governing Board has held a public hearing in accordance with all provisions of law; and

WHEREAS, the SCAQMD Governing Board has determined that California Health and Safety Code Section 40920.6 is not applicable to Proposed Amended Regulation III – Fees, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314 and 315, since the rules in Regulation III – Fees are not Best Available Retrofit Control Technology rules and do not regulate air contaminants; and

WHEREAS, the SCAQMD Governing Board specifies the Planning and Rules Manager overseeing the rule development for Proposed Amended Regulation III – Fees, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314 and 315, as the custodian of the documents or other materials which constitute the record of proceedings upon which the adoption of this proposed project is based, which are located at the SCAQMD, 21865 Copley Drive, Diamond Bar, California.

NOW, THEREFORE BE IT FURTHER RESOLVED, that the SCAQMD Governing Board does hereby determine, pursuant to the authority granted by law, that Proposed Amended Regulation III – Fees, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314 and 315, is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Activities Covered by General Rule and CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges. This information was presented to the SCAQMD Governing Board, whose members reviewed, considered and approved the information therein prior to acting on Proposed Amended Regulation III – Fees, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314 and 315; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board finds that Proposed Amended Regulation III – Fees, which includes Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, establishes fees charged for the purposes of meeting operating expenses, which are necessary to recover reasonable and actual costs incurred by SCAQMD in meeting requirements of recently adopted rules and state mandates and implementing necessary clean air programs; and the SCAQMD Governing Board hereby incorporates by reference the proposed Fiscal Year 2018-2019 Budget and Fiscal Year 2019-2020 budget forecast as setting forth the bases for these findings; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board finds, based on the evidence in the rule making record, that the increases in fees that exceed the CPI for Fiscal Year 2018-2019 and thereafter are necessary to recover reasonable and actual costs incurred by SCAQMD in meeting requirements of recently adopted rules and state mandates and implementing necessary clean air programs and are equitably apportioned; and the Governing Board hereby

incorporates by reference the explanation in the accompanying staff report, Section III, as setting forth the bases for these findings; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board does hereby approve the Socioeconomic Impact Assessment for Rule 320 – Automatic Adjustment Based on Consumer Price Index for Regulation III Fees and the Socioeconomic Impact Assessment for Proposed Amended Regulation III – Fees; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board does hereby amend, pursuant to the authority granted by law, Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314 and 315, as set forth in the attached, and incorporated herein by reference.

DATE: _____

CLERK OF THE BOARDS

ATTACHMENTS G1-G12

PROPOSED AMENDED REGULATION III – FEES

Attachment	Rule	CPI Update	Proposed Amendments with Fee Impacts	Proposed Amendments with No Fee Impacts and/or Administrative Changes
G1	Proposed Amended Rule 301 – Permitting And Associated Fees	✓	✓	✓
G2	Proposed Amended Rule 303 – Hearing Board Fees	✓		
G3	Proposed Amended Rule 304 – Equipment, Materials, and Ambient Air Analyses	✓		✓
G4	Proposed Amended Rule 304.1 – Analyses Fees	✓		✓
G5	Proposed Amended Rule 306 – Plan Fees	✓	✓	✓
G6	Proposed Amended Rule 307.1 – Alternative Fees for Air Toxics Emissions Inventory	✓	✓	✓
G7	Proposed Amended Rule 308 – On-Road Motor Vehicle Mitigation Options Fees	✓		
G8	Proposed Amended Rule 309 – Fees for Regulation XVI and Regulation XXV	✓		
G9	Proposed Amended Rule 311 - Air Quality Investment Program (AQIP) Fees	✓		
G10	Proposed Amended Rule 313 - Authority to Adjust Fees and Due Dates	✓		✓
G11	Proposed Amended Rule 314 – Fees for Architectural Coatings	✓		
G12	Proposed Amended Rule 315 - Fees for Training Classes and License Renewal	✓		

ATTACHMENT G1

(Adopted Feb. 4, 1977)(Amended May 27, 1977)(Amended Jan. 6, 1978)
(Amended June 16, 1978)(Amended April 4, 1980)(Amended Sept. 5, 1980)
(Amended June 5, 1981)(Amended July 9, 1982)(Amended Dec. 3, 1982)
(Amended June 3, 1983)(Amended May 4, 1984)(Amended July 6, 1984)
(Amended Nov. 2, 1984)(Amended Dec. 6, 1985)(Amended May 1, 1987)
(Amended June 3, 1988)(Amended December 2, 1988)(Amended January 6, 1989)
(Amended June 2, 1989)(Amended June 1, 1990)(Amended June 7, 1991)
(Amended December 6, 1991)(Amended June 5, 1992)(Amended July 10, 1992)
(Amended June 11, 1993)(Amended October 8, 1993)(Amended June 10, 1994)
(Amended May 12, 1995)(Amended October 13, 1995)(Amended May 10, 1996)
(Amended May 9, 1997)(Amended May 8, 1998)(Amended June 12, 1998)
(Amended May 14, 1999)(Amended May 19, 2000)(Amended May 11, 2001)
(Amended May 3, 2002)(Amended June 6, 2003)(Amended July 9, 2004)
(Amended June 3, 2005)(Amended June 9, 2006)(Amended May 4, 2007)
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(Amended May 6, 2011)(Updated July 1, 2012)(Updated July 1, 2013)
(Amended June 6, 2014)(Amended May 1, 2015)(Updated July 1, 2016)
(Amended June 2, 2017)(Amended January 5, 2018)
(Proposed Amended Rule May 4, 2018)

Proposed Effective Date January 5 July 1, 2018

PROPOSED AMENDED RULE 301. PERMITTING AND ASSOCIATED FEES

(a) Applicability

California Health and Safety Code Section 40510 provides authority for the South Coast Air Quality Management District to adopt a fee schedule for the issuance of permits to cover the cost of evaluation, planning, inspection, and monitoring related to that activity. This rule establishes such a fee schedule and requires that fees be paid for:

- (1) Permit processing for Facility Permits [see subdivisions (l), (m), and (n)], Facility Registrations [see subdivision (t)], and Permits to Construct and/or Permits to Operate equipment (submitted pursuant to Regulation II) that may cause air pollution or equipment intended to control air pollution [see subdivision (c)].
- (2) Processing of applications for banking emission reduction credits; change of title of emissions reduction credits; alteration/modification of emission reduction credits; retirement of short term emission reduction credits for transfer into Rule 2202; and the transfer of ERCs out of Rule 2202 pursuant to Rule 2202 (h)(4); or conversion of emissions reduction credits, mobile source credits, or area source credits to short term emission reduction credits, pursuant to Regulation XIII [see paragraphs (c)(4) and (c)(5)].

- (3) Annual operating permit renewal fee [see subdivision (d)].
- (4) Annual operating permit emissions fee [see subdivision (e)] or Regional Clean Air Incentives Market (RECLAIM) Trading Credits (RTCs) [see subdivision (l)].
- (5) Duplicate and reissued permits [see subdivision (f)].
- (6) Reinstating expired applications or permits [see subdivision (g)].
- (7) Reinstating revoked permits [see subdivision (h)].
- (8) RECLAIM Transaction Registration Fee [see subdivision (l)].
- (9) Non-Tradeable Allocation Credit Mitigation Fee [see subdivision (l)].
- (10) Environmental Impact Analysis, Air Quality Analysis, Health Risk Assessment, Public Notification for Projects and Emission Reduction Credits (pursuant to Regulation XIII - New Source Review) [see paragraph (c)(4) and subdivision (j) of this rule].
- (11) Asbestos demolition and renovation activities [see subdivision (o)].
- (12) Lead abatement activities [see subdivision (p)].
- (13) Evaluation of permit applications submitted for compliance under a National Emission Standard for Hazardous Air Pollutants (NESHAP) [see subdivision (q)].
- (14) Certification of Clean Air Solvents [see subdivision (r)].

(b) Definitions

For the purpose of this rule, the following definitions shall apply:

- (1) ALTERATION or MODIFICATION means any physical change, change in method of operation of, or addition to, existing equipment requiring an application for Permit to Construct pursuant to Rule 201. Routine maintenance and/or repair shall not be considered a physical change. A change in the method of operation of equipment, unless previously limited by an enforceable permit condition, shall not include:
 - (A) An increase in the production rate, unless such increase will cause the maximum design capacity of the equipment to be exceeded; or
 - (B) An increase in the hours of operation.
- (2) ALTERNATIVE OPERATING CONDITION is an order established by the Hearing Board pursuant to subdivision (e) of this rule which, if recognized by the United States Environmental Protection Agency, authorizes a source to be operated in a specified manner that would otherwise not comply with an applicable requirement of the State

Implementation Plan or a permit term or condition based on any such applicable requirement.

- (3) BANKING means the process of recognizing and certifying emission reductions and registering transactions involving emission reduction credits.
- (4) CANCELLATION is an administrative action taken by the District which nullifies or voids a previously pending application for a permit.
- (5) CERTIFIED EQUIPMENT PERMIT means a permit issued to a manufacturer or distributor for a specific model or series of models of equipment. By this permit, the District certifies that the equipment meets all District rules and Best Available Control Technology (BACT) requirements under a set of conditions. Eligibility for the certification process shall be limited to equipment for which the following conditions exist, as determined by the Executive Officer:
 - (A) Equipment operation and emission characteristics will be applicable to a number of identical pieces of equipment;
 - (B) Permitting can be accomplished through the use of identical permit conditions for each piece of equipment regardless of use or location;
 - (C) The equipment is exempt from emission offsets as defined in Rule 1304(a)(4) or Rule 1304(a)(5); or the emissions of each criteria pollutant, except lead, are determined to be less than the limits listed in Rule 1303, Appendix A, Table A-1; and
 - (D) The equipment does not emit lead or the toxic emissions do not result in a Maximum Individual Cancer Risk (MICR) equal to or greater than one in a million as calculated according to Rule 1401.

Certified Equipment Permit shall be valid for one year, and shall be renewed annually if the Executive Officer determines the equipment meets all District rules and BACT requirements. Certification shall not relieve the person constructing, installing or operating the equipment from the requirement to obtain all necessary permits to construct and permits to operate, or from compliance with any other District rule including the requirements of Regulation XIII.

- (6) CHANGE OF CONDITION means a change of a current permit condition that will not result in an emission increase. Any request for a Change in Condition to a previously enforceable permit condition that will result in a emission increase subject to the New Source Review Rules in Regulation

XIII, XIV, or XX will be considered a change in the method of operation and processed as an Alteration or Modification.

- (7) CLEAN AIR SOLVENT is as defined in Rule 102 as “Clean Air Solvent”.
- (8) CLEAN AIR SOLVENT CERTIFICATE is as defined in Rule 102 as “Clean Air Solvent Certificate”.
- (9) CONFINED ANIMAL FACILITY (CAF) means a source or group of sources of air pollution at an agricultural source for the raising of 3,360 or more fowl or 50 or more animals, including but not limited to, any structure, building, installation, farm, corral, coop, feed storage area, milking parlor, or system for the collection, storage, or distribution of solid and liquid manure; if domesticated animals, including but not limited to, cattle, calves, horses, sheep, goats, swine, rabbits, chickens, turkeys, or ducks corralled, penned, or otherwise caused to remain in restricted areas for commercial agricultural purposes and feeding is by means other than grazing.
- (10) CONTINUOUS EMISSIONS MONITORING SYSTEM (CEMS) is a system comprised of components that continuously measure all parameters necessary to determine pollutant concentration or pollutant mass emissions, pursuant to a District rule or regulation.
 - (A) For the purpose of this rule, a CEMS includes, but is not limited to, the following analyzers, monitors, components, systems, or equipment:
 - (i) Pollutant concentration analyzer(s) (e.g., NO_x, SO_x, CO, Total Sulfur) and associated sample collection, transport, and conditioning equipment, and data acquisition and logging systems,
 - (ii) Diluent gas analyzer (O₂ or CO₂),
 - (iii) Flow monitor (direct in-stack measurement or indirectly calculated from fuel usage or other process parameters approved by the Executive Officer), and
 - (iv) Other equipment (e.g., moisture monitor) as required to comply with monitoring requirements.
 - (B) For the purpose of this rule, a “time-shared CEMS” means a CEMS as described in paragraph (Jj)(5) which is common to several sources of emissions at the same facility.
 - (C) For the purpose of this rule, a “Fuel Sulfur Monitoring System” or “FSMS” may be used as an alternative to a CEMS SO_x monitoring requirement, subject to District Rules and Regulations, and the

approval of the Executive Officer. An FSMS is a total sulfur monitoring system configured similar to the CEMS described in paragraph (Jj)(5) but, as an alternative to directly monitoring SO_x emissions at sources required to have SO_x CEMS (at the same facility), SO_x emission information at each affected source is determined “indirectly” by monitoring the sulfur content of the fuel gas supply firing the affected sources.

- (D) For the purpose of this rule, an “Alternative Continuous Emissions Monitoring System” or “ACEMS” (also known as a “Predictive or Parametric Emissions Monitoring System” or “PEMS”) may be used as an alternative to a CEMS pollutant monitoring requirement, subject to District Rules and Regulations, and the approval of the Executive Officer. Instead of directly monitoring the pollutant emissions at a source required to have a CEMS as in paragraph (Jj)(5), emission information is “predicted” by the ACEMS or PEMS by monitoring key equipment operating parameters (e.g., temperature, pressure) at the affected source, irrespective of exhaust gas or fuel supply analysis.
- (11) EMISSION FACTOR means the amount of air contaminant emitted per unit of time or per unit of material handled, processed, produced, or burned.
- (12) EMISSION REDUCTION CREDIT (ERC) means the amount of emissions reduction which is verified and determined by the Executive Officer to be eligible for credit in an emissions reduction bank.
- (13) EMISSION SOURCE is any equipment or process subject to Rule 222. The source does not require a permit, but the owner/operator is required to file information pursuant to Rule 222 and Rule 301(t).
- (14) EQUIPMENT means any article, machine, or other contrivance, or combination thereof, which may cause the issuance or control the issuance of air contaminants, and which:
- (A) Requires a permit pursuant to Rules 201 and/or 203; or
- (B) Is in operation pursuant to the provisions of Rule 219
- (15) EXPIRATION means the end of the period of validity for an application, Permit to Operate, or a temporary Permit to Operate.
- (16) FACILITY means any source, equipment, or grouping of equipment or sources, or other air contaminant-emitting activities which are located on one or more contiguous properties within the District, in actual physical contact or separated solely by a public roadway or other public right-of-

way, and are owned or operated by the same person (or persons under common control) or an outer continental shelf (OCS) source as defined in 40 CFR § 55.2. Such above-described groupings, if on noncontiguous properties but connected only by land carrying a pipeline, shall not be considered one facility. Equipment or installations involved in crude oil and gas production in Southern California coastal or OCS waters, and transport of such crude oil and gas in Southern California coastal or OCS waters, shall be included in the same facility which is under the same ownership or use entitlement as the crude oil and gas facility on-shore.

- (17) FACILITY PERMIT is a permit which consolidates existing equipment permits and all new equipment at a facility, into one permit. A facility permit may be issued pursuant to Regulation XX and/or XXX.
- (18) FACILITY REGISTRATION is a permit which consolidates existing equipment permits and all new equipment at a facility into one permit. A Facility Registration may be issued at District discretion to any facility not subject to Regulation XX or XXX.
- (19) GREENHOUSE GAS or “GHG” means carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), sulfur hexafluoride (SF₆), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs).
- (20) IDENTICAL EQUIPMENT means any equipment which is to be operated by the same operator, and have the same equipment address, and have the same operating conditions and processing material to the extent that a single permit evaluation would be required for the set of equipment. Portable equipment, while not operating at the same location, may qualify as identical equipment.
- (21) NON-ROAD ENGINE is a portable engine that requires a permit and is certified by the Executive Officer to be a Non-Road Engine regulated by U.S. EPA pursuant to 40 CFR Part 89.
- (22) PREMISES means one parcel of land or contiguous parcels of land under the same ownership or entitlement to use, not including the parcels which are remotely located and connected only by land carrying a pipeline.
- (23) QUALIFYING PORTABLE ENGINE is a portable engine that requires a permit and is certified by the Executive Officer to meet all the requirements of Non-Road Engine of 40 CFR Part 89 except date of manufacture, and has been demonstrated to meet the emission limitations of 40 CFR Section 89.112-96.

- (24) RECLAIM TRADING CREDITS (RTCs) means the amount of emissions credit available to a facility for use at the facility for transfer or sale to another party. Each RTC has a denomination of one pound of RECLAIM pollutant and a term of one year, and can be issued as part of a facility's Annual Allocation or alternatively in the form of an RTC certificate.
- (25) REGISTRATION PERMIT means a permit to construct or permit to operate issued to an owner/operator of equipment which has previously been issued a Certified Equipment Permit by the District. The owner/operator shall agree to operate under the conditions specified in the Certified Equipment Permit.
- (26) RELOCATION means the removal of an existing source from one parcel of land in the District and installation on another parcel of land where the two parcels are not in actual physical contact and are not separated solely by a public roadway or other public right-of-way.
- (27) REVOCATION is an action taken by the Hearing Board following a petition by the Executive Officer which invalidates a Permit to Construct or a Permit to Operate.
- (28) SMALL BUSINESS is as defined in Rule 102 as "Small Business."
- (29) SPECIFIC ORGANIC GASES are any of the following compounds:
 - trifluoromethane (HFC-23)
 - chlorodifluoromethane (HCFC-22)
 - dichlorotrifluoroethane (HCFC-123)
 - tetrafluoroethane (HFC-134a)
 - dichlorofluoroethane (HCFC-141b)
 - chlorodifluoroethane (HCFC-142b)
 - 1,1,1-trifluoroethane (HFC-143a)
 - 1,1-difluoroethane (HFC-152a)
 - cyclic, branched, or linear, completely fluorinated alkanes
 - cyclic, branched, or linear, completely fluorinated ethers with no unsaturations
 - cyclic, branched, or linear, completely fluorinated tertiary amines with no unsaturations
 - sulfur-containing perfluorocarbons with no unsaturations and with sulfur bonds only to carbon and fluorine.
- (30) SOURCE means any grouping of equipment or other air contaminant-emitting activities which are located on parcels of land within the District, in actual physical contact or separated solely by a public roadway or other

public right-of-way, and are owned or operated by the same person or by persons under common control. Such above-described groupings, if remotely located and connected only by land carrying a pipeline, shall not be considered one stationary source. (Under RECLAIM, a SOURCE is any individual unit, piece of equipment or process which may emit an air contaminant and which is identified, or required to be identified, in the RECLAIM Facility Permit).

- (31) STREAMLINED STANDARD PERMIT means a permit issued for certain types of equipment or processes commonly permitted by SCAQMD with pre-set levels of controls and emissions. The operating conditions and other qualifying criteria are pre-determined by the SCAQMD and provided to the permit applicant in the permit application package for concurrence.
- (32) STATEWIDE EQUIPMENT is equipment with a valid registration certificate issued by CARB for the Statewide Portable Equipment Registration Program.
- (33) TEMPORARY PERMIT TO OPERATE represents interim authorization to operate equipment until the Permit to Operate is granted or denied. A temporary Permit to Operate is not issued by the District but may exist pursuant to Rule 202.

(c) Fees for Permit Processing

(1) Permit Processing Fee

(A) Permit Processing Fee Applicability

Except as otherwise provided in this rule, every applicant who files an application for a Permit to Construct, Permit to Operate, Facility Permit, court judgments in favor of the District and administrative civil penalties or a revision to a Facility Permit, shall, at the time of filing, pay all delinquent fees associated with the facility and shall pay a permit processing fee.

(i) Except as otherwise provided in this paragraph, the permit processing fee shall be determined in accordance with the schedules (set forth in ~~the Summary Permit Fee Rates~~ ~~Tables~~ FEE RATE-A) at the time the application is deemed complete.

(ii) A person applying for permits for relocation of equipment shall pay fees in accordance with the schedules set forth in ~~the Summary Permit Fee Rates~~ ~~Tables~~ FEE RATE-A at the

time the application is deemed complete. All fees due, within the past 3 years, from the previous facility for equipment for which a Change of Location application is filed, and all facility-specific fees (such as “Hot Spots” fees), must be paid before the Change of Location application is accepted.

(iii) A person applying for permits for any equipment/process not otherwise listed in Table IA or Table IB shall pay the fees associated with Schedule C. Prior to the issuance of a permit, these fees are subject to adjustment, as necessary.

~~(iv) For applications submitted prior to July 1, 1990, the applicant shall pay a permit processing fee as specified in the Summary Permit Fee Rates tables, less any previously paid filing fees not to exceed the amount due. These fees are due and payable within thirty (30) days of receipt of notification.~~

~~(v)~~(iv) In the event a Permit to Construct expires under the provisions of Rule 205, and the applicable rules, regulations, and BACT for that particular piece of equipment have not been amended since the original evaluation was performed, the permit processing fee for a subsequent application for a similar equipment shall be the fee established in the Summary Permit Fee Rates - Change of Operator table according to the applicable schedule under the Change of Operator category, provided the subsequent application is submitted within one (1) year from the date of expiration of either the Permit to Construct, or an approved extension of the Permit to Construct.

(B) Notice of Amount Due and Effect of Nonpayment

For fees due upon notification, such notice may be given by personal service or by deposit, postpaid, in the United States mail and shall be due thirty (30) days from the date of personal service or mailing. For the purpose of this subparagraph, the fee payment will 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. Nonpayment of the fee within this period of time will result in expiration of the application and voiding of the Permit to Construct or Permit to Operate. No further applications will be accepted from the applicant until such time as overdue permit processing fees have been fully paid. If an application is canceled, a permit processing fee will be charged if evaluation of the application has been initiated.

~~(C) — Payment for Permit Processing of Equipment Already Constructed~~
~~In the case of application for a Permit to Operate equipment already constructed, or where a Permit to Construct was granted prior to August 1, 1982, the applicant shall pay the permit processing fee within thirty (30) days of receipt of notification. In the case where a portion of the permit evaluation fee was paid when a Permit to Construct was granted, the amount paid shall be credited to the amount due for permit processing in accordance with the Summary Permit Fee Rates tables, and shall be due within thirty (30) days of receipt of notification. In both cases, payment shall be as specified in subparagraph (c)(1)(B) of this rule. If, at the time the Permit to Operate is granted or denied, it is determined that any annual operating permit fee as provided in subdivision (d) of this rule had been based on incorrect information, the applicant will be billed for or credited with the difference, as appropriate.~~

~~(D)~~(C) Higher Fee for Failing to Obtain a Permit

(i) When equipment is operated, built, erected, installed, altered, or replaced (except for replacement with identical equipment) without the owner/operator first obtaining a required Permit to Construct or Permit to Operate, the permit processing fee shall be 150 percent (150%) of the amount set forth in ~~the Summary Permit Fee Rates Tables~~ FEE RATE-A of this rule unless the applicant is a Small Business as defined in this provision and the facility has no prior permit applications, Permit to Construct or Permit to Operate (as evidenced by a facility identification number) with the District in which case the permit processing fee shall be the amount set forth in ~~the Summary Permit Fee Rates Tables~~ FEE RATE-A of this rule. If a facility has been issued a

Notice of Violation (NOV), there shall be no waiver of the higher fee. The applicant shall also remit annual operating fees for the source for a full three (3) years, or the actual years of operation if less than three (3) years. The assessment of such fee shall not limit the District's right to pursue any other remedy provided for by law. Fees are due and payable within thirty (30) days of receipt of notification. [See subparagraph (c)(2)(B).] However, the higher fee shall be waived if the application is being submitted for equipment that was previously permitted (issued either a Permit to Construct or a Permit to Operate) but had expired due to non-payment of fees, provided the application is submitted within one (1) year of the expiration date, and that permit is reinstatable under subdivision (g) of this rule.

(ii) For purposes of assessing a higher fee for failing to obtain a permit only, small business shall be defined as a business which is independently owned and operated and not an affiliate of a non-small business entity and meets the following criteria:

(A) If a non-manufacturer, the number of employees is 25 or less and the total gross annual receipts are \$1,000,000 or less; or

(B) If a manufacturer, the number of employees is 50 or less and the total gross annual receipts are \$5,000,000 or less, or

(C) Is a not-for-profit training center.

(iii) This clause shall apply to applications for a Permit to Operate for equipment already constructed without first obtaining a required Permit to Construct. If, at the time the Permit to Operate is granted or denied, it is determined that any annual operating permit fee as provided in subdivision (d) of this rule had been based on incorrect information, the applicant will be billed for or credited with the difference, as appropriate.

~~(E)~~(D) Small Business

When applications are filed in accordance with the provisions of subparagraphs (c)(1)(A), (c)(1)(~~HG~~)(i), (c)(1)(~~DC~~) or paragraph

(c)(3) for a Small Business as defined in Rule 102 – Definition of Terms, the fees assessed shall be fifty percent (50%) of the amount set forth in the ~~Summary Permit Fee Rates—Permit Processing, Change of Conditions, Alteration/Modifications~~ Table FEE RATE-A and in the ~~Summary of ERC Processing Rates, Banking, Change of Title, Alteration/Modification, Conversion to Short Term Credits, Re-Issuance of Short Term Credits, Retirement of Short Term Credits for Transfer Into Rule 2202, and Transfer of ERCs Out of Rule 2202~~ table.

~~(F)~~(E) Fees for Permit Processing for Identical Equipment and Processing of Applications for Short Term Emission Reduction Credits

When applications are submitted in accordance with the provisions of subparagraphs (c)(1)(A), (c)(1)~~(DC)~~, (c)(1)~~(ED)~~, (c)(1)~~(H)~~, paragraphs (c)(3) or (c)(4) concurrently for identical equipment, or for change of title or alteration/modification of short term emission reduction credits, full fees for the first application, and fifty percent (50%) of the applicable processing fee for each additional application shall be assessed. The provisions of this subparagraph do not apply to Certified Equipment Permits, Registration Permits, and the exceptions mentioned in subparagraphs (c)(3)(A), (c)(3)(B), and (c)(3)(C). ~~This subparagraph shall, upon request of the applicant, apply to applications which have been received before July 1, 1996, but not yet been processed or which have not received final determination regarding applicable permit processing fees.~~

~~(G)~~(F) Discounts for Small Business and Identical Equipment

Applications qualifying with the provisions of both subparagraph (c)(1)~~(ED)~~ and (c)(1)~~(FE)~~ shall only be entitled to one fee discount equivalent to the maximum discount afforded under either subparagraph.

~~(H)~~(G) Fees for Permit Processing for Certified Equipment Permits and Registration Permits

(i) Persons applying for a Certified Equipment Permit shall pay a one-time permit processing fee for each application. The fee shall be determined in accordance with the ~~Summary Permit Fee Rates~~ Tables FEE RATE-A of this rule. No annual operating permit renewal fee shall be charged.

- (ii) A permit processing fee equal to 50% of Schedule A Permit Processing Fee of ~~the Summary Permit Fee Rates~~ Table FEE RATE-A shall be assessed to a person applying for a Change of Operator for a Certified Equipment Permit.
- (iii) A permit processing fee equal to 50% of Schedule A Permit Processing Fee of ~~the Summary Permit Fee Rates~~ Table FEE RATE-A shall be charged to a person applying for a Registration Permit to Construct and Permit to Operate for certified equipment. Annual operating permit renewal fees shall be paid pursuant to subdivision (d).
- (iv) When certified equipment is built, erected, installed, or replaced (except for identical replacement) without the owner/operator obtaining a required Rule 201 Permit to Construct, the permit processing fee assessed shall be 150 percent (150%) of the amount set forth in subparagraph (c)(1)~~(HG)~~(iii) of Rule 301.

~~(H)~~(H) Applications Submitted for Equipment Previously Exempted by Rule 219

When applications for equipment are submitted within one year after the adoption of the most recent amendment to Rule 219 and are filed in accordance with the provisions of subparagraphs (c)(1)(A), (c)(1)~~(FE)~~, paragraphs (c)(2), or (c)(3) and require a permit, solely due to the most recent amendments to Rule 219, the permit processing fees assessed shall be in accordance with Schedule A of Table FEE RATE-A.

~~(I)~~(I) Standard Streamlined Permits

The Streamlined Standard Permit application processing fee shall be ~~\$865.01 for FY 2017-18 and \$899.61~~930.20 for FY 2018-19 and thereafter, except that the fee shall not exceed the applicable permit processing fee including small business discount if applicable. There shall be no small business discount on the basic fee of ~~\$865.01 for FY 2017-18 and \$899.61~~930.20 for FY 2018-19 and thereafter. Applications submitted for existing equipment which is operating and qualifies for a Streamlined Standard Permit shall be assessed an application processing fee in accordance with the provisions of subparagraph 301(c)(1)~~(DC)~~. Standard Streamlined Permits may be

issued for the following equipment or processes: Replacement dry-cleaning equipment and Lithographic printing equipment.

(2) Fee for Change of Operator or Additional Operator

Under Rule 209 (Transfer and Voiding of Permits), a permit granted by the District is not transferable. Every applicant who files an application for a change of operator or additional operator with the same operating conditions of a Permit to Operate shall be subject to a permit processing fee as follows:

(A) The permit processing fee shall be as established in ~~the Summary Permit Fee Rates—Change of Operator~~ Table FEE RATE-C for equipment at one location so long as the new operator files an application for a Permit to Operate within one (1) year from the last renewal of a valid Permit to Operate and does not change the operation of the affected equipment. All fees billed from the date of application submittal that are associated with the facility for equipment for which a Change of Operator or Additional Operator application is filed, and all facility-specific fees (such as “Hot Spots” fees), must be paid before the Change of Operator or Additional Operator application is accepted. If after an application is received and SCAQMD determines that fees are due, the new operator shall pay such fees within 30 days of notification. If the fees are paid timely, the operator will not be billed for any additional fees billed to the previous operator.

(B) If an application for change of operator of a permit is not filed within one (1) year from the last annual renewal of the permit under the previous operator, the new operator shall submit an application for a new Permit to Operate, along with the permit processing fee as prescribed in subparagraph (c)(1)(A). A higher fee, as described in subparagraph (c)(1)(~~DC~~), shall apply.

(3) Change of Operating Condition, Alteration/Modification/Addition

All delinquent fees, and court judgments in favor of the District and administrative civil penalties associated with the facility must be paid before a Change of Operating Condition, Alteration/Modification/Addition application will be accepted. When an application is filed for a permit involving change of operating conditions, and/or a permit involving proposed alterations/modifications or additions resulting in a change to any existing equipment for which a Permit to Construct or a Permit to Operate

was granted and has not expired in accordance with these rules, the permit processing fee shall be the amount set forth in ~~the Summary Permit Fee Rates~~ ~~Tables~~ FEE RATE-A. The only exceptions to this fee shall be:

- (A) Permits that must be reissued with conditions prohibiting the use of toxic materials and for which no evaluation is required, no physical modifications of equipment are made, and the use of substitute materials does not increase Volatile Organic Compounds (VOC) by more than 0.5 pound in any one day. When an application is filed for a modification described by this exception, the permit processing fee shall be the applicable fee as shown in the table below in this subparagraph:

Facility Type	Non-Title V	Title V
FY 2017-18	\$865.01	\$920.48
FY 2018-19	\$899.61 <u>930.20</u>	\$1,018.70 <u>1,053.34</u>
FY 2019-20 and thereafter	\$899.61 <u>930.20</u>	\$1,127.29 <u>1,165.62</u>

- (B) Permits that must be reissued to reflect the permanent removal of a standby fuel supply, or to render equipment non-operational shall pay the applicable reissue permit fee as shown in the tables below in this subparagraph, as follows:

- (i) Does not result in a new source review emission adjustment:

Facility Type	Non-Title V (per equipment or reissued permit)	Title V (per equipment or reissued permit)
FY 2017-18	\$633.40	\$674.02
FY 2018-19	\$658.73 <u>681.13</u>	\$745.94 <u>771.30</u>
FY 2019-20 and thereafter	\$658.73 <u>681.13</u>	\$825.46 <u>853.53</u>

(ii) Does result in a new source review emission adjustment:

Facility Type	Non-Title V (per equipment)	Title V (per equipment)
FY 2017-18	\$1,660.65	\$1,767.15
FY 2018-19	\$1,727.07 <u>1,785.79</u>	\$1,955.70 <u>2,022.19</u>
FY 2019-20 and thereafter	\$1,727.07 <u>1,785.79</u>	\$2,164.18 <u>2,237.76</u>

(C) Permits reissued for an administrative change in permit description, for splitting a permit into two or more permits based on Equipment/Process listed in Table IA or IB (an application is required for each Equipment/Process) or for a change in permit conditions based on actual operating conditions and which do not require any engineering evaluation and do not cause a change in emissions, shall be charged a fee according to the following schedule:

Schedule	Non-Title V		Title V		
	FY 2017-18	FY 2018-19 and thereafter	FY 2017-18	FY 2018-19	FY 2019-20 and thereafter
A	\$633.40	\$658.74 <u>681.14</u>	\$674.02	\$745.94 <u>771.30</u>	\$825.46 <u>853.53</u>
A1	\$633.40	\$658.74 <u>681.14</u>	\$674.02	\$745.94 <u>771.30</u>	\$825.46 <u>853.53</u>
B	\$865.01	\$899.61 <u>930.20</u>	\$920.48	\$1,018.70 <u>1,053.34</u>	\$1,127.29 <u>1,165.62</u>
B1	\$865.01	\$899.61 <u>930.20</u>	\$920.48	\$1,018.70 <u>1,053.34</u>	\$1,127.29 <u>1,165.62</u>
C	\$865.01	\$899.61 <u>930.20</u>	\$920.48	\$1,018.70 <u>1,053.34</u>	\$1,127.29 <u>1,165.62</u>

Schedule	Non-Title V		Title V		
	FY 2017-18	FY 2018-19 and thereafter	FY 2017-18	FY 2018-19	FY 2019-20 and thereafter
D	\$865.01	\$899.61 <u>930.20</u>	\$920.48	\$1,018.70 <u>1,053.34</u>	\$1,127.29 <u>1,165.62</u>
E	\$865.01	\$899.61 <u>930.20</u>	\$920.48	\$1,018.70 <u>1,053.34</u>	\$1,127.29 <u>1,165.62</u>
F	\$865.01	\$899.61 <u>930.20</u>	\$920.48	\$1,018.70 <u>1,053.34</u>	\$1,127.29 <u>1,165.62</u>
G	\$865.01	\$899.61 <u>930.20</u>	\$920.48	\$1,018.70 <u>1,053.34</u>	\$1,127.29 <u>1,165.62</u>
H	\$865.01	\$899.61 <u>930.20</u>	\$920.48	\$1,018.70 <u>1,053.34</u>	\$1,127.29 <u>1,165.62</u>

- (D) For permits reissued because of Rule 109-~~or Rule 109.1~~, which do not result in Best Available Control Technology (BACT) determination, the permit processing fee shall be 50% of the amount set forth in ~~the Summary Permit Fee Rules~~ Tables FEE RATE-A.
- (4) Fee for Evaluation of Applications for Emission Reductions
Every applicant who files an application for banking of emission reduction credits; change of title of emission reduction credits; alteration/modification of emission reduction credits; or conversion of emission reduction credits, mobile source credits, or area source credits to short term emission reduction credits, as described in paragraph (a)(2) of this rule shall, at the time of filing, pay a processing fee in accordance with Schedule I in ~~the Summary Permit Fee Rates~~ Tables FEE RATE-B. Additionally, the applicant shall, if required by Rule 1310(c), either:
 - (A) Pay a fee for publication of public notice, ~~as specified in Table H (B)~~ and a preparation fee as per Rule 301(ij)(4), or
 - (B) Arrange publication of the public notice independent of the District option and provide to the Executive Officer a copy of the proof of publication.
- (5) Fees for Retirement of Short Term Emission Reduction Credits for Transfer into Rule 2202, and for ERCs Transfer Out of Rule 2202.

Any applicant who files an application to transfer a short term emission reduction credit certificate into Rule 2202 or to transfer ERCs out of Rule 2202 pursuant to Rule 2202 – On-Road Motor Vehicle Mitigation Options shall, at the time of filing, pay the fee as listed in ~~the Summary of ERC Processing Rates, Banking, Change of Title, Alteration/Modification, Conversion to Short Term Credits, Re-Issuance of Short Term Credits, Retirement of Short Term Credits for Transfer Into Rule 2202, and Transfer of ERCs Out of Rule 2202~~ Table FEE RATE-B.

(d) Annual Operating Permit Renewal Fee

(1) Renewal of Permit to Operate

All Permits to Operate (including temporary Permits to Operate pursuant to Rule 202) for equipment on the same premises shall be renewed on the annual renewal date set by the Executive Officer. A Permit to Operate is renewable if the permit is valid according to the District's Rules and Regulations and has not been voided or revoked and if the annual operating permit fee is paid within the time and upon the notification specified in paragraph (d)(8) of this rule and if all court judgments in favor of the District and administrative civil penalties associated with the facility are paid.

(2) Annual Operating Fees

The annual operating permit renewal fee shall be assessed in accordance with the following schedules:

Equipment/Process Schedules in Tables IA and IB	Non-Title V Annual Operating Permit Renewal Fee	Title V Annual Operating Permit Renewal Fee
A1	\$188.78 for FY 2017-18 and \$196.33-203.01 for FY 2018-19 and thereafter	\$200.89 for FY 2017-18, \$222.32-229.88 for FY 2018-19 and \$246.02-254.38 for FY 2019-20 and thereafter
A, B, and B1 (excluding Rule 461 liquid fuel dispensing nozzles)	\$378.28 for FY 2017-18 and \$393.41-406.79 for FY 2018-19 and thereafter	\$402.54 for FY 2017-18, \$445.49-460.64 for FY 2018-19 and \$492.98-509.74 for FY 2019-20 and thereafter
C and D	\$1,354.85 for FY 2017-18 and \$1,409.05-1,456.96 for FY 2018-19 and thereafter	\$1,441.75 for FY 2017-18, \$1,595.58-1,649.83 for FY 2018-19 and 1,765.67 \$1,825.70 for FY 2019-20 and thereafter
E, F, G, and H	\$3,253.18 for FY 2017-18 and \$3,383.30-3,498.33 for FY 2018-19 and thereafter	\$3,461.82 for FY 2017-18, \$3,831.20-3,961.46 for FY 2018-19 and \$4,239.61-4,383.76 for FY 2019-20 and thereafter
Rule 461 liquid fuel dispensing system	\$111.83 for FY 2017-18 and \$116.31-120.26 for FY 2018-19 and thereafter per product dispensed per nozzle	\$119.01 for FY 2017-18, \$131.71-136.19 for FY 2018-19 and \$145.75-150.71 for FY 2019-20 and thereafter per product dispensed per nozzle

In addition to the annual operating permit renewal fees based on equipment/process, each RECLAIM/Title V facility shall pay the additional fee of:

Title V Facility	\$583.62 for FY 2017-18, \$645.89-667.85 for FY 2018-19 and \$714.74-739.04 for FY 2019-20 and thereafter per facility
RECLAIM Facility	\$910.09 for FY 2017-18 and \$946.49-978.67 for FY 2018-19 and thereafter per Major Device
	\$182.02 for FY2017-18 and \$189.30-195.74 for FY2018-19 and thereafter per Large Device
	\$182.02 for FY2017-18 and \$189.30-195.74 for FY2018-19 and thereafter per Process Unit Device
RECLAIM and Title V Facility	RECLAIM fee + Title V fee

(3) Credit for Solar Energy Equipment

Any permittee required to pay an annual operating permit renewal fee shall receive an annual fee credit for any solar energy equipment installed at the site where the equipment under permit is located. Solar energy projects that receive grant funding from the Rule 1309.1 – Priority Reserve account shall not be eligible for this annual fee credit.

(A) Computation

The design capacity of the solar energy equipment expressed in thousands of British Thermal Units (Btu) per hour shall be used to determine the fee credit calculated at ~~\$1.94~~1.97 per 1,000 Btu.

(B) Limitation

The solar energy credit shall not exceed the annual operating permit renewal fee for all permits at the site where the solar energy equipment is located.

(4) Renewal of Temporary Permit to Operate New Equipment

A Permit to Construct, which has not expired or has not been canceled or voided, will be considered a temporary Permit to Operate on the date the applicant completes final construction and commences operation, pursuant to subdivision (a) of Rule 202. For the purposes of this paragraph, the date specified as the estimated completion date on the application for Permit to Construct will be considered the date of commencement of operation, unless the applicant notifies the District in writing that operation will commence on another date, or unless the equipment already has been placed

in operation. Such temporary Permit to Operate shall be valid for the period of time between commencement of operation and the applicant's next annual renewal date following commencement of operation and shall be subject to a prorated amount of the annual operating permit renewal fee prescribed in paragraph (d)(2). The proration shall be based on the time remaining to the next annual renewal date. On that next annual renewal date, and each year thereafter, the annual operating permit renewal fee for the temporary Permit to Operate shall be due in the amount prescribed in paragraph (d)(2).

(5) **Renewal of Temporary Permit to Operate Existing Equipment**

In the case of equipment operating under a temporary Permit to Operate issued pursuant to subdivision (c) of Rule 202, where a Permit to Construct was not issued, the company is immediately subject to a prorated amount of the annual operating permit renewal fee prescribed in paragraph (d)(2) following the submission of the completed application for Permit to Operate. The proration shall be based on the time remaining to the next annual renewal date. On that next annual renewal date, and each year thereafter, the annual operating permit renewal fee shall be due in the amount prescribed in paragraph (d)(2). If no annual renewal date has been established, the Executive Officer shall set one upon receipt of the application.

(6) **Annual Renewal Date**

If, for any reason, the Executive Officer determines it is necessary to change the annual renewal date, all annual operating permit renewal fees shall be prorated according to the new annual renewal date.

(7) **Annual Renewal Date for Change of Operator**

The same annual renewal date shall apply from one change of operator to another.

(8) **Notice of Amount Due and Effect of Nonpayment**

At least thirty (30) days before the annual renewal date, the owner/operator of equipment under permit will be notified by mail of the amount to be paid and the due date. If such notice is not received at least thirty (30) days before the annual renewal date, the owner/operator of equipment under permit shall notify the District on or before the permit renewal date that said notice was not received. The annual operating permit renewal fee for each permit shall be in the amount described in paragraph (d)(2). If the annual operating permit renewal fee is not paid within thirty (30) days after the due

date, the permit will expire and no longer be valid. In the case of a RECLAIM facility, if the individual device fee(s) are not paid, the application(s) associated with the device(s) shall expire and no longer be valid. For a Title V facility, if the Title V facility fee, which is not based on any specific equipment but applies to the whole facility, is not paid, the Title V facility permit shall expire. In such a case, the owner/operator will be notified by mail of the expiration and the consequences of operating equipment without a valid permit, as required by Rule 203 (Permit to Operate). For the purpose of this paragraph, the fee payment will 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 state holiday with the same effect as if it had been postmarked on the expiration date.

(9) Annual Operating Fees for Redundant Emission Controls

Any person holding permits to operate for two or more emission controls applicable to the same equipment who establishes that any of the emission controls is redundant, i.e., not necessary to assure compliance with all applicable legal requirements, shall not be required to pay annual operating permit renewal fees under subdivision (d) for the redundant equipment. The Executive Officer may reinstate the obligation to pay such fees at any time upon determination that operating the control is or has become necessary to assure compliance with any applicable legal requirements.

(e) Annual Operating Emissions Fee

(1) Annual Operating Emission Fee Applicability

In addition to the annual operating permit renewal fee, the owner/operator of all equipment operating under permit shall pay an annual emissions fee based on the total weight of emissions of each of the contaminants specified in Table III from all equipment used by the operator at all locations, including total weight of emissions of each of the contaminants specified in Table III resulting from all products which continue to passively emit air contaminants after they are manufactured, or processed by such equipment, with the exception of such product that is shipped or sold out of the District so long as the manufacturer submits records which will allow for the determination of emissions within the District from such products.

(2) Emissions Reporting and Fee Calculation

For the reporting period July 1, 2000 to June 30, 2001, and all preceding reporting periods, emissions from equipment not requiring a written permit pursuant to Regulation II shall be reported but not incur a fee for emissions so long as the owner/operator keeps separate records which allow the determination of emissions from such non-permitted equipment. Notwithstanding the above paragraph, for the purposes of Rule 317 – Clean Air Act Non-Attainment Fees, all major stationary sources of NOx and VOC, as defined in Rule 317, shall annually report and pay the appropriate clean air act non-attainment fees for all actual source emissions including but not limited to permitted, unpermitted, unregulated and fugitive emissions. Beginning with the reporting period of July 1, 2001 to June 30, 2002, and for subsequent reporting periods, each facility with total emissions including emissions from equipment or processes not requiring a written permit pursuant to Regulation II greater than or equal to the threshold amount of contaminants listed in paragraph (e)(5) shall report all emissions and incur an emissions fee as prescribed in Table III.

Non-permitted emissions which are not regulated by the District shall not be reported and shall be excluded from emission fees if the facility provides a demonstration that the emissions are not regulated and maintains sufficient records to allow the accurate demonstration of such non-regulated emissions.

(3) Exception for the Use of Clean Air Solvents

An owner/operator shall not pay a fee for emissions from the use of Clean Air Solvents issued a valid Certificate from the District so long as the facility submits separate records which allow the determination of annual emissions, usage, and identification of such products. A copy of the Clean Air Solvent certificate issued to the manufacturer or distributor shall be submitted with the separate records.

(4) Flat Annual Operating Emission Fee

The owner/operator of all equipment operating under at least one permit (not including certifications, registrations or plans) shall each year be assessed a flat annual emissions fee of ~~\$127.46~~131.79.

(5) Emission Fee Thresholds

Each facility with emissions greater than or equal to the threshold amount of the contaminant listed below shall be assessed a fee as prescribed in Table III.

TABLE III

Air Contaminant(s)	Annual Emissions Threshold (TPY)
Gaseous sulfur compounds (expressed as sulfur dioxide)	≥4 TPY
Total organic gases (excluding methane, exempt compounds as specified in paragraph (e)(13), and specific organic gases as specified in paragraph (b)(28))	≥4 TPY
Specific organic gases	≥4 TPY
Oxides of nitrogen (expressed as nitrogen oxide)	≥4 TPY
Total particulate matter	≥4 TPY
Carbon monoxide	≥100 TPY

- (6) **Clean Fuels Fee Thresholds**
 Each facility emitting 250 tons or more per year (≥ 250 TPY) of Volatile Organic Compounds, Nitrogen Oxides, Sulfur Oxides and Particulate Matter shall pay an annual clean fuels fee as prescribed in Table V (California Health and Safety Code Section 40512).
- (7) **Fees for Toxic Air Contaminants or Ozone Depleters**
 Each facility emitting a toxic air contaminant or ozone depleter greater than or equal to the annual thresholds listed in Table IV shall be assessed an annual emissions fee as indicated therein. The annual emissions fee for toxic air contaminants and ozone depleters shall be based on the total weight of emissions of these contaminants associated with all equipment and processes including, but not limited to, material usage, handling, processing, loading/unloading; combustion byproducts, and fugitives (equipment/component leaks).
 - (A) Any dry cleaning facility that emits less than two (2) tons per year of perchloroethylene, and qualifies as a small business as defined in the general definition of Rule 102, shall be exempt from fees listed in Table IV. This provision shall be retroactive to include the July 10, 1992, rule amendment which included perchloroethylene in Table IV.
 - (B) Any facility that emits less than two (2) tons per year, of formaldehyde, perchloroethylene, or methylene chloride, may petition the Executive Officer, at least thirty (30) days prior to the

official submittal date of the annual emissions report as specified in paragraph (e)(10), for exemption from formaldehyde, perchloroethylene, or methylene chloride fees as listed in Table IV. Exemption from emissions fees shall be granted if the facility demonstrates that no alternatives to the use of these substances exist, no control technologies exist, and that the facility qualifies as a small business as defined in the general definition of Rule 102.

- (8) Reporting of Total Emissions from Preceding Reporting Period and Unreported or Under-reported Emissions from Prior Reporting Periods
- (A) The owner/operator of equipment subject to paragraph (e)(1), (e)(2), (e)(5), (e)(6), and (e)(7) shall report to the Executive Officer the total emissions for the immediate preceding reporting period of each of the air contaminants concerned from all equipment. The report shall be made at the time and in the manner prescribed by the Executive Officer. The permit holder shall report the total emissions for the twelve (12) month period reporting for each air contaminant concerned from all equipment or processes, regardless of the quantities emitted.
- (B) The Executive Officer will determine default emission factors applicable to each piece of permitted equipment or group of permitted equipment, and make them available to the owner/operator in a manner specified by the Executive Officer and provide them to the owner/operator upon request. In determining emission factors, the Executive Officer will use the best available data. A facility owner/operator can provide alternative emission factors that more accurately represent actual facility operations subject to the approval of the Executive Officer.
- (C) A facility owner/operator shall report to the Executive Officer, in the same manner, and quantify any emissions of air contaminants in previous reporting periods which had not been reported correctly and should have been reported under the requirements in effect in the reporting period in which the emissions occurred.
- (9) Request to Amend Emissions Report and Refund of Emission Fees
- (A) A facility owner/operator shall submit a written request (referred to as an “Amendment Request”) for any proposed revisions to previously submitted annual emissions reports. Amendment requests with no fee impact, submitted after one (1) year and seventy

five (75) days from the official due date of the subject annual emissions report shall include a non-refundable standard evaluation fee of ~~\$332.65~~343.96 for each subject facility and reporting period. Evaluation time beyond two hours shall be assessed at the rate of ~~\$166.35~~172.01 per hour and shall not exceed ten (10) hours. Amendment requests received within one year (1) and seventy five (75) days from the official due date of a previously submitted annual emissions report shall not incur any such evaluation fees. The Amendment Request shall include all supporting documentation and copies of revised applicable forms.

- (B) A facility owner/operator shall submit a written request (referred to as a “Refund Request”) to correct the previously submitted annual emissions reports and request a refund of overpaid emission fees. Refund Requests must be submitted within one (1) year and seventy five (75) days from the official due date of the subject annual emissions report to be considered valid. The Refund Request shall include all supporting documentation and copies of revised applicable forms. If the Refund Request is submitted within one (1) year and seventy five (75) days from the official due date of the subject annual emissions report, and results in no fee impact, then the facility owner/operator shall be billed for the evaluation fee pursuant to subparagraph (e)(9)(A).

(10) Notice to Pay and Late Filing Surcharge

- (A) A notice to report emissions and pay the associated emission fees will be mailed annually to the owners/operators of all equipment (as shown in District records) to which this subdivision applies. A notice to pay the semi-annual fee specified in paragraph (e)(11) will also be mailed to facilities which in the preceding reporting year emitted any air contaminant equal to or greater than the emission thresholds specified in subparagraph (e)(11)(A). Emissions reports and fee payments are the responsibility of the owner/operator regardless of whether the owner/operator was notified.

If both the fee payment and the completed emissions report are not received by the seventy-fifth (75th) day following July 1 (for semi-annual reports), or January 1 (for annual reports), they shall be considered late, and surcharges for late payment shall be imposed as set forth in subparagraph (e)(10)(B). For the purpose of this

subparagraph, the emissions fee payment and the emissions report shall be considered to be timely received by the District if it is postmarked on or before the seventy-fifth (75th) day following the official due date. If the seventy-fifth (75th) day falls on a Saturday, Sunday, or a state holiday, the fee payment and emissions report may be postmarked on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if they had been postmarked on the seventy-fifth (75th) day.

- (B) If fee payment and emissions report are not received within the time prescribed by subparagraph (e)(10)(A), a surcharge shall be assessed and added to the original amount of the emission fee due according to the following schedule:

Less than 30 days	5% of reported amount
30 to 90 days	15% of reported amount
91 days to 1 year	25% of reported amount
More than 1 year	(See subparagraph (e)(10)(D))

- (C) If an emission fee is timely paid, and if, within one year after the seventy-fifth (75th) day from the official due date is determined to be less than ninety percent (90%) of the full amount that should have been paid, a fifteen percent (15%) surcharge shall be added, and is calculated based on the difference between the amount actually paid and the amount that should have been paid, to be referred to as underpayment. If payment was ninety percent (90%) or more of the correct amount due, the difference or underpayment shall be paid but with no surcharges added. The fee rate to be applied shall be the fee rate in effect for the year in which the emissions actually occurred. If the underpayment is discovered after one (1) year and seventy five (75) days from the official fee due date, fee rates and surcharges will be assessed based on subparagraph (e)(10)(D).
- (D) The fees due and payable for the emissions reported or reportable pursuant to subparagraph (e)(8)(~~D~~C) shall be assessed according to the fee rate for that contaminant specified in Tables III, IV, and V, and further increased by fifty percent (50%). The fee rate to be applied shall be the fee rate in effect for the year in which the emissions are actually reported, and not the fee rate in effect for the year the emissions actually occurred.

(E) If one hundred twenty (120) days have elapsed since January 1st, July 1st, or as applicable, and all emission fees including any surcharge have not been paid in full, the Executive Officer may take action to revoke all Permits to Operate for equipment on the premises, as authorized in Health and Safety Code Section 42307.

(11) Semi-Annual Emissions Fee Payment

(A) For facilities emitting the threshold amount of any contaminant listed below, the Executive Officer will estimate one half (1/2) of the previous annual emission fees and request that the permit holder pay such an amount as the first installment on annual emission fees for the current reporting period.

Air contaminant(s)	Annual emissions threshold (TPY)
Gaseous sulfur compounds (expressed as sulfur dioxide)	≥10 TPY
Total organic gases (excluding methane, exempt compounds as specified in paragraph (e)(13), and specific organic gases as specified in paragraph (b)(28))	≥10 TPY
Specific organic gases	≥10 TPY
Oxides of nitrogen (expressed as nitrogen dioxide)	≥10 TPY
Total particulate matter	≥10 TPY
Carbon monoxide	≥100 TPY

(B) In lieu of payment of one half the estimated annual emission fees, the owner/operator may choose to report and pay on actual emissions for the first six months (January 1 through June 30). By January 1 of the year following the reporting period, the permit holder shall submit a final Annual Emission Report together with the payment of the balance; the annual emission fees less the installment previously paid. The report shall contain an itemization of emissions for the preceding twelve (12) months of the reporting period (January 1 through December 31).

(C) An installment fee payment is considered late and is subject to a surcharge if not received within seventy five (75) days of the due date pursuant to paragraph (e)(10).

(12) Fee Payment Subject to Validation

Acceptance of a fee payment does not constitute validation of the emission data.

(13) Exempt Compounds

Emissions of acetone, ethane, methyl acetate, parachlorobenzotrifluoride (PCBTF), and volatile methylated siloxanes (VMS), shall not be subject to the requirements of Rule 301(e).

(14) Reporting Emissions and Paying Fees

For the reporting period of January 1 through December 31, emission fees shall be determined in accordance with fee rates specified in Tables III, IV and V, and paragraph (e)(2). Installment fees that have been paid for Semi-Annual Emission Fees shall not be subject to this provision.

(15) Deadline for Filing Annual Emissions Report and Fee Payment

Notwithstanding any other applicable Rule 301(e) provisions regarding the annual emissions report and emission fees, for the reporting period January 1 through December 31, the fee payment and the completed annual emissions report shall be received by the District, or postmarked, on or before the seventy-fifth (75th) day following January 1 of the subsequent year to avoid any late payment surcharges specified in subparagraph (e)(10)(B).

(16) Reporting GHG Emissions and Paying Fees

A facility that is subject to the California Air Resources Board (CARB)'s mandatory reporting of Greenhouse Gas (GHG) emissions may request District staff to review and verify the facility's GHG emissions. The fee for review and verification for each GHG emissions report shall consist of an initial submittal fee of ~~\$131.31~~135.77 in addition to a verification fee assessed at ~~\$135.90~~140.52 per hour or prorated portion thereof.

(f) Certified Permit Copies and Reissued Permits

A request for a certified permit copy shall be made in writing by the permittee after the destruction, loss, or defacement of a permit. A request for a permit to be reissued shall be made in writing by the permittee where there is a name or address change without a change of operator or location. The permittee shall, at the time a written request is submitted, pay the fees to cover the cost of the certified permit copy or reissued permit as follows:

(1) Certified Permit Copy

Facility Type	Non-Title V	Title V
FY 2017-18	\$28.08	\$29.88
FY 2018-19	\$29.20 <u>30.19</u>	\$33.07 <u>34.19</u>
FY 2019-20 and thereafter	\$29.20 <u>30.19</u>	\$36.60 <u>37.84</u>

(2) Reissued Permit

Facility Type	Non-Title V	Title V
FY 2017-18	\$217.39	\$231.33
FY 2018-19	\$226.08 <u>233.77</u>	\$256.01 <u>264.71</u>
FY 2019-20 and thereafter	\$226.08 <u>233.77</u>	\$283.30 <u>292.93</u>

No fee shall be assessed to reissue a permit to correct an administrative error by District staff.

(g) Reinstating Expired Applications or Permits; Surcharge

An application or a Permit to Operate which has expired due to nonpayment of fees or court judgments in favor of the District or administrative civil penalties associated with the facility may be reinstated by submitting a request for reinstatement of the application or Permit to Operate accompanied by a reinstatement surcharge and payment in full of the amount of monies due at the time the application or Permit to Operate expired. The reinstatement surcharge shall be fifty percent (50%) of the amount of fees due per equipment at the time the application or Permit to Operate expired, or the following amount, whichever is lower:

Permit Holder Per Equipment Fee	Title V Facility	Non-Title V Facility	Other Facility Type
FY 2017-18	\$245.43	\$230.64	\$230.64
FY 2018-19	\$271.62 <u>280.86</u>	\$239.87 <u>248.03</u>	\$239.87 <u>248.03</u>
FY 2019-20 and thereafter	\$300.57 <u>310.79</u>	\$239.87 <u>248.03</u>	\$239.87 <u>248.03</u>

Such request and payment shall be made within one (1) year of the date of expiration. An application or Permit to Operate which has expired due to nonpayment of fees shall not be reinstated if the affected equipment has been altered since the expiration of the application or Permit to Operate. If the period of expiration has exceeded one (1) year or the affected equipment has been altered, operation of the equipment shall require a new Permit to Operate and the application shall be subject to Rule 1313(b).

(h) Reinstating Revoked Permits

If a Permit to Operate is revoked for nonpayment of annual permit fees based on emissions or fees on non-permitted emissions, it may be reinstated upon payment by the permit holder of such overdue fees and accrued surcharge in accordance with (e)(910).

(i) Clean Air Act Non-Attainment Fees

Any fees remitted to the District pursuant to Rule 317 – Clean Air Act Non-attainment Fees shall be held in escrow accounts unique to each source. Fees accrued in such escrow accounts may be used for either of the following at the discretion of the source’s owner or operator.

- (1) Creditable up to the amount of fees due by the same source during the calendar year or subsequent calendar year(s) for annual emissions fees due pursuant to Rule 301(e)(2), (4), (6), (7) and (11) and annual operating permit renewal fees due pursuant to Rule 301(d)(1), (2) and (4). In no case shall the credit be greater than the fees paid; or
- (2) Use by the owner or operator for VOC and NOx reduction programs at their source that are surplus to the State Implementation Plan according to the following prioritization:
 - (A) at the source; or

- (B) use within another facility under common ownership; or
- (C) use in the community adjacent to the facility; or
- (D) other uses to reduce emissions.

Up to five percent of funds can be used by the South Coast Air Quality Management District for administrative support for items in paragraph (i)(2).

(j) **Special Permit Processing Fees - California Environmental Quality Act (CEQA) Assistance, Air Quality Analysis, Health Risk Assessment, and Public Notice for Projects**

(1) **Payment for CEQA Assistance**

(A) **CEQA Document Preparation**

When a determination is made by the Executive Officer that the District is the Lead Agency for a project, pursuant to the California Environmental Quality Act (CEQA), Public Resources Code Section 21000 et seq. and state CEQA Guidelines (14 California Code of Regulations section 15000 et seq.), the project applicant may be required to pay a review fee (based on a staff rate of ~~\$166.35~~ 172.01 per hour) when a 400-CEQA form requires the CEQA staff to review for CEQA applicability. If preparation of CEQA documentation is deemed necessary, the applicant shall pay an initial fee for the preparation of necessary CEQA documentation according to the following schedule:

Notice of Exemption (upon applicant request)	\$332.69 <u>344.00</u>
Negative Declaration (ND), <u>including Supplemental or Subsequent ND</u>	\$5,016.90 <u>5,187.47</u>
Mitigated Negative Declaration (MND), <u>including Supplemental or Subsequent MND</u>	\$5,016.90 <u>5,187.47</u>
Environmental Impact Report (EIR), <u>including Supplemental or Subsequent EIR</u>	\$6,689.15 <u>6,916.58</u>
Supplemental or Subsequent EIR	\$6,689.15
Addendum to EIR, <u>including Addendum to ND/MND</u>	\$3,466.69 <u>3,584.56</u>

If the Executive Officer determines that the District's CEQA preparation costs (may include, but not limited to, mailing, noticing,

publications, et cetera) and staff time (based on the rate of ~~\$166.35~~172.01 per hour) exceed the initial fee the project applicant, upon notification from the District, shall make periodic payment of the balance due. The Executive Officer shall determine the amount and timing of such periodic payments, based upon the level of CEQA analysis and the amount of monies needed to offset the actual preparation costs.

(B) CEQA Document Assistance

When the District is not the Lead Agency for a project and a request is made by: another public agency; a project proponent; or any third party, for staff assistance with any of the following tasks including, but not limited to: reviewing all or portions of a CEQA document and air quality analysis protocols for emissions inventories and air dispersion modeling prior to its circulation to the public for review pursuant to Public Resources Code §21092; assisting lead agencies with developing and implementing mitigation measures, the requestor may be required to pay a fee for staff time at the rate of ~~\$166.35~~172.01 per hour. This fee shall not apply to review of CEQA documents prepared by other public agencies that are available for public review pursuant to Public Resources Code §21092 and is part of the District's intergovernmental review responsibilities under CEQA.

(2) Payment for Air Quality Analysis

When a determination is made by the Executive Officer that an air quality analysis of the emissions from any source is necessary to predict the extent and amount of air quality impact prior to issuance of a permit, the Executive Officer may order air quality simulation modeling by qualified District personnel. Alternatively, the Executive Officer may require (or the owner/operator of the source may elect) that modeling be performed by the owner/operator or an independent consultant.

Where modeling is performed by the owner/operator or an independent consultant, the Executive Officer may require that the results be verified by qualified District personnel. The owner/operator of the source shall provide to the Executive Officer a copy of the final modeling report including all input data, description of methods, analyses, and results. The owner/operator of the source modeled by District personnel shall pay a fee as specified in Table IIA to cover the costs of the modeling analysis. A fee,

as specified in Table IIA, shall be charged to offset the cost of District verification of modeling performed by an independent consultant.

- (3) Payment for Health Risk Assessment
- (A) When a determination is made by the Executive Officer that any source being evaluated for a Permit to Construct or a Permit to Operate may emit toxic or potentially toxic air contaminants, the Executive Officer may order a Health Risk Assessment be conducted by qualified District personnel or by a qualified consultant, as determined by the Executive Officer, engaged by the District under a contract. Alternatively, the Executive Officer may require (or owner/operator of the source may elect) that the assessment be performed by the owner/operator or an independent consultant engaged by the owner/operator. The Health Risk Assessment shall be performed pursuant to methods used by the California EPA's Office of Environmental Health Hazard Assessment.
- (B) For a Health Risk Assessment conducted by the owner/operator of the source or the owner/operator's consultant, the Executive Officer may require that the results be verified by qualified District personnel or by a qualified consultant engaged by the District. The owner/operator of the source shall provide to the Executive Officer a copy of the final Health Risk Assessment including all input data, and description of methods, analyses, and results. The owner/operator of the source for which a Health Risk Assessment is conducted or is evaluated and verified by District personnel or consultant shall pay the fees specified in Table IIA to cover the costs of an Air Quality Analysis and Health Risk Assessment analysis, evaluation, or verification. When the Health Risk Assessment is conducted or is evaluated and verified by a consultant engaged by the District, or District personnel, the fees charged will be in addition to all other fees required.
- (C) When a Health Risk Assessment is evaluated by the California EPA, pursuant to Health and Safety Code Sections 42315, 44360, 44361 or 44380.5, or by a consultant engaged by the California EPA, or when the District consults with the California EPA regarding the Health Risk Assessment, any fees charged by the California EPA to the District will be charged to the person whose Health Risk

Assessment is subject to the review, in addition to other fees required.

(4) Payment for Public Notice

An applicant shall pay the applicable fee, for preparation of any public notice as required by the rules, as shown below in this paragraph:

Public Notification Type	Non-Title V Source	Title V Source
For a project requiring notification as defined in Rule 212(c)	\$1,008.50 for FY 2017-18 and \$1,048.841,084.50 for FY 2018-19 and thereafter	\$1,073.18 for FY 2017-18, \$1,187.691,228.07 for FY 2018-19 and \$1,314.30-1,358.99 for FY 2019-20 and thereafter
For emission reduction credits (ERCs) in excess of the amounts as specified in Rule 1310(c)	\$1,008.50 for FY 2017-18 and \$1,048.841,084.50 for FY 2018-19 and thereafter	\$1,073.18 for FY 2017-18, \$1,187.691,228.07 for FY 2018-19 and \$1,314.30-1,358.99 for FY 2019-20 and thereafter
Requesting allocations from the Offset Budget or requesting the generation or use of any Short Term Credit (STCs)	\$1,008.50 for FY 2017-18 and \$1,048.841,084.50 for FY 2018-19 and thereafter	\$1,073.18 for FY 2017-18, \$1,187.691,228.07 for FY 2018-19 and \$1,314.30-1,358.99 for FY 2019-20 and thereafter
Significant revision of a Title V permit	---	\$1,073.18 for FY 2017-18, \$1,187.691,228.07 for FY 2018-19 and \$1,314.30-1,358.99 for FY 2019-20 and thereafter

The notice preparation fee is waived for existing dry cleaning operations at the same facility that install, modify or replace dry cleaning equipment to comply with Rule 1421 provided there is a concurrent removal from service of the perchloroethylene equipment. Eligibility includes converting from perchloroethylene to non-toxic alternative solvents, including non-toxic hydrocarbon solvents. In addition, an applicant for a project subject to the requirements of Rule 212(g) shall either:

- (A) Pay the actual cost a fee, as invoiced~~specified in Table IIB~~, for publication of the notice by prominent advertisement in the newspaper of general circulation in the area affected where the facility is located and for the mailing of the notice to persons identified in Rule 212(g), or
 - (B) Arrange publication of the above notice independent of the District option. This notice must be by prominent advertisement in the newspaper of general circulation in the area affected where the facility is located. Where publication is performed by the owner/operator or an independent consultant, the owner/operator of the source shall provide to the Executive Officer a copy of the proof of publication.
- (5) Payment for Review of Continuous Emissions Monitoring System (CEMS), Fuel Sulfur Monitoring System (FSMS), and Alternative Continuous Emissions Monitoring System (ACEMS)
- (A) New Application for Process Equipment Requiring CEMS or, Alternatively, an FSMS or ACEMS to Comply with the CEMS Requirement.
When a determination is made by the Executive Officer that a Continuous Emissions Monitoring System (CEMS) is required in order to determine a source's compliance with a District rule or regulation, the applicant shall:
 - (i) Apply for the use of a CEMS and pay a basic processing fee as specified in Table IIB~~C~~ at the time of filing.
 - (ii) Apply for the use of an FSMS or ACEMS in lieu of a CEMS and pay a basic processing fee as specified in Table IIB~~C~~ at the time of filing.
 - (B) Modification of an Existing Certified CEMS, FSMS, or ACEMS
If a certified CEMS, FSMS, or ACEMS is modified in a manner (excluding routine replacement or servicing of CEMS or FSMS components for preventive or periodic maintenance according to established quality assurance guidelines, or CEMS or FSMS components designated by the Executive Officer as "standardized" or direct replacement-type components) determined by the Executive Officer to compromise a source's compliance with a District rule or regulation, the applicant shall pay a processing fee

covering the evaluation of the modification and recertification, if necessary, as follows:

- (i) If one or more CEMS or FSMS components (excluding additional pollutant monitors) are replaced, modified, or added, the applicant shall pay a minimum processing fee of ~~\$887.67~~907.51; and additional fees will be assessed at a rate of ~~\$166.35~~172.01 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$5,549.80~~5738.49.
 - (ii) If one or more pollutant monitors are added to a CEMS or FSMS (and one or more of its components are concurrently replaced, modified, or added), the applicant shall pay a minimum processing fee as specified in Table IIB~~C~~, based on the number of CEMS or FSMS pollutant monitors and components added.
 - (iii) If one or more pollutant emission sources at a facility are added to an FSMS, a time-shared CEMS, or a SO_x CEMS which is specifically used to “back-calculate” fuel sulfur content for these sources, the applicant shall pay a minimum processing fee as specified in Table IIB~~C~~, based on the number of CEMS or FSMS monitors and components added.
 - (iv) If one or more ACEMS (or PEMS) components are replaced, modified, or added, the applicant shall pay a minimum processing fee ~~\$877.67~~907.51; and additional fees will be assessed at a rate of ~~\$166.35~~172.01 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$5,549.80~~5738.49.
- (C) **Modification of CEMS, FSMS, or ACEMS Monitored Equipment**
For any RECLAIM or non-RECLAIM equipment monitored or required to be monitored by a CEMS, FSMS, or ACEMS, that is modified in a manner determined by the Executive Officer to compromise a source’s compliance with a District CEMS-, FSMS-, or ACEMS-related rule or regulation, or requires an engineering evaluation, or causes a change in emissions; the applicant shall pay a minimum processing fee of ~~\$877.67~~907.51, covering the evaluation and recertification, if necessary, of the CEMS, FSMS, or ACEMS. Additional fees will be assessed at a rate of

~~\$166.35~~172.01 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$5,549.80~~5738.49.

- (D) Periodic Assessment of an Existing ~~RECLAIM~~-CEMS, FSMS, or ACEMS

An existing ~~RECLAIM~~-CEMS, FSMS, or ACEMS, ~~which undergoes certification as in (i)(5)(A)~~, must be retested on a quarterly, semi-annual, or annual basis to remain in compliance with District ~~R~~regulations ~~XX~~. The applicant shall pay a minimum processing fee of ~~\$877.67~~907.51 for this evaluation, if required. Additional fees will be assessed at a rate of ~~\$166.35~~172.01 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$5,549.80~~5738.49.

- (E) CEMS, FSMS, or ACEMS Change of Ownership

Every applicant who files an application for a change of operator of a RECLAIM or non-RECLAIM facility permit shall also file an application for a change of operator of a CEMS, FSMS, or ACEMS, if applicable, and be subject to a processing fee equal to ~~\$264.61~~273.61 for the first CEMS, FSMS, or ACEMS, plus ~~\$52.78~~54.57 for each additional CEMS, FSMS, or ACEMS.

- (6) Payment for Review and Certification of Barbecue Charcoal Igniter Products

- (A) Certification of Barbecue Charcoal Igniter Products

Pursuant to the requirements of District Rule 1174, manufacturers, distributors, and/or retailers of applicable barbecue charcoal igniter products shall perform the required testing and shall submit a formal report for review by SCAQMD staff for product compliance and certification. For each product evaluated, the applicant shall pay a minimum processing fee of ~~\$656.47~~678.79 per product certified, and additional fees will be assessed at the rate of ~~\$131.31~~135.77 per hour for time spent on the evaluation/certification process in excess of 5 hours.

- (B) Repackaging of Certified Barbecue Charcoal Igniter Products

When a currently certified barbecue charcoal igniter product is repackaged for resale or redistribution, the manufacturer, distributor, and/or retailer shall submit the required documentation to SCAQMD staff for evaluation and approval. For each product or products evaluated, the applicant shall pay a processing fee of

~~\$328.26~~339.42 for the first certificate issued, and additional fees will be assessed at the rate of ~~\$131.34~~135.77 per hour for the time spent in excess of 3 hours for the first certificate issued. Additional certificates for the same product or products shall be assessed at the rate of ~~\$65.62~~67.85 per each additional certificate issued.

(7) Fees for Inter-basin, Inter-district, or Interpollutant Transfers of Emission Reduction Credits

An applicant for inter-basin, inter-district, or interpollutant transfer of ERCs shall file an application for ERC Change of Title and pay fees as listed in ~~the Summary ERC Processing Rates — Banking, Change of Title, Alteration/Modification Table~~ FEE RATE-B. Additional fees shall be assessed at a rate based on the number of hours for the time spent on review and evaluation of inter-basin, inter-district, and interpollutant transfers of ERCs pursuant to Rule 1309 subdivisions (g) and (h).

Facility Type	Non-Title V	Title V
FY 2017-18	\$173.00/hr	\$184.10/hr
FY 2018-19	\$179.92 <u>186.04/hr</u>	\$203.74 <u>210.67/hr</u>
FY 2019-20 and thereafter	\$179.92 <u>186.04/hr</u>	\$225.46 <u>233.13/hr</u>

(8) Fees for Grid Search to Identify Hazardous Air Pollutant Emitting Facilities
A fee of ~~\$330.50~~341.74 shall be submitted by any individual, business or agency requesting the District to conduct a grid search to identify all facilities with the potential to emit hazardous air pollutants located within one-quarter mile of a proposed school boundary.

Failure to pay the fees described in this subdivision within thirty (30) days after their due date(s) shall result in expiration of pending applications, and no further applications will be accepted from the applicant until the fees have been paid in full.

(k) Government Agencies

All applicants and permittees, including federal, state, or local governmental agencies or public districts, shall pay all fees.

(l) RECLAIM Facilities

(1) For RECLAIM facilities, this subdivision specifies additional conditions and procedures for assessing the following fees:

- (A) Facility Permit;
- (B) Facility Permit Amendment;
- (C) Change of Operating Condition;
- (D) Change of Operator;
- (E) Annual Operating Permit;
- (F) Transaction Registration;
- (G) RECLAIM Pollutant Emission;
- (H) Duplicate Permits;
- (I) Reissued Permits;
- (J) RECLAIM Breakdown Emissions; and
- (K) Non-Tradeable Allocation Credit Mitigations.

(2) RECLAIM Fees Applicability

All RECLAIM Facility Permit holders shall be subject to this subdivision.

(3) Rule 301 - Permit Fees Applicability

Unless specifically stated, all RECLAIM Facility Permit holders shall be subject to all other provisions of Rule 301 - Permit Fees.

~~(4) Facility Permit Fees~~

~~(A) Existing facilities entering the RECLAIM program after initial implementation of the RECLAIM program will pay 10 percent of the sum of the permit processing fees from the Summary Permit Fee Rates tables for each equipment merged into the Facility Permit, with a minimum fee as shown in the following table below in this subparagraph:~~

Facility Type	Non-Title V	Title V
FY 2017-18	\$576.81	\$613.81
FY 2018-19	\$599.88	\$679.30
FY 2019-20 and thereafter	\$599.88	\$751.71

~~(B) New facilities with new equipment entering the RECLAIM program will pay a Facility Permit Fee equal to the sum total of the permit~~

~~processing fees from the Summary Permit Fee Rates tables for each equipment merged into the Facility Permit.~~

(54) Facility Permit Amendment

At the time of filing an application for a Facility Permit Amendment, a Facility Permit Amendment Fee shall be paid and an application for such amendment shall be submitted. The Facility Permit Amendment Fees for an application or group of applications that requires an engineering evaluation or causes a change in emissions are listed in Table VII and shall be based on the type of facility permit, as follows: Facility Permit Amendment Fees are in addition to

Facility Permit Amendment Fee	RECLAIM	Title V	RECLAIM & Title V
FY 2017-18	\$1,088.60	\$1,158.42	\$2,247.02
FY 2018-19	\$1,132.14	\$1,282.02	\$2,414.16
FY 2019-20 and thereafter	\$1,132.14	\$1,418.68	\$2,550.82

~~plus the sum of applicable fees assessed for each application required for affected equipment as specified in the Summary Permit Fee Rate tables. The Facility Permit Amendment Fee for an application that does not require an engineering evaluation or causes a change in emissions shall be based on the type of facility permit as follows:~~

Facility Permit Amendment Fee	RECLAIM	Title V	RECLAIM & Title V
FY 2017-18	\$1,088.60	\$1,158.42	\$2,247.02
FY 2018-19	\$1,132.14	\$1,282.02	\$2,414.16
FY 2019-20 and thereafter	\$1,132.14	\$1,418.68	\$2,550.82

~~plus the applicable administrative permit change fee based on the equipment schedule as set forth in Rule 301 subparagraph (c)(3)(C) (for administrative equipment applications) or Table FEE RATE-A (for non-administrative equipment applications) or Rule 306 (i)(1) for each application required for affected equipment. All delinquent fees, court judgments in favor of the~~

District and administrative civil penalties associated with the facility must be paid before a Facility Permit Amendment application will be accepted.

(65) Change of Operating Condition

At the time of filing an application for a Change of Operating Conditions that requires engineering evaluation or causes a change in emissions, a Change of Condition Fee shall be paid. Such fee shall be equal to the sum of fees assessed for each equipment subject to the change of condition as specified in ~~the Summary Permit Fee Rates—Permit Processing, Change of Conditions, Alteration/Modification~~ Table FEE RATE-A ~~and in the Summary ERC Processing Rates—Banking, Change of Title, Alteration/Modification~~ table. All delinquent fees associated with the affected facility subject to the change of condition must be paid before a Change of Operating Conditions application will be accepted.

(76) Fee for Change of Operator

The Permit Processing Fee for a Change of Operator of a RECLAIM facility permit shall be determined from ~~the Table FEE RATE-C~~ Summary of Permit Fee Rates—Change of Operator, Non-Small Business. In addition, a Facility Permit Amendment fee as specified in paragraph (1)(~~54~~) shall be assessed. All fees, billed within the past 3 years from the date of application submittal that are, associated with the facility for equipment for which a Change of Operator or Additional Operator application is filed, and all facility-specific fees (such as “Hot Spots” fees), must be paid before a Change of Operator or Additional Operator application is accepted. If after an application is received and SCAQMD determines that fees are due, the new operator shall pay such fees within 30 days of notification. If the fees are paid timely the new operator will not be billed for any additional fees billed to the previous operator.

(87) Annual Operating Permit Renewal Fee

- (A) Unless otherwise stated within this subdivision, the Facility Permit holder shall be subject to all terms and conditions pursuant to subdivision (d).
- (B) An Annual Operating Permit Renewal Fee shall be submitted by the end of the compliance year. Such fee shall be equal to the sum of applicable permit renewal fees specified in paragraph (d)(2).
- (C) At least thirty (30) days before the annual renewal date, the owner/operator of equipment under permit will be notified by mail of the amount to be paid and the due date. If such notice is not

received at least thirty (30) days before the annual renewal date, the owner/operator of equipment under permit shall notify the District on or before the permit renewal date that said notice was not received. If the Annual Operating Permit Renewal fee is not paid within thirty (30) days after the due date, the permit will expire and no longer be valid. In such a case, the owner/operator will be notified by mail of the expiration and the consequences of operating equipment without a valid permit as required by District Rule 203 (Permit to Operate). For the purpose of this subparagraph, the fee payment will be considered to be received by the District if it is postmarked by the United States Post Office 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 state holiday as if it had been postmarked on the expiration date.

(98) Transaction Registration Fee

The transferor and transferee of an RTC shall jointly register the transaction with the District pursuant to District Rule 2007 – Trading Requirements. ~~At the time the transaction is registered with the District, t~~The transferee shall pay a Transaction Registration Fee ~~of \$169.60~~175.37 ~~at the time the transaction is registered with the SCAQMD, as shown in the following table below in this paragraph:~~

Facility Registration Fee	Non-Title V	Title V
FY 2017-18	\$163.08	\$173.54
FY 2018-19	\$169.60	\$192.06
FY 2019-20 and thereafter	\$169.60	\$212.53

(109) RECLAIM Pollutant Emission Fee

At the end of the reporting period specified in subparagraph (e)(8)(~~B~~A), RECLAIM facilities shall pay a RECLAIM Pollutant Emission Fee based on the facilities’ total certified RECLAIM pollutant emissions. For facilities emitting ten (10) tons per year or more of any contaminant the previous year, the Facility Permit holders shall pay a semi-annual

installment equal to one half (1/2) of the total estimated fee with final balance due at the end of the reporting period.

- (A) The Facility Permit Holder shall pay emission fees according to the provisions of subdivision (e) for all emissions that are not accounted for with RECLAIM pollutant emissions. The Facility Permit holder shall add non-RECLAIM emissions to applicable RECLAIM emissions to determine the appropriate fee rate from Table III fee rate per ton of emissions.
- (B) Facility Permit Holders shall pay RECLAIM Pollutant Emission Fees according to the provisions of subdivision (e), except that:
 - (i) Fees based on emissions of RECLAIM pollutants as defined in Rule 2000(c)(58) for annual payments shall be calculated based on certified emissions as required by paragraph (b)(2) or (b)(4) of Rule 2004, as applicable;
 - (ii) RECLAIM Pollutant Emission Fees shall be due as established by subdivision (e) of this rule for both Cycle 1 and Cycle 2 Facilities;
 - (iii) Facilities emitting ten (10) tons per year or more of a RECLAIM pollutant during the previous annual reporting period, shall also pay a semi-annual installment based on either (a) one-half (1/2) of the facility's RECLAIM pollutant fees for the previous annual reporting period; or (b) emissions certified pursuant to paragraph (b)(2) and (b)(4) of Rule 2004 in the two (2) quarters falling in the time period that coincides with the first six (6) months of the current reporting period, by the deadline as established by subdivision (e) of this rule for both Cycle 1 and Cycle 2 Facilities.
 - (iv) A fee payment is considered late and subject to the late payment surcharge of paragraph (e)(10) if not received within sixty (60) days of the due date specified in this paragraph.
- (C) If the Executive Officer determines that the APEP emissions reported by a Facility Permit Holder are less than the amount calculated as specified in Rule 2004(b)(2) and (b)(4), the Facility Permit Holder shall pay RECLAIM Pollutant Emission Fees on the difference between the APEP total as determined by the Executive

Officer and the reported APEP total as specified in subparagraph (1)(49)(A).

- (D) In the event that certified emissions determined pursuant to Rule 2004(b)(2) and (b)(4), for compliance year beginning January 1, 1995 and after, include emissions calculated using missing data procedures, and these procedures were triggered pursuant to Rule 2011(c)(3) or 2012(c)(3) solely by a failure to electronically report emissions for major sources due to a problem with transmitting the emission data to the District which was beyond the control of the Facility Permit holder, such portion of the emissions may be substituted by valid emission data monitored and recorded by a certified CEMS, for the purpose of RECLAIM pollutant emission fee determination only, provided that a petition is submitted to the Executive Officer with the appropriate processing fee by the Facility Permit holder. The petition must be made in writing and include all relevant data to clearly demonstrate that the valid emission data were recorded and monitored by a certified CEMS as required by Rules 2011 and 2012 and the only reason for missing data procedures being triggered was due to a problem with transmitting the emission data to the District which was beyond the control of the Facility Permit holder. In addition to the RECLAIM pollutant emission fee, the petitioner shall pay a minimum processing fee as shown in the following table in this subparagraph:

Facility Type	Non-Title V	Title V
FY 2017-18	\$674.54	\$717.81
FY 2018-19	\$701.52 <u>725.37</u>	\$794.40 <u>821.41</u>
FY 2019-20 and thereafter	\$701.52 <u>725.37</u>	\$879.08 <u>908.97</u>

and an additional fee assessed at the applicable hourly rate, for time spent on evaluation in excess of 3 hours, as shown in the table below in this subparagraph:

Facility Type (After 3 hours)	Non-Title V	Title V
FY 2017-18	\$173.00/hr	\$184.10/hr
FY 2018-19	\$179.92 <u>186.04</u> /hr	\$203.74 <u>210.67</u> /hr
FY 2019-20 and thereafter	\$179.92 <u>186.04</u> /hr	\$225.46 <u>233.13</u> /hr

(4110) Certified Permits Copies

A request for a certified copy of a Facility Permit shall be made in writing by the permittee. The permittee shall, at the time the written request is submitted, pay a fee for the first page as follows:

Facility Type	Non-Title V	Title V
FY 2017-18	\$28.08	\$29.88
FY 2018-19	\$29.20 <u>30.19</u>	\$33.07 <u>34.19</u>
FY 2019-20 and thereafter	\$29.20 <u>30.19</u>	\$36.60 <u>37.84</u>

and the applicable fee per page for each additional page in the Facility Permit as shown below:

Facility Type	Non-Title V	Title V
FY 2017-18	\$1.98/page	\$2.11/page
FY 2018-19	\$2.06 <u>2.13</u> /page	\$2.34 <u>2.42</u> /page
FY 2019-20 and thereafter	\$2.06 <u>2.13</u> /page	\$2.59 <u>2.68</u> /page

(4211) Reissued Permits

A request for a reissued Facility Permit shall be made in writing by the permittee where there is a name or address change without a change of operator or location. The permittee shall, at the time the written request is submitted, pay a fee for the first page as follows:

Facility Type	Non-Title V	Title V
FY 2017-18	\$217.39	\$231.33
FY 2018-19	\$226.09 <u>233.78</u>	\$256.04 <u>264.71</u>
FY 2019-20 and thereafter	\$226.09 <u>233.78</u>	\$283.30 <u>292.93</u>

and the applicable fee per page for each additional page in the facility permit as shown below:

Facility Type	Non-Title V	Title V
FY 2017-18	\$1.98/page	\$2.11/page
FY 2018-19	\$2.06 <u>2.13</u> /page	\$2.34 <u>2.42</u> /page
FY 2019-20 and thereafter	\$2.06 <u>2.13</u> /page	\$2.59 <u>2.68</u> /page

(1312) Breakdown Emission Report Evaluation Fee

The Facility Permit Holder, submitting a Breakdown Emission Report to seek exclusion of excess emissions from the annual allocations pursuant to Rule 2004 - Requirements, shall pay fees for the evaluation of a Breakdown Emission Report. The Facility Permit Holder shall pay a filing fee of one (1) hour based on the fee rates shown in the table below in this paragraph, at the time of filing of a Breakdown Emission Report, and shall be assessed an evaluation fee at the hourly rate shown in the same table.

Facility Type (After 3 hours)	Non-Title V	Title V
FY 2017-18	\$173.00/hr	\$184.10/hr
FY 2018-19	\$179.92 <u>186.04</u> /hr	\$203.74 <u>210.67</u> /hr
FY 2019-20 and thereafter	\$179.92 <u>186.04</u> /hr	\$225.46 <u>233.13</u> /hr

(~~14~~13) Breakdown Emission Fee

At the end of the time period from July 1 through June 30, the Facility Permit holder shall pay a Breakdown Emission Fee for excess emissions determined pursuant to District Rule 2004 - Requirements. The Facility Permit Holder shall include excess emissions to the total certified RECLAIM emissions to determine the appropriate RECLAIM Pollutant Emission Fee.

(~~15~~14) Mitigation of Non-Tradeable Allocation Credits

Upon submitting a request to activate non-tradeable allocation credits pursuant to District Rule 2002(h), the RECLAIM Facility Permit Holder shall pay a mitigation fee per ton of credits requested as shown below:

Facility Type	Non-Title V	Title V
FY 2017-18	\$11,544.44/ton	\$12,284.84/ton
FY 2018-19	\$12,006.22 <u>12,414.43/ton</u>	\$13,595.63 <u>14,057.88/ton</u>
FY 2019-20 and thereafter	\$12,006.22 <u>12,414.43/ton</u>	\$15,044.92 <u>15,556.45/ton</u>

plus a non-refundable processing fee as shown below:

Facility Type	Non-Title V	Title V
FY 2017-18	\$115.07	\$122.45
FY 2018-19	\$119.67 <u>123.74</u>	\$135.52 <u>140.13</u>
FY 2019-20 and thereafter	\$119.67 <u>123.74</u>	\$149.97 <u>155.07</u>

(~~16~~15) Evaluation Fee to Increase an Annual Allocation to a Level Greater than a Facility’s Starting Allocation Plus Non-Tradable Credits

The Facility Permit Holder submitting an application to increase an annual Allocation to a level greater than the facility’s starting allocation plus non-tradeable credits pursuant to Rule 2005 - New Source Review shall pay fees

for the evaluation of the required demonstration specified in Rule 2005(c)(3). The Facility Permit Holder shall pay an evaluation fee at the applicable hourly rate as shown in the table below:

Facility Type (After 3 hours)	Non-Title V	Title V
FY 2017-18	\$173.00/hr	\$184.10/hr
FY 2018-19	\$179.92 186.04 /hr	\$203.74 210.67 /hr
FY 2019-20 and thereafter	\$179.92 186.04 /hr	\$225.46 233.13 /hr

(16) Facility Permit Reissuance Fee for Facilities Exiting RECLAIM

A facility exiting the NOx RECLAIM program pursuant to Rule 2002(f)(7) shall be assessed a Facility Permit Reissuance Fee for the conversion of its RECLAIM Facility Permit to a Command-and-Control Facility Permit. The conversion consists of removal of non-applicable RECLAIM provisions and addition of requirements for applicable command-and-control rules. The Facility Permit Reissuance Fee includes an initial flat fee, plus an additional time and materials (T&M) charge where applicable. Both the initial flat fee and T&M charge are tiered based on the number of permitted RECLAIM NOx sources at the facility. Both the initial flat fee and T&M charge are also differentiated based on a facility's Title V status.

The initial flat fee to transition from NOx RECLAIM Facility Permit to Command-and-Control Facility Permit per Rule 2002(f)(7) shall be paid at the time of filing and assessed according to the following fee schedule.

<u>Number of Permitted RECLAIM NOx Sources</u>	<u>Non-Title V</u>	<u>Title V</u>
<u>Less than 10</u>	<u>\$2,232</u>	<u>\$3,160</u>
<u>Greater than or equal to 10 and less than 20</u>	<u>\$4,651</u>	<u>\$6,320</u>
<u>20 or more</u>	<u>\$13,0239,302</u>	<u>\$21,06712,640</u>

An additional T&M charge shall be assessed for time spent on the permit conversion in excess of the number of hours and at the hourly rate specified in the following fee schedule and billed following permit reissuance.

<u>Number of Permitted RECLAIM NOx Sources</u>	<u>Non-Title V</u>		<u>Title V</u>	
	<u>Begin Charging Hourly Rate After (hrs)</u>	<u>T&M Rate (\$/hr)</u>	<u>Begin Charging Hourly Rate After (hrs)</u>	<u>T&M Rate (\$/hr)</u>
<u>Less than 10</u>	<u>12</u>	<u>\$186.04</u>	<u>15</u>	<u>\$210.67</u>
<u>Greater than or equal to 10 and less than 20</u>	<u>25</u>	<u>\$186.04</u>	<u>30</u>	<u>\$210.67</u>
<u>20 or more</u>	<u>7050</u>	<u>\$186.04</u>	<u>10060</u>	<u>\$210.67</u>

(17) Optional Conversion of Transitioned RECLAIM Facility Permit

A Facility that has transitioned out of the RECLAIM program in accordance with paragraph (1)(16) and that elects to convert all permitted equipment described on the RECLAIM Facility Permit to equipment/process based Permits to Operate (pursuant to Regulation II) shall pay a fee equal to the Change of Condition fee specified in Table FEE RATE-A, in accordance with the Schedule identified in Table IA or IB, for each equipment/process converted.

(m) Title V Facilities

(1) Applicability

The requirements of this subdivision apply only to facilities that are subject to the requirements of Regulation XXX - Title V Permits.

(2) Rule 301 Applicability

All Title V facilities shall be subject to all other provisions of Rule 301 - Permit Fees, except as provided for in this subdivision.

(3) Permit Processing Fees for ~~Existing Facilities with Existing District Permits~~
Applying for an Initial Title V Facility Permit

(A) The applicant shall pay the following initial fee when the application is submitted:

Title V INITIAL Fee				
Number of Devices	1-20	21-75	76-250	251+
Applications submitted on or after July 1, 2017 through June 30, 2018	\$1,841.16	\$5,892.29	\$13,258.22	\$22,465.60
Applications submitted on or after July 1, 2018 through June 30, 2019	\$2,037.61 <u>2,106.89</u>	\$6,521.00 <u>6,742.71</u>	\$14,672.87 <u>15,171.75</u>	\$24,862.68 <u>25,708.01</u>
Applications submitted on or after July 1, 2019	\$2,254.82 <u>2,331.48</u>	\$7,216.14 <u>7,461.49</u>	\$16,237.00 <u>16,789.06</u>	\$27,513.04 <u>28,448.48</u>

To determine the initial fee when the number of devices is not available, the applicant may substitute the number of active equipment. This fee will be adjusted when the Title V permit is issued and the correct number of devices are known.

- (B) The applicant shall, upon notification by the District of the amount due when the permit is issued, pay the following final fee based on the time spent on the application:

Title V FINAL Fee				
Number of Devices	1-20	21-75	76-250	251+
Time Spent in Excess of:	8 Hours	30 Hours	70 Hours	120 Hours
On or after July 1, 2017 through June 30, 2018	\$184.10 per hour; up to a maximum total fee of \$22,475.03	\$184.10 per hour; up to a maximum total fee of \$44,950.04	\$184.10 per hour; up to a maximum total fee of \$115,064.31	\$184.10 per hour; up to a maximum total fee of \$168,562.65
On or after July 1, 2018 through June 30, 2019	\$203.74 <u>210.67</u> per hour; up to a maximum total fee of \$24,873.12 <u>25,718.81</u>	\$203.74 <u>210.67</u> per hour; up to a maximum total fee of \$49,746.21 <u>51,437.58</u>	\$203.74 <u>210.67</u> per hour; up to a maximum total fee of \$127,341.67 <u>131,671.29</u>	\$203.74 <u>210.67</u> per hour; up to a maximum total fee of \$186,548.28 <u>192,890.92</u>
On or after July 1, 2019	\$225.46 <u>233.13</u> per hour; up to a maximum total fee of \$27,524.59 <u>28,460.43</u>	\$225.46 <u>233.13</u> per hour; up to a maximum total fee of \$55,049.16 <u>56,920.83</u>	\$225.46 <u>233.13</u> per hour; up to a maximum total fee of \$140,916.29 <u>145,707.44</u>	\$225.46 <u>233.13</u> per hour; up to a maximum total fee of \$206,434.33 <u>213,453.10</u>

For applicants that did not pay the correct initial fee based on the actual number of devices, the fee when the permit is issued shall be equal to the correct initial fee less the initial fee actually paid, plus the final fee.

Applications submitted on or prior to January 15, 1998 shall not be subject to the final fee.

- (C) If the facility requests revisions to the existing permit terms or conditions, including permit streamlining, an alternative operating scenario or a permit shield, the facility shall submit additional applications with the applicable fees in subdivisions (c) and (ij) for

each piece of equipment for which a revision is requested. Evaluation time spent on these additional applications shall be excluded from the time calculated for the billing for initial permit issuance in subparagraph (m)(3)(B).

(4D) Permit Processing Fee Applicability

~~The permit processing fee for~~ If a new facility is required to obtain a Title V facility permit to construct, the facility shall be submit initial Title V fees as specified in paragraph (m)(3). These fees are in addition to the sum of all the applicable fees in subdivisions (c) and (ij) for all equipment at the facility.

(5E) Rule 301 Fee Applicability

~~The permit processing fee for~~ If an existing facility is required to obtain a Title V facility permit because of a modification, ~~pursuant to paragraph (c)(2) of Rule 301,~~ the facility shall be submit initial Title V fees ~~those~~ as specified in paragraph (m)(3). These fees are in addition to ~~plus~~ the sum of all the applicable fees in subdivisions (c) and (ij) for all new and modified equipment at the facility.

~~(6) Administrative Permit Revision Fee~~

~~Notwithstanding paragraphs (l)(6), (l)(9), and (m)(3), and except as provided in paragraphs (l)(5), (l)(7), (l)(12), (m)(3), (m)(5) and (m)(8), the permit processing fee for an administrative permit revision shall be a fee of \$1,158.42 for FY2017-18, \$1,282.02 for FY2018-19 and \$1,418.68 for FY 2019-20 and thereafter.~~

(74) Permit Revision Fee

The permit processing fees for a Facility Permit Amendment or Revision shall be based on the Facility Permit type as specified in Table VII. Facility Permit Amendment or Revision includes any administrative permit revision or amendment, minor permit revision or amendment, de minimis significant permit revision or amendment, or and any significant permit revision or amendment shall be \$1,158.42 for FY 2017-18, \$1,282.02 for FY 2018-19 and \$1,418.68 for FY 2019-20 and thereafter ~~plus the applicable fee in paragraphs (l)(5), (l)(6), (m)(3), and (m)(4).~~ RECLAIM facilities shall only pay the fee specified in paragraph (l)(5).

(85) Renewal Fees

The fees for renewal of a Title V Facility Permit, at the end of the term specified on the permit, ~~shall be~~ are specified in Table VII. Renewal fees include both an initial processing fee of \$2,631.19 for FY 2017-18,

~~of \$2,911.94 for FY 2018-19 and \$3,222.35 for FY 2019-20 and thereafter to be paid that is due when the application is submitted; and a final fee of \$184.10 for FY 2017-18 and \$203.74 for FY 2018-19 and \$225.46 for FY 2019-20 and thereafter per hour for time spent on the application in excess of 8 hours, assessed after SCAQMD evaluation is complete and the permit is issued, and is due upon notification by the District-SCAQMD of the amount due when the permit is issued.~~

(96) Public Notice Fees

The holder of, or applicant for, a Title V permit shall either:

- (A) pay ~~the actual cost~~ fee, as ~~invoiced specified in Table II-B,~~ for publication of the notice by prominent advertisement in the newspaper of general circulation in the area affected where the facility is located and for the mailing of the notice to persons identified in Rule 212(g), or
- (B) arrange publication of the above notice independent of the District option. This notice must be by prominent advertisement in the newspaper of general circulation in the area affected where the facility is located.

Where publication is performed by the owner/operator or an independent consultant, the owner/operator of the source shall provide to the Executive Officer a copy of the proof of publication.

(107) Public Hearing Fees

The holder of, or applicant for, a Title V permit shall, upon notification by the District of the amount due, pay fees of ~~\$3,685.23 for FY 2017-18,~~ ~~\$4,078.444,217.11~~ for FY 2018-19 and ~~\$4,513.204,666.65~~ for FY 2019-20 and thereafter plus ~~\$1,145.79 for FY 2017-18,~~ ~~\$1,268.051,311.16~~ for FY 2018-19 and ~~\$1,403.22-1,450.93~~ for FY 2019-20 and thereafter per hour for a public hearing held on a permit action.

(118) Application Cancellation

If a Title V permit application is canceled, the applicant shall pay, upon notification of the amount due, a final fee in accordance with this subdivision. The District shall refund the initial fee only if evaluation of the application has not been initiated.

(129) Notice of Amount Due and Effect of Nonpayment

For fees due upon notification, such notice may be given by personal service or by deposit, postpaid, in the United States mail and shall be due thirty (30) days from the date of personal service or mailing. For the purpose of this

paragraph, the fee payment will 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. Nonpayment of the fee within this period of time will result in permit expiration or revocation of the subject permit(s) in accordance with subdivision (f) of Rule 3002. No further applications will be accepted from the applicant until such time as overdue permit processing fees have been fully paid.

(103) Exclusion Requests

The fees for requesting exclusion or exemption from the Title V program shall be calculated in accordance with Rule 306 – Plan Fees.

(n) All Facility Permit Holders

(1) Applicability

The requirements of this subdivision apply to all non-RECLAIM holders of a Facility Permit.

(2) Rule 301 Applicability

All non-RECLAIM Facility Permit holders or applicants shall be subject to all other provisions of Rule 301 - Permit Fees, except as provided for in this subdivision.

(3) Facility Permit Revision

Except as provided in paragraphs (m)(~~74~~) and (m)(~~85~~), the permit processing fee for an addition, alteration or revision to a Facility Permit that requires engineering evaluation or causes a change in emissions shall be the sum of applicable fees assessed for each affected equipment as specified in subdivisions (c) and (~~ij~~).

(4) Change of Operating Condition

The permit processing fee for a Change of Operating Condition that requires engineering evaluation or causes a change in emissions shall be the sum of fees assessed for each equipment or process subject to the change of condition as specified in subdivisions (c) and (~~ij~~).

(5) Fee for Change of Operator

The Permit Processing Fee for a Change of Operator of a facility permit shall be determined from the Table FEE RATE-C~~Summary of Permit Fee~~

~~Rates—Change of Operator, Non-Small Business.~~ In addition, an administrative permit revision fee, as ~~specified~~ ~~shown~~ in the ~~Table VII, below in this paragraph~~ shall be assessed.

Facility Type	Non-Title V	Title V
FY 2017-18	\$1,088.60	\$1,158.42
FY 2018-19	\$1,132.14	\$1,282.02
FY 2019-20 and thereafter	\$1,132.14	\$1,418.68

All fees billed within the past 3 years from the date of application submittal that are associated with the facility for equipment for which a Change of Operator or Additional Operator application is filed, and all facility specific fees (such as “Hot Spots” fees), must be paid before the Change of Operator or Additional Operator application is accepted. If after an application is received and SCAQMD determines that fees are due, the new operator shall pay such fees within 30 days of notification. If the fees are paid timely, the new operator will not be billed for any additional fees billed the previous operator.

- (6) Annual Operating Permit Renewal Fee
 - (A) Unless otherwise stated within this subdivision, the Facility Permit holder shall be subject to all terms and conditions pursuant to subdivision (d).
 - (B) An Annual Operating Permit Renewal Fee shall be submitted by the end of the compliance year. Such fee shall be equal to the sum of applicable annual operating permit renewal fees specified in paragraph (d)(2).
 - (C) At least thirty (30) days before the annual renewal date, the owner/operator of equipment under permit will be notified by mail of the amount to be paid and the due date. If such notice is not received at least thirty (30) days before the annual renewal date, the owner/operator of equipment under permit shall notify the District on or before the permit renewal date that said notice was not received. If the Annual Operating Permit Renewal Fee is not paid within thirty (30) days after the due date, the permit will expire and

no longer be valid. In such a case, the owner/operator will be notified by mail of the expiration and the consequences of operating equipment without a valid permit as required by District Rule 203 (Permit to Operate). For the purpose of this subparagraph, the fee payment will be considered to be received by the District if it is postmarked by the United States Post Office 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 state holiday as if it had been postmarked on the expiration date.

(7) Certified Permit Copies

A request for a certified copy of a Facility Permit shall be made in writing by the permittee. The permittee shall, at the time a written request is submitted, pay ~~\$27.00~~27.92 for the first page and ~~\$1.94~~1.97 for each additional page in the facility permit.

(8) Reissued Permits

A request for a reissued Facility Permit shall be made in writing by the permittee where there is a name or address change without a change of operator or location. The permittee shall, at the time a written request is submitted, pay ~~\$209.03~~216.14 for the first page plus ~~\$1.94~~1.97 for each additional page in the Facility Permit.

(o) Asbestos Fees

Any person who is required by District Rule 1403 - Asbestos Emissions from Demolition/Renovation Activities to submit a written notice of intention to demolish or renovate shall pay at the time of delivery of notification, the Asbestos and Lead Fees specified in Table VI of this rule. Fees are per notification and multiple fees may apply. No notification shall be considered received pursuant to Rule 1403, unless it is accompanied by the required payment. Each revision of a notification shall require a payment of the Revision to Notification fee in Table VI. When a revision involves a change in project size, the person shall pay, in addition to the revision fee, the difference between the fee for the original project size and the revised project size according to Table VI. If the project size does not change for the revision, no additional fees based on project size shall be required. Revisions are not accepted for expired notifications.

For all requests of pre-approved Procedure 5 plans submitted in accordance with Rule 1403(d)(1)(D)(i)(V)(2), the person shall pay the full fee for the first evaluation and shall pay fifty percent (50%) of the applicable fee for each subsequent pre-approved Procedure 5 plan evaluation.

(p) **Lead Abatement Notification Fees**

A person who is required by a federal or District rule to submit written notice of intent to abate lead shall, at the time of delivery of notification, pay the appropriate renovation and abatement fee specified in Table VI of this rule. Fees are per notification and multiple fees may apply. No notification shall be considered received unless it is accompanied by the required payment. Each revision of a notification shall require a payment of the Revision to Notification fee in Table VI. When a revision involves a change in project size, the person shall pay, in addition to the revision fee, the difference between the fee for the original project size and the revised project size according to Table VI. If the project size does not change for the revision, no additional fees based on project size shall be required. Revisions are not accepted for expired notifications.

(q) **NESHAP Evaluation Fee**

(1) At the time of filing an application for a Change of Operating Conditions submitted solely to comply with the requirements of a NESHAP, a NESHAP Evaluation Fee shall be paid. The fee shall be ~~\$336.57348.01~~. Additional fees shall be assessed at a rate of ~~\$166.35172.01~~ per hour for time spent in the evaluation in excess of two (2) hours, to a maximum total fee not to exceed the applicable Change of Conditions Fees listed for each affected piece of equipment as specified in ~~the Summary Permit Fee Rates – Permit Processing, Change of Conditions, Alteration /Modification – Table FEE RATE-A and in the Summary ERC Processing Rates – Banking, Change of Title, Alteration/Modification table.~~

(2) Payment of all applicable fees shall be due in thirty (30) days from the date of personal service or mailing of the notification of the amount due. Non-payment of the fees within this time period will result in expiration of the permit. For the purpose of this paragraph, the fee payment will 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 business day following the

Saturday, Sunday, or the state holiday, with the same effect as if it had been postmarked on the expiration date. No further applications will be accepted until such time as all overdue fees have been fully paid.

(r) Fees for Certification of Clean Air Solvents

~~Persons applying for Clean Air Solvent certification shall pay the following fee for each product to be certified:~~

Gas Chromatograph/Mass Spectrometry Analysis	\$373.24 for five or fewer compounds \$34.63 for each additional compound
Density measurement	\$139.97
Time and material	\$131.31 per person per hour or prorated portion thereof
Clean Air Solvent Certificate	\$190.96

At the time of filing for a Clean Air Solvent certificate, the applicant shall submit a fee of ~~\$835.46~~1,503.77 for each product to be tested. Additional fees will be assessed at the rate of \$131.31~~135.77~~ per hour for time spent on the analysis/certification process in excess of 12 hours. Adjustments, including refunds or additional billings, shall be made to the submitted fee as necessary. A Clean Air Solvent Certificate shall be valid for five (5) years from the date of issuance and shall be renewed upon the determination of the Executive Officer that the product(s) containing a Clean Air Solvent continue(s) to meet Clean Air Solvent criteria, and has not been reformulated.

(s) Fees for Certification of Consumer Cleaning Products Used at Institutional and Commercial Facilities

~~Persons applying for certification of Consumer Cleaning Products Used at Institutional and Commercial Facilities shall pay the following fee for each product to be certified:~~

Gas Chromatograph/Mass Spectrometry Analysis	\$373.24 for five or fewer compounds \$34.63 for each additional compound
Time and material	\$131.31 per person per hour or prorated portion thereof
Clean Air Choices Cleaner Certificate	\$190.96

At the time of filing for certification of any Consumer Cleaning Products Used at Institutional and Commercial Facilities, the applicant shall submit a fee of ~~\$880.18~~1,503.77 for each product to be tested, plus an additional fee of \$300 for

quantification of total nitrogen, total phosphorous, and trace metals by a contracting laboratory. Additional fees will be assessed at the rate of \$~~131.31~~135.77 per hour for time spent on the analysis/certification process in excess of 12 hours. Adjustments, including refunds or additional billings, shall be made to the submitted fee as necessary. A Consumer Cleaning Products Used at Institutional and Commercial Facilities Certificate shall be valid for three (3) years from the date of issuance and shall be renewed upon the determination of the Executive Officer that the product(s) certified as a Consumer Cleaning Products Used at Institutional and Commercial Facilities continue(s) to meet Consumer Cleaning Products Used at Institutional and Commercial Facilities criteria, and has not been reformulated.

(t) All Facility Registration Holders

(1) Applicability

The requirements of this subdivision apply to all holders of a Facility Registration.

(2) Rule 301 Applicability

Unless specifically stated otherwise, all Facility Registration holders shall be subject to all other provisions of Rule 301 - Permit Fees.

(3) Fee Applicability to Existing Facilities

Existing facilities entering the Facility Registration Program shall pay no fee if no changes are initiated by actions of the permittee to the existing permit terms or conditions or to the draft Facility Registration prepared by the District.

(4) Duplicate of Facility Registrations

A request for a duplicate of a Facility Registration shall be made in writing by the permittee. The permittee shall, at the time a written request is submitted, pay \$~~27.00~~27.92 for the first page and \$~~1.94~~1.97 for each additional page in the Facility Registration.

(5) Reissued Facility Registrations

A request for a reissued Facility Registration shall be made in writing by the permittee where there is a name or address change without a change of operator or location, or for an administrative change in permit description or a change in permit conditions to reflect actual operating conditions, which do not require any engineering evaluation, and do not cause a change in emissions. The permittee shall, at the time a written request is submitted, pay \$~~209.03~~216.14 for the first equipment listed in the Facility Registration

plus ~~\$1.94~~1.97 for each additional equipment listed in the Facility Registration.

(u) Fees for Non-permitted Emission Sources Subject to Rule 222

(1) Initial Filing Fee

Prior to the operation of the equipment, the owner/operator of an emission source subject to Rule 222 shall pay to the District an initial non-refundable non-transferable filing and processing fee of ~~\$203.08~~209.98 for each emission source.

(2) Change of Operator/Location

If the owner/operator or the location of an emission source subject to Rule 222 changes, the current owner/operator must file a new application for Rule 222 and pay to the District an initial non-refundable non-transferable filing and processing fee of ~~\$203.08~~209.98 for each emission source.

(3) Annual Renewal Fee

On an annual re-filing date set by the Executive Officer the owner/operator of a source subject to Rule 222 shall pay a renewal fee of ~~\$203.08~~209.98 (except for non-retrofitted boilers). At least thirty (30) days before such annual re-filing date, all owners/operators of emission sources subject to Rule 222 will be notified by either electronic or regular mail of the amount to be paid and the due date for the annual re-filing fee.

(4) Notification of Expiration

If the annual re-filing fee is not paid within thirty (30) days after the due date, the filing will expire and no longer be valid. In such case, the owner/operator will be notified by either electronic or regular mail of the expiration and the consequences of operating equipment without a valid Rule 222 filing.

(5) Reinstating Expired Filings

To re-establish expired filings, the owner/operator of a source subject to Rule 222 shall pay a reinstatement fee of fifty percent (50%) of the amount of fees due per emission source. Payment of all overdue fees shall be made in addition to the reinstatement surcharge. Payment of such fees shall be made within one year of the date of expiration. If the period of expiration has exceeded one year or the affected equipment has been altered, the owner/operator of an emission source subject to Rule 222 shall file a new application and pay all overdue fees.

(v) Fees for Expedited Processing Requests

An applicant has the option to request expedited processing for an application for a permit, CEQA work, an application for an ERC/STC, Air Dispersion Modeling, HRA, Source Test Protocols and Report Fees and Asbestos Procedure 4 & 5 notifications. A request for expedited processing pursuant to this section shall be made upon initial application submittal. Expedited processing is intended to be performed by District Staff strictly during overtime work. Approval of such a request is contingent upon the District having necessary procedures in place to implement an expedited processing program and having available qualified staff for overtime work to perform the processing requested. The applicant shall be notified whether or not the request for expedited processing has been accepted within 30 days of submittal of the request. If the request for expedited processing is not accepted by the District, the additional fee paid for expedited processing will be refunded to the applicant.

(1) Permit Processing Fee

Fees for requested expedited processing of permit applications will be an additional fee of fifty percent (50%) of the applicable base permit processing fee (after taking any discounts for identical equipment but not the higher fee for operating without a permit) by equipment schedule. For schedule F and higher as shown in the table below in this paragraph, expedited processing fees will include an additional hourly fee, as set forth in the applicable “Non-Title V Added Base Hourly Fee” or “Title V Added Base Hourly Fee” columns, when the processing time exceeds times as indicated in the “Processing Time Exceeding” column; but not to exceed the total amounts in the applicable “Non-Title V Maximum Added Base Cap Fee” or “Title V Maximum Added Base Cap Fee” columns.

Processing Time Exceeding	Schedule	Non-Title V Added Base Hourly Fee	Non-Title V Maximum Added Base Cap Fee	Title V Added Base Hourly Fee	Title V Maximum Added Base Cap Fee
FY 2017-18					
99 hours	F	\$259.52	\$48,778.45	\$276.16	\$51,906.84
117 hours	G	\$259.52	\$83,568.95	\$276.16	\$88,928.62
182 hours	H	\$259.52	\$106,257.72	\$276.16	\$113,072.52
FY 2018-19					
99 hours	F	\$269.90 <u>279.08</u>	\$50,729.59 <u>52,454.40</u>	\$305.63 <u>316.02</u>	\$57,445.30 <u>59,398.44</u>
117 hours	G	\$269.90 <u>279.08</u>	\$86,911.71 <u>89,866.71</u>	\$305.63 <u>316.02</u>	\$98,417.30 <u>101,763.49</u>
182 hours	H	\$269.90 <u>279.08</u>	\$110,508.03 <u>114,265.30</u>	\$305.63 <u>316.02</u>	\$125,137.36 <u>129,392.03</u>
FY 2019-20					
99 hours	F	\$269.90 <u>279.08</u>	\$50,729.59 <u>52,454.40</u>	\$338.21 <u>349.71</u>	\$63,568.97 <u>65,730.31</u>
117 hours	G	\$269.90 <u>279.08</u>	\$86,911.71 <u>89,866.71</u>	\$338.21 <u>349.71</u>	\$108,908.58 <u>112,611.47</u>
182 hours	H	\$269.90 <u>279.08</u>	\$110,508.03 <u>114,265.30</u>	\$338.21 <u>349.71</u>	\$138,477.00 <u>143,185.22</u>

(2) CEQA Fee

Fees for requested expedited CEQA work will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to the staff's hourly rate of ~~\$166.35~~172.01 plus ~~\$86.28~~89.21 per hour (one half of hourly plus mileage). The established CEQA fees found in the provisions of Rule 301(j) shall be paid at the time of filing with the

additional overtime costs billed following permit issuance. Notwithstanding other provisions of this section, fees are due at the time specified in the bill which will allow a reasonable time for payment. This proposal is contingent upon the ability of the District to implement the necessary policies and procedures and the availability of qualified staff for overtime work.

(3) CEMS, FSMS, and ACEMS Fee

Fees for requested expedited processing of CEMS, FSMS, and ACEMS applications will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to the staff's hourly rate of ~~\$166.35~~172.01 plus ~~\$86.28~~89.21 per hour (one half of hourly plus mileage). The established "Basic Fee" schedule found in the CEMS, FSMS, and ACEMS Fee Schedule in TABLE IIB~~C~~ shall be paid at the time of filing with the additional overtime costs billed following project completion. Notwithstanding other provisions of this section, fees are due at the time specified in the bill which will allow a reasonable time for payment. A request for expedited CEMS, FSMS, and ACEMS application work can only be made upon initial work submittal, and approval of such a request is contingent upon the ability of the District to implement the necessary policies and procedures and the availability of qualified staff for overtime work.

(4) Air Dispersion Modeling, and HRA, ~~Source Test Protocols and Reports~~ Fees

Fees for requested expedited review and evaluation of air dispersion modelings, and health risk assessments, ~~source test protocols and source test reports~~ will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to the staff's hourly rate of ~~\$139.31~~144.05 plus ~~\$72.26~~74.72 per hour (one half of hourly plus mileage).

(5) ERC/STC Application Fees

Fees for requested expedited review and evaluation of ERC/STC application fees will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to the staff's hourly rate of ~~\$166.35~~172.01 plus ~~\$86.28~~89.21 per hour (one half of hourly plus mileage).

- (6) Procedure 4 & 5 Evaluation
Fees for requested expedited reviews and evaluation of Procedure 4 or 5 plans per Rule 301(~~40~~) Asbestos Fees will be an additional fee of fifty percent (50%) of the Procedure 4 & 5 plan evaluation fee.

- (w) Enforcement Inspection Fees for Statewide Portable Equipment Registration Program (PERP)
 - (1) Registered Portable Equipment Unit Inspection Fee
Registered portable equipment units are those which emit PM10 in excess of that emitted by an associated engine alone. An hourly fee of \$98.00 shall be assessed for a triennial portable equipment unit inspection, including the subsequent investigation and resolution of violations, if any, of applicable state and federal requirements, not to exceed \$500.00 per unit.
 - (2) Registered Tactical Support Equipment (TSE) Inspection Fee
Registered TSE includes registered equipment using a portable engine, including turbines, that meet military specifications, owned by the U.S. Department of Defense, the U.S. military services, or its allies, and used in combat, combat support, combat service support, tactical or relief operations, or training for such operations.
 - (A) To determine compliance with all applicable state and federal requirements, each registered TSE unit will be inspected once per calendar year.
 - (i) For registered TSE units determined to be in compliance with all applicable state and federal requirements during the annual inspection:
 - (a) A fee for the annual inspection of a single registered TSE unit shall be assessed at a unit cost of \$75.00.
 - (b) A fee for annual inspection of two or more registered TSE units at a single location shall be assessed at the lesser of the following costs:
 - (1) The actual time to conduct the inspection at the rate of \$100.25 per hour; or
 - (2) A unit cost of \$75.00 per registered TSE unit inspected.
 - (ii) For registered TSE units determined to be out of compliance with one or more applicable state or federal requirements during the annual inspection, fees for the annual inspection

(including the subsequent investigation and resolution of the violation) shall be assessed at the lesser of the following costs:

- (1) The actual time to conduct the inspection at the rate of \$100.25 per hour; or
 - (2) A unit cost of \$75.00 per registered TSE unit inspected.
- (3) **Off-hour Inspection Fee**
- In addition to the inspection fees stated above, any arranged inspections requested by the holder of the registration that are scheduled outside of District normal business hours may be assessed an additional off-hour inspection fee of \$40.96 per hour for the time necessary to complete the inspection.
- (4) **Notice to Pay and Late Payment Surcharge**
- A notice to pay the inspection fees will be mailed to the registration holder. Fees are due and payable immediately upon receipt of the notice to pay. All inspection fees required under this section are due within 30 days of the invoice date. If fee payment is not received by the thirtieth (30th) day following the date of the notice to pay, the fee shall be considered late and, a late payment surcharge of \$70.11 per portable engine or equipment unit shall be imposed, not to exceed \$138.73 for any notice to pay. For the purpose of this subparagraph, the inspection fee payment shall be considered to be timely received by the District if it is postmarked by the United States Postal Service on or before the thirtieth (30th) day following the date of the notice to pay. If the thirtieth (30th) day 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 thirtieth (30th) day. Failure to pay the inspection fees and any late payment surcharge within 120 days of the date of the initial notice to pay may result in the suspension or revocation of the registration by CARB. Once a registration has been suspended, CARB will not consider reinstatement until all fees due, including late payment surcharge fees, have been paid in full.

- (x) Rule 1149, ~~and~~ Rule 1166, ~~and~~ Rule 1466 Notification Fees
- (1) Any person who is required by the District to submit a written notice pursuant to Rule 1149, Rule 1166, Rule 1466, or for soil vapor extraction projects shall pay a notification fee of ~~\$60.85~~62.92 per notification.
- (2) Notifications pursuant to Rule 1466 paragraph (f)(2) shall be exempt from this subdivision.
- (y) Fees for the Certification of Equipment Subject to the Provisions of Rules 1111, 1121 and 1146.2
- (1) Initial Certification Fee
Any person requesting certification pursuant to Rules 1111, 1121 or 1146.2 shall pay a fee of ~~\$560.90~~579.97 per certification letter for each family of model series certified. This fee shall be paid in addition to the fees paid to review any associated source test report(s).
- (2) Additional Fees for Modification or Extension of Families to Include a New Model(s)
Any person requesting a modification or extension of a certification already issued to include a new model(s) shall pay an additional fee of ~~\$280.46~~290.00 for certification of new models added by extension to the previously certified model series per request.
- (3) Failure to pay all certification fees shall result in the revocation of each certified piece of equipment that was evaluated for which fee payment has not been received within 30 days after the due date.
- (z) “No Show” Fee for Rule 461 – Gasoline Dispensing Equipment Scheduled Testing
- (1) Reverification, and Performance Testing
If a testing company and/or tester does not show for a Reverification test, or Performance test within one hour of its original scheduled time, and an SCAQMD inspector arrives for the inspection, a “No Show” fee of ~~\$412.43~~426.45 shall be charged to the testing company and/or tester. The fee shall be paid within 60 days of the date of the invoice. If the fee is not paid, the account will become delinquent 30 days after the due date. Any delinquent account holder will not be allowed to schedule any future tests within SCAQMD jurisdiction until all overdue fees are paid in full.
- (2) Pre-Backfill Inspection
If a contracting company is not ready for a Pre-Backfill inspection of its equipment at the original scheduled time, and/or did not notify the

SCAQMD inspector of postponement/cancellation at least three hours prior to the scheduled time, a “No Show” fee of \$412.43426.45 shall be charged to the contracting company. The fee shall be paid within 60 days of the date of the invoice. If the fee is not paid, the account will become delinquent 30 days after the due date. Any delinquent account holder will not be allowed to schedule any future pre-backfill inspections within SCAQMD jurisdiction until all overdue fees are paid in full.

(aa) Refinery Related Community Air Monitoring System Annual Operating and Maintenance Fees

- (1) The owner or operator of a petroleum refinery subject to Rule 1180 shall pay an annual operating and maintenance fee for a refinery-related community air monitoring system designed, developed, installed, operated, and maintained by SCAQMD in accordance with California Health and Safety Code Section 42705.6.
- (2) The annual operating and maintenance fee per facility required by paragraph (aa)(1) shall be as follows:

<u>Facility Name* and Location</u>	<u>Annual Operating and Maintenance Fee</u>
<u>Andeavor Corporation (Carson)</u>	<u>\$871,086.00</u>
<u>Andeavor Corporation (Wilmington)</u>	<u>\$435,543.00</u>
<u>Chevron U.S.A, Inc. (El Segundo)</u>	<u>\$871,086.00</u>
<u>Delek U.S. Holdings, Inc. (Paramount)</u>	<u>\$217,771.50</u>
<u>Phillips 66 Company (Carson)</u>	<u>\$435,543.00</u>
<u>Phillips 66 Company (Wilmington)</u>	<u>\$435,543.00</u>
<u>PBF Energy, Torrance Refining Company (Torrance)</u>	<u>\$871,086.00</u>
<u>Valero Energy (Wilmington)</u>	<u>\$435,543.00</u>

*Based on the current facility names. Any subsequent owner(s) or operator(s) of the above listed facilities shall be subject to this rule.

- (3) The annual operating and maintenance fee required by this subdivision shall be billed with the annual operating permit renewal fee required by subdivision (d) beginning in calendar year 2020. If the annual operating and maintenance fee

required by this subdivision is not paid in full within sixty (60) calendar days of its due date, a ten-percent (10%) penalty shall be imposed every sixty (60) calendar days from the due date.

- (4) No later than January 1, 2022 and every three years thereafter, the Executive Officer shall reassess the annual operating and maintenance fee required by this subdivision to ensure that the fee is consistent with the requirements of the California Health and Safety Code Section 42705.6 (f)(1) and (f)(2).

(~~ab~~) Defense of Permit

Within 10 days of receiving a complaint or other legal process initiating a challenge to the SCAQMD's issuance of a permit, the SCAQMD shall notify the applicant or permit holder in writing. The applicant or permit holder may, within 30 days of posting of the notice, request revocation of the permit or cancellation of the application. An applicant or permit holder not requesting revocation or cancellation within 30 days of receipt of notice from the District shall be responsible for reimbursement to the District for all reasonable and necessary costs to defend the issuance of a permit or permit provisions against a legal challenge, including attorney's fees and legal costs. The Executive Officer will invoice the applicant or permit holder for fees and legal costs at the conclusion of the legal challenge. The SCAQMD and the applicant or permit holder will negotiate an indemnity agreement within 30 days of the notice by SCAQMD to the facility operator. The agreement will include, among other things, attorneys' fees and legal costs. The Executive Officer or designee may execute an indemnity agreement only after receiving authorization from the Administrative Committee. The Executive Officer may in his discretion, waive all or any part of such costs upon a determination that payment for such costs would impose an unreasonable hardship upon the applicant or permit holder.

FY 2017-18

SUMMARY PERMIT FEE RATES – PERMIT PROCESSING, CHANGE OF CONDITIONS, ALTERATION/MODIFICATION

Schedule	Non-Title V			Title V		
	Permit Processing	Change of Condition	Alteration/Modification	Permit Processing	Change of Condition	Alteration/Modification
A	\$1,660.65	\$865.01	\$1,660.65	\$1,767.15	\$920.48	\$1,767.15
A1	\$1,660.65	\$865.01	\$1,660.65	\$1,767.15	\$920.48	\$1,767.15
B	\$2,646.69	\$1,311.15	\$2,646.69	\$2,816.43	\$1,395.24	\$2,816.43
B1	\$4,186.29	\$2,269.16	\$4,186.29	\$4,454.77	\$2,414.69	\$4,454.77
C	\$4,186.29	\$2,269.16	\$4,186.29	\$4,454.77	\$2,414.69	\$4,454.77
D	\$5,777.78	\$3,880.88	\$5,777.78	\$6,148.34	\$4,129.78	\$6,148.34
E	\$6,642.70	\$5,698.08	\$6,642.70	\$7,068.73	\$6,063.52	\$7,068.73
F	\$16,693.49+ T&M	\$8,318.82+ T&M	\$13,233.47+ T&M	\$17,764.12+ T&M	\$8,852.34+ T&M	\$14,082.20+ T&M
G	\$19,703.51+ T&M	\$14,116.48+ T&M	\$16,243.46+ T&M	\$20,967.18+ T&M	\$15,021.84+ T&M	\$17,285.23+ T&M
H	\$30,532.44+ T&M	\$17,898.53+ T&M	\$27,072.40+ T&M	\$32,490.62+ T&M	\$19,046.45+ T&M	\$28,808.68+ T&M

+T&M=Time and Materials Charge in Addition to the Rates Above for Selected Schedules

Schedule	Begin Charging Hourly Rate After (hrs)	Non-Title V T&M Rate (\$/hr)	Non-Title V Not to Exceed (\$)	Title V T&M Rate (\$/hr)	Title V Not to Exceed (\$)
F	99	\$173.00	\$32,518.98	\$184.10	\$34,604.57
G	117	\$173.00	\$55,712.60	\$184.10	\$59,285.71
H	182	\$173.00	\$70,838.47	\$184.10	\$75,381.67

TABLE FEE RATE-A. FY 2018-19

SUMMARY PERMIT FEE RATES - PERMIT PROCESSING, CHANGE OF CONDITIONS, ALTERATION/MODIFICATION

Schedule	Non-Title V			Title V		
	Permit Processing	Change of Condition	Alteration/Modification	Permit Processing	Change of Condition	Alteration/Modification
A	\$1,727.07 <u>1,785.79</u>	\$899.61 <u>930.20</u>	\$1,727.07 <u>1,785.79</u>	\$1,955.70 <u>2,022.19</u>	\$1,018.70 <u>1,053.34</u>	\$1,955.70 <u>2,022.19</u>
A1	\$1,727.07 <u>1,785.79</u>	\$899.61 <u>930.20</u>	\$1,727.07 <u>1,785.79</u>	\$1,955.70 <u>2,022.19</u>	\$1,018.70 <u>1,053.34</u>	\$1,955.70 <u>2,022.19</u>
B	\$2,752.55 <u>2,846.14</u>	\$1,363.59 <u>1,409.95</u>	\$2,752.55 <u>2,846.14</u>	\$3,116.94 <u>3,222.92</u>	\$1,544.11 <u>1,596.61</u>	\$3,116.94 <u>3,222.92</u>
B1	\$4,353.74 <u>4,501.77</u>	\$2,359.93 <u>2,440.17</u>	\$4,353.74 <u>4,501.77</u>	\$4,930.09 <u>5,097.71</u>	\$2,672.34 <u>2,763.20</u>	\$4,930.09 <u>5,097.71</u>
C	\$4,353.74 <u>4,501.77</u>	\$2,359.93 <u>2,440.17</u>	\$4,353.74 <u>4,501.77</u>	\$4,930.09 <u>5,097.71</u>	\$2,672.34 <u>2,763.20</u>	\$4,930.09 <u>5,097.71</u>
D	\$6,008.89 <u>6,213.19</u>	\$4,036.11 <u>4,173.34</u>	\$6,008.89 <u>6,213.19</u>	\$6,804.37 <u>7,035.72</u>	\$4,570.43 <u>4,725.82</u>	\$6,804.37 <u>7,035.72</u>
E	\$6,908.41 <u>7,143.30</u>	\$5,926.00 <u>6,127.48</u>	\$6,908.41 <u>7,143.30</u>	\$7,822.96 <u>8,088.94</u>	\$6,710.50 <u>6,938.66</u>	\$7,822.96 <u>8,088.94</u>
F	\$17,361.23 <u>17,951.51+</u> T&M	\$8,651.57 <u>8,945.72+</u> T&M	\$13,762.81 <u>14,230.75+</u> T&M	\$19,659.55 <u>20,327.97+</u> T&M	\$9,796.88 <u>10,129.97+</u> T&M	\$15,584.77 <u>16,114.65+</u> T&M
G	\$20,491.65 <u>21,188.37+</u> T&M	\$14,681.14 <u>15,180.30+</u> T&M	\$16,893.20 <u>17,467.57+</u> T&M	\$23,204.38 <u>23,993.33+</u> T&M	\$16,624.67 <u>17,189.91+</u> T&M	\$19,129.56 <u>19,779.97+</u> T&M
H	\$31,753.74 <u>32,833.37+</u> T&M	\$18,614.48 <u>19,247.37+</u> T&M	\$28,155.30 <u>29,112.58+</u> T&M	\$35,957.37 <u>37,179.92+</u> T&M	\$21,078.71 <u>21,795.39+</u> T&M	\$31,882.57 <u>32,966.58+</u> T&M

Schedule	Begin Charging Hourly Rate After (hrs)	Non-Title V T& M Rate (\$/hr)	Non-Title V Not to Exceed (\$)	Title V T& M Rate (\$/hr)	Title V Not to Exceed (\$)
F	99	\$179.92 <u>186.04</u>	\$33,819.74 <u>34,969.61</u>	\$203.74 <u>210.67</u>	\$38,296.88 <u>39,598.97</u>
G	117	\$179.92 <u>186.04</u>	\$57,941.11 <u>59,911.11</u>	\$203.74 <u>210.67</u>	\$65,611.50 <u>67,842.29</u>
H	182	\$179.92 <u>186.04</u>	\$73,672.01 <u>76,176.86</u>	\$203.74 <u>210.67</u>	\$83,424.89 <u>86,261.34</u>

**TABLE FEE RATE-A, FY 2019-20 and thereafter
SUMMARY PERMIT FEE RATES - PERMIT PROCESSING, CHANGE OF
CONDITIONS, ALTERATION/MODIFICATION**

Schedule	Non-Title V			Title V		
	Permit Processing	Change of Condition	Alteration/Modification	Permit Processing	Change of Condition	Alteration/Modification
A	<u>\$1,727.07</u> <u>1,785.79</u>	<u>\$899.61</u> <u>930.20</u>	<u>\$1,727.07</u> <u>1,785.79</u>	<u>\$2,164.18</u> <u>2,237.76</u>	<u>\$1,127.29</u> <u>1,165.62</u>	<u>\$2,164.18</u> <u>2,237.76</u>
A1	<u>\$1,727.07</u> <u>1,785.79</u>	<u>\$899.61</u> <u>930.20</u>	<u>\$1,727.07</u> <u>1,785.79</u>	<u>\$2,164.18</u> <u>2,237.76</u>	<u>\$1,127.29</u> <u>1,165.62</u>	<u>\$2,164.18</u> <u>2,237.76</u>
B	<u>\$2,752.55</u> <u>2,846.14</u>	<u>\$1,363.59</u> <u>1,409.95</u>	<u>\$2,752.55</u> <u>2,846.14</u>	<u>\$3,449.21</u> <u>3,566.48</u>	<u>\$1,708.71</u> <u>1,766.81</u>	<u>\$3,449.21</u> <u>3,566.48</u>
B1	<u>\$4,353.74</u> <u>4,501.77</u>	<u>\$2,359.93</u> <u>2,440.17</u>	<u>\$4,353.74</u> <u>4,501.77</u>	<u>\$5,455.64</u> <u>5,641.13</u>	<u>\$2,957.21</u> <u>3,057.76</u>	<u>\$5,455.64</u> <u>5,641.13</u>
C	<u>\$4,353.74</u> <u>4,501.77</u>	<u>\$2,359.93</u> <u>2,440.17</u>	<u>\$4,353.74</u> <u>4,501.77</u>	<u>\$5,455.64</u> <u>5,641.13</u>	<u>\$2,957.21</u> <u>3,057.76</u>	<u>\$5,455.64</u> <u>5,641.13</u>
D	<u>\$6,008.89</u> <u>6,213.19</u>	<u>\$4,036.11</u> <u>4,173.34</u>	<u>\$6,008.89</u> <u>6,213.19</u>	<u>\$7,529.72</u> <u>7,785.73</u>	<u>\$5,057.64</u> <u>5,229.60</u>	<u>\$7,529.72</u> <u>7,785.73</u>
E	<u>\$6,908.41</u> <u>7,143.30</u>	<u>\$5,926.00</u> <u>6,127.48</u>	<u>\$6,908.41</u> <u>7,143.30</u>	<u>\$8,656.89</u> <u>8,951.22</u>	<u>\$7,425.84</u> <u>7,678.32</u>	<u>\$8,656.89</u> <u>8,951.22</u>
F	<u>\$17,361.23</u> <u>17,951.51+</u> T&M	<u>\$8,651.57</u> <u>8,945.72+</u> T&M	<u>\$13,762.81</u> <u>14,230.75+</u> T&M	<u>\$21,755.26</u> <u>22,494.94+</u> T&M	<u>\$10,841.23</u> <u>11,209.83+</u> T&M	<u>\$17,246.11</u> <u>17,832.48+</u> T&M
G	<u>\$20,491.65</u> <u>21,188.37+</u> T&M	<u>\$14,681.14</u> <u>15,180.30+</u> T&M	<u>\$16,893.20</u> <u>17,467.57+</u> T&M	<u>\$25,677.97</u> <u>26,551.02+</u> T&M	<u>\$18,396.86</u> <u>19,022.35+</u> T&M	<u>\$21,168.77</u> <u>21,888.51+</u> T&M
H	<u>\$31,753.74</u> <u>32,833.37+</u> T&M	<u>\$18,614.48</u> <u>19,247.37+</u> T&M	<u>\$28,155.30</u> <u>29,112.58+</u> T&M	<u>\$39,790.43</u> <u>41,143.30+</u> T&M	<u>\$23,325.70</u> <u>24,118.77+</u> T&M	<u>\$35,281.25</u> <u>36,480.81+</u> T&M

Schedule	Begin Charging Hourly Rate After (hrs)	Non-Title V T& M Rate (\$/hr)	Non-Title V Not to Exceed (\$)	Title V T& M Rate (\$/hr)	Title V Not to Exceed (\$)
F	99	<u>\$179.92</u> <u>186.04</u>	<u>\$33,819.74</u> <u>34,969.61</u>	<u>\$225.46</u> <u>233.13</u>	<u>\$42,379.33</u> <u>43,820.23</u>
G	117	<u>\$179.92</u> <u>186.04</u>	<u>\$57,941.11</u> <u>59,911.11</u>	<u>\$225.46</u> <u>233.13</u>	<u>\$72,605.69</u> <u>75,074.28</u>
H	182	<u>\$179.92</u> <u>186.04</u>	<u>\$73,672.01</u> <u>76,176.86</u>	<u>\$225.46</u> <u>233.13</u>	<u>\$92,317.98</u> <u>95,456.79</u>

TABLE FEE RATE-B. SUMMARY OF ERC PROCESSING RATES, BANKING, CHANGE OF TITLE, ALTERATION/MODIFICATION, CONVERSION TO SHORT TERM CREDITS, RE-ISSUANCE OF SHORT TERM CREDITS, RETIREMENT OF SHORT TERM CREDITS FOR TRANSFER INTO RULE 2202, and TRANSFER OF ERCs OUT OF RULE 2202

Schedule I	Non-Title V		Title V		
	FY 2017-18	FY 2018-19 and thereafter	FY 2017-18	FY 2018-19	FY 2019-20 and thereafter
Banking Application	\$4,285.13	\$4,456.54 <u>4,608.06</u>	\$4,559.95	\$5,046.50 <u>5,218.08</u>	\$5,584.46 <u>5,774.33</u>
Change of Title	\$756.95	\$787.23 <u>814.00</u>	\$805.49	\$891.44 <u>921.75</u>	\$986.47 <u>1,020.01</u>
Alteration/Modification	\$756.95	\$787.23 <u>814.00</u>	\$805.49	\$891.44 <u>921.75</u>	\$986.47 <u>1,020.01</u>
Conversion to Short Term Credits	\$756.95	\$787.23 <u>814.00</u>	\$805.49	\$891.44 <u>921.75</u>	\$986.47 <u>1,020.01</u>
Re-Issuance of Short Term Credits	\$756.95	\$787.23 <u>814.00</u>	\$805.49	\$891.44 <u>921.75</u>	\$986.47 <u>1,020.01</u>
Retirement of Short Term Emission Credits for Transfer into Rule 2202 and Transfer of ERCs Out of Rule 2202	\$254.58	\$264.76 <u>273.76</u>	\$270.91	\$299.82 <u>310.01</u>	\$331.78 <u>343.06</u>

**TABLE FEE RATE-C. SUMMARY OF PERMIT FEE RATES
CHANGE OF OPERATOR^a**

Facility Type	Non-Title V	Title V
Small Business	\$230.64 for FY 2017-18 and \$239.87 <u>248.03 for FY 2018-19 and thereafter</u>	\$245.43 for FY 2017-18, \$271.62 <u>280.86 for FY 2018-19 and \$300.57</u> <u>310.79 for FY 2019-20 and thereafter</u>
Non-Small Business	\$633.40 for FY 2017-18 and \$658.74 <u>681.14 for FY 2018-19 and thereafter</u>	\$674.02 for FY 2017-18, \$745.94 <u>771.30 for FY 2018-19 and \$825.46</u> <u>853.53 for FY 2019-20 and thereafter</u>

^a Fees are for each permit unit application and apply to all facilities, including RECLAIM facilities. The change of operator fee for Non-RECLAIM Title V facilities shall not exceed \$8,383.28 for FY 2017-18, \$9,277.78-9,593.22 for FY 2018-19 and \$10,266.79-10,615.86 for FY 2019-20 and thereafter per facility and for all other Non-RECLAIM facilities shall not exceed \$15,756.06 for FY 2017-18 and \$16,386.30-16,943.43 for FY 2018-19 and thereafter per facility. There is no limit to the change of operator fees for RECLAIM facilities.

TABLE IA - PERMIT FEE RATE SCHEDULES FOR CONTROL EQUIPMENT

Equipment/Process	Schedule
Abatement System/HEPA, Asbestos, Lead	B
Activated Carbon Adsorber, Venting Single Source (s.s.=single source)	B
Activated Carbon Adsorber, Venting Multiple Source (m.s.=multiple sources)	C
Activated Carbon Adsorber, Other	D
Activated Carbon Adsorber, Drum Venting Toxic Source (t.s. = toxic source)	C
Activated Carbon Adsorber, with regeneration	E
Afterburner (<= 1 MMBTU/hr, venting s.s.)	B
Afterburner (<= 1 MMBTU/hr, venting m.s.)	C
Afterburner, Catalytic for Bakery Oven	C
Afterburner, Direct Flame	D
Afterburner/Oxidizer: Regenerative Ceramic/Hot Rock Bed Type, Recuperative Thermal	D
Afterburner/Oxidizer, Catalytic	D
Air Filter, Custom	C
Amine (or DEA) Regeneration Unit ¹	D
Amine Treating Unit ¹	D
Baghouse, Ambient (<= 100 FT ²)	A
Baghouse, Ambient (> 100 - 500 FT ²)	B
Baghouse, Ambient (> 500 FT ²)	C
Baghouse, Hot (> 350 F)	D
Biofilter (<= 100 cfm)	B
Biofilter (> 100 cfm)	C
Boiler as Afterburner	D
CO Boiler	F
Condenser	C
Control Systems, two in series	C
Control Systems, three in series	D
Control Systems, four or more in series	E
Control Systems, Venting Plasma Arc Cutters	B1
Cyclone	B
Dry Filter (<= 100 FT ²)	A
Dry Filter (> 100 - 500 FT ²)	B

Equipment/Process	Schedule
Dry Filter (> 500 FT ²)	C
Dust Collector/HEPA, other Rule 1401 toxics	C
Electrostatic Precipitator, Restaurant	B
Electrostatic Precipitator, Asphalt Batch Equipment	C
Electrostatic Precipitator, Extruder	B
Electrostatic Precipitator, < 3000 CFM	B
Electrostatic Precipitator, => 3000 CFM	D
Electrostatic Precipitator for Fluid Catalytic Cracking Unit (FCCU)	H
Ethylene Oxide Sterilization, Control, Hospital	B
Flare, Landfill/Digester Gas, Enclosed	E
Flare, Landfill/Digester Gas, Open	C
Flare, Portable	B
Flare System, Refinery ²	F
Flare Other	C
Flue Gas Desulfurization ¹	D
Gas Absorption Unit ³	D
Gas Scrubbing System ¹	F
Incinerator, Afterburner	D
Mesh pads, for toxics gas stream	C
Mesh pads, for other acid mists	B
Mist Control	B
Mist Eliminator with HEPA	C
Negative Air Machine/HEPA, Asbestos, Lead	A
Non-Selective Catalytic Reduction	B
Odor Control Unit	D
Relief and Blowdown System ⁴	D
Scrubber, Biofiltration	C
Scrubber Controlling NO _x venting	D
Scrubber Controlling SO _x venting	D
Scrubber Controlling HCL or NH ₃ venting s.s.	B
Scrubber Controlling HCL or NH ₃ venting m.s.	C
Scrubber, NO _x , multistage	D
Scrubber, NO _x , single stage	C
Scrubber, Odor, < 5000 cfm	C

TABLE IA - PERMIT FEE RATE SCHEDULES FOR CONTROL EQUIPMENT

Equipment/Process	Schedule
Scrubber, Other venting s.s.	B
Scrubber, Other venting m.s.	C
Scrubber, Other Chemical venting s.s.	B
Scrubber, Other Chemical venting m.s.	D
Scrubber, Particulates venting s.s.	B
Scrubber, Particulates venting m.s.	C
Scrubber, Particulates venting t.s.	D
Scrubber, Restaurant	B
Scrubber, Toxics venting	D
Scrubber, Venturi venting s.s.	B
Scrubber, Venturi venting m.s.	C
Scrubber, Venturi venting t.s.	C
Scrubber, Water (no packing)	B
Selective Catalytic Reduction (SCR)	C
Settling Chamber	B
Ship Hold Hatch Cover	A
Slop Oil Recovery System	D
Sour Water Oxidizer Unit ⁵	D
Sour Water Stripper ⁶	D
Sparger	B
Spent Acid Storage & Treating Facility ⁷	E
Spent Carbon Regeneration System	D
Spent Caustic Separation System ⁸	D
Spray Booth/Enclosure, Other	B
Spray Booth/Enclosure, Powder Coating System with single or multiple APC for particulates	B

Equipment/Process	Schedule
Spray Booth, Metallizing	C
Spray Booth with Carbon Adsorber (non-regenerative)	C
Spray Booths (multiple) with Carbon Adsorber (non-regenerative)	D
Spray Booth(s) with Carbon Adsorber (regenerative)	E
Spray Booth(s) (1 to 5) with Afterburner/Oxidizer (Regenerative/Recuperative)	D
Spray Booths (>5) with Afterburner/Oxidizer (Regenerative/Recuperative)	E
Spray Booth, Automotive, with Multiple VOC Control Equipment	C
Spray Booth with Multiple VOC Control	D
Spray Booths (multiple) with Multiple VOC Control Equipment	E
Storm Water Handling & Treating System ⁹	E
Sulfur Recovery Equipment ⁷	H
Tail Gas Incineration	D
Tail Gas Unit ¹⁰	H
Storage Tank, Degassing Unit	D
Ultraviolet Oxidation	D
Vapor Balance System ¹¹	B
Vapor Recovery, Serving Crude Oil Production ¹¹	D
Vapor Recovery, Serving Refinery Unit ¹¹	E
Waste Gas Incineration Unit	E

¹ Including, but not limited to, all or part of the following: Accumulators, Columns, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels

² Including, but not limited to, all or part of the following: Flare, Compressors, Drums, Knock Out Pots, Pots, Vessels

³ Including, but not limited to, all or part of the following: Accumulators, Columns, Condensers, Drums, Heat Exchangers, Knock

TABLE IA - PERMIT FEE RATE SCHEDULES FOR CONTROL EQUIPMENT

Out Pots, Pots, Pumps, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, towers, Vessels
⁴ Including, but not limited to, all or part of the following: Compressors, Drums, Knock Out Pots, Pots	⁸ Including, but not limited to, all or part of the following: Process Tanks, Separators, Tanks
⁵ Including, but not limited to, all or part of the following: Accumulators, Columns, Drums, Knock Out Pots, Tanks, Vessels	⁹ Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Clarifiers, Settling Tanks, Waste Water Separators, Tanks
⁶ Including, but not limited to, all or part of the following: Condensers, Coolers, Drums, Sumps, Vessels	¹⁰ Including, but not limited to, all or part of the following: Absorbers, Condensers, Coolers, Drums, Heat Exchangers, Knock Out Pots, Reactors, Tanks, Vessels
⁷ Including, but not limited to, all or part of the following: Accumulators, Clarifier, Columns, Compressors, Condensers, Drums, Filters, Filter Presses, Heat Exchangers, Knock Out Pots, Pits,	¹¹ Including, but not limited to, all or part of the following: Absorbers, Compressors, Condensers, Knock Out Pots, Pumps, Saturators

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Abatement System, Asbestos, Lead	B
Abrasive Blasting (Cabinet, Mach., Room)	B
Abrasive Blasting (Open)	A
Absorption Chillers, Gas-Fired, < 5 MM Btu/hr	B
Absorption Chillers, Gas-Fired, => 5 MM Btu/hr	C
Acetylene Purification System Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C
Acid Treating Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Adhesives Organic Additions Including, but not limited to, all or part of the following: Reactors, Mixers, Process Tanks, Vessels	C
Adsorption Chillers, Gas-Fired, < 5 MM Btu/hr	B
Adsorption Chillers, Gas-Fired, => 5 MM Btu/hr	C
Adsorption, Other	B
Aeration Potable Water	C
Aggregate, Tank Truck Loading/Conveying Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Weigh Stations	B
Aggregate Production, with Dryer Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Dryers, Feeders, Hoppers, Crushers, Cyclones, Log Washers, Mixers, Screens, Vibrating Grizzlies, Weigh Stations	E

Equipment/Process	Schedule
Aggregate Production/Crushing (< 5000 tpd) Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Crushers, Cyclones, Log Washers, Mixers, Screens, Vibrating Grizzlies, Weigh Stations	C
Aggregate Production/Crushing (=> 5000 tpd) Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Crushers, Cyclones, Log Washers, Mixers, Screens, Vibrating Grizzlies, Weigh Stations	D
Aggregate Screening Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Cyclones, Screens, Weigh Stations	C
Air Strippers	C
Aircraft Fueling Facility Including, but not limited to, all or part of the following: Storage Tanks, Dispensing Nozzles	D
Alkylation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Ammonia Mfg. Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Coolers, Drums, Ejectors, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C
Ammonia Vaporization Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Coolers, Drums, Ejectors, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Animal Feed Processing, Conveying Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	B
Animal Feed Processing, Other Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators, Mixers, Feeders, Grinders	C
Anodizing (sulfuric, phosphoric)	B
Aqueous Ammonia Transfer & Storage	C
Aromatics Recovery Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Asphalt Air Blowing	B
Asphalt Blending/Batching Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Cyclones, Dryers, Feeders, Hoppers, Knock Out Pots, Mixers, Screens, Tanks, Weigh Stations	E
Asphalt Coating	C
Asphalt Day Tanker/Tar Pot	A
Asphalt Refining Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Asphalt Roofing Line Including, but not limited to, all or part of the following: Pumps, Conveyors, Process Tanks, Coater Operations, Cutters	C
Asphalt Roofing Saturator	D
Asphalt-Rubber Spraying	B
Auto Body Shredding	C
Autoclave, Non-sterilizing Type	B

Equipment/Process	Schedule
Battery Charging/Manufacturing Including, but not limited to, all or part of the following: Cutters, Crushers, Separators, Process Tanks, Conveyors	C
Benzene/Toluene/Xylene Production Equip. Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Beryllium Machining and Control Including, but not limited to, all or part of the following: Machining Operations, Filters, Baghouses,	C
Bleach Manufacturing Including, but not limited to, all or part of the following: Accumulators, Columns, Com-pressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Tanks, Towers, Vessels	B
Blending, Other	B
Boiler/hot water heater, various locations, diesel/oil fired (< 300,000 BTU/hr)	A
Boiler/hot water heater, single facility, portable, diesel/oil fired (< 600,000 BTU/hr)	A
Boiler, Landfill/Digester Gas (< 5 MMBTU/hr)	B
Boiler, Landfill/Digester Gas (5 to 20 MMBTU/hr)	C
Boiler, Landfill/Digester Gas (> 20 to 50 MMBTU/hr)	D
Boiler, Landfill/Digester Gas (>50MMBTU/hr)	F
Boiler, Natural gas-fired, 5 – 20 MM BTU/hr	C
Boiler, Other Fuel (< 5MMBTU/hr)	B
Boiler, Other Fuel (5 - 20 MMBTU/hr)	C
Boiler, Other Fuel (> 20 - 50 MMBTU/hr)	D
Boiler, Other Fuel (> 50 MMBTU/hr)	E
Boiler, Utility (> 50 MW)	H
Brake Shoes, Grinding, Bonding and Debonding, Deriveter	B
Bulk Chemical Terminal	B

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Bulk Loading/Unloading Stn (< 50,000 GPD)	B
Bulk Loading/Unloading Rack (50,000 - 200,000 GPD)	D
Bulk Loading/Unloading Rack (> 200,000 GPD)	E
Bulk Loading/Unloading	C
<u>Carbon Dioxide Production Facility</u> Including, but not limited to, all or part of the following: <u>Separator, Knockout Pot, Scrubber, Chiller, Pumps, Blowers, Oil Separator, Compressor, Intercoolers, Filters, Cooling Tower</u>	F
Carpet Processing System Including, but not limited to, all or part of the following: Process Tanks, Dryers, Carpet Beaters, Carpet Shears	D
Catalyst Handling System Including, but not limited to, all or part of the following: Centrifuge, Bins, Conveyors, Hoppers, Cyclones, Screens, Tanks, Weigh Stations	C
Catalyst Mfg./Calcining Including, but not limited to, all or part of the following: Bins, Conveyors, Reactors, Mixers, Process Tanks, Kilns	D
Catalyst Storage (Hoppers)	C
Catalytic Reforming Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Caustic Treating Unit Including, but not limited to, all or part of the following: Knock Out Pots, Tanks, Towers, Vessels	E
Cement Marine Loading & Unloading Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Loading & Unloading Arms, Weigh Stations	E
Cement Packaging Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Weigh Stations	C
Cement Truck Loading	C

Equipment/Process	Schedule
Charbroiler, Eating Establishment	A
Charbroiler with Integrated Control	B
Charbroiler, Food Manufacturing	C
Chemical Additive Injection System Including, but not limited to, all or part of the following: Injectors, Compressors, Pumps	C
Chip Dryer	D
<u>Chippers, Greenwaste, not including I.C. Engine</u>	A
Circuit Board Etchers	B
Cleaning, Miscellaneous	B
Coal Bulk Loading Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Loading Arms, Weigh Stations	E
Coal Research Pilot / Equip (0-15 MMBTU/hr)	C
Coal Research Pilot / Equip (> 15 MMBTU/hr)	D
Coal Tar Treating Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C
Coating & Drying Equipment, Continuous Organic, Web Type Including, but not limited to, all or part of the following: Coater Operations, Process Tanks, Dryers	C
Coffee Roaster < 50 lbs capacity with integrated afterburner	B
Coffee Roasting, (11-49 lb roaster capacity) Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Roasters, Coolers	A
Coffee Roasting, 50-99 lb roaster capacity Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Roasters, Coolers	B

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Coffee Roasting, 100 lb or more roaster capacity Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Roasters, Coolers	C
Coke Handling & Storage Facility Including, but not limited to, al or part of the following: Centrifuge, Bins, Conveyors, Clarifier, Hoppers, Cyclones, Screens, Tanks, Weigh Stations	E
Composting, in vessel Including, but not limited to, all or part of the following: Bins, Conveyors, Hoppers	C
Concrete/Asphalt Crushing Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Crushers, Cyclones, Screens, Vibrating Grizzlies, Weigh Stations	C
Concrete Batch Equipment Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Dryers, Feeders, Hoppers, Crushers, Cyclones, Log Washers, Mixers, Screens, Vibrating Grizzlies, Weigh Stations	C
Confined Animal Facility	A
Container Filling, Liquid	B
Conveying, Other	B
Cooling Tower, Petroleum Operations	C
Cooling Tower, Other	B
Core Oven	B
Cotton Ginning System Including, but not limited to, all or part of the following: Hoppers, Conveyors, Separators, Screens, Classifiers, Mixers	D
Crankcase Oil, Loading and Unloading	C
Crematory	C
Crude Oil, Cracking Catalytic Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	G

Equipment/Process	Schedule
Crude Oil, Distillation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Crude Oil/Gas/Water Separation System (< 30 BPD)** Including, but not limited to, all or part of the following: Adsorbers, Oil Water Separators, Oil Gas Water Separators, Pits, Sumps, Tanks, Vessels	C
Crude Oil/Gas/Water Separation System, (>= 30 BPD & < 400 BPD)** Including, but not limited to, all or part of the following: Adsorbers, Oil Water Separators, Oil Gas Water Separators, Pits, Sumps, Tanks, Vessels	C
Crude Oil/Gas/Water Separation System, (>= 400 BPD)** Including, but not limited to, all or part of the following: Adsorbers, Oil Water Separators, Oil Gas Water Separators, Pits, Sumps, Tanks, Vessels	E
Decorating Lehr	C
Decorator	B
Deep-Fat Fryer	C
Dehydration Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C
Degreaser, Cold Solvent Dipping	B
Degreaser, Cold Solvent Spray	C
Degreaser, (<= 1 lb VOC/day)	B
Degreaser (> 1 lb VOC/day)	B
Degreaser, (VOCw/Toxics)	C

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule	Equipment/Process	Schedule
Delayed Coking Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E	Evaporator, Other	B
Deposition on Ceramics (< 5 pieces)	B	Extraction - Benzene Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C
Deposition on Ceramics (5 or more pieces)	C	Extruder	B
Desalting Unit Including, but not limited to, all or part of the following: Mixers, Pumps, Reactors, Settling Tanks, Sumps, Tanks, Vessels	C	Extrusion System (Multiple Units) Including, but not limited to, all or part of the following: Extruders	C
Die Casting Equipment	C	Fatty Acid Mfg.	C
Digester Gas Desulfurization System Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Tanks, Towers, Vessels	C	Feathers, Size Classification	A
Dip Tank, Coating	B	Feed Handling (combining conveying and loading)	D
Dip Tank, (<= 3 gal/day)	B	Fermentation/Brewing Including, but not limited to, all or part of the following: Hoppers, Conveyors, Brew Kettles	C
Distillation, Other Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C	Fertilizer, Natural, Packaging/ Processing Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Loading Arms, Weigh Stations	B
Drilling Rig, Crude Oil Prod.	C	Fertilizer, Synthetic, Production Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Mixers, Dryers, Process Tanks, Reactors, Hoppers, Loading Arms, Weigh Stations	C
Drop Forge	B	Fiberglass Panel Mfg Including, but not limited to, all or part of the following: Conveyors, Mixers, Reactors, Process Tanks, Cutters	C
Dry Cleaning & Associated Control Equipment	A	Filament Winder, Rule 1401 Toxics	C
Dryer for Organic Material	C	Filament Winder, Other	B
Drying/Laundry	A	Filling Machine, Dry Powder	C
Drying, Other	B	Film Cleaning Machine	B
Emission Reduction Credits [Rule 301(c)(4) and (c)(5)]	I	Flour Handling (combining conveying, packaging, and loadout)	E
End Liner, Can	B	Flour Manufacturing (combining milling and conveying)	E
Ethylene Oxide Sterilization, Hospital	B	Flour Milling Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Mills, Weigh Stations	D
Evaporation, Toxics	C		

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Flow Coater	B
Fluid Catalytic Cracking Equipment Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	H
Fluid Elimination, Waste Water	B
Foam-in-Place Packaging	A
Food Processing Grinding, Blending, Packaging, Conveying, Flavoring	C
Fractionation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Fruit and Vegetable Treating	A
Fuel Gas Mixer	C
Fuel Gas, Treating Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Scrubbers, Settling Tanks, Towers, Vessels	D
Fuel Storage & Dispensing Equipment (Rule 461) Including, but not limited to, all or part of the following: Storage Tanks, Dispensing Nozzles	A
Fumigation	A
Furnace, Arc	D
Furnace, Burn-Off, Armature	C
Furnace, Burn-Off, Drum	D
Furnace, Burn-Off, Engine Parts	C
Furnace, Burn-Off, Paint	C
Furnace, Burn-Off, Wax	C
Furnace, Burn-Off, Other	C
Furnace, Cupola	D
Furnace, Electric, Induction and Resistance	C

Equipment/Process	Schedule
Furnace, Frit	C
Furnace, Galvanizing	C
Furnace, Graphitization and Carbonization	C
Furnace, Heat Treating	B
Furnace, Other Metallic Operations	C
Furnace, Pot/Crucible	C
Furnace, Reverberatory	D
Furnace, Wire Reclamation	C
Garnetting, Paper/Polyester Including, but not limited to, all or part of the following: Feeders, Conveyors, Condensers, Cutters	C
Gas Plant Including, but not limited to, all or part of the following: Accumulators, Columns, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Re-generators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Gas Turbine, Landfill/Digester Gas, <0.3 MW	B
Gas Turbine, Landfill/Digester Gas, => 0.3 MW	E
Gas Turbine, <= 50 MW, other fuel	D
Gas Turbine, > 50 MW, other fuel	G
Gas Turbine, Emergency, < 0.3 MW	A
Gas Turbine, Emergency, => 0.3 MW	C
Gas Turbines (Microturbines only)	A
Gas-Oil Cracking Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Gasoline, In-line Blending Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule	Equipment/Process	Schedule
Gasoline, Refining Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D	Grain Cleaning Including, but not limited to, all or part of the following: Air Classifiers, Bins, Conveyors, Bucket Elevators, Hoppers, Mills, Screens, Weigh Stations	C
Gasoline, Separation - Liquid Production Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D	Grain Handling (combining storage and cleaning)	E
Gasoline, Vapor Gathering System Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D	Grain Storage	C
Gasoline Blending Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Scrubbers, Settling Tanks, Towers, Vessels	E	Grinder, Size Reduction	B
Gasoline Fractionation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	F	Groundwater Treatment System Including, but not limited to, all or part of the following: Air Strippers, Adsorbers, Process Tanks	C
Gasoline Transfer & Dispensing Facility (See Fuel Storage & Dispensing Equipment)		Gypsum, Calcining Including, but not limited to, all or part of the following: Air Classifiers, Bins, Conveyors, Bucket Elevators, Hoppers, Kilns, Weigh Stations	E
Glass Forming Machine	C	Halon/Refrigerants, Recovery and Recycling Equipment	A1
Glass Furnace < 1TPD	B	Heater, (< 5 MMBTU/hr)	B
Glass Furnace, > 1 - 50 TPD Pull	D	Heater, (5 - 20 MMBTU/hr)	C
Glass Furnace, > 50 TPD Pull	E	Heater, (> 20-50 MMBTU/hr)	D
		Heater, (> 50 MMBTU/hr)	E
		Hot End Coating, (Glass Mfg. Plant)	B
		Hydrant Fueling, Petrol. Middle Distillate Including, but not limited to, all or part of the following: Storage Tanks, Dispensing Nozzles	D
		Hydrocarbons, Misc., Treating Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D
		Hydrogen Desulfurization (HDS) Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	F

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Hydrogen Production Equipment Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	F
Hydrotreating Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
IC Engine, (51-500 HP) Cogeneration	B
IC Engine, (> 500 HP) Cogeneration	C
IC Engine, Emergency	B
IC Engine, Landfill/Digester Gas	D
IC Engine, Other, 51-500 HP	B
IC Engine, Other, > 500 HP	C
Impregnating Equipment	C
Incineration, Hazardous Waste	H
Incinerator, < 300 lbs/hr, Non-Hazardous	E
Incinerator, >= 300 lbs/hr, Non-Hazardous	F
Indoor Shooting Range	B
Ink Mfg./Blending Including, but not limited to, all or part of the following: Process Tanks, Mixers	B
Inorganic Chemical Mfg. Including, but not limited to, all or part of the following: Process Tanks, Mixers, Reactors	D
Insecticide Separation/Mfg Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Coolers, Drums, Ejectors, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E

Equipment/Process	Schedule
Iodine Reaction Including, but not limited to, all or part of the following: Columns, Compressors, Condensers, Coolers, Heat Exchangers, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Tanks, Towers	C
Isomerization Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Jet Engine Test Facility	C
Kiln, Natural Gas	C
Landfill Condensate/Leachate Collection/Storage	B
Landfill Gas, Collection, (< 10 Wells)	B
Landfill Gas, Collection, (10 -50 Wells)	C
Landfill Gas, Collection, (> 50 Wells)	D
Landfill Gas, Treatment	E
Lime/Limestone, Conveying Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Weigh Stations	C
Liquid Separation, Other Including, but not limited to, all or part of the following: Process Tanks, Settling Tanks, Separators, Tanks	D
Liquid Waste Processing, Hazardous Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Reactors, Process Tanks, Clarifiers, Settling Tanks, Waste Water Separators, Tanks	E
Liquid Waste Processing, Non Hazardous Including, but not limited to, all or part of the following: Air Floatation Units, Floatation Units, Filter Presses, Reactors, Process Tanks, Clarifiers, Settling Tanks, Waste Water Separators, Tanks	C
LPG, Tank Truck Loading	D

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule	Equipment/Process	Schedule
LPG, Treating Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D	Merox Treating Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
LPG Distillation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E	Metal Deposition Equipment	C
Lube Oil Additive/Lubricant Mfg.	B	Metallic Mineral Production Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Crushers, Cyclones, Log Washers, Mixers, Screens, Vibrating Grizzlies, Weigh Stations	E
Lube Oil Re-refining Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D	Misc. Solvent Usage at a Premise	B
Marine Bulk Loading/Unloading System, Including, but not limited to, all or part of the following: Absorbers, Compressors, Condensers, Knock Out Pots, Pumps, Reactors, Saturators	D	Mixer, Chemicals	B
Marine Vessel Displaced Vapor Control, Including, but not limited to, all or part of the following: Absorbers, Compressors, Condensers, Knock Out Pots, Pumps, Reactors, Saturators	D	MTBE Production Facility Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Coolers, Drums, Ejectors, Heat Exchangers, Knock Out Pots, Mixers, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	F
Merichem Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D	Natural Gas Dehydration Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	C
		Natural Gas Odorizers	C
		Natural Gas Stabilization Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Scrubbers, Regenerators, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
		Nut Roasters Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Roasters, Coolers	C

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Nut Shell Drying Including, but not limited to, all or part of the following: Bins, Conveyors, Bucket Elevators, Hoppers, Dryers, Coolers	C
Oil/Water Separator (< 10,000 GPD) Including, but not limited to, all or part of the following: Oil Water Separators, Pits, Sumps, Tanks, Vessels	B
Oil/Water Separator (>= 10,000 GPD) Including, but not limited to, all or part of the following: Oil Water Separators, Pits, Sumps, Tanks, Vessels	C
Open-Air resin operations	A
Oven Bakery	C
Oven, Curing (Rule 1401 toxics)	C
Oven, Other	B
Packaging, Other	B
Paint Stripping, Molten Caustic	C
Paper Conveying	A
Paper Pulp Products	D
Paper Size Reduction	C
Pavement Grinder	B
Pavement Heater	B
Pelletizing, Chlorine Compounds Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Pelletizers, Mixers, Dryers	C
Perlite Furnace	C
Perlite Handling Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	C
Pesticide/Herbicide Mfg. Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Coolers, Drums, Ejectors, Heat Exchangers, Knock Out Pots, Mixers, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Petroleum Coke Calcining Including, but not limited to, all or part of the following: Bins, Conveyors, Reactors, Mixers, Process Tanks, Kilns	F

Equipment/Process	Schedule
Petroleum Coke Conveying Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	B
Pharmaceutical Mfg. Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Reactors, Process Tanks, Pelletizers, Mixers, Dryers	C
Pharmaceutical Mfg. Tableting, Coating Vitamins or Herbs	C
Pipe Coating, Asphaltic	B
Plasma Arc Cutting	B1
Plastic Mfg., Blow Molding Machine	B
Plastic/Resin Size Reduction Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Feeders, Hoppers, Grinders, Mills, Cyclones, Screens, Weigh Stations	B
Plastic/Resins Reforming	C
Plastic/Resins Treating	C
Plastisol Curing Equipment	B
Polystyrene Expansion/Molding	C
Polystyrene Expansion/Packaging	C
Polystyrene Extruding/Expanding	B
Polyurethane Foam Mfg. Including, but not limited to, all or part of the following: Coolers, Heat Exchangers, Pumps, Reactors, Mixers, Process Tanks	C
Polyurethane Mfg/Production	B
Polyurethane Mfg/Rebonding	B
Process Line, Chrome Plating (Hexavalent)	C
Process Line, Chrome Plating (Trivalent)	B
Precious Metal, Recovery, Other	B
Precious Metal, Recovery, Catalyst	D
Printing Press, Air Dry	B
Printing Press With IR, EB or UV Curing	B
Printing Press, Other	C
Printing Press, Screen	B
Production, Other	B
Railroad Car Loading/Unloading, Other	C
Railroad Car Unloading, liquid direct to trucks	B

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule	Equipment/Process	Schedule
Reaction, Other	C	Semiconductor, Int. Circuit Mfg (5 or more)	C
Recovery, Other	B	Semiconductor, Photo resist (< 5 pieces)	B
Refined Oil/Water Separator Including, but not limited to, all or part of the following: Oil/Water Separators, Pits, Sumps, Tanks, Vessels	B	Semiconductor, Photo resist (5 or more pieces)	C
Refrigerant Recovery/Recycling	A1	Semiconductor, Solvent Cleaning (< 5 pieces)	B
Rendering Equipment, Blood Drying	C	Semiconductor, Solvent Cleaning (5 or more pieces)	C
Rendering Equipment, Fishmeal Drying	C	Sewage Sludge Composting	C
Rendering Equipment, Rendering	D	Sewage Sludge Drying, Conveying, Storage, Load-out Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators, Loading Arms	D
Rendering Equipment, Separation, Liquid	C	Sewage Sludge Digestion	D
Rendering Product, Handling Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	C	Sewage Sludge Dryer	D
Resin, Varnish Mfg. Including, but not limited to, all or part of the following: Coolers, Heat Exchangers, Pumps, Reactors, Mixers, Process Tanks	D	Sewage Sludge Incineration	H
Roller Coater	B	Sewage Treatment, (<= 5 MGD), Aerobic Including, but not limited to, all or part of the following: Air Flootation Units, Flootation Units, Filter Presses, Clarifiers, Settling Tanks, Trickling Filters, Waste Water Separators, Tanks	C
Rubber Mfg. Including, but not limited to, all or part of the following: Coolers, Heat Exchangers, Pumps, Reactors, Mixers, Process Tanks	C	Sewage Treatment, (> 5 MGD) Including, but not limited to, all or part of the following: Air Flootation Units, Flootation Units, Filter Presses, Clarifiers, Settling Tanks, Trickling Filters, Waste Water Separators, Tanks	F
Rubber Presses or Molds with a ram diameter of more than 26 inches Submitted before September 11, 1999 Submitted on or after September 11, 1999	A B	Sewage Treatment, (> 5 MGD), Anaerobic Including, but not limited to, all or part of the following: Air Flootation Units, Flootation Units, Digesters, Filter Presses, Clarifiers, Settling Tanks, Trickling Filters, Waste Water Separators, Tanks	G
Rubber Roll Mill	B	Sheet Machine	B
Sand Handling Equipment, Foundry Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	C	Shell Blasting System	B
Sand Handling Equipment w/Shakeout, Foundry Including, but not limited to, all or part of the following: Conveyors, Bins, Hoppers, Bucket Elevators	D	Shipping Container System	B
Screening, Green Waste	A	Sintering	C
Screening, Other Including, but not limited to, all or part of the following: Screens, Conveyors, Bins, Hoppers, Bucket Elevators	C	Size Reduction, Other Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Dryers, Feeders, Hoppers, Crushers, Cyclones, Mixers, Screens, Weigh Stations	C
Semiconductor, Int. Circuit Mfg (< 5 pieces)	B		

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Size Reduction, Petroleum Coke Including, but not limited to, all or part of the following: Bins, Bucket Elevators, Conveyors, Dryers, Feeders, Hoppers, Crushers, Cyclones, Mixers, Screens, Weigh Stations	C
Sludge Dewatering, Other Including, but not limited to, all or part of the following: Filter Press, Process Tanks, Settling Tanks	D
Sludge Dryer, Other	B
Sludge Incinerator	H
Smoke Generator	B
Smokehouse	C
Soap/Detergent Mfg Including, but not limited to, all or part of the following: Process Tanks, Mixers, Tanks, Conveyors, Bins, Hoppers, Bucket Elevators	D
Soil Treatment, Other Including, but not limited to, all or part of the following: Bins, Conveyors, Ovens	D
Soil Treatment, Vapor Extraction Including, but not limited to, all or part of the following: Adsorbers, Afterburners	C
Solder Leveling	B
Soldering Machine	B
Solvent Reclaim, Still (Multistage)	C
Solvent Reclaim, Still (Single stage)	A
Solvent Redistillation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Spent Stretford Solution Regeneration Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D
Spray Equipment, Open	B

Equipment/Process	Schedule
Spray Machine, Adhesive	B
Spray Machine, Coating	B
Spray Machine, Powder Coating	B
Spraying, Resin/Gel Coat	C
Sterilization Equipment	C
Stereolithography	A
Storage, Petroleum Coke	C
Storage Container, Baker-Type	B
Storage Container, Baker-Type w/Control	C
Storage Silo, Other Dry Material	A
Storage Tank, w/o Control, Crude Oil/Petroleum Products	B
Storage Tank, Acid with sparger	B
Storage Tank, Ammonia with sparger	B
Storage Tank, Asphalt <= 50,000 gallons	B
Storage Tank, Asphalt > 50,000 gallons	C
Storage Tank, Degassing Unit	D
Storage Tank, Fixed Roof with Internal Floater	C
Storage Tank, Fixed Roof with Vapor Control	C
Storage Tank, Fuel Oil	A
Storage Tank, Lead Compounds	C
Storage Tank, LPG	A
Storage Tank, LPG w/Vaporizing System	C
Storage Tank, Other	A
Storage Tank, Other w/ Control Equipment	B
Storage Tank, with Passive Carbon s.s.	B
Storage Tank, with Passive Carbon m.s.	C
Storage Tank, with Passive Carbon t.s.	C
Storage Tank, Rendered Products	C
Storage Tank, Waste Oil	A
Storage Tank with condenser	B
Storage Tank, with External Floating Roof	C
Stove-Oil Filter/Coalescer Facility	D
Striper, Can	B
Striper, Pavement	B
Stripping, Other	B

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule	Equipment/Process	Schedule
Sulfonation Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E	Treating, Petroleum Distillates Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	D
Sulfuric Acid Plant Including, but not limited to, all or part of the following: Accumulators, Columns, Condensers, Drums, Heat Exchangers, Knock Out Pots, Pots, Pumps, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	F	Vacuum Distillation Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E
Sump, Covered & Controlled	C	Vacuum Machine	C
Sump, Spill Containment	A	Vacuum Metalizing	B
Tablet Coating Pans	A	Vacuum Pumps	C
Tank, Hard Chrome Plating	C	Vegetable Oil Extractor Including, but not limited to, all or part of the following: Bins, Conveyors, Cookers, Presses, Tanks, Kilns	E
Tank/Line, Other Chrome Plating or Chrome Anodizing	C	Warming Device, Electric	A
Tank, Line, Other Process Emitting Hexavalent Chrome	C	Waste Water Treating (< 10,000 gpd) Including, but not limited to, all or part of the following: Air Flootation Units, Flootation Units, Filter Presses, Clarifiers, Settling Tanks, Waste Water Separators, Tanks	B
Tank/Line, Trivalent Chrome Plating	B	Waste Water Treating (< 20,000 gpd) no toxics Including, but not limited to, all or part of the following: Air Flootation Units, Flootation Units, Filter Presses, Clarifiers, Settling Tanks, Waste Water Separators, Tanks	B
Tank/Line, Cadmium or Nickel Plating	C	Waste Water Treating (20,000 - 50,000 gpd) Including, but not limited to, all or part of the following: Air Flootation Units, Flootation Units, Filter Presses, Clarifiers, Settling Tanks, Waste Water Separators, Tanks	D
Tank/Line, Other Process Emitting Nickel or Cadmium	B1	Waste Water Treating (> 50,000 gpd) Including, but not limited to, all or part of the following: Air Flootation Units, Flootation Units, Filter Presses, Clarifiers, Settling Tanks, Waste Water Separators, Tanks	E
Tank/Line, Other Plating	B		
Tank/Line Nitric Acid Process Emitting NOx	C		
Tank/Line, Other Process Using Aqueous Solutions	B		
Tank, Paint Stripping w/Methylene Chloride	C		
Textiles, Recycled, Processing	C		
Thermal Cracking Unit Including, but not limited to, all or part of the following: Absorbers, Accumulators, Columns, Compressors, Condensers, Drums, Fractionators, Heat Exchangers, Knock Out Pots, Pots, Pumps, Reactors, Regenerators, Scrubbers, Settling Tanks, Sumps, Tanks, Towers, Vessels	E		
Tire Buffer	A		
Treating, Other	B		

TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Equipment/Process	Schedule
Waste-to-Energy Equipment	H
Wet Gate Printing Equipment using Perchloroethylene	B
Weigh Station	A
Wood Treating Equipment Including, but not limited to, all or part of the following: Coater Operations, Process Tanks	C

TABLE IIA
SPECIAL PROCESSING FEES
AIR QUALITY ANALYSIS/HEALTH RISK ASSESSMENT

Schedule	Fee
A	\$1,360.52 <u>1,406.78</u>
B	\$1,360.52 <u>1,406.78</u>
C	\$1,360.52 <u>1,406.78</u>
D	\$4,870.82 <u>5,036.43</u> +T&M
E	\$4,870.82 <u>5,036.43</u> +T&M
F	\$4,870.82 <u>5,036.43</u> +T&M
G	\$4,870.82 <u>5,036.43</u> +T&M
H	\$6,495.59 <u>6,716.44</u> +T&M

D through G: T&M = Time and Material charged at ~~\$139.31~~144.05 per hour above 35 hours.

H: T&M = Time and Material charged at ~~\$139.31~~144.05 per hour above 47 hours. Time and material charges for work beyond these hourly limits shall be for analysis or assessment required due to modification of the project or supporting analysis submitted for initial review or for multiple analyses or assessments required for a project or other special circumstances and shall be approved by the Executive Officer.

An additional fee of ~~\$2,332.31~~2,411.61 shall be assessed for a project requiring modeling review triggered by the requirements of Regulation XVII – Prevention of Significant Deterioration (PSD). The total combined fee for these reviews shall not exceed ~~\$15,548.72~~16,077.38.

**TABLE IIB
FEE FOR PUBLIC NOTICE PUBLICATION^(a)**

County	FY 2017-18 Rule 212(g) Notice	FY 2017-18 Title V Notice	FY 2018-19 Title V Notice	FY 2019-20 and thereafter Title V Notice
Los Angeles	\$1,458.08	\$970.54	\$1,074.10	\$1,188.60
Orange	\$1,328.01	\$719.51	\$796.28	\$881.16
Riverside	\$288.34	\$341.63	\$378.08	\$418.38
San Bernardino	\$1,266.34	\$647.02	\$716.06	\$792.39

^(a)If Rule 212(g) and Title V notices are combined, pursuant to Rule 212(h), only Rule 212(g) publication fee applies.

**TABLE IIB C
CEMS, FSMS, & ACEMS FEE SCHEDULE**

Certification Review		
CEMS and FSMS Review ¹	Basic Fee ²	Maximum Fee
Any combination of pollutants, diluent, flow, or other parameter ³ for:		
One to two components	<u>\$3,766.443,894.50</u>	<u>\$6,743.666,972.94</u>
Three to four components	<u>\$4,530.744,684.79</u>	<u>\$12,409.7912,831.72</u>
For each additional component beyond four, the following amount is added to the fee for four components	\$0.00	<u>\$3,065.453,169.68</u>
For time-sharing of CEMS, the following amount is added to any fee determined above	\$0.00	<u>\$3,065.453,169.68</u>
ACEMS Review	Basic Fee ⁴	Maximum Fee
	<u>\$3,766.443,894.50</u>	<u>\$12,409.7912,831.72</u>

¹The certification fee includes the initial application approval, approval of test protocol, and approval of the performance test results. An application resubmitted after a denial will be treated as a new application and will be subject to a new fee.

²Covers up to 40 hours evaluation time for the first two components, 60 hours for the first four components, and up to an additional 12 hours for each component beyond four. Excess hours beyond these will be charged at ~~\$166.35~~ \$172.01 per hour, to the maximum listed in the table.

³Additional components, as necessary, to meet monitoring requirements (e.g., moisture monitor).

⁴Covers up to 40 hours evaluation time.

TABLE III - EMISSION FEES

Annual Emissions (tons/yr)	Organic Gases* (\$/ton)	Specific Organics** (\$/ton)	Nitrogen Oxides (\$/ton)	Sulfur Oxides (\$/ton)	Carbon Monoxide (\$/ton)	Particulate Matter (\$/tons)
4 – 25	\$604.61 <u>625.17</u>	\$108.17 <u>111.85</u>	\$353.72 <u>365.75</u>	\$419.37 <u>433.63</u>	-	\$462.33 <u>478.05</u>
>25 – 75	\$981.65 <u>1,015.03</u>	\$171.40 <u>177.23</u>	\$561.87 <u>580.97</u>	\$677.92 <u>700.97</u>	-	\$749.15 <u>774.62</u>
>75 and <100	\$1,469.41 <u>1,519.37</u>	\$257.08 <u>265.82</u>	\$846.20 <u>874.97</u>	\$1,017.80 <u>1,052.41</u>	-	\$1,121.67 <u>1,159.81</u>
≥100	<u>\$1,519.37</u> -	<u>\$265.82-</u>	<u>\$874.97-</u>	<u>\$1,052.41-</u>	<u>\$7,247.49</u>	<u>\$1,159.81-</u>

* Excluding methane, exempt compounds as specified in paragraph (e)(13), and specific organic gases as specified in paragraph defined in subdivision (b) of this rule.

** See specific organic gases as defined in subdivision (b) of this rule.

TABLE IV
TOXIC AIR CONTAMINANTS AND OZONE DEPLETERS

TOXIC COMPOUNDS	Fee \$/1 lb	Annual Emission Thresholds (lbs)
Ammonia (Reporting Period 07/01/04 and beyond)	\$0.03	200
Asbestos	\$6.31 <u>52</u>	0.0001
Benzene	\$2.13 <u>20</u>	2.0
Cadmium	\$6.31 <u>52</u>	0.01
Carbon tetrachloride	\$2.13 <u>20</u>	1.0
Chlorinated dioxins and dibenzofurans (26 species)	\$10.54 <u>90</u>	0.0000 <u>201</u>
Ethylene dibromide	\$2.13 <u>20</u>	0.5
Ethylene dichloride	\$2.13 <u>20</u>	2.0
Ethylene oxide	\$2.13 <u>20</u>	0.5
Formaldehyde	\$0.47 <u>9</u>	5.0
Hexavalent chromium	\$8.42 <u>71</u>	0.0001
Methylene chloride	\$0.08	50.0
Nickel	\$4.20 <u>34</u>	0.1
Perchloroethylene	\$0.47 <u>9</u>	5.0
1,3-Butadiene	\$6.31 <u>52</u>	0.1
Inorganic arsenic	\$6.31 <u>52</u>	0.01
Beryllium	\$6.31 <u>52</u>	0.001
Polynuclear aromatic hydrocarbons (PAHs)	\$6.31 <u>52</u>	0.2
Vinyl chloride	\$2.13 <u>20</u>	0.5
Lead	\$2.13 <u>20</u>	0.5
1,4-Dioxane	\$0.47 <u>9</u>	5.0
Trichloroethylene	\$0.16 <u>7</u>	20.0
Chlorofluorocarbons (CFCs)	\$0.41 <u>2</u>	— <u>1</u>
1,1,1-trichloroethane	\$0.05	— <u>1</u>

**TABLE V
ANNUAL CLEAN FUELS FEES**

Volatile Organic Compounds (\$/ton)	Nitrogen Oxides (\$/ton)	Sulfur Oxides (\$/ton)	Particulate Matter (\$/ton)
\$47.11 <u>48.71</u>	\$26.41 <u>27.31</u>	\$32.74 <u>33.85</u>	\$26.41 <u>27.31</u>

**TABLE VI
DEMOLITION, ASBESTOS AND LEAD NOTIFICATION FEES**

Demolition and Renovation by Project Size (square feet) ¹					
up to 1,000	> 1,000 to 5,000	5,000 to 10,000	> 10,000 to 50,000	> 50,000 to 100,000	> 100,000
\$60.85 <u>62.92</u>	\$186.07 <u>192.40</u>	\$435.57 <u>450.38</u>	\$682.99 <u>706.21</u>	\$989.82 <u>1,023.47</u>	\$1,649.70 <u>1,705.79</u>

Additional Service Charge Fees				
Revision to Notification	Special Handling Fee ²	Planned Renovation	Procedure 4 or 5 Plan Evaluation	Expedited Procedure 4 or 5 Fee ³
\$60.85 <u>62.92</u>	\$60.85 <u>62.92</u>	\$682.99 <u>706.21</u>	\$682.99 <u>706.21</u>	\$341.49 <u>353.10</u>

¹ For demolition, the fee is based on the building size.
For refinery or chemical unit demolition, the fee is based on the structure’s footprint surface area.

² For renovation, the fee is based on the amount of asbestos/lead removed.

³ For all notifications postmarked less than 14 calendar days prior to project start date.

³ For all expedited Procedure 4 or 5 plan evaluation requests postmarked less than 14 calendar days prior to project start date.
For each subsequent notification for pre-approved Procedure 5 plan submitted per Rule 1403(d)(1)(D)(i)(V)(2).

**TABLE VII
SUMMARY OF FACILITY PERMIT FEES FOR FACILITIES THAT ARE RECLAIM
ONLY, TITLE V ONLY, & AND BOTH RECLAIM & TITLE V FEES**

Description	Rule section	FY 2017-18	FY 2018-19	FY 2019-20 and thereafter
RECLAIM (†)				
Facility <u>Permit</u> Amendment/ <u>Revision</u> Fee with Engineering Evaluation • <u>RECLAIM Only</u> • <u>Title V Only*</u> • <u>RECLAIM & Title V*</u> * <u>Includes administrative, minor, de minimis significant, or significant amendment/revision</u>	(l)(5) (m)(4)	\$1,088.60 \$1,088.60	\$1,132.14 \$1,132.14 <u>1,170.63</u> \$1,325.61 \$2,414.16 <u>2,496.24</u>	\$1,132.14 \$1,132.14 <u>1,170.63</u> \$1,466.92 \$2,550.82 <u>2,637.55</u>
Facility Amendment Fee without Engineering Evaluation • RECLAIM only • RECLAIM & Title V	(†)(5)	\$1,088.60 \$1,088.60	\$1,132.14 \$1,132.14	\$1,132.14 \$1,132.14
Facility <u>Permit</u> Change of Operator • Facility Permit Amendment Fee + Plus	(c)(2) (l)(7) 6 (m)(4) (n)(5)	\$1,088.60 \$1,088.60 +	\$1,132.14 \$1,132.14 + Plus	\$1,132.14 \$1,132.14 +
Facility Permit Amendment/Revision Fee (See Above)				

Proposed Amended Rule 301 (Cont.)

(May 4, 2018)

Description	Rule section	FY 2017-18	FY 2018-19	FY 2019-20 and thereafter
RECLAIM (†)				
• Application Processing Fee for Each Application		\$633.40	\$658.74 <i>Processing Fees</i> <i>(See Table FEE RATE-C)</i>	\$658.74

Description	Rule section	FY 2017-18	FY 2018-19	FY 2019-20 and thereafter
TITLE V (m)				
Administrative Permit Revision Fee	(m)(6)	\$1,158.42	\$1,282.02	\$1,418.68
Permit Revision Fee <ul style="list-style-type: none"> • Minor permit revision • De minimis significant permit revision • Significant permit revision 	(m)(7)	\$1,158.42	\$1,282.02	\$1,418.68
<u>Title V Facility Permit Renewal Fees (Due at Filing)</u> + <u>Plus</u> <u>Hourly Rate for Calculation of Final Fee for Evaluation Time in excess of 8 hours (Due upon Notification)</u>	(m)(85)) (m)(9)	\$2,631.19 + \$184.10 per hour	\$2,911.94 <u>3,010.95</u> + <u>Plus</u> \$203.74 <u>210.67</u> per hour	\$3,222.35 <u>3,331.91</u> + <u>Plus</u> \$225.46 <u>233.13</u> per hour
Change of Operator <ul style="list-style-type: none"> • Administrative Permit Revision Fee 	(m)(6)	\$1,158.42	\$1,282.02	\$1,418.68

ATTACHMENT G2

(Adopted September 2, 1977)(Amended May 5, 1978)(Amended March 5, 1982)
(Amended August 5, 1983)(Amended October 5, 1984)(Amended January 6, 1989)
(Amended June 1, 1990)(Amended June 6, 1992)(Amended June 11, 1993)
(Amended June 10, 1994)(Amended May 12, 1995)(Amended May 10, 1996)
(Amended May 9, 1997)(Amended May 8, 1998)(Amended May 14, 1999)
(Amended May 19, 2000)(Amended May 11, 2001)(Amended May 3, 2002)
(Amended June 6, 2003)(Amended July 9, 2004)(Amended June 3, 2005)
(Amended June 9, 2006)(Amended May 4, 2007)(Amended May 2, 2008)
(Amended June 5, 2009)(Amended May 7, 2010)(Updated July 1, 2011)
(Updated July 1, 2012)(Updated July 1, 2013)(Amended June 6, 2014)
(Amended May 1, 2015)(Updated July 1, 2016)(Amended June 2, 2017)
(Proposed Amended Rule May 4, 2018)

Proposed Effective Date July 1, 2018

PROPOSED AMENDED RULE 303. HEARING BOARD FEES

- (a) Filing and Appearance Fees
- (1) Every applicant or petitioner in a proceeding before the Hearing Board shall pay to the Clerk of the Board, at the time of filing, a filing fee for each petition in accordance with the schedule set forth in Table III.
 - (2) If the hearing runs more than one day, supplemental appearance fees shall be assessed pursuant to Table III for each additional day of the hearing, unless otherwise ordered by the Hearing Board.
- (b) Filing Fee Refunds
- (1) In the event the Hearing Board reverses in total an appealed decision of the Executive Officer, the filing fee specified in subdivision (a) shall be refunded to the petitioner.
 - (2) In the event that the petition is withdrawn, and the petitioner notifies the Clerk of the Board in writing not less than four (4) days prior to the scheduled appearance, or the hearing is not held for any other reason, the petitioner shall be entitled to a refund of fifty percent (50%) of the filing fees.
- (c) Publication Fees
- Every petitioner for relief which requires published notice shall pay to the Clerk of the Board a fee to cover the actual cost of publication of notice(s) of hearing. The fee shall be due and payable within fifteen (15) days of the notification in writing of the amount due.

(d) Excess Emission Fee

- (1) Each applicant or petitioner for a variance from these Rules and Regulations shall pay to the Clerk of the Board, in addition to the filing fees required in subdivision (a) an emission fee in accordance with the schedule set forth in Table I, based on the total emissions discharged during the variance period in excess of that allowed by these rules or permit conditions, other than those described in subdivision (e) below. If the amount of the excess emission fee is less than that specified in subdivision (f), the applicant or petitioner shall pay the higher amount, unless otherwise ordered by the Hearing Board.
- (2) In cases where the Hearing Board determines that calculations or estimations of excess emissions cannot be made, the petitioner shall pay the amount set forth in subdivision (f), unless otherwise ordered by the Hearing Board.
- (3) In the event that more than one rule and/or permit condition limiting the discharge of the same contaminant is violated, the excess emission fee shall be based on the excess emissions resulting from the violation of the most stringent rule or permit condition. For the purposes of this subdivision, opacity rules and particulate mass emissions shall not be considered rules limiting the discharge of the same contaminant.

(e) Excess Visible Emission Fee

Each applicant or petitioner for a variance from Rule 401 and/or Health and Safety Code Section 41701 shall pay to the Clerk of the Board, in addition to the filing fees required in subdivision (a) above, and the excess emission fees required in (d) above (if any), an emission fee based on the difference between the percent opacity allowed by Rule 401 and/or Health and Safety Code Section 41701 and the percent opacity of the emissions allowed under the variance. Such fees shall be calculated in accordance with the schedule set forth in Table II.

(f) Minimum Excess Emission Fees

The excess emission fee remitted, regardless of calculations, shall be no less than ~~\$186.03~~192.36 for each day on which the excess emissions occur or are expected to occur at each facility during the variance period, unless otherwise ordered by the Hearing Board.

- (g) **Adjustment of Excess Emission Fees**
The Hearing Board may adjust the excess emission fee required by subdivisions (d), (e), and (f) of this rule, at the request of the petitioner or upon motion of the Hearing Board, based on evidence regarding emissions presented at the time of the hearing.
- (h) **Eligibility as a Small Business and Eligibility for Table III Schedule A Fees**
- (1) Petitioners that are individuals or that meet the definition of Small Business as set forth in Rule 102- Small Business or that meet the gross annual receipts criterion for small businesses shall be assessed twenty percent (20%) of the fees required by subdivisions (d), (e), or (f), whichever is applicable.
 - (2) A request for eligibility as a small business, individual, or entity that meets the total annual gross receipts criterion for small businesses in Rule 102 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 of the Board at the time of filing of a petition for a variance.
- (i) **Group Variance Fees**
- (1) Petitioners filing as a group for a variance shall jointly pay the total filing fee specified in Table III. Each petitioner shall individually pay excess emission fees for their facility or product(s), as specified in subdivisions (d), and (e), or (f) whichever is applicable.
 - (2) The Publication Fee required by subdivision (c) shall be totaled and divided equally among the petitioners.
- (j) **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, that (1) emissions were less than those upon which the fee was based, or (2) excess emission fee calculations are otherwise incorrect, a pro rata refund shall be made. If the amount of the excess emissions fee is less than that specified in subdivision (f), the applicant or petitioner shall pay the higher amount, unless otherwise ordered by the Hearing Board.

(k) Fee Payment/Variance Revocation

- (1) Excess emission fees required by subdivisions (d), (e), and (f) shall be due and payable to the Clerk of the Board within fifteen (15) days of notification in writing that the fees are due, unless otherwise ordered by the Hearing Board.
- (2) Failure to pay any assessed fees within fifteen (15) days of written notification that fees are due may be cause for the Hearing Board to issue further orders as may be appropriate, including but not limited to revocation of a 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 fee 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 with the same effect as if it had been postmarked on the expiration date.

(l) Request for Time Extension of Payment Due

Whenever this rule requires fees to be paid by a certain date, the petitioner may, for good cause, request the Executive Officer to grant an extension of time, not to exceed ninety (90) days, within which the fees shall be paid. Any request for extension of time shall be presented in writing, and accompanied by a statement of reasons demonstrating good cause as to why the extension should be granted.

(m) Discretionary Powers

Any person may allege that payment of any of the fees within this rule, excluding publication fees, will cause an unreasonable hardship or is otherwise inequitable. Such petitioner may be excused from payment of such fees or a portion thereof by order of the Hearing Board if the Board, in its discretion, determines after hearing evidence thereon that payment of such fees would cause financial or other unreasonable hardship to the petitioner or is otherwise inequitable. The Hearing Board, on its own motion, may also waive all or any portion of any fee(s) except the Publication Fee.

(n) Transcript Fees

Any person requesting a transcript of the hearing shall pay the cost of such transcript. The parties to hearings and pre-hearing proceedings may be directed by the Hearing Board to pay the cost of transcripts necessary for the Hearing Board's determination of the matter, in such proportion as the Hearing Board may order.

(o) Government Agencies

(1) This rule shall not apply to petitions filed by the Executive Officer.

(2) Federal, state or local government agencies or public districts shall pay all fees.

(p) Waiver of Fees

All fees associated with this rule shall be waived for any petition for a variance filed as the direct and proximate result of any event declared to be a "state of emergency" by local, state, or federal authorities.

(q) Service Charge for Returned Check

Any person who submits a check to the District that is returned due to insufficient funds, or for which that person issues instructions to stop payment on the check, absent an overcharge or other legal entitlement to withhold payment, shall be subject to a \$25.00 service charge.

(r) Effective Date of Fee Schedules

Appearance and excess emission fees shall be those in effect at the time of the hearing dates.

**TABLE I
SCHEDULE OF EXCESS EMISSIONS FEES**

<u>Air Contaminants</u>	<u>Dollars Per Ton</u>
Organic gases, except methane and those containing sulfur	<u>\$5,873.726,073.43</u>
Carbon Monoxide	<u>\$57.5059.46</u>
Oxides of nitrogen (expressed as nitrogen dioxide)	<u>\$3,523.773,643.58</u>
Gaseous sulfur compounds (expressed as sulfur dioxide)	<u>\$4,109.254,248.96</u>
Particulate matter	<u>\$4,109.254,248.96</u>
Ammonia	<u>\$0.11</u>
Asbestos	<u>\$25.9226.80</u>
Benzene	<u>\$8.658.94</u>
Cadmium	<u>\$25.9226.80</u>
Carbon tetrachloride	<u>\$8.658.94</u>
Chlorinated dioxins and dibenzofurans (26 species)	<u>\$43.1544.62</u>
Ethylene dibromide	<u>\$8.658.94</u>
Ethylene dichloride	<u>\$8.658.94</u>
Ethylene oxide	<u>\$8.658.94</u>
Formaldehyde	<u>\$1.811.87</u>
Hexavalent chromium	<u>\$34.5035.67</u>
Methylene chloride	<u>\$0.410.42</u>
Nickel	<u>\$17.1517.73</u>
Perchloroethylene	<u>\$1.811.87</u>
1,3-Butadiene	<u>\$25.9226.80</u>
Inorganic arsenic	<u>\$25.9226.80</u>
Beryllium	<u>\$25.9226.80</u>
Polynuclear aromatic hydrocarbons (PAHs)	<u>\$25.9226.80</u>
Vinyl chloride	<u>\$8.658.94</u>
Lead	<u>\$8.658.94</u>
1,4-Dioxane	<u>\$1.811.87</u>
Trichloroethylene	<u>\$0.740.77</u>

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

For each source with opacity emissions in excess of twenty percent (20%), the fee is calculated as follows:

$$\text{Fee} = (\text{Opacity* equivalent} - 20) \times \text{number of days on which the violation is expected to occur} \times \text{\$} \del{9.72} \underline{10.05}$$

For each source with opacity emissions in excess of forty percent (40%) (where the source is exempt from Rule 401 and in violation of California Health and Safety Code Section 41701), the fee is calculated as follows:

$$\text{Fee} = (\text{Opacity* equivalent} - 40) \times \text{number of days on which the violation is expected to occur} \times \text{\$} \del{9.72} \underline{10.05}$$

* 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."

TABLE III - FILING FEE SCHEDULE

Filing and supplemental fees shall be paid by the petitioner as follows:

Schedule A shall apply to -

- (1) small businesses as defined by Rule 102,
- (2) individual persons, and
- (3) entities that meet the total annual gross receipts criterion for small businesses in Rule 102.

Schedule B - shall apply to - all others.

	Schedule B	Schedule A
VARIANCE (Interim, Short, Regular, Emergency) and Alternate Operating Condition(s)		
<input type="checkbox"/> Interim and Short or Interim and Regular	\$1,522.56 <u>1,574.33</u>	\$273.06 <u>282.34</u>
<input type="checkbox"/> Short (without interim)	\$1,218.06 <u>1,259.47</u>	\$273.06 <u>282.34</u>
<input type="checkbox"/> Regular (without interim)	\$1,218.06 <u>1,259.47</u>	\$273.06 <u>282.34</u>
<input type="checkbox"/> Emergency or Ex Parte Emergency	\$1,218.06 <u>1,259.47</u>	\$273.06 <u>282.34</u>
<input type="checkbox"/> Variance plus Alternate Operating Condition(s)	\$1,827.07 <u>1,889.19</u>	\$273.06 <u>282.34</u>
<input type="checkbox"/> Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	\$682.00 <u>705.19</u>	\$136.28 <u>140.91</u>

PRODUCT VARIANCE		
Filing Fee	\$1,827.07 <u>1,889.19</u>	\$273.06 <u>282.34</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	\$682.00 <u>705.19</u>	\$136.28 <u>140.91</u>

GROUP VARIANCE		
Two	\$1,370.32 <u>1,416.91</u>	
Three	\$2,131.59 <u>2,204.06</u>	
Four or More	\$3,045.15 <u>3,148.69</u>	
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	\$1,023.06 <u>1,057.84</u>	

	Schedule B	Schedule A
MODIFICATION OF EXISTING ORDERS INCLUDING FINAL COMPLIANCE DATE		
<input type="checkbox"/> Modification of a Final Compliance Date and Extension of a Variance	\$ 1,218.06 <u>1,259.47</u>	\$ 273.06 <u>282.34</u>
<input type="checkbox"/> Modification of Order for Abatement (requested by respondent)	\$ 1,218.06 <u>1,259.47</u>	\$ 273.06 <u>282.34</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional of	\$ 682.00 <u>705.19</u>	\$ 136.28 <u>140.91</u>

MODIFICATION OF EXISTING ORDERS EXCLUDING FINAL COMPLIANCE DATE		
<input type="checkbox"/> Modification of Variance (Increments of Progress and Conditions)	\$ 909.74 <u>940.67</u>	\$ 273.06 <u>282.34</u>
<input type="checkbox"/> Interim Authorization (Increments of Progress)	\$ 909.74 <u>940.67</u>	\$ 273.06 <u>282.34</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	\$ 293.81 <u>303.80</u>	

ADMINISTRATIVE TYPE OF HEARINGS		
<input type="checkbox"/> Administrative Hearings (issuance of subpoenas, waiver of fees, etc.)	\$ 909.74 <u>940.67</u>	\$ 273.06 <u>282.34</u>
Plus, for each hearing day in in addition to the first hearing day necessary to dispose of the petition, the additional sum of	\$ 304.53 <u>314.88</u>	\$ 136.28 <u>140.91</u>

APPEAL		
Filing fee	\$ 1,827.07 <u>1,889.19</u>	\$ 273.06 <u>282.34</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	\$ 1,023.06 <u>1,057.84</u>	\$ 200.19 <u>207.00</u>

CONSENT CALENDAR		
Filing Fee	\$ 420.96 <u>435.27</u>	\$ 136.28 <u>140.91</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	\$ 266.46 <u>275.52</u>	\$ 136.28 <u>140.91</u>
<input type="checkbox"/> In the event that the Board determines that there was insufficient documentation to consider the matter on the Consent Calendar, and the matter is scheduled for a hearing before the Board, petitioner shall pay an additional sum of	\$ 761.29 <u>787.17</u>	\$ 273.06 <u>282.34</u>
Plus, for each hearing day in addition to the first hearing day necessary to dispose of the petition, the additional sum of	\$ 682.00 <u>705.19</u>	\$ 136.28 <u>140.91</u>

ATTACHMENT G3

(Adopted October 7, 1977)(Amended March 5, 1982)(Amended January 14, 1983)
(Amended September 16, 1983)(Amended April 5, 1985)(Amended May 1, 1987)
(Amended June 5, 1987)(Amended June 3, 1988)(Amended December 2, 1988)
(Amended January 6, 1989)(Amended July 6, 1990)(Amended December 6, 1991)
(Amended June 6, 1992)(Amended October 2, 1992)(Amended June 11, 1993)
(Amended June 10, 1994)(Amended May 10, 1996)(Amended May 9, 1997)
(Amended May 8, 1998)(Amended May 14, 1999)(Amended May 19, 2000)
(Amended May 11, 2001)(Amended May 3, 2002)(Amended June 6, 2003)
(Amended July 9, 2004)(Amended June 3, 2005)(Amended June 9, 2006)
(Amended May 4, 2007)(Amended May 2, 2008)(Amended June 5, 2009)
(Amended May 7, 2010)(Amended May 6, 2011)(Updated July 1, 2012)
(Updated July 1, 2013)(Amended June 6, 2014)(Amended May 1, 2015)
(Updated July 1, 2016)(Amended June 2, 2017)
(Proposed Amended Rule May 4, 2018)

Proposed Effective Date July 1, 2018

PROPOSED AMENDED RULE 304. EQUIPMENT, MATERIALS, AND AMBIENT AIR ANALYSES

- (a) Whenever the Executive Officer finds that an analysis of the materials used by, or the emissions from, any source is necessary to determine the extent and amount of pollutants being discharged to the atmosphere, he may order the testing of such sources.
- (b) Whenever the Executive Officer has reasonable cause to believe that air pollutants being discharged into the atmosphere from any source may be contrary to any permit condition or any state or local law, order, rule, or regulation relating to air pollution, or may be endangering the comfort, repose, health, or safety of a considerable number of persons, or the public, he may order the testing of the ambient air which may be affected.
- (c) After the Executive Officer determines that ambient air testing should be conducted and that the source should be assessed fees to pay for such testing, and that the test has begun, he shall within two working days advise the source of the basis upon which the finding of reasonable cause was made, the pollutants being tested for, the duration of testing, and the estimated fees.
- (d) Testing will be accomplished by the collection of samples and the analyses of such samples by qualified personnel of the South Coast Air Quality Management

District, continuous automatic recording ambient monitoring by a District van, device, facility or an independent testing laboratory under contract to the District. Alternatively, the Executive Officer may require (or the owner/operator of the source may, with the approval of the Executive Officer, elect) that testing be performed by an approved independent testing laboratory, that meets the criteria in subdivision (k). Such testing shall be done using procedures and methods and under conditions prescribed by the Executive Officer. Where tests are performed by an approved independent testing laboratory, the Executive Officer may require that sampling and/or testing be witnessed by qualified District personnel at the fee rate of ~~\$131.31~~135.77 per person per hour or prorated portion thereof. The owner/operator of the source shall provide to the Executive Officer a copy of all test reports, including all test data, description of test methods, analyses, and results.

- (e) The owner/operator of a source tested by District personnel or an independent testing laboratory under contract to the District shall not pay a fee for the initial test/analysis which is conducted to determine compliance with a permit condition, or any state or local law, order, rule, or regulation relating to air pollution, unless the result of such testing indicates a violation of any state or local law, order, rule, permit condition or regulation relating to air pollution in which case the fee shall be charged to the owner/operator in accordance with the fee specified in Rule 304.1. If the initial test/analysis indicates that the source is or may be in violation of a permit condition, or any state or local law, order, rule, or regulation relating to air pollution, any subsequent test/analysis conducted in order to verify the compliance status shall also result in a fee charged to the owner/operator in accordance with the fee specified in Rule 304.1. Tests scheduled of one or more permit units to be operated under prearranged conditions, which are canceled due to a change in the permit units' prearranged operating conditions, shall result in a fee charged to the owner/operator in accordance with the fee specified in Rule 304.1. Such a fee shall

not be charged if the owner/operator notifies the District of the cancellation at least 24 hours prior to the scheduled test date and time.

- (f) Fees for any test not listed in Rule 304.1 shall be determined by the Executive Officer.
- (g) Federal, state, or local government agencies or public districts shall pay all fees.
- (h) Should the estimated fees for conducting any ambient air monitoring program as described in subdivision (b) of this Rule exceed ~~\$16,710.48~~\$17,278.64, the affected owner/operator may, within 30 days of notification, request that the program be approved by the District Board at a public hearing.
- (i) After completion of testing, the owner/operator of the source shall be notified by the District accounting office of the fees to be paid. Such fees shall be assessed for all non-compliant samples, as described in subdivision (e), which indicates that if, a source is or may be in violation of a permit condition or of any state or local law, order, rule, or regulation relating to air pollution, or when there may be any endangerment of the comfort, repose, health, or safety of a considerable number of persons or the public then, a subsequent verification is required. Failure to pay any such fees within sixty (60) days after the date shown on the notice of fees due shall constitute grounds for the denial, revocation or suspension of the permits to operate at sources subject to permit requirements and shall constitute a violation of this Rule for any source, whether or not subject to permit requirements.
- (j) A small business shall pay twenty percent (20%) of the fees listed in Rule 304.1. Small business is defined in Rule 102 as "Small Business."
- (k) For the purposes of this Rule, when an independent testing laboratory is used for the purposes of establishing compliance with District rules or to obtain a District permit to operate, it must meet all of the following criteria:
 - (1) The testing laboratory shall have no financial interest in the company or facility being tested, or in the parent company or any subsidiary thereof;
 - (2) The company or facility being tested, or parent company or any subsidiary thereof, shall have no financial interest in the testing laboratory;
 - (3) Any company or facility responsible for the emission of significant quantities of pollutants to the atmosphere, or parent company or any

subsidiary thereof, shall have no financial interest in the testing laboratory;
and

- (4) The testing laboratory shall not be in partnership with, own or be owned by, in part or in full, the contractor who has provided or installed equipment (basic or control), or monitoring systems, or is providing maintenance for installed equipment or monitoring systems, for the company being tested.

The testing laboratory shall submit a statement certifying that it meets the above criteria with respect to the company or facility being tested.

- (l) Notwithstanding the provisions of subdivision (k), the Executive Officer, by written approval, may allow the operator of a publicly owned treatment works to conduct testing in connection with wastewater treatment or reclamation operation pursuant to this rule, if the Executive Officer determines the following:
 - (1) the operator complies with all requirements of this rule, other than subdivision (k);
 - (2) the operator submits a written self-testing plan request to the Executive Officer for certification on a method-by-method basis, in accordance with the requirements of guidelines established by the Executive Officer; and
 - (3) the operator pays a fee for the processing of the self-testing plan request at a rate of ~~\$131.31~~135.77 per person per hour, ~~pursuant to Rule 306(d)~~, so as not to exceed the amount necessary to recover the District costs.
- (m) The District may approve independent testing firms to perform specified analyses and tests required for compliance with District rules, regulations and permit conditions.
 - (1) Approval fees (for each method required for approval) will be assessed to cover the costs of processing the laboratory approval application and subsequent District validation of the independent firm's expertise and reliability.
 - (2) For firms located outside District boundaries, reasonable travel charges will be assessed for site visits as required as part of the approval process.
 - (3) An approved facility may renew its status by paying an annual fee per method and by complying with the original approval requirements as well as any additional approval requirements or any additional conditions.

Fees are based on actual costs at the staff hour rate specified in paragraph (d) above and as shown in Table I.

**TABLE I
LABORATORY APPROVAL PROGRAM
FEE STRUCTURE
(per method)**

Application Review	\$175.04 <u>180.99</u>
Facility Inspection (if required)	\$131.31 <u>135.77</u> / hour up to \$384.87 <u>397.96</u> additional
Audit Sample (if required)	\$175.04 <u>180.99</u> / hour up to \$513.12 <u>530.57</u> additional
Annual Renewal	\$175.04 <u>180.99</u>
Method Equivalence	\$175.04 <u>180.99</u> / hour up to \$835.45 <u>863.86</u> additional

ATTACHMENT G4

(Adopted May 1, 1987)(Amended June 7, 1991)(Amended June 6, 1992)
(Amended June 10, 1994)(Amended May 10, 1996)(Amended May 9, 1997)
(Amended May 8, 1998)(Amended May 14, 1999)(Amended May 19, 2000)
(Amended May 11, 2001)(Amended May 3, 2002)(Amended June 6, 2003)
(Amended July 9, 2004)(Amended June 3, 2005)(Amended June 9, 2006)
(Amended May 4, 2007)(Amended May 2, 2008)(Amended May 7, 2010)
(Amended May 6, 2011)(Updated July 1, 2012)(Updated July 1, 2013)
(Amended June 6, 2014)(Amended May 1, 2015)(Updated July 1, 2016)
(Amended June 2, 2017)
(Proposed Amended Rule May 4, 2018)

Proposed Effective Date July 1, 2018

PROPOSED AMENDED RULE 304.1 ANALYSES FEES

Analyses fees for testing pursuant to Rule 304.

(a) Laboratory Analyses Fees

	<u>Type of Test</u>	<u>Fee</u>
(1)	Particle Analysis	
(A)	Microscopic Identification	\$131.34 <u>135.77</u> / hour of analysis
(B)	Micro-Fourier Transform Infrared Spectroscopy	\$194.64 <u>201.26</u> / particle
(C)	X-Ray Diffraction	\$194.64 <u>201.26</u> / sample
(D)	Particle Size Determination	
(i)	by microscopy	\$131.34 <u>135.77</u> / hour of analysis
(ii)	by sieve	\$131.34 <u>135.77</u> / sample
(E)	Energy Dispersive X-Ray - microprobe	As charged by outside laboratory (charge pass through)
(2)	Asbestos (Bulk Samples)	
(A)	PLM	\$131.34 <u>135.77</u> / sub-sample
(B)	Point Counting	\$131.34 <u>135.77</u> / sub-sample
(C)	TEM, Quantitative	As charged by outside laboratory (charge pass through)

	<u>Type of Test</u>	<u>Fee</u>
	(D) TEM, Qualitative	As charged by outside laboratory (charge pass through)
	(E) X-Ray Diffraction	\$290.13 <u>299.99</u> / sub-sample and/or layer
(3)	Asbestos (Bulk Samples)	
	(A) TEM - 12-hour turnaround	As charged by outside laboratory (charge pass through)
	(B) TEM - 1-day turnaround	As charged by outside laboratory (charge pass through)
	(C) TEM - 2-day turnaround	As charged by outside laboratory (charge pass through)
(4)	Vapor Pressure Tests	
	(A) Reid Vapor Pressure	\$87.35 <u>90.32</u> / sample
	(B) Isoteniscope	As charged by outside laboratory (charge pass through)
	(C) Speciation of Components in each sam- ple	\$367.59 <u>380.09</u> for five or fewer com- pounds \$43.61 <u>45.09</u> for each additional com- pound
	(D) Calculation	\$256.49 <u>265.21</u> / sample
(5)	Fuel Analysis	
	(A) Metals (Pb in gasoline)	\$262.57 <u>271.50</u> / sample \$34.67 <u>35.85</u> for each additional sample
	(B) Ash	As charged by outside laboratory (charge pass through)
	(C) Water and Sediment	As charged by outside laboratory (charge pass through)
	(D) Density	\$131.34 <u>135.77</u> / sample
	(E) Heat Content	As charged by outside laboratory (charge pass through)
	(F) Water	As charged by outside laboratory (charge pass through)

	<u>Type of Test</u>	<u>Fee</u>
(G)	Bromine Number	As charged by outside laboratory (charge pass through)
(H)	Sulfur	
	(i) In Fuel Gas	\$306.46 <u>316.88</u> / sample
	(ii) In Fuel Oil (by XRF)	\$104.67 <u>108.23</u> / sample
(I)	Engler Distillation	As charged by outside laboratory (charge pass through)
(J)	Initial Boiling Point	As charged by outside laboratory (charge pass through)
(6)	VOC (Regulation XI)	
(A)	Gravimetric Test	\$131.34 <u>135.77</u> / sample
(B)	Density of Coating or Distillate	\$131.34 <u>135.77</u> / sample
(C)	Gloss Testing	\$131.34 <u>135.77</u> / sample
(D)	Gas Chromatograph Analysis	\$367.59 <u>380.09</u> for five or fewer compounds \$43.61 <u>45.09</u> for each additional compound
(E)	Photochemical Reactivity -	
	(i) Unknown	\$525.49 <u>543.36</u> / sample
	(ii) Known	\$367.59 <u>380.09</u> / sample
(F)	Distillation -	
	(i) Normal	\$104.68 <u>108.24</u> / sample
	(ii) Heavy Ink	\$148.60 <u>153.65</u> / sample
(G)	Water by Karl Fischer Titration	\$175.04 <u>180.99</u> / sample
(H)	Emission Spectrograph Analysis	\$131.34 <u>135.77</u> / sample
(I)	Gas Chromatograph/Mass Spectrometry	\$350.25 <u>362.16</u> for five or fewer compounds \$34.63 <u>35.81</u> for each additional compound

	<u>Type of Test</u>	<u>Fee</u>
(J)	VOC in pipe cements	\$898.17 <u>928.71</u> / sample
(K)	VOC in adhesives contain- ing cyanoacrylates	\$256.49 <u>265.21</u> / sample

(7) For Certification Tests and Analyses not listed above, the fee shall be assessed at a rate of ~~\$131.31~~135.77 per person per hour or a prorated portion thereof.

(8) In addition to the regular analysis fee, all expedite samples which require overtime work by staff shall be charged an additional time and a half fee based on the normal hourly rate of staff performing such work beyond the normal work schedule.

(9) Time and material fees shall be charged for all samples sent to outside laboratories.

(b) Emissions Testing and Analyses Fees

	<u>Type of Test</u>	<u>Fee</u>
(1)	Accuracy Confirmation Test of Continuous Emission Monitor	\$1,331.44 <u>1,376.71</u>
(2)	Continuous Gaseous Emission Testing with Mobile Source Testing Vehicle	\$1,734.78 <u>1,793.76</u> plus \$148.89 <u>153.95</u> / hour
(3)	Non-Continuous Emission Testing	\$1,629.45 <u>1,684.85</u> plus fee listed below:
		<u>Cost Per Sample</u>
		Specific* Surcharge**
(A)	Moisture	\$236.27 <u>244.30</u> \$175.04 <u>180.99</u>
(B)	Particulate Matter	\$910.83 <u>941.80</u> \$455.27 <u>470.75</u>

* charge for first sample.

** charge for each additional sample, whether at the same or a different sampling location.

<u>Type of Test</u>		<u>Fee</u>	
(C)	Sulfur Dioxide	\$809.37 <u>836.89</u>	\$404.43 <u>418.18</u>
(D)	Oxides of Nitrogen	\$402.83 <u>416.53</u>	\$122.32 <u>126.48</u>
(E)	Carbon Monoxide	\$336.31 <u>347.74</u>	\$168.01 <u>173.72</u>
(F)	Total Hydrocarbons	\$840.80 <u>869.39</u>	\$604.20 <u>624.74</u>
		<u>Cost Per Sample</u>	
		Specific*	Surcharge**
(i)	Hydrogen Sulfide	\$809.37 <u>836.89</u>	\$404.43 <u>418.18</u>
(ii)	Vinyl Chloride	\$350.25 <u>362.16</u>	\$257.29 <u>266.04</u>
(G)	Gas Chromatograph / Mass Spectrometry for Unknown	\$350.25 <u>362.16</u> for five or fewer compounds \$34.63 <u>35.81</u> for each additional compound	
(H)	High Volume Sampler (Fugitive Dust)	\$714.79 <u>739.09</u>	\$357.32 <u>369.47</u>
(I)	Total Reduced Sulfur Compounds***	\$562.49 <u>581.61</u>	\$86.42 <u>89.36</u>

* charge for first sample.

** charge for each additional sample, whether at the same or a different sampling location.

*** The Non-Continuous Emission Testing Fee will only be charged if SCAQMD personnel perform the sampling. In the case where the samples are taken by contractor personnel (for compliance) or facility staff (for information only), only the sample analysis fee is applicable.

	<u>Type of Test</u>	<u>Fee</u>
(J)	Sample Preparation	\$43.61 <u>45.09</u> \$25.97 <u>26.85</u>

(c) Ambient Air Analyses Fees

(1) Automatic-Recording Ambient Air or Atmospheric Monitoring at a Fixed Site

	<u>Type of Test</u>	<u>Fee</u>
(A)	Installation of One (1) Wind-Monitoring System at One (1) Site.	\$875.89 <u>905.67</u>
(B)	Installation of Each Additional Wind-Monitoring System at the Same Site as (A).	\$262.58 <u>271.51</u>
(C)	Operation of One (1) Wind-Monitoring System At One (1) Site, Including Data Reduction.	\$175.04 <u>180.99</u> / day
(D)	Operation of Each Additional Wind-Monitoring System at Same Site as (C), Including Data Reduction.	\$61.23 <u>63.31</u> / day

(2) Continuous Automatic-Recording Ambient Monitoring In Mobile Mode

(A)	Installation of One (1) Instrument and Wind Monitoring System in Mobile Van.	\$1,226.63 <u>1,268.34</u>
(B)	Installation of Additional Instrument in Mobile Van.	\$437.79 <u>452.67</u>
(C)	Operation of One (1) Instrument and Wind-Monitoring System in Mobile Mode, 10 Hours Per Day, Weekdays Only.	\$665.75 <u>688.39</u> / day
(D)	Operation of One (1) Instrument and Wind-Monitoring System In Mobile Mode, 10 Hours Per Day, Weekends and Holidays.	\$998.70 <u>1,032.66</u> / day
(E)	Operation of Each Additional Instrument, Other Than Those Already Installed, in Mobile Van.	\$61.23 <u>63.31</u> / day

(3) Continuous Non-Recording Ambient Sampling With Laboratory Analysis of Sample Collected (Weekdays Only).

(A)	Installation of One (1) 24-Hour Sampler (Bag- or Sequential-Impinger).	\$875.89 <u>905.67</u> plus lab analysis
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Proposed Amended Rule 304.1 (Cont.)

(May 4, 2018)

(B)	Installation of Each Additional 24-Hour Sampler.	\$700.68 <u>724.50</u> plus lab analysis
(C)	Operation of One (1) 24-Hour Sampler and Analysis for One (1) Contaminant Per Sample.	\$306.51 <u>316.93</u> / day \$69.72 <u>72.09</u> for each additional contaminant
(D)	Operation of Each Additional 24-Hour Sampler and Analysis for Same Contaminant in (C).	\$113.67 <u>117.53</u> / day \$52.25 <u>54.03</u> for each additional contaminant
(E)	Operation of 24-Hour, Sequential-Im-pinger Sampler and Spectrophometric Analysis.	\$613.14 <u>633.99</u> / day for up to 12 samples \$262.58 <u>271.51</u> for each additional set of 12 samples
(F)	Installation of One (1) Non-Sequential Sampler to Collect Less-Than-24-Hour-Samples.	\$1,051.10 <u>1,086.84</u>
(G)	Operation of One (1) Non-Sequential Sampler to Collect Less-Than-24-Hour Samples For One Contaminant.	\$525.63 <u>543.50</u> / day
(H)	Sample Preparation or Extraction Prior to Analysis.	\$175.04 <u>180.99</u> / day for up to 12 samples
(I)	Spectrophometric Analysis of Each Sample Collected in (G) From Any Number of Samplers Operated for Same Project on Same Day.	\$87.35 <u>90.32</u> for first sample or contaminant \$34.63 <u>35.81</u> for each additional sample or contaminant
(K) <u>J</u>	Analysis of Each Sample Collected in (G) For Particulates.	\$104.67 <u>108.23</u> for first sample \$61.13 <u>63.21</u> for each additional sample
(L) <u>K</u>	Gas Chromatograph/Mass Spectrometry Identification For Any Sample Collected Above.	\$175.04 <u>180.99</u> for five or fewer contaminants \$17.31 <u>17.90</u> for each additional contaminant

(M)	Additional Fees for Sample Pick-up and Analysis After Normal Weekday Working Hours.	\$87.35 <u>90.32</u> additional / hour for each hour exceeding 8-hour normal week day for sample pick-up or collection \$1,401.68 <u>1,449.34</u> additional / day for weekends and holidays requiring sample pick-up and analysis same day \$1,752.27 <u>1,811.85</u> additional / day for weekends and holidays requiring manual sample collection and analysis same day
(4)	Meteorological Monitoring	
(A)	Conduct Upper-Air Observation via Radio or Airsonde.	\$613.17 <u>634.02</u>
(B)	Conduct Low-Level Air Observation via Tethersonde (8 Hour Program).	\$3,507.94 <u>3,627.18</u>
(C)	Conduct Pilot Balloon Observation (Pibal).	\$3,507.94 <u>3,627.18</u> / release
(5)	Landfill Integrated Surface Sampling Program, per Rule 1150.1 Guidelines	
(A)	Conduct Less-Than 24-Hour, Integrated-Surface-Sampling Program Over three (3) 50,000 Square-Foot Grids. Program Includes: Installation and Operation of Wind-Monitoring System; Set-Up of Sample Grid Areas; Conduct of Sampling Sweeps; and Analysis for One (1) Contaminant Per Sample Bag.	\$2,628.46 <u>2,717.83</u> / grid
(B)	Conduct Less-Than-24-Hour, Integrated-Landfill-Surface-Sampling Program Over Each Additional 50,000 Square-Foot Grid At The Same Site as (A).	\$569.22 <u>588.57</u>

- (6) SF6 Gas-Tracer Study
 - (A) Conduct SF6 Gas-Tracer Study With Up to Sixty (60) Samples, Including Installation and Operation of a Wind-Monitoring System and Tethersonde Observations. \$~~19,276.60~~19,932.00
 - (B) Collection and Analysis of Each Additional Sample for (A). \$~~87.35~~90.32

ATTACHMENT G5

(Adopted January 4, 1985)(Amended June 5, 1987)(Amended June 3, 1988)
(Amended January 6, 1989)(Amended November 3, 1989)(Amended July 6, 1990)
(Amended June 11, 1993)(Amended June 10, 1994)(Amended May 12, 1995)
(Amended May 10, 1996)(Amended May 9, 1997)(Amended May 8, 1998)
(Amended May 14, 1999)(Amended May 19, 2000)(Amended May 11, 2001)
(Amended May 3, 2002)(Amended June 6, 2003)(Amended July 9, 2004)
(Amended June 3, 2005)(Amended June 9, 2006)(Amended May 4, 2007)
(Amended May 2, 2008)(Amended June 5, 2009)(Amended May 7, 2010)
(Updated July 1, 2011)(Updated July 1, 2012)(Updated July 1, 2013)
(Amended June 6, 2014)(Amended May 1, 2015)(Amended May 6, 2016)
(Updated July 1, 2016)(Amended June 2, 2017)
(Proposed Amended Rule May 4, 2018)

Proposed Effective Date July 1, 2018

PROPOSED AMENDED RULE 306. PLAN FEES

(a) Summary

California Health and Safety Code Section 40522 provides authority for the South Coast Air Quality Management District to adopt a fee schedule for the approval of plans to cover the costs of review, planning, inspection, and monitoring related to activities conducted pursuant to the plans. An annual fee may also be charged to cover the costs of annual review, inspection, and monitoring related thereto. This rule establishes such a fee schedule, and requires that fees be paid for:

- (1) Filing of plans;
- (2) Evaluation of the above plans;
- (3) Inspections to verify compliance with the plans;
- (4) Duplicate plans;
- (5) Change of condition; and
- (6) Annual review/renewal of plans, if applicable.

(b) Definitions

For the purpose of this rule, a plan is any data and/or test report (including equipment certification source tests) required by federal or state law, or District Rules and Regulations to be submitted to the District. A plan may be a description of a method to control or measure emissions of air contaminants required by the Rules and Regulations. Plans include, but are not limited to, the following: Demonstration Plan; Application Test Plan; Implementation Plan; Compliance Plan; Management Plan; Control Plan; CEQA Mitigation Monitoring Plan; Acid Rain Repowering Extension Plan and Compliance Plan; Acid Rain Continuous

Emission Monitoring System Plan; Acid Rain Protocol/Report Evaluation; VOC Excavation Mitigation Plans (Site Specific and Various Locations); Reduction of Refrigerant Emissions from Stationary Refrigeration and Air Conditioning Systems Plan; Title V Exclusion Requests; ~~Rule 109.1~~; Smoke Management Plans; Burn Management Plans; Emergency Burn Plans; Post Burn Evaluation Reports; Rule 109 Alternative Recordkeeping System Plan; ~~and~~ Solid Waste Air Quality Assessment Test Reports (Health and Safety Code Section 41805.5); Compliance Assurance Monitoring Plan (40CFR64); Maximum Achievable Control Technology MACT Exemption Requests; Equipment Certification Source Test Reports; and MACT Case-by-Case Analysis.

(c) Plan Filing Fee

The filing fee for a plan or change of condition shall be as follows:

Facility Type	Non-Title V	Title V
FY 2017-18	\$144.88	\$154.17
FY 2018-19	\$150.68 <u>155.80</u>	\$170.62 <u>176.42</u>
FY 2019-20 and thereafter	\$150.68 <u>155.80</u>	\$188.81 <u>195.23</u>

(d) Plan Evaluation Fee

The plan evaluation fee shall be an amount equal to the total actual and reasonable time incurred by ~~the~~ District staff for evaluation of a plan, assessed at the hourly rate ~~per person per hour~~ or prorated portion thereof as follows:

Facility Type	Non-Title V	Title V
FY 2017-18	\$144.88	\$154.17
FY 2018-19	\$150.68 <u>155.80</u>	\$170.62 <u>176.42</u>
FY 2019-20 and thereafter	\$150.68 <u>155.80</u>	\$188.81 <u>195.23</u>

(e) Duplicate Plan Fee

A request for a duplicate plan shall be made in writing by the applicant. The applicant shall pay the fee as shown in the table below in this subdivision for each plan requested:

Facility Type	Non-Title V	Title V
FY 2017-18	\$23.52	\$25.02
FY 2018-19	\$24.46 <u>25.29</u>	\$27.69 <u>28.63</u>
FY 2019-20 and thereafter	\$24.46 <u>25.29</u>	\$30.64 <u>31.68</u>

(f) Inspection Fee

The inspection fee for plan verification shall be an amount equal to the total actual and reasonable time incurred by the District for inspection and verification of the plan, assessed at the hourly rate per inspection staff or prorated portion thereof as shown in the table below in this subdivision. For inspections conducted outside of regular District working hours, the fee shall be assessed at the rate of 150% of the above hourly rate. This subdivision shall not apply to plans subject to Rule 306(h).

Facility Type	Non-Title V	Title V
FY 2017-18	\$115.85	\$123.28
FY 2018-19	\$120.48 <u>124.58</u>	\$136.43 <u>141.07</u>
FY 2019-20 and thereafter	\$120.48 <u>124.58</u>	\$150.97 <u>156.10</u>

(g) Change of Condition Fee

Any request for a change of condition on a VOC Excavation Mitigation Plan shall be made in writing by the applicant. A request submitted after thirty (30) days of the issuance of the plan shall be subject to additional fees assessed at the hourly rate shown in the table below in this subdivision for time spent evaluating the plan. Such fees shall be imposed at the time the review is completed.

Facility Type	Non-Title V	Title V
FY 2017-18	\$144.88	\$154.17
FY 2018-19	\$150.68 <u>155.80</u>	\$170.62 <u>176.42</u>
FY 2019-20 and thereafter	\$150.68 <u>155.80</u>	\$188.81 <u>195.23</u>

(h) Annual Review/Renewal Fee

An annual review/renewal fee shall be charged for plans listed in the following table in this subdivision. The annual review/renewal fee shall be an amount equal to the Rule 301(d)(2) Schedule A fee. In addition, annual reviews/renewals shall meet all relevant and applicable requirements of Rule 301(d) and 301(g), and be paid on an annual renewal date set by the Executive Officer.

Annual Review/Renewal Plan Fee by Rule Number

Rule/Reference	Plan Type
410	Odor Monitoring
431.1	Sulfur Content of Gaseous Fuels
462	Organic Liquid Loading Continuous Monitoring System (CMS) Plan
463(e)(1)(A)	Organic Liquid Storage - Self-Inspection of Floating Roof Tanks
<u>1105.1</u>	<u>Reduction of PM10 and Ammonia Emissions from Fluid Catalytic Cracking Units</u>
1118	<ul style="list-style-type: none"> • <u>Control of Emissions from Refinery Flares - Flare Minimization Plan</u> • <u>Control of Emissions from Refinery Flares – Flare Monitoring and Recording Plan</u>
<u>1123</u>	<u>Refinery Process Turnarounds</u>
1132	Further Control of VOC Emissions from High-Emitting Spray Booth Facilities
1150	Excavation Management
1150.1.	Active Landfill Control of Gaseous Emissions
1158	Storage, Handling, and Transport of Coke, Coal and Sulfur - Open Pile Control Plan
1166	<ul style="list-style-type: none"> • Volatile Organic Compound Emissions from Decontamination of Soil – Fixed Site • Volatile Organic Compound Emissions from Decontamination of Soil - Various locations
1173	Control of Volatile Organic Compound Leaks and Releases from Components at Petroleum Facilities and Chemical Plants (h)(2)
1176	VOC Emissions Waste Water System
1407	Non Ferrous Metal Melting

Rule/Reference	Plan Type
1420	Emissions of Lead
1420.1	<ul style="list-style-type: none"> • Rule– Compliance Plan • Continuous Furnace Pressure Monitoring Plan • Compliance Plan for Closure Activities
1469	Chrome Plating Operations
1469.1	Spray Coating Chromium
1470	Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines
40 CFR 64.7	Compliance Assurance Monitoring Plan

(i) Payment of Fees

(1) Plan Filing and Plan Evaluation or Submittal Fees

In addition to payment of the filing fee pursuant to subdivision (c), the initial payment for plan evaluation fees shall be as shown in the table below in this subparagraph and paid at the time of filing. The adjustment to plan evaluation fees will be determined at the time a plan is approved or rejected and may include additional fees based upon actual review and work time billed at a rate pursuant to subdivision (d). ~~Notification of the amount due or refund will be provided to the applicant, and any additional fees due to the adjustment to plan evaluation fees will be billed following project completion.~~

A – Rule 403, <u>and 461 Plans</u> and <u>Rule 1166 Various Location Plans</u>	Non-Title V	Title V
— FY 2017-18	\$144.88	\$154.17
FY 2018-19	\$150.68 155.80	\$170.62 176.42
FY 2019-20 and thereafter	\$150.68 155.80	\$188.81 195.23
B – Rule 444, 1133 and 1415 Plans	See Rule 306 (c)	See Rule 306 (c)
C – All Other Plans, <u>including Rule 1166 Fixed Site Plans</u>	Non-Title V	Title V
— FY 2017-18	\$507.06	\$539.58

FY 2018-19	<u>\$527.34545.27</u>	<u>\$597.15617.45</u>
FY 2019-20 and thereafter	<u>\$527.34545.27</u>	<u>\$660.81683.28</u>

(2) Independent Consultant Fees

In the case that the Executive Officer requires a qualified independent consultant, engaged by the District under a contract, to review the plan, the fees charged by the consultant will be in addition to all other fees required.

(3) Payment Due Date

Payment of all applicable fees, including annual review/renewal fee, shall be due in sixty (60) days from the date of personal service or mailing of the notification of the amount due. Non-payment of the fee within this time period will result in expiration of the plan. For the purpose of this paragraph, the fee payment will 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 business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been postmarked on the expiration date. No further plan applications will be accepted until such time as all overdue fees have been fully paid.

(4) Fee Due Date Exception

Whenever the Executive Officer has reasonable cause to believe that the plan evaluation fee will be less than the fee for one hour's work, the fee need not be paid at the time of filing and notification of amount due, if any, shall be sent at the time the plan is approved or rejected.

(5) Optional Expedited Plan Evaluation Processing Fee

Initial Fees for requested expedited processing of plan evaluation will shall be an additional fifty percent (50%) of the applicable plan filing and initial evaluation fees pursuant to paragraph (i)(1), and shall be submitted at the time that the expedited processing is requested. The adjustment to expedited plan evaluation processing fee will be determined at the time a plan is approved or rejected and may include additional fees based upon actual review and work time billed at a rate for staff overtime which is equal

to one half of staff’s hourly rate as specified in subdivision (d). Notification of the amount due or refund will be provided to the applicant and any additional fees due to the adjustment to expedited plan evaluation processing fees will be billed following project completion. A request for expedited plan evaluation work can only be made upon initial work submittal, and approval of such a request is contingent upon the ability of the District to implement the necessary policies and procedures and the availability of qualified staff for overtime work.

(j) Small Business Discount

For small businesses filing plans, the fees assessed shall be fifty percent (50%) of the amounts specified in subdivisions (c), (d), (f), and (g).

(k) Alternative Recordkeeping System Plan Discount

For alternative recordkeeping system plan filed pursuant to Rule 109-1, the fee assessed shall be fifty percent (50%) of the amount specified in subdivisions (d), (f), and (g).

(l) Plan Application Cancellation Fee

The plan application cancellation fee shall be as shown in the table below in this subdivision. The cancellation fee shall not apply when the application was filed based on an erroneous District request.

Facility Type	Non-Title V	Title V
FY 2017-18	\$193.12	\$205.50
FY 2018-19	\$200.85 <u>207.68</u>	\$227.43 <u>235.16</u>
FY 2019-20 and thereafter	\$200.85 <u>207.68</u>	\$251.67 <u>260.23</u>

(m) Protocol/Report/Catalyst Equivalency Evaluation Fees

(1) A minimum fee of \$409.45 shall be charged for the evaluation of source test protocols and reports. ~~consist of a minimum fee, plus an a~~ Additional fees for time spent on the evaluation in excess of 5 hours shall be assessed at ~~an~~ the hourly rate specified in subdivision (d) for non-Title V facilities. The established minimum fee and additional fees for time spent on the evaluation in excess of 5 hours shall be billed after project completion. Fees are due at the time specified in the bill, which will allow a reasonable time for payment. ~~as follows:~~

A—Minimum Fee	Non-Title V	Title V
— FY 2017-18	\$380.76	\$405.18
— FY 2018-19	\$395.99	\$448.41
— FY 2019-20 and thereafter	\$395.99	\$496.21
B—Hourly Rate for Additional Fee	Non-Title V	Non-Title V
— FY 2017-18	\$144.88	\$154.17
— FY 2018-19	\$150.68	\$170.62
— FY 2019-20 and thereafter	\$150.68	\$188.81

(2) The fee for catalyst equivalency evaluation requests shall be the actual and reasonable evaluation hours assessed at the hourly rate specified in subdivision (d), and billed after project completion. Fees are due at the time specified in the bill, which will allow a reasonable time for payment.

(n) Exemptions

Mobile Source Emission Reduction Credit (MSERC) Applications, Compliance Plans required under Regulation XVI and Rule 2449 – Control of Oxides of Nitrogen from Off-Road Diesel Vehicles and Technical Infeasibility Certification Requests as cited in District Fleet Rules under Regulation XI shall be exempt from the provisions of this rule. Fees for Regulation XVI MSERC Applications and Compliance Plans shall be assessed in accordance with District Rule 309.

(o) Government Agencies

Federal, state, or local government agencies or public districts shall pay all fees.

(p) Air Quality Investment Program (AQIP)

Effective July 1, 1996, all Air Quality Investment Program (AQIP) fees shall be subject to Rule 311 and all other Rule 2202 registration fees shall be subject to Rule 308.

(q) Optional Expedited Protocol/Report/Catalyst Equivalency Evaluation Processing Fee

(1) Fees for requested expedited processing of Protocol/Report Evaluations, will be an additional fee based upon actual review and work time billed at

a rate for staff overtime which is equal to one half of staff's hourly rate ~~plus mileage~~ as specified in subdivision (d) for non-Title V facilities. The established "minimum fee" and additional fees for time spent on the evaluation in excess of 5 hours found in Rule 306(m)(1) shall be paid ~~at the time of filing~~ with the additional overtime fee billed following project completion ~~(adjustments to the final bill will be made accordingly for the processing time which is included in the minimum fee)~~. Fees are due at the time specified in the bill which will allow a reasonable time for payment. Request for expedited Protocol/Report Evaluation work can only be made upon initial work submittal, and approval of such a request is contingent upon the ability of the District to implement the necessary policies and procedures and the availability of qualified staff for overtime work.

<u>Hourly Rate in Addition to Rule 301 (m) Fee</u>	<u>Non-Title V</u>	<u>Title V</u>
— FY 2017-18	\$220.03	\$234.14
— FY 2018-19	\$245.42	\$259.12
— FY 2019-20 and thereafter	\$245.42	\$286.74

(2) Fees for requested expedited processing of Catalyst Equivalency Evaluations, will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to one half of staff's hourly rate as specified in subdivision (d). The established fee described in Rule 306(m)(2) shall be paid with the additional overtime fee and will be billed following project completion. Fees are due at the time specified in the bill, which will allow a reasonable time for payment.

(r) Regulation XXVII Fees

(1) Fees for Rule 2701 – SoCal Climate Solutions Exchange

(A) Entities submitting a plan will be assessed a filing fee of ~~\$131.31~~ 135.77.

(B) The fee for review and verification of Certified Greenhouse Gas Emission Reductions by SCAQMD staff shall be assessed at ~~\$135.90~~ 140.52 per hour or a prorated portion thereof.

(2) Fees for Rule 2702 – Greenhouse Gas Reduction Program

- (A) Upon submitting a completed Greenhouse Gas Reduction Program Request to the Executive Officer for certified emission reductions an entity shall pay a fee of ~~\$131.31~~135.77.
- (B) Individuals or households wishing to participate are exempt from the plan fees for reductions used to offset personal, household or event GHG emissions.

ATTACHMENT G6

(Adopted May 10, 1996)(Amended May 14, 1999)(Amended May 19, 2000)
(Amended May 11, 2001)(Amended May 3, 2002) (Amended June 6, 2003)
(Amended July 9, 2004)(Amended June 3, 2005)(Amended June 9, 2006)
(Amended May 4, 2007)(Amended May 2, 2008)(Amended June 5, 2009)
(Amended May 7, 2010)(Updated July 1, 2011)(Updated July 1, 2012)
(Updated July 1, 2013)(Amended June 6, 2014)(Amended May 1, 2015)
(Updated July 1, 2016)(Amended October 7, 2016)(Amended June 2, 2017)
(Proposed Amended Rule May 4, 2018)

Proposed Effective Date July 1, 2018

PROPOSED AMENDED RULE 307.1 **ALTERNATIVE FEES FOR AIR TOXICS EMISSIONS INVENTORY**

(a) Purpose

California Health and Safety Code Section 44300 et seq. provides authority for the District to adopt a fee schedule to recover the cost of implementing and administering the Air Toxics “Hot Spots” Information and Assessment Act of 1987. The District will annually collect from the owner/operator of each facility meeting the criteria set forth in paragraph (b)(1), (b)(2), and (b)(3), and each owner/operator shall pay, fees which shall provide for the following:

- (1) Recovery of anticipated costs to be incurred by the California Air Resources Board (CARB) and Office of Environmental Health Hazard Assessment (OEHHA) to implement and administer the Act, and any costs incurred by OEHHA or its independent contractor for review of facility risk assessments submitted to the State after March 31, 1995 under Health and Safety Code Section 44361(c).
- (2) Recovery of anticipated costs to be incurred by the District to implement and administer the Act, including but not limited to the cost incurred to review emission inventory plans, emission inventory data, air toxics inventory reports, risk assessments, to verify plans and data, and to administer this rule, Rule 1402 – Control of Toxic Air Contaminants from Existing Sources, and the Air Toxics “Hot Spots” program.

(b) Applicability

Except for facilities exempted by Health and Safety Code Sections 44324, 44344.4(a), or 44380.1, this rule applies to any facility that operates in any portion of the fiscal year for which the fee is assessed and which:

- (1) Manufactures, formulates, uses, or releases any of the substances listed by the State Board pursuant to Health and Safety Code Section 44321 and contained in Appendix A of the Guidelines Report, or any other substance which reacts to form a substance so listed, and releases ten (10) tons per year or greater of any criteria pollutant;
- (2) Manufactures, formulates, uses or releases any listed substance or any other substance which reacts to form any listed substance, and which releases less than ten (10) tons per year of any criteria pollutant and falls in any class listed in Appendix E of the Guidelines Report;
- (3) Is reinstated under Health and Safety Code Section 44344.7; or
- (4) Is subject to Rule 1402.

(c) Definitions

For the purpose of this rule, the following definitions shall apply:

- (1) COMPLEX FACILITY means a facility that has more than five (5) processes as determined by six-digit Source Classification Codes (SCC).
- (2) CRITERIA POLLUTANT means total organic gases, particulate matter, nitrogen oxides, or sulfur oxides.
- (3) DIESEL ENGINE means an internal combustion engine with operating characteristics similar to the theoretical diesel combustion cycle. The regulation of power by controlling fuel supply in lieu of a throttle is indicative of a diesel (or compression ignition) engine.
- (4) DIESEL ENGINE FACILITY means any facility which has a diesel engine and is not subject to any other Rule 307.1 fees.
- (5) DIESEL-FUELED as defined in Rule 1470 – Requirements for Stationary Diesel-Fueled Internal Combustion and Other Compression Ignition Engines (Rule 1470).
- (6) Diesel Particulate Matter (PM) as Defined In Rule 1470.
- (7) DISTRICT means South Coast Air Quality Management District.
- (8) DISTRICT TRACKING FACILITY means a facility:
 - (A) That has been prioritized by the District in accordance with Health and Safety Code Section 44360(a) using procedures that have undergone public review and that are consistent with the procedures presented in the most current version of the SCAQMD “Facility Prioritization Procedures For AB 2588 Program”, which is incorporated by reference herein;

- (B) That is required by the District to submit a quadrennial emissions inventory update pursuant to Health and Safety Code Section 44344 during the applicable fiscal year; and
 - (C) Whose prioritization scores for cancer and non-cancer health effects are both greater than 1.0 and equal to or less than 10.0.
- (9) FACILITY has the same meaning as defined in Section 44304 of the Health and Safety Code.
- (10) FACILITY PROGRAM CATEGORY means a grouping of facilities, meeting the definitions in paragraphs (c)(1), (c)(4), (c)(8), (c)(12), (c)(13), ~~(c)(14)~~, (c)(18~~7~~), ~~-(e)(19)~~, (c)(20), (c)(21), (c)(22), (c)(24), (c)(279), ~~(c)(302)~~, or ~~(c)(343)~~ of this rule.
- (11) GUIDELINES REPORT (Air Toxics Hot Spots Emission Inventory Criteria and Guidelines Report) is the report incorporated by reference under Section 93300.5 of this title that contains regulatory requirements for the Air Toxics Hot Spots Emission Inventory Program.
- (12) HRA TRACKING FACILITY means a facility that has been prioritized by the District in accordance with Health and Safety Code Section 44360(a) using procedures that have undergone public review and that are consistent with the procedures presented in the most current version of the SCAQMD “Facility Prioritization Procedures For AB 2588 Program”, which is incorporated by reference herein, and the greater of the facility’s prioritization scores for cancer and non-cancer health effects is greater than 10.0, and meets either one of the following criteria:
- (A) The facility has had its health risk assessment approved by the District in accordance with Health and Safety Code Section 44362 and the risk assessment results show a total potential cancer risk, summed across all pathways of exposure and all compounds, of equal to or greater than 1.0 and less than ten (10) cases per million persons and a total hazard index for each toxicological endpoint, both acute and chronic, of less than or equal to 1.0; or
 - (B) The facility has had its health risk assessment approved by the District in accordance with Health and Safety Code Section 44362 and the risk assessment results show a total hazard index for each toxicological endpoint, either acute or chronic, of greater than or equal to 0.1, but less than or equal to 1.0, and a total potential cancer

risk, summed across all pathways of exposure and all compounds, of less than ten (10) cases per million persons.

- ~~(13) INDUSTRY WIDE FACILITY means a facility that qualifies to be included in an industry wide emission inventory prepared by the District pursuant to Health and Safety Code Section 44232, or an individual facility which emits less than ten (10) tons per year of each criteria pollutant, falls within a class composed of primarily small businesses, and whose emissions inventory report was prepared by the District.~~
- (143) MEDIUM FACILITY means a facility that has three (3) to five (5) processes as determined by six-digit SCCs.
- (154) NORTH AMERICAN INDUSTRY CLASSIFICATION SYSTEM (NAICS) CODE is the standard used to classify business establishments developed under the auspices of the United States Office of Management and Budget, which is herein incorporated by reference.
- (165) OEHHA means the Office of Environmental Health Hazard Assessment, California Environmental Protection Agency.
- (176) OPERATOR means the person who owns or operates a facility or part of a facility.
- (17) POTENTIALLY HIGH RISK LEVEL FACILITY means a facility designated by the Executive Officer pursuant to the definition in Rule 1402.
- (18) POTENTIALLY HIGH RISK LEVEL FACILITY FEE means the fee charged to facilities upon designation as a Potentially High Risk Level Facility under Rule 1402. The fee will be assessed on a Time and Materials (T&M) basis to cover the District's costs in determining Rule 1402 compliance. This includes, but is not limited to, evaluation of findings pursuant to Rule 1402(g).
- (189) PRIORITIZATION SCORE GREATER THAN TEN (10.0) FACILITY means a facility that does not have an approved health risk assessment and has been prioritized by the District in accordance with Health and Safety Code Section 44360(a) using procedures that have undergone public review and that are consistent with the procedures presented in the most current version of the SCAQMD "Facility Prioritization Procedures For AB 2588 Program", which is incorporated by reference herein, and the greater of the facility's prioritization scores for cancer and non-cancer effects is greater than 10.0.

- (1920) RISK OF 10.0 TO LESS THAN 50.0 PER MILLION FACILITY means a facility that has had its health risk assessment approved by the District in accordance with Health and Safety Code Section 44362 and whose risk assessment results meet either of the following criteria:
- (A) A total potential cancer risk, summed across all pathways of exposure and all compounds, of greater than or equal to 10.0, but less than 50.0 cases per million persons; or
 - (B) A total hazard index for each toxicological endpoint, either acute or chronic, of greater than 1.0 and a total potential cancer risk, summed across all pathways of exposure and all compounds, of less than 50.0.
- (201) RISK OF 50.0 TO LESS THAN 100.0 PER MILLION FACILITY means a facility that has had its health risk assessment approved by the District in accordance with Health and Safety Code Section 44362 and whose risk assessment results show a total potential cancer risk, summed across all pathways of exposure and all compounds, of greater than or equal to 50.0, but less than 100.0 cases per million persons.
- (242) RISK OF 100.0 PER MILLION OR GREATER FACILITY means a facility that has had its health risk assessment approved by the District in accordance with Health and Safety Code Section 44362 and whose risk assessment results show a total potential cancer risk, summed across all pathways of exposure and all compounds, of greater than or equal to 100.0 cases per million persons.
- (23) SIGNIFICANT RISK LEVEL is a maximum individual cancer risk of at least one hundred per million (100×10^{-6}) or a total acute or chronic hazard index of at least five (5) for any target organ system at any receptor location.
- (224) SIMPLE FACILITY means a facility that has one (1) or two (2) processes as determined by six-digit SCC.
- (235) SMALL BUSINESS for the purpose of this rule, means a facility which is independently owned and operated and has met all of the following criteria in the preceding year:
- (A) The facility has ten (10) or fewer (annual full-time equivalence) employees;
 - (B) The facility's total annual gross receipts are less than \$1,000,000; and

- (C) The total annual gross receipts of the facility's California operations are less than \$5,000,000.
- (246) SOURCE CLASSIFICATION CODES (SCC) means number codes created by the United States Environmental Protection Agency used to identify processes associated with point sources that contribute emissions to the atmosphere.
- (257) ~~SPECIAL RISK ASSESSMENT~~REVIEW FEE means the fee charged to facilities to cover the cost of the qualified District personnel or a qualified consultant, as determined by the Executive Officer (EO), engaged by the District under contract, in the event that the EO determines that an ~~existing~~ air toxics inventory report or health risk assessment should be revised and the owner/operator cannot perform this task without errors or delays.
- (268) STATE COSTS means the reasonable anticipated cost which will be incurred by the CARB and OEHHA to implement and administer the Act, as shown in the District staff report.
- (279) STATE INDUSTRY-WIDE FACILITY means a facility that (1) qualifies to be included in an industry-wide emission inventory prepared by the District pursuant to Health and Safety Code Section 44323, (2) releases, or has the potential to release, less than ten tons per year of each criteria pollutant, and (3) is either of the following:
 - (A) A facility in one of the following four classes of facilities: autobody shops, as described by NAICS Codes 441110 or 811121; gasoline stations, as described by NAICS Codes 447110 and 447190; dry cleaners, as described by NAICS Code 812320; and printing and publishing, as described by NAICS Codes 323111 through 323117 or 511110 through 511199; or
 - (B) A facility that has not prepared an Individual Plan and Report in accordance with sections 44340, 44341, and 44344 of the Health and Safety Code and for which the District submits documentation for approval by the Executive Officer of the CARB, verifying that the facility meets the requirements of Health and Safety Code Section 44323(a)-(d).
- (2830) SUPPLEMENTAL FEE means the fee charged, pursuant to Section 44380.5 of the Health and Safety Code, to cover the costs of the District to review a health risk assessment containing supplemental information which

was prepared in accordance with the provisions of Section 44360(b)(3) of the Health and Safety Code.

- (~~293~~1) TOTAL ORGANIC GASES (TOG) means all gases containing carbon, except carbon monoxide, carbon dioxide, carbonic acid, metallic carbides or carbonates, and ammonium carbonate.
- (~~30~~2) UNPRIORITIZED FACILITY means a facility that has not been prioritized by the District in accordance with Health and Safety Code Section 44360(a) using procedures that have undergone public review and that are consistent with the procedures presented in the most current version of the SCAQMD “Facility Prioritization Procedures For AB 2588 Program”, which is incorporated by reference herein.
- (~~34~~3) VOLUNTARY RISK REDUCTION FACILITY means a facility that elected to participate in the Voluntary Risk Reduction Program pursuant to Rule 1402.

(d) Fees

All sources subject to this rule shall be assessed an annual fee pursuant to Table I of this rule.

(1) Calculation of Fees

- (A) The District will establish the fee applicable to each facility for the recovery of State and District costs. The District will use State costs and District costs to calculate fees, and will take into account and allow for the unanticipated closing of businesses, nonpayment of fees, and other circumstances which would result in a shortfall in anticipated revenue; and
- (B) The District will calculate fees on the basis of the Facility Program Category as set forth by July 1 of the applicable fiscal year, except for facilities excluded under subparagraph (d)(~~7~~9) of this rule.

(2) Flat Fees

- (A) A facility in the State Industry-Wide Facility Program Category, as defined in this rule, shall be assessed the fee specified in Table I.
- (B) A facility in the District Tracking Program Category, as defined in this rule, will be assessed the annual fee specified in Table I to cover the cost to the District to review the facility's quadrennial emission inventory update.

- (C) A facility in the Diesel Engine Facility Program Category, as defined in this rule, shall be assessed the annual Flat Fee specified in Table I.
 - (D) The maximum fee that a small business as defined in this rule shall pay is ~~\$377.22~~300.00.
 - (E) The supplemental fee as defined in this rule, which may be assessed upon the operator of a facility, shall be no higher than ~~\$3,004.513~~106.66.
- (3) Special Risk Assessment Review Fees
When a facility's air toxics inventory report or health risk assessment submitted pursuant to Rule 1402 ~~is~~ prepared or revised by District personnel or a contractor engaged by the District, the owner/operator of the facility for which an air toxics inventory report or health risk assessment is performed shall pay the fees equal to the total actual and reasonable time incurred by District, including actual contractor costs as invoiced and District staff time, assessed at the hourly rate of ~~\$131.31~~150.62 ~~per person per hour or prorated portion thereof~~. When the air toxics inventory report or health risk assessment is conducted or is evaluated and verified by a consultant engaged by the District or District personnel, the fees charged will be in addition to all other fees required.
- (4) Voluntary Risk Reduction Facility Fees
A Voluntary Risk Reduction Facility, as defined in this rule, shall be assessed the fee specified in Table I until approval of the Final Implementation Report under Rule 1402 paragraph (j)(2). Once the Final Implementation Report is approved by the Executive Officer, the Voluntary Risk Reduction Fee shall be assessed the HRA Tracking Facility Program Category specified in Table I.
- (5) Potentially High Risk Level Facility Fees
When a facility is designated as a Potentially High Risk Level Facility, as defined under Rule 1402, the owner/operator of the facility shall pay a fee for staff time at the rate of \$172.88 per hour to offset the District's costs to determine Rule 1402 compliance. The Potentially High Risk Level Facility Fees are billed annually and are due at the time of the AB 2588 annual billing which allows a reasonable time for payment. The Potentially High Risk Level Facility Fees will not exceed \$100,000 per year per facility.
- (56) Public Notifications and Meetings

When public notification is required pursuant to Rule 1402 subdivision (q), the facility owner/operator shall either directly pay or reimburse the District for costs of Public Meetings, including venue rental, audio visual rental equipment and personnel, mailing, translation services, parking, security, and equipment rental.

(67) Fee Payment and Collection; Effect of Failure to Pay

(A) The District will notify and assess the operator of each facility subject to this rule in writing of the fee due. The operator shall remit the fee to the District within sixty (60) days after the receipt of the fee assessment notice or the fee will be considered past due. For the purpose of this rule, the fee payment will be considered received by the District if it is postmarked by the United States Postal Service on or before the due date stated on the billing notice. If the due 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 state holiday with the same effect as if it had been postmarked on the due date.

(B) If an operator fails to pay the fee within sixty (60) days of this notice pursuant to subparagraph (d)(~~67~~)(A) of this rule, the District may assess a surcharge of not more than one hundred percent (100%) of the assessed fee, but in an amount sufficient, in the District's determination, to pay the District's additional expenses incurred by the operator's non-compliance. If an operator fails to pay the fee within 120 days after receipt of this notice, the District may initiate permit revocation proceedings. If any permit is revoked it shall be reinstated only upon full payment of the overdue fees plus any surcharge as specified in this subparagraph.

(78) Payment to the State

The District will collect the fees assessed by or required to be assessed by this rule. After deducting the costs to the District to implement and administer the program, the District will transmit to the State Board the amount the District is required to collect for recovery of state costs as specified in Table I.

(89) Exemptions

A facility shall be exempt from paying fees if, by July 1 of the applicable Fiscal Year, any one or more of the following criteria are met:

- (A) The facility has been prioritized by the District in accordance with Health and Safety Code Section 44360(a) using procedures that have undergone public review, and the facility's prioritization score is less than or equal to 1.0 for both cancer and non-cancer health effects. The procedure for estimating priority of facilities were developed based on the most current approved version of SCAQMD "Facility Prioritization Procedures For AB 2588 Program", which is incorporated by reference herein.
- (B) The facility had its health risk assessment approved by the District in accordance with Health and Safety Code Section 44362 and the risk assessment results show a total potential cancer risk, summed across all pathways of exposure and all compounds, of less than one case per one million persons and a total hazard index for each toxicological endpoint, both acute and chronic, of less than 0.1. Some appropriate procedures for determining potential cancer risk and total hazard index are presented in the most current approved version of the OEHHA "Air Toxics Hot Spots Program Guidance Manual for Preparation of Health Risk Assessments" and SCAQMD "Supplemental Guidelines for Preparation of Health Risk Assessments for the Air Toxics "Hot Spots" Information and Assessment Act", which are incorporated by reference herein.
- (C) The facility primarily performs printing as described by NAICS Codes 323111 through 323117 or 511110 through 511199, and the facility uses an annualized average of two (2) gallons per day or less [or seventeen (17) pounds per day or less] of all graphic arts materials (deducting the amount of any water or acetone) unless the District required a health risk assessment and results show the facility would not qualify under subparagraph (d)(89)(A) of this rule.
- (D) The facility is a wastewater treatment plant as described by NAICS Code 221320, the facility does not have a sludge incinerator and the maximum throughput at the facility does not exceed 10,000,000 gallons per day of effluent unless the District required a health risk assessment and results show the facility would not qualify under subparagraph (d)(89)(A) of this rule.

- (E) The facility is a crematorium for humans, animals, or pets as described by NAICS Codes 812210, 812220, or any NAICS Code that describes a facility using an incinerator to burn biomedical waste (animal), the facility uses propane or natural gas as fuel, and the facility annually cremates no more than 300 cases (human) or 43,200 pounds (human or animal) unless the District required a health risk assessment and results show the facility would not qualify under subparagraph (d)(89)(A) of this rule. Facilities using incinerators that burn biomedical waste other than cremating animals do not qualify for this exemption.
- (F) The facility is primarily a boat building and repair facility or primarily a ship building and repair facility as described by NAICS Codes 336611, 3366122, 488390 or 811490, and the facility uses twenty (20) gallons per year or less of coatings or is a coating operation using hand held non-refillable aerosol cans only unless the District required a health risk assessment and results show the facility would not qualify under subparagraph (d)(89)(A) of this rule.
- (G) The facility is a hospital or veterinary clinic building that is in compliance with the control requirements specified in the Ethylene Oxide Control Measure for Sterilizes and Aerators, section 93108 of this title and has an annual usage of ethylene oxide of less than 100 pounds per year if it is housed in a single story building, or has an annual usage of ethylene oxide of less than 600 pounds per year if it is housed in a multi-story building unless the District required a health risk assessment and results show the facility would not qualify under subparagraph (d)(89)(A) of this rule.
- (H) The facility was not required to conduct a risk assessment under Health and Safety Code Section 44360(b), and the District, or the facility with the concurrence of the District, has conducted a worst-case, health conservative risk assessment using screening air dispersion modeling criteria set forth in Appendix F of the Guidelines Report and has demonstrated to the satisfaction of the District that the facility's screening risk levels meet the criteria set forth in subparagraph (d)(89)(A) of this rule.

**TABLE I
FACILITY FEES BY PROGRAM CATEGORY**

FACILITY PROGRAM CATEGORY	COMPLEXITY	DISTRICT FEE	STATE FEE	TOTAL FACILITY FEE
<i>HRA Tracking^{§1}</i>	Simple Facility	\$ 426.66 <u>441.17</u>	\$67	\$ 493.66 <u>508.17</u>
	Medium Facility	\$ 616.33 <u>637.29</u>	\$100	\$ 716.33 <u>737.29</u>
	Complex Facility	\$ 806.01 <u>833.41</u>	\$134	\$ 940.01 <u>967.41</u>
<i>Unprioritized</i>	Simple Facility	\$ 634.10 <u>655.66</u>	\$402	\$ 1,036.10 <u>1,057.66</u>
	Medium Facility	\$ 3,474.82 <u>3,592.96</u>	\$603	\$ 4,077.82 <u>4,195.96</u>
	Complex Facility	\$ 4,617.53 <u>4,774.53</u>	\$804	\$ 5,421.53 <u>5,578.53</u>
<i>PS>10, No HRA</i>	Simple Facility	\$ 5,380.44 <u>5,563.37</u>	\$1,674	\$ 7,054.44 <u>7,237.37</u>
	Medium Facility	\$ 5,762.76 <u>5,958.69</u>	\$2,009	\$ 7,771.76 <u>7,967.69</u>
	Complex Facility	\$ 6,142.12 <u>6,350.95</u>	\$2,344	\$ 8,486.12 <u>8,694.95</u>
<i>Risk ≥10 <50 in a million or HI>1</i>	Simple Facility	\$ 6,524.41 <u>6,746.24</u>	\$3,014	\$ 9,538.41 <u>9,760.24</u>
	Medium Facility	\$ 6,905.23 <u>7,140.01</u>	\$3,349	\$ 10,254.23 <u>10,489.01</u>
	Complex Facility	\$ 7,286.09 <u>7,533.82</u>	\$3,684	\$ 10,970.09 <u>11,217.82</u>
<i>Risk ≥50 <100 in a million</i>	Simple Facility	\$ 7,668.39 <u>7,929.12</u>	\$4,353	\$ 12,021.39 <u>12,282.12</u>
	Medium Facility	\$ 8,047.74 <u>8,321.36</u>	\$4,688	\$ 12,735.74 <u>13,009.36</u>
	Complex Facility	\$ 8,430.03 <u>8,716.65</u>	\$5,023	\$ 13,453.03 <u>13,739.65</u>
<i>Risk ≥100 in a million</i>	Simple Facility	\$ 8,812.38 <u>9,112.00</u>	\$5,693	\$ 14,505.38 <u>14,805.00</u>
	Medium Facility	\$ 9,191.72 <u>9,504.24</u>	\$6,028	\$ 15,219.72 <u>15,532.24</u>
	Complex Facility	\$ 9,577.79 <u>9,903.43</u>	\$6,363	\$ 15,940.79 <u>16,266.43</u>
<i>Potentially High Risk Level</i>	Simple Facility	<u>T & M²</u>	<u>\$5,693³</u>	<u>\$ (T&M² + 5,693³)</u>
	Medium Facility	<u>T & M²</u>	<u>\$6,028³</u>	<u>\$ (T&M² + 6,028³)</u>
	Complex Facility	<u>T & M²</u>	<u>\$6,363³</u>	<u>\$ (T&M² + 6,363³)</u>

FACILITY PROGRAM CATEGORY	COMPLEXITY	DISTRICT FEE	STATE FEE	TOTAL FACILITY FEE
<i>Voluntary Risk Reduction</i>	Simple Facility	\$ 5,380.44 <u>5,563.37</u>	\$1,674	\$ 7,054.44 <u>7,237.37</u>
	Medium Facility	\$ 5,762.76 <u>5,958.69</u>	\$2,009	\$ 7,771.76 <u>7,967.69</u>
	Complex Facility	\$ 6,142.12 <u>6,350.95</u>	\$2,344	\$ 8,486.12 <u>8,694.95</u>
<i>District Tracking**⁴</i>		\$ 235.86 <u>243.88</u>		\$ 235.86 <u>243.88</u>
<i>State Industry-wide</i>		\$ 171.76 <u>177.60</u>	\$35	\$ 206.76 <u>212.60</u>
<i>Diesel Engine Facility</i>	-	\$ 128.61 <u>132.98</u>	-	\$ 128.61 <u>132.98</u>

¹* HRA Tracking --- (PS > 10 with HRA) Risk ≥ 1, <10 in a million, or HI ≥ 0.1, ≤ 1

² T & M --- Annual District fee will be capped at \$100,000 per year per facility.

³ For facilities with Risk > 100 in a million, the state fee is equivalent to that of the “Risk ≥ 100 in a million” category. For facilities with HI > 5.0, the state fee is equivalent to the “Risk ≥10 <50 in a million or HI>1” category.

⁴** District Tracking --- PS > 1, ≤ 10

HRA --- Health Risk Assessment

HI --- Hazard Index, Acute or Chronic

PS --- Priority Score

ATTACHMENT G7

(Adopted November 3, 1989)(Amended June 6, 1992)(Amended June 11, 1993)
(Amended June 10, 1994)(Amended May 12, 1995)(Amended May 10, 1996)
(Amended May 9, 1997)(Amended May 8, 1998)(Amended May 14, 1999)
(Amended May 19, 2000)(Amended May 11, 2001)(Amended May 3, 2002)
(Amended June 6, 2003)(July 9, 2004)(Amended June 3, 2005)(Amended June 9, 2006)
(Amended May 4, 2007)(Amended May 2, 2008)(Amended June 5, 2009)
(Amended May 7, 2010)(Amended May 6, 2011)(Updated July 1, 2012)
(Updated July 1, 2013)(Amended June 6, 2014)(Amended May 1, 2015)
(Updated July 1, 2016)(Amended June 2, 2017)
(Proposed Amended Rule May 4, 2018)

Proposed Effective July 1, 2018

PROPOSED AMENDED RULE 308. ON-ROAD MOTOR VEHICLE MITIGATION OPTIONS FEES

(a) Applicability

Provisions of this rule shall apply to fees assessed for worksite registrations and filings pursuant to Rule 2202 On-Road Motor Vehicle Mitigation Options. Fees shall be paid for the submission or resubmission of Annual Registrations, Employee Commute Reduction Programs (ECRP), Annual Programs, strategy amendments, extension requests, Average Vehicle Ridership (AVR)/Creditable Commute Vehicle Reduction (CCVR) Certification, Software Certification, emission reduction project review, and transfer of emission reduction credits.

(b) Definitions

- (1) AMENDMENTS are changes to Rule 2202 registrations, and/or ECRP strategies which materially affect the implementation of the program or the addition or deletion of a worksite to a multi-site program.
- (2) ANNUAL PROGRAM is a program submitted to the District that contains AVR results and a plan to achieve the performance requirements for the worksite.
- (3) EVALUATION is the District's evaluation of a program resulting in approval or disapproval of that program.
- (4) PROGRAM is any data and/or report required by Rule 2202 On-Road Motor Vehicle Mitigation Options to be submitted to the District.
- (5) RESUBMITTAL is any revised program or revised Annual Program submitted to the District to correct a disapproved program.

(6) SUBMITTAL is any program provided to the District in accordance with Rule 2202 On-Road Motor Vehicle Mitigation Options.

(c) Program Fees

(1) Rule 2202 Registration Fees

All persons submitting a Rule 2202 registration to implement any compliance option in the rule, except for an ECRP or an AQIP, shall pay annually, the following fees at the time of registration.

(A) Single Site Registrations

Single site programs are subject to a ~~\$569.22~~588.57 per worksite annual registration fee.

(B) Multiple Site Registrations

Multiple site programs are subject to a fifteen percent (15%) discount of the fee established in subparagraph (c)(1)(A) per worksite annual registration fee.

(C) Resubmittals and Amendments

Resubmitted and amended registrations shall be subject to fifty percent (50%) of the fee established in subparagraph (c)(1)(A) and (c)(1)(B).

(2) Employee Commute Reduction Program (ECRP) Fees

All persons electing to submit an ECRP shall pay the following fees at the time of submittal. The Annual Program and ECRP Offset fees will become effective on June 7, 2004.

(A) Single Site Submittals

<u>Per Worksite</u>	<u>Annual Program</u>	<u>ECRP Offset</u>
500 or more employees	\$1,083.84 <u>1,120.69</u>	\$700.68 <u>724.50</u>
250 to 499 employees	\$810.50 <u>838.06</u>	\$525.49 <u>543.36</u>

(B) Multisite Program Submittals

Triennial program fees for multiple site program submittals are subject to a fifteen percent (15%) discount of the fee established in subparagraph (c)(2)(A).

- (C) Resubmittals and Amendments
The single site resubmittal and amendment fee, excluding program strategy amendments fee shall be fifty percent (50%) of the single site submittal fee established in subparagraph (c)(2)(A). The multisite resubmittal fee shall be fifty percent (50%) of the multisite program submittal fee established in subparagraph (c)(2)(B).
- (D) Electronic Media Submittals
Persons submitting an ECRP using District-certified electronic media shall pay the appropriate fee established in paragraphs (c)(2)(A) and (B), less ~~\$105.49~~109.08 per submittal.
- (E) Sites achieving (AVR) Targets
Any employer who achieves their Average Vehicle Ridership (AVR) target and chooses to file a High AVR No-Fault Inspection, pursuant to Rule 2202 ECRP guidelines, in lieu of an Annual Program, shall submit the fee established in subparagraph (c)(1)(A) and (c)(1)(B).
- (F) Program Strategy Amendments
A person submitting an amendment to program strategies consisting of the deletion or the replacement of any existing program strategies shall pay a fee of ~~\$170.82~~176.63 for each submittal per worksite. This fee shall not apply when the amendment consists solely of additional or enhanced strategies to the program or when the strategy amendment is submitted at the same time as part of the Annual Program submittal. Furthermore, any employer adding or deleting a worksite to a multi-site or geographic program shall pay a fee of ~~\$170.82~~176.63 per worksite being added or deleted, unless the worksite being deleted is no longer subject to Rule 2202.
- (G) AVR/CCVR Certification Fees
Any person requesting District certification of AVR/CCVR verification methods (including but not limited to random sampling, record-keeping or restructuring of the AVR survey form) pursuant to Rule 2202 ECRP guidelines, shall pay a fee of ~~\$437.79~~452.67. No additional fee will be due after a first disapproval and resubmittal. A second fee of ~~\$437.79~~452.67 shall be paid with a second resubmittal after a second disapproval.

(3) Late Submittal and Resubmittal Fees

A fifty percent (50%) increase in the applicable registration, or ECRP fee established in paragraph (c)(1), or subparagraphs (c)(2)(A), (c)(2)(B) or (c)(2)(C) shall be paid as a surcharge where an applicable fee is not received in full on or before the due date for the registration, or ECRP.

(d) Determination of Applicability of Late Fees

The fee payment will be considered to be received by the District if it is postmarked by the United States Postal Service on or before the registration/ECRP due date and received in full. If the registration/ECRP due date falls on a Saturday, Sunday, or a state holiday, the fee payment may be postmarked on the business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been postmarked on the registration/ECRP due date. No further program applications for a particular worksite will be accepted or approved until such time as all overdue fees have been fully paid.

(e) Government Agencies

Federal, state, or local government agencies or public districts shall pay all fees.

(f) Software Certification Fees

The District may certify independent computer software capable of reproducing registration/ECRP forms, thereby allowing employers to file registration/ECRP using electronic media.

(1) Fees for certification will be assessed to cover the costs of processing the certification application and for the testing and validation of the software's reliability and ability to meet District's software specifications and program requirements.

(2) Fees shall be paid at the time that the software is submitted for certification as follows:

(A)	Initial Certification Fee	\$875.89 <u>905.67</u>
(B)	Recertification Fee	\$437.79 <u>452.67</u>

(g) The District will certify ECRP training programs pursuant to Rule 2202 ECRP guidelines. Fees for certification will be assessed to cover the costs of processing

the certification application, reviewing the proposed curriculum, and assessing the training provider's qualifications.

- (1) Fees shall be paid at the time that the qualifications and/or the curriculum is submitted for certification as follows:

	Provider Firm	Certification	Recertification
(A)	Instructor	<u>\$437.79452.67</u>	<u>\$218.67226.10</u>
(B)	Curriculum	<u>\$875.89905.67</u>	<u>\$437.79452.67</u>

- (2) Fee for the District's initial training program for new Employee Transportation Coordinators shall be \$177.29183.32 per person.

- (3) A fee in the amount of \$108.13111.81 shall be assessed to cover the cost of staff time to process each replacement Employee Transportation Coordinator Certificate of training.

- (h) An employer who has declared bankruptcy, for the official business or governmental operations of its organization or company, through a judicial court filing and confirmation process, may request the Executive Officer to grant a temporary waiver from complying with the requirements of Rule 2202 and Rule 308. Upon demonstration of the filing and confirmation of bankruptcy, the Executive Officer will grant an exemption for the duration of bankruptcy, not to exceed two (2) years from the date of the waiver.

- (i) Service Charge for Returned Check

Any person who submits a check to the District on insufficient funds or on instructions to stop payment on the check, absent an overcharge or other legal entitlement to withhold payment, shall be subject to a \$25.00 service charge.

- (j) Extensions to Surrender MSERC's

Any person requesting an extension to surrender MSERC's to the District shall pay a fee of \$86.4289.36 per worksite.

- (k) Emission Reductions Project Review

Any person requesting the approval of a project resulting in emission reductions, pursuant to the provisions of Rule 2202(f)(6), shall be assessed an evaluation fee of \$431.85446.53 at the time of submittal. This fee will become effective on June 7, 2004. Additional evaluation fees may be assessed in accordance with Rule 309(c)(3) if necessary.

(l) Transfer of Emission Reduction Credits

Any person requesting a transfer of emission reduction credits shall pay a fee of ~~\$85.61~~88.52 per transaction. Credit transactions shall be jointly registered with the District by the credit transferor and transferee. The transferee shall be assessed the transaction fee per transaction at the time the transaction is registered with the District, unless the transferee is surrendering credits to meet the registration requirements for the current compliance year.

(m) Failure to Notify Surcharge

Any employer who became subject to Rule 2202 (as defined in Rule 2202 (b) – Applicability) and failed to notify the District within 30 days when they became subject to the rule, shall pay a surcharge of ~~\$1,257.39~~1,300.14 for every worksite.

If the employer notifies the District more than 30 calendar days from the date when they became subject to Rule 2202, the surcharge shall be reduced by 30% of the applicable fee, as follows: ~~\$880.18~~910.11 for every worksite.

(n) Rule 2202 Registration Time Extension

Any person requesting a time extension to submit a Rule 2202 registration shall refer to Rule 313.

ATTACHMENT G8

(Adopted June 10, 1994)(Amended May 10, 1996)(Amended May 9, 1997)
(Amended May 8, 1998)(Amended May 14, 1999)(Amended May 19, 2000)
(Amended May 11, 2001)(Amended May 3, 2002)(Amended June 6, 2003)
(Amended July 9, 2004)(Amended June 3, 2005)(Amended June 9, 2006)
(Amended May 4, 2007)(Amended May 2, 2008)(Amended May 7, 2010)
(Updated July 1, 2011)(Updated July 1, 2012)(Updated July 1, 2013)
(Amended June 6, 2014)(Amended May 1, 2015)(Updated July 1, 2016)
(Amended June 2, 2017)
(Proposed Amended Rule May 4, 2018)

Proposed Effective Date July 1, 2018

PROPOSED AMENDED RULE 309. FEES FOR REGULATION XVI AND REGULATION XXV

(a) Applicability

Provisions of this rule shall apply to fees assessed for plans required by Regulation XVI and Regulation XXV, and for the transfer and acquisition of Mobile Source Emission Reduction Credits (MSERCs) generated pursuant to Regulation XVI and Regulation XXV rules. Fees shall be paid for:

- (1) Rule 1610 Scrapping Plans
- (2) Regulation XVI and Regulation XXV Mobile Source Emission Reduction Credit (MSERC) Applications and Compliance Plans
- (3) MSERC Transaction Registration

(b) Definitions

For the purpose of this rule the following definitions shall apply:

- (1) MSERC TRANSACTION is the trade or transfer of MSERC ownership between entities, or between MSERC accounts of the same entity. MSERCs shall be denominated in terms of one pound of MSERC pollutant.
- (2) PLAN is any data and/or test report required by federal or state law, or District rules and regulations to be submitted to the District. Plans include, but are not limited to, the following: Rule 1610 Scrapping Plans, Regulation XVI and Regulation XXV MSERC Applications, and Regulation XVI and Regulation XXV Compliance Plans.
- (3) SMALL BUSINESS is as defined in Rule 102.

(c) Fee Assessments

- (1) Rule 1610 Scrapping Plans shall be assessed a filing and evaluation fee of ~~\$1,800.681,861.90 for FY 2017-18 and \$1,872.711,936.38 for FY 2018-19 and thereafter~~. The fee shall be paid at the time of plan submittal.
- (2) Regulation XVI and Regulation XXV Plans as defined in paragraph (b)(2), except Scrapping Plans, shall be assessed a filing fee of ~~\$136.57141.21 for FY 2017-18 and \$142.03146.86 for FY 2018-19 and thereafter~~ and an evaluation fee of ~~\$455.30470.78 for FY 2017-18 and \$473.51489.61 for FY 2018-19 and thereafter~~ at the time of submittal.
- (3) Additional evaluation fees for plans shall be assessed at the rate of ~~\$133.21137.74 for FY 2017-18 and \$138.54143.25 for FY 2018-19 and thereafter~~ per person per hour if necessary. Evaluation fees shall also be assessed at this rate for any amendments to Plans and Applications.
- (4) For small businesses filing scrapping plans, MSERC applications, and compliance plans, the fees assessed shall be fifty percent (50%) of the amounts specified in paragraphs (c)(1), (c)(2), and (c)(3).
- (5) MSERC transactions shall be jointly registered with the District by the MSERC transferor and transferee. The transferee shall be assessed a Transaction Registration Fee of ~~\$89.0392.06 for FY 2017-18 and \$92.5995.74 for FY 2018-19 and thereafter~~, per transaction at the time the transaction is registered with the District.

(d) Inspection Fee

The inspection fee for Rule 1610 Scrapping Plan verification shall be an amount equal to the total actual and reasonable time incurred by the District for inspection and verification of the plan, assessed at the hourly rate of ~~\$109.19112.90 for FY 2017-18 and \$113.56117.42 for FY 2018-19 and thereafter~~ per inspection staff or prorated portion thereof. For inspections conducted outside of regular District working hours, the fee shall be assessed at a rate of 150% of the above hourly rate.

(e) Payment of Fees

- (1) Payment of all applicable fees, including annual review/renewal fee, shall be due in thirty (30) days from the date of personal service or mailing of the notification of the amount due. Non-payment of the fee within this time period will result in expiration of the plan. For the purpose of this paragraph, the fee payment will 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 business day following the Saturday, Sunday, or the state holiday with the same effect as if it had been postmarked on the expiration date. No further plan applications will be accepted until such time as all overdue fees have been fully paid.

- (2) Whenever the Executive Officer has reasonable cause to believe that the plan evaluation fee will be less than the fee for one hour's work, the fee need not be paid at the time of filing and notification of amount due, if any, shall be sent at the time the plan is approved or rejected.

(f) Refunds

- (1) If a plan or an application as defined in paragraph (b)(2) is canceled, plan filing and evaluation fees, less the plan cancellation fee, will be refunded:
 - (A) If it is determined that the plan was not required pursuant to District rules; or
 - (B) The plan evaluation procedure has not been initiated by District staff.
- (2) The plan cancellation fee will be ~~\$182.03~~188.22 ~~for FY 2017-18 and~~ ~~\$189.31~~195.75 ~~for FY 2018-19 and thereafter.~~
- (3) Claims for refund of any fee required by this rule shall be submitted in writing within one (1) year after the fee was paid.
- (4) The cancellation fee shall not apply when the plan was filed based on an erroneous District request.

(g) Government Agencies

Federal, state, or local government agencies or public districts shall pay all fees.

ATTACHMENT G9

(Adopted May 10, 1996)(Amended May 9, 1997)(Amended May 8, 1998)
(Amended May 14, 1999)(Amended May 19, 2000)(Amended May 11, 2001)
(Amended May 3, 2002)(Amended June 6, 2003)(Amended July 9, 2004)
(Amended June 3, 2005)(Amended June 9, 2006)(Amended May 4, 2007)
(Amended May 2, 2008)(Amended May 7, 2010)(Amended May 6, 2011)
(Updated July 1, 2012)(Updated July 1, 2013)(Amended June 6, 2014)
(Amended May 1, 2015)(Updated July 1, 2016)(Amended June 2, 2017)
(Proposed Amended Rule May 4, 2018)

Proposed Effective Date July 1, 2018

PROPOSED AMENDED RULE 311. AIR QUALITY INVESTMENT PROGRAM (AQIP) FEES

(a) Applicability

This rule shall apply to all employers who participate in the Air Quality Investment Program (AQIP) option provided under Rule 2202. The Air Quality Investment Fees established in this rule shall be adjusted periodically to reflect market conditions.

(b) Registration Fees

Any employer registering with the District to participate in the AQIP shall pay annually a registration fee of ~~\$131.34~~\$135.77 per worksite.

(c) AQIP Investment Fees

(1) Annual Compliance Option

At the time of registration any employer electing to participate in the annual AQIP compliance option shall annually invest in the restricted District fund \$46.73 for each employee reporting to work in the peak window; or,

(2) Triennial Compliance Option

At the time of registration any employer electing to participate in the triennial AQIP compliance option shall invest in the restricted District fund \$129.79 for each employee reporting to work in the peak window. Any increase in the number of employees in the window shall be accounted for during the second and third year registrations by investing \$46.73 per each additional employee for the remaining years in the triennial compliance option.

(d) Late fees

If the registration fee is not received by the established due date, the original amount of the registration fee shall be increased by fifty percent (50%).

ATTACHMENT G10

(Adopted June 9, 2006)(Amended May 4, 2007)(Amended May 2, 2008)
(Amended June 5, 2009)(Amended May 7, 2010)(Updated July 1, 2011)
(Updated July 1, 2012)(Updated July 1, 2013)(Amended June 6, 2014)
(Amended May 1, 2015)(Updated July 1, 2016)(Amended July 2, 2017)
(Proposed Amended Rule May 4, 2018)

Proposed Effective Date July 1, 2018

PROPOSED AMENDED RULE 313. AUTHORITY TO ADJUST FEES AND DUE DATES

(a) Summary

This rule provides limited discretion to the Executive Officer to adjust fees or reinstate permits where there has been an administrative error by the District, to extend the due date for payment of certain fees for good cause, and to waive or refund fees under circumstances set forth in this rule. The Executive Officer may delegate all or some of the discretion granted under this rule to a Fee Review Committee comprised of the Chief Financial Officer, the Deputy Executive Officer for Engineering and Permitting, the Public Advisor, and the District Counsel, or their designees. This rule does not provide the Executive Officer authority to alter the substantive requirements contained in SCAQMD rules and regulations.

(b) Process

Any owner/operator seeking relief under this Rule shall obtain the appropriate fee review request form(s) from the Office of Public Affairs. Upon completion, the form(s), along with any supporting background documentation, must be filed within the appropriate time limits set forth in this rule. Where the Executive Officer has delegated authority under this rule to the Fee Review Committee, an owner/operator seeking relief may request a personal meeting with the Fee Review Committee. The Fee Review Committee will meet on a monthly basis, as necessary, to consider requests under this rule.

(c) Decisions

The Executive Officer shall seek to make a decision on any request for relief under this Rule in writing within 90 days unless the applicant is notified that additional time is needed to investigate the circumstances underlying the request. Where the decision is made by the Fee Review Committee, the applicant may seek reconsideration from the Fee Review Committee within 30 days where there is

substantial new information available. All decisions of the Fee Review Committee are final, except that they may be reviewed by the Executive Officer in his sole discretion to ensure compliance with this Rule. Decisions of the Executive Officer are final.

(d) Reinstatement of Permits, Applications, Plans, Registrations, and Other District Approvals

- (1) The Executive Officer may reinstate a permit, application, registration, plan, or any other District issued approval upon finding of administrative error by District staff regarding the calculation, imposition, noticing, handling, invoicing, and/or collection of any fee set forth in this Regulation.
- (2) The Executive Officer may reinstate any permit, application, registration, plan, variance (issued by the hearing board), or any other District issued approval that was determined by the Executive Officer to have been inadvertently canceled by the District.

(e) Adjustment of Fees

- (1) The Executive Officer may, upon finding of administrative error by District staff regarding the calculation, imposition, noticing, handling, invoicing, and/or collection of any fee set forth in this Regulation, rescind, reduce, increase or modify such fee. In no case may the Executive Officer reduce the amount of the excess emission fee below that specified in Rule 3036(f), unless otherwise ordered by the Hearing Board.
- (2) Any request for relief under paragraph (e)(1) must be received within 3 years of the administrative error or from the time the applicant should have reasonably known that the error was made, as determined by the Executive Officer.

(f) Time Extension of Payment Due Dates

- (1) Whenever this Regulation requires a fee to be paid by a certain date, the Executive Officer may, for good cause, grant an extension of time, not to exceed one hundred eighty days (180), within which the fee payment shall be made. The Executive Officer may require partial fee payments to be made on set dates during the extension period.
- (2) Where an extension of time is requested due to a financial hardship, such request must be accompanied by sufficient background documentation to allow the Executive Officer to determine the applicant's financial ability to

pay the fee. Examples of such documentation include not less than three (3) months of financial data, written statement from a certified accountant, or a written statement from a bank representative.

- (3) Any request for relief under paragraph (f)(1) must be received before the final due date of the fee.
- (4) Any person requesting a due date extension, or a change in the permanent due date, for any fee under Rule 308 shall pay a surcharge of ~~\$86.42~~\$89.36 per worksite.
- (5) The provisions of this subdivision shall not apply to any fee incurred under Rules 307 or 307.1.

(g) **Specific Fee Waivers and Reductions**

- (1) On or after January 1, 1996, the Executive Officer shall, from the date the first application is received, waive annual operating permit renewal fees required under Rule 301(d) for the first two annual renewals of a new manufacturing facility that locates within the South Coast Air Basin and creates five hundred (500) or more new full-time jobs with total facility NO_x, SO_x, VOC, or PM₁₀ emissions per full-time employee equal to or less than one-half (1/2) of any emission per employee target ratio for the industry class for the Year 2010 stated in the Air Quality Management Plan. After the first two annual renewal fee waiver time periods, the owner/operator shall be liable for all applicable fees set forth in subdivision (d) of Rule 301.
- (2) The Executive Officer may, for good cause waive the permit processing fee when there is an event declared to be a “state of emergency,” as defined in Rule 118, for any application filed to replace currently permitted equipment destroyed, or for the relocation of currently permitted equipment residing within a condemned building.
- (3) If it can be established to the satisfaction of the Executive Officer that a facility is operating pursuant to a license issued by the Department of Rehabilitation under the State of California’s Business Enterprise Program, the owner/operator, upon request, shall be granted an annual waiver of any fee under this Regulation in accordance with California Welfare & Institutions Code Section 19633. Such owner/operator is entitled to this waiver of fees so long as an annual request is made in writing and the applicant demonstrates that an agreement is maintained to operate the

facility under the supervision of the State of California Department of Rehabilitation.

- (4) A request for any waiver or fee reduction under paragraphs (g)(1) or (2) must be received before the final due date of the fee in question, and must be in the manner prescribed on forms provided under this rule. The Executive Officer may request any supporting documentation needed to evaluate the request.
- (5) Except for fee waivers granted under paragraph (g)(3), if the owner/operator, at any time during the applicable fee waiver or reduction time period, does not operate the facility or equipment in a manner consistent with all applicable District rules, the Executive Officer may rescind the fee waiver or reduction.

(h) Refunds

- (1) If an application for a permit to construct is canceled, permit processing fees, less the application cancellation fee, will be refunded if the permit evaluation has not been initiated by the District. The application cancellation fee will be ~~\$209.03~~216.14, or the permit fee set forth in the Summary Permit Fee Rates tables in Rule 301, whichever is less.
- (2) Any fee paid to the District pursuant to process a permit application, equipment registration, or plan shall be refunded upon finding by the Executive Officer that the District erroneously requested filing of the application, registration, or plan. The cancellation fee required in paragraph (h)(1) shall not apply when the application for a permit to construct was filed based on an erroneous District request.
- (3) If a facility or equipment is operated in violation of District Rules or Regulations during any portion of the time period for which the fee was assessed, there shall be no refund.
- (4) Applications filed for a Permit to Operate for equipment which has been operating without a required District permit will not receive a refund.

(i) Service Charge for Returned Checks.

Unless waived for good cause by the Executive Officer, any person who submits a check to the District on insufficient funds or on instructions to stop payment, absent an overcharge or other legal entitlement to withhold payment, shall be subject to a \$25.00 service charge.

ATTACHMENT G11

(Adopted June 6, 2008)(Amended January 9, 2009)(Amended May 7, 2010)
(Updated July 1, 2011)(Updated July 1, 2012)(Updated July 1, 2013)
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(Proposed Amended Rule May 4, 2018)

Proposed Effective Date July 1, 2018

PROPOSED AMENDED RULE 314. FEES FOR ARCHITECTURAL COATINGS

(a) Purpose

The purpose of this rule is to recover the District's cost of implementing the architectural coatings program and programs related to architectural coatings, and the revenues shall only be used for such purposes. California Health and Safety Code Section 40522.5 provides authority for the District to adopt a fee schedule on areawide or indirect sources of emissions which are regulated, but for which permits are not issued by the District, to recover the costs of programs related to these sources.

(b) Applicability

This rule applies to architectural coatings manufacturers who distribute or sell their manufactured architectural coatings into or within the District for use in the District and are subject to Rule 1113 - Architectural Coatings. This rule also applies to private labelers and big box retailers who distribute or sell architectural coatings into or within the District for use in the District and are subject to Rule 1113 – Architectural Coatings. This includes products sold through big box retailers with distribution centers located within or outside the District. This rule does not apply to architectural coatings sold in this District for shipment and application outside of this District or to aerosol coating products.

(c) Definitions

For the purpose of this rule, the following definitions shall apply:

- (1) AEROSOL COATING PRODUCT means a pressurized coating product containing pigments, resins, and/or other coatings solids that dispenses product ingredients by means of a propellant, and is packaged in a disposable aerosol container for hand-held application, or for use in specialized equipment for ground marking and traffic marking applications.

- (2) ANNUAL QUANTITY AND EMISSIONS REPORT includes the quantity of each architectural coating distributed or sold into or within the District for use in the District during each calendar year, reported as gallons and their associated VOC content, as supplied, reported in grams per liter, for each product in all container sizes.
- (3) APPURTENANCES are accessories to a stationary structure, including, but not limited to: hand railings, cabinets, bathroom and kitchen fixtures, fences, rain-gutters and down-spouts, window screens, lamp-posts, heating and air conditioning equipment, other mechanical equipment, large fixed stationary tools, signs, motion picture and television production sets, and concrete forms.
- (4) ARCHITECTURAL COATINGS are any coatings applied to stationary structures or their appurtenances, or to fields or lawns.
- (5) ARCHITECTURAL COATINGS MANUFACTURER is any person, company, firm, or establishment who imports, blends, assembles, produces, packages, repackages, or re-labels an architectural coating, excluding retail outlets where labels or stickers may be affixed to containers or where colorant is added at the point of sales. For the purpose of this rule, a private labeler is an architectural coatings manufacturer.
- (6) AUTHORIZED REPRESENTATIVE is the person authorized by the Responsible Party to prepare and submit the Annual Quantity and Emissions Report on behalf of an architectural coatings manufacturer.
- (7) BIG BOX RETAILER is a physically large-chain retail outlet that is classified by the U.S. Department of Labor under Standard Industrial Classification code 5211: Lumber and Other Building Materials Dealers, and listed by the Executive Officer as such prior to end of each calendar year.
- (8) COATING is a material which is applied to a surface in order to beautify, protect, or provide a barrier to such surface.
- (9) CONCENTRATES are coatings supplied in a form that must be diluted with water or an exempt compound, prior to application, according to the architectural coatings manufacturer's application instructions in order to yield the desired coating properties.
- (10) EXEMPT COMPOUNDS are as defined in Rule 102 - Definition of Terms.
- (11) FORMULATION DATA is the actual product recipe which itemizes all the ingredients contained in a product including VOCs and the quantities

thereof used by the architectural coatings manufacturer to create the product. Material Safety Data Sheets (MSDS) are not considered formulation data.

- (12) GRAMS OF VOC PER LITER OF COATING, LESS WATER AND LESS EXEMPT COMPOUNDS, is the weight of VOC per combined volume of VOC and coating solids and can be calculated by the following equation:

$$\text{Grams of VOC per Liter of Coating, Less Water and Less Exempt Compounds} = \frac{W_s - W_w - W_{es}}{V_m - V_w - V_{es}}$$

Where: W_s = weight of volatile compounds in grams
 W_w = weight of water in grams
 W_{es} = weight of exempt compounds in grams
 V_m = volume of material in liters
 V_w = volume of water in liters
 V_{es} = volume of exempt compounds in liters

For coatings that contain reactive diluents, the Grams of VOC per Liter of Coating, Less Water and Less Exempt Compounds, shall be calculated by the following equation:

$$\text{Grams of VOC per Liter of Coating, Less Water and Less Exempt Compounds} = \frac{W_s - W_w - W_{es}}{V_m - V_w - V_{es}}$$

Where: W_s = weight of volatile compounds emitted during curing, in grams
 W_w = weight of water emitted during curing, in grams
 W_{es} = weight of exempt compounds emitted during curing, in grams
 V_m = volume of the material prior to reaction, in liters
 V_w = volume of water emitted during curing, in liters
 V_{es} = volume of exempt compounds emitted during curing, in liters

- (13) GRAMS OF VOC PER LITER OF MATERIAL is the weight of VOC per volume of material and can be calculated by the following equation:

$$\text{Grams of VOC per Liter of Material} = \frac{W_s - W_w - W_{es}}{V_m}$$

Where: W_s = weight of volatile compounds in grams
 W_w = weight of water in grams
 W_{es} = weight of exempt compounds in grams
 V_m = volume of the material in liters

- (14) MULTI-COMPONENT COATINGS are reactive coatings requiring the addition of a separate catalyst or hardener before application to form an acceptable dry film.
- (15) POST-CONSUMER COATINGS are finished coatings that would have been disposed of in a landfill, having completed their usefulness to a consumer, and does not include manufacturing wastes.
- (16) PRODUCT is an architectural coating which is identified by means of a unique product code and product name or product line (if applicable), as written on the container label and that is subject to one of the coating category VOC limits specified in Rule 1113 paragraphs (c)(1) or (c)(2) Table of Standards.
- (17) PRIVATE LABELER is the person, company, firm, or establishment (other than the toll manufacturer) identified on the label of an architectural coating product.
- (18) RECYCLED COATINGS are coatings manufactured by a certified recycled paint manufacturer and formulated such that 50 percent or more of the total weight consists of secondary and post-consumer coatings and 10 percent or more of the total weight consists of post-consumer coatings.
- (19) RESPONSIBLE PARTY for a corporation is a corporate officer. A responsible party for a partnership or sole proprietorship is the general partner or proprietor, respectively.
- (20) SECONDARY (REWORK) COATINGS are fragments of finished coatings or finished coatings from a manufacturing process that has converted resources into a commodity of real economic value, but does not include excess virgin resources of the manufacturing process.

- (21) STATIONARY STRUCTURES include but are not limited to, homes, office buildings, factories, mobile homes, pavements, curbs, roadways, racetracks, and bridges.
 - (22) TOLL MANUFACTURER is an architectural coatings manufacturer who produces coatings for a private labeler.
 - (23) VOLATILE ORGANIC COMPOUND (VOC) is as defined in Rule 1113 – Architectural Coatings.
- (d) Requirement to Obtain a Manufacturer Identification (ID) Number
- (1) An architectural coatings manufacturer subject to this rule at any time during the calendar year 2008 shall apply to the District for a manufacturer ID number on or before December 31, 2008. An architectural coatings manufacturer that becomes subject to this rule in any year subsequent to calendar year 2008 shall apply to the District for a manufacturer ID number on or before December 31 of that year.
 - (2) Change or Acquisition of an Architectural Coatings Manufacturer
 - (A) When there is a change or acquisition of an architectural coatings manufacturer with a District issued manufacturer ID number, the successor architectural coatings manufacturer shall apply for a manufacturer ID number on or before December 31 of the calendar year of the change or acquisition, unless the successor architectural coatings manufacturer already has a District issued manufacturer ID number. The successor architectural coatings manufacturer shall include the previous manufacturer ID number in their Annual Quantity and Emissions Report for the first year after the change or acquisition.
 - (B) Acquisition of an architectural coatings manufacturer shall not be considered a change in ownership for the purposes of this rule if the architectural coatings manufacturer who is acquired continues to file Annual Quantity and Emissions Reports and pay fees under its District issued ID number.
 - (3) Delegation or Change of Responsible Party and/or Authorized Representative

Application for a manufacturer ID number pursuant to (d)(1), as submitted by the Responsible Party for an architectural coatings manufacturer, shall designate the Authorized Representative. The designating Responsible

Party is responsible for and may act in lieu of the Authorized Representative. A change to either the designating Responsible Party or Authorized Representative shall be made in writing using the same application form.

- (e) Requirement to Submit an Annual Quantity and Emissions Report
 - (1) For each calendar year (January 1 through December 31) beginning with 2008 and continuing with each subsequent calendar year, an architectural coatings manufacturer shall, in a format determined by the Executive Officer, submit to the District by April 1 of the following calendar year (the official reporting due date) an Annual Quantity and Emissions Report electronically submitted by the Authorized Representative certifying that all information submitted (including electronic submittal) is true and correct. Information included in the Annual Quantity and Emission Report that was obtained from a company not owned or controlled by the reporting architectural coatings manufacturer shall be certified as true and correct to the best knowledge of the Authorized Representative submitting the report. The Annual Quantity and Emissions Report shall include, but not be limited to, the following:
 - (A) Architectural coatings manufacturer information including the manufacturer ID number issued by the District;
 - (B) Each architectural coating brand name, product code and product name;
 - (C) Whether the coatings are waterborne or solvent-based;
 - (D) Whether the coatings are for interior, exterior, or dual use;
 - (E) The applicable coating category listed in the Table of Standards in Rule 1113 – Architectural Coatings;
 - (F) The grams of VOC per liter of coating, less water and less exempt compounds, and excluding any colorant added to the tint base for each product as follows:
 - (i) For coatings packaged in a single container, as supplied;
 - (ii) For multi-component coatings, after mixing the components, as recommended for use by the architectural coatings manufacturer;
 - (iii) For concentrates, at the minimum dilution recommended for use by the architectural coatings manufacturer;

- (G) The grams of VOC per liter of material for each product as follows:
 - (i) For coatings packaged in a single container, as supplied;
 - (ii) For multi-component coatings, after mixing the components, as recommended for use by the architectural coatings manufacturer;
 - (iii) For concentrates, at the minimum dilution recommended for use by the architectural coatings manufacturer;
 - (H) In addition to (e)(1)(F) and (G), for solvent-based coatings, grams of VOC per liter of material for each product including the maximum thinning as recommended by the architectural coatings manufacturer;
 - (I) Total annual quantity of each product distributed or sold into or within the District for use in the District, as supplied or for a concentrate, at the minimal dilution recommended for use by the architectural coatings manufacturer, and reported in gallons for all container sizes. The annual quantity of each product shall include products sold through big box retailers with distribution centers located within or outside the District. Architectural coatings manufacturers shall use the list of big box retailers maintained by the Executive Officer as of the end of the calendar year for purposes of reporting quantities of products distributed or sold in the District through big box retailers; and
 - (J) For any product with VOC content higher than the applicable limit in Rule 1113, an indication of whether the product has been sold under any of the following provisions of Rule 1113 – Architectural Coatings:
 - (i) Sell-through provisions
 - (ii) Averaging Compliance Option
 - (iii) Small container exemption
 - (iv) Low Solids
 - (v) Stains or Lacquers sold above 4,000 feet.
- (2) If the architectural coatings manufacturer had no distribution or sales for the prior calendar year, the Authorized Representative must either certify that fact in a letter, on company letterhead, or indicate that fact in the online reporting program. If an architectural coatings manufacturer does not intend to sell coatings into or within the District in future years, the

Authorized Representative should indicate that intention in writing, so as to be removed from future outreach efforts.

- (3) An architectural coatings manufacturer that acquires another architectural coatings manufacturer shall provide the information specified in subparagraph (e)(1)(A) through (e)(1)(J) for the acquired architectural coatings manufacturer for the entire calendar year.
- (4) By January 30, 2009, and every year thereafter, a big box retailer shall report to the District and the architectural coatings manufacturer of that product the total annual quantity of each coating product distributed through its distribution centers for sale or sold in the District for the previous calendar year (January 1 through December 31), as supplied, in a format determined by the Executive Officer. The big box retailer shall also include a list of the store, address, city and ZIP code where the products contained in the report were sold. Big box retailers shall use the list maintained by the Executive Officer as of the end of the calendar year of big box retailers for purposes of reporting to the appropriate architectural coatings manufacturer the quantities of products distributed or sold in the District. The report submitted to the District and to each architectural coatings manufacturer shall be electronically submitted by a corporate officer certifying that all information reported is true and correct. The report shall also be submitted to each architectural coatings manufacturer in an electronic spreadsheet format.

(f) Recordkeeping

Architectural Coatings Manufacturers shall:

- (1) Maintain a copy of the signed application form submitted to the District to obtain the manufacturers ID number, and the written response from the District issuing a manufacturer ID number. The copies shall be maintained for five (5) years beyond the date on each document, and made available upon request by the Executive Officer.
- (2) Maintain records to verify data used to prepare the Annual Quantity and Emissions Report from architectural coatings distributed or sold into or within the District for use in the District and compliance with applicable rules and regulations. The records shall be maintained for five (5) years and made available upon request by the Executive Officer. Such records shall include but not be limited to:

- (A) Product formulation records (including both grams of VOC per liter of coating and grams of VOC per liter of material):
 - (i) Laboratory reports [including percent weight of non-volatiles, water, and exempts (if applicable); density of the coating; and raw laboratory data] of test methods conducted as specified in paragraph (m) or
 - (ii) Product formulation data or physical properties analyses, as applicable, with a VOC calculation demonstration; and
 - (B) Production records including, if applicable, batch tickets with the date of manufacture, batch weight and volume; and
 - (C) Distribution records:
 - (i) Customer lists or store distribution lists or both (as applicable) and
 - (ii) Shipping manifests or bills of lading or both (as applicable); and
 - (D) Sales records consisting of point of sale receipts or invoices to distributors or both, as applicable.
- (g) Fees
- (1) Manufacturer ID Number Fee
An architectural coatings manufacturer applying for a manufacturer ID number with the District as specified in paragraphs (d)(1) and (d)(2) shall pay a non-refundable application fee of ~~\$197.17~~203.87 at the time of submitting the application.
 - (2) Annual Quantity and Emissions Fees
 - (A) An architectural coatings manufacturer shall pay fees at the rates specified below (for the Annual Quantity Fee in clause (i) below, the actual final fee based on the total number of gallons of paint shall be rounded to nearest whole cent), on or before April 1st (the official due date). Fees are based on the annual quantity and emissions of architectural coatings distributed or sold into or within the District for use in the District for the previous calendar year. The fee rate to be applied shall be the fee rate in effect for the year in which the sales and emissions are actually reported, and not the fee rate in effect for the year the sales actually occurred.

Fee Rate

- (i) Annual Quantity Fee: \$0.041 per gallon of paint.
 - (ii) Annual Emission Fee: ~~\$281.73~~291.31 per ton of VOC emissions.
 - (B) If an architectural coatings manufacturer submits the Annual Quantity and Emissions Report in such a manner that District staff has to manually enter the data into the District database, then the architectural coatings manufacturer shall pay at the time of submittal a non-refundable fee of ~~\$322.96~~333.94 for the first two hours of District time. The architectural coatings manufacturer shall be assessed additional fees at the rate of ~~\$161.49~~166.98 per hour for any additional time beyond the first two hours.
- (h) Request to Amend the Annual Quantity and Emissions Report and Refund Request of Emission Fees
- (1) An architectural coatings manufacturer shall submit a written request (referred to as an “Amendment Request”) for any proposed revisions to previously submitted Annual Quantity and Emissions Reports. Amendment requests submitted after one (1) year from the official due date of the subject Annual Quantity and Emissions Report shall include a non-refundable standard evaluation fee of ~~\$322.96~~333.94. In addition, evaluation time beyond two hours shall be assessed at the rate of ~~\$161.49~~166.98 per hour not to exceed 10 hours. Amendment requests received within one year (1) from the official due date of a previously submitted Annual Quantity and Emissions Report shall not incur any such evaluation fees. The Amendment Request shall include all supporting documentation and revised applicable reports.
 - (2) An architectural coatings manufacturer shall submit a written request (referred to as a “Refund Request”) to correct the previously submitted Annual Quantity and Emissions Report and request a refund of overpaid fees. Refund Requests must be submitted within one (1) year from the official due date of the subject Annual Quantity and Emissions Report to be considered valid. The Refund Request shall include a revised Annual Quantity and Emissions Report and all applicable supporting documentation. If the Refund Request submitted results in a refund, then the architectural coatings manufacturer shall incur no evaluation fee. If the refund request results in no refund, then the architectural coatings

manufacturer shall pay the standard evaluation fee and the hourly evaluation fees, as appropriate, specified in paragraph (h)(1).

(i) Fee Payments and Late Surcharge

- (1) Fee payments are the responsibility of the architectural coatings manufacturer.
- (2) If both the fee payments and the Annual Quantity and Emissions Report for the previous calendar year are not received by May 30, they shall be considered late; and a surcharge for late payment shall be imposed for fees past due as set forth in paragraph (i)(3). Architectural coatings manufacturers subject to paragraph (d)(2) on or after July 1 of the reporting year shall have an additional 6 months, or any additional time approved by the Executive Officer, to submit the fee payments and the Annual Quantity and Emissions Report for the acquired architectural coatings manufacturer. For the purpose of this paragraph, the fee payments and the Annual Quantity and Emissions Report shall be considered to be timely received by the District if it is postmarked on or before May 30. If May 30 falls on a Saturday, Sunday, or a state holiday, the fee payments and Annual Quantity and Emissions Report may be postmarked on the next business day following the Saturday, Sunday, or the state holiday with the same effect as if they had been postmarked on May 30.
- (3) If fee payments for the Annual Quantity and Emissions Report (including any unreported quantity and emissions) are not received within the time prescribed by paragraph (i)(2), a late payment surcharge shall be assessed on the fees past due and added to the fee rate in subparagraph (g)(2)(A), according to the following schedule:

Less than 30 days	5% of past due amount
30 to 90 days	15% of past due amount
91 days to one year	25% of past due amount
More than one year	50% of past due amount

(4) Fee Payment Subject to Validation

Acceptance of a fee payment does not constitute validation of the emission data.

- (j) Service Charge for Returned Checks
Any person who submits a check to the District on insufficient funds or on instructions to stop payment, absent an overcharge or other legal entitlement to withhold payment, shall be subject to a \$25.00 service charge.
- (k) Confidentiality of Information
Subject to the provisions of the California Public Records Act (Govt. Code § 6250-6276.48) information submitted to the Executive Officer may be designated as confidential. The designation must be clearly indicated on the reporting form, identifying exactly which information is deemed confidential. District guidelines require a detailed and complete basis for such claim in the event of a public records request.
- (l) Violation
It shall be a violation of this rule for any architectural coatings manufacturer to distribute or sell their manufactured architectural coatings into or within the District for use in the District, without having a manufacturer ID number issued by the District, within the time specified in subdivision (d).
- (m) Test Methods
For the purpose of this rule, test methods are as specified in Rule 1113.
- (n) Severability
If any provision of this rule is held by judicial order to be invalid, or inapplicable to any person or circumstance, such order shall not affect the validity of the remainder of this rule, or the validity or applicability of such provision to other persons or circumstances. In the event any of the exceptions to this rule are held by judicial order to be invalid, the persons or circumstances covered by the exception shall instead be required to comply with the remainder of this rule.
- (o) Distributor(s) List
On or before January 31st, all architectural coatings manufacturers subject to this rule shall provide to the District a list of all U.S. distributors to whom they supply architectural coatings. The list shall be in a format determined by the Executive Officer and shall include the distributors name, address, contact person and phone number.

- (1) Once the initial list of all U.S. distributors has been submitted, the architectural coatings manufacturer shall provide any changes to that list for subsequent reporting years.
 - (2) If there are no changes to the list of all U.S. distributor(s), the architectural coatings manufacturer in subsequent reporting years shall report no changes.
- (p) Exemption
- (1) Fees pursuant to paragraph (g)(2) shall not be assessed on coatings with 5 or less grams of VOC per liter of material provided the Annual Quantity and Emissions Report is received within the time prescribed by subparagraph (i)(2).
 - (2) Fees pursuant to paragraph (g)(2) shall not be assessed on recycled coatings distributed or sold into or within the District by a certified recycled paint manufacturer provided the Annual Quantity and Emissions Report is received within the time prescribed by paragraph (i)(2).
 - (3) Fees pursuant to paragraph (g)(2) shall not be assessed on any architectural coatings manufacturer whose distribution or sale of coatings into or within the District for use in the District are less than 1,000 gallons and have potential annual VOC emissions of 0.5 tons or less in a calendar year, provided the Annual Quantity and Emissions Report is received within the time prescribed by paragraph (i)(2).
 - (4) Architectural coatings offered for sale as a dry mix, containing no polymer, that are only mixed with water prior to use, including, but not limited to, stucco, clays, and plasters.

ATTACHMENT G12

(Adopted May 7, 2010)(Amended May 6, 2011)(Updated July 1, 2011)
(Updated July 1, 2012)(Updated July 1, 2013)(Amended June 6, 2014)
(Amended May 1, 2015)(Updated July 1, 2016)(Amended June 2, 2017)
(Proposed Amended Rule May 4, 2018)

Proposed Effective July 1, 2018

PROPOSED AMENDED RULE 315. FEES FOR TRAINING CLASSES AND LICENSE RENEWAL

(a) Fees for Rule Training Classes

SCAQMD Training Class	Fee
Rules 403 & 403.1	No Cost
Rule 461 Daily Self-Inspection Class	\$157.04 <u>162.38</u>
Rule 461 Annual Periodic Inspection Class	\$171.87 <u>177.71</u>
Rule 461 Tester Orientation Class	\$163.40 <u>168.96</u>
Rule(s) 463/1178	\$79.43 <u>82.13</u>
Rule(s) 1110.2/1146/1146.1	No Cost
Rule 1176	\$61.38 <u>63.47</u>
Rule 1403	\$85.47 <u>88.38</u>
Rule 1469	\$33.94 <u>35.09</u>

(b) Certified Permitting Professional (CPP) License Fees

- (1) The fee for the CPP exam administered by SCAQMD is ~~\$162.20~~167.71. This fee also covers the first year license fee for those who pass the exam.
- (2) The annual renewal fee for the CPP license fee is ~~\$162.20~~167.71. The license shall expire if the license renewal fee is not received by the District or postmarked within 30 days after the mailing of invoices or June 30th, whichever is later.

- (3) A CPP license that has expired due to nonpayment of the annual renewal fee may be reinstated by submitting a request for reinstatement and payment in full of the amount due at the time the license expired. A reinstatement surcharge shall also be paid equivalent to fifty percent (50%) of the amount due. Such request and payment shall be made within six (6) months of the license expiration. A license shall not be reinstatable after December 31st of the year it has expired.

ATTACHMENT H

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Final Staff Report Proposed Amended Regulation III – Fees

Including:

Proposed Amended Rule 301 – Permitting and Associated Fees
Proposed Amended Rule 303 – Hearing Board Fees
Proposed Amended Rule 304 – Equipment, Materials, and Ambient Air Analyses
Proposed Amended Rule 304.1 – Analyses Fees
Proposed Amended Rule 306 – Plan Fees
Proposed Amended Rule 307.1 – Alternative Fees for Air Toxics Emissions Inventory
Proposed Amended Rule 308 – On-Road Motor Vehicle Mitigation Options Fees
Proposed Amended Rule 309 – Fees for Regulation XVI and Regulation XXV
Proposed Amended Rule 311 – Air Quality Investment Program (AQIP) Fees
Proposed Amended Rule 313 – Authority to Adjust Fees and Due Dates
Proposed Amended Rule 314 – Fees for Architectural Coatings
Proposed Amended Rule 315 – Fees for Training Classes and License Renewal

May 2018

**Deputy Executive Officer
Planning, Rule Development and Area Sources**
Philip Fine, Ph.D.

**Assistant Deputy Executive Officer
Planning, Rule Development and Area Sources**
Susan Nakamura

**Planning and Rules Manager
Planning, Rule Development and Area Sources**
Jillian Wong, Ph.D.

Author: Elaine Shen, Ph.D. – Program Supervisor

Contributors: Kevin Chiu – Assistant AQ Engineer
Edward Lee – Assistant AQ Engineer
Janice West – Air Quality Engineer
Timothy Kobata – Air Quality Specialist
Matthew Lee – Assistant AQ Engineer
Robert Wu – Air Quality Specialist

Reviewed By: Barbara Baird – Chief Deputy Counsel
Teresa R. Barrera – Senior Deputy District Counsel
Sheri Hanizavareh – Senior Deputy District Counsel
Donna Peterson – Financial Services Manager

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD**

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Speaker of the Assembly Appointee

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City of Los Angeles Representative

MICHAEL A. CACCIOTTI
Council Member, South Pasadena
Cities of Los Angeles County/Eastern Region

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Governor's Appointee

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Mayor, Highland
Cities of San Bernardino County

JUDITH MITCHELL
Mayor Pro Tem, Rolling Hills Estates
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SHAWN NELSON
Supervisor, Fourth District
County of Orange

DWIGHT ROBINSON
Council Member, Lake Forest
Cities of Orange County

JANICE RUTHERFORD
Supervisor, Second District
County of San Bernardino

HILDA L. SOLIS
Supervisor, First District
County of Los Angeles

EXECUTIVE OFFICER:

WAYNE NASTRI

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EXECUTIVE SUMMARY

Regulation III - Fees establishes the fee rates and schedules to recover SCAQMD's reasonable costs of regulating and providing services to the regulated community, primarily permitted sources. The Permitted Source Program is principally supported by three types of fees, namely permit processing fees for both facility permits and equipment-based permits, annual permit renewal fees, and emission-based annual operating fees, all of which are contained in Rule 301. Also included in the Permitted Source Program are Rule 222 registration fees and plan fees, since these are similar to permits for the sources to which they apply. Regulation III also establishes fees and rates for other fee programs, unrelated to the Permitted Source Program, including but not limited to Transportation Programs fees and Area Source fees (architectural coatings).

Last year, the SCAQMD Governing Board adopted a phased-in fee increase applicable to both Title V and non-Title V facilities. With respect to Title V facilities, the Governing Board approved an increase of 10.67% in each of Fiscal Years (FY) 2017-18 and 2018-19, and 10.66% in FY 2019-20. With respect to non-Title V facilities, the Governing Board approved an increase of 4% in each of FY 2017-18 and 2018-19. These fee increases were necessary because SCAQMD was not collecting fees sufficient to cover the reasonable costs of its regulatory programs. In addition, the increases for the Title V facilities were a necessary response to a U.S. EPA review of SCAQMD's Title V program. That review also found that SCAQMD was not recovering sufficient revenues to support the costs of that program. Deficits for the Permitted Source Program, including the Title V program, had been routinely covered through use of reserves which have been primarily funded with one-time penalty revenue.

With this proposal, SCAQMD's cost recovery efforts continue. Staff is proposing the following amendments to Regulation III:

- Pursuant to Rule 320, an automatic increase of most fees by 3.4% consistent with the increase in California Consumer Price Index from December 2016 to December 2017.
- Ten targeted proposals for new or increased fees ~~and one proposal for increased fees~~, all of which are necessary to either meet the requirements of recently adopted rules and state mandates or to provide more specific cost recovery for other regulatory actions taken by the agency. Each of these proposed new or increased fees is equitably apportioned among all affected facilities. These proposals include:
 - 1) New fees to recover costs associated with operating and maintenance of refinery-related community air monitoring systems pursuant to Rule 1180 and California Health and Safety Code Section 42705.6;
 - 2) New fees to recover notification costs pursuant to Rule 1466;
 - 3) New fees for RECLAIM permit processing during and after transition out of the NOx RECLAIM program;
 - 4) New fees to recover costs for periodic assessment of non-RECLAIM CEMS, FSMS, or ACEMS;
 - 5) Increased fees to recover costs associated with voluntary certification programs of Clean Air Solvent and Clean Air Choices Cleaner;
 - 6) New fees to recover costs associated with annual renewal of Rule 1105.1, Rule 1118, and Rule 1123 compliance plans;

- 7) Potentially increased fees by billing actual cost invoiced to SCAQMD for public notice publication;
 - 8) New fees to recover costs associated with optional catalyst equivalency evaluation;
 - 9) New fees to recover costs associated with AB 2588 work for Potentially High Risk Level Facilities;
 - 10) New fees to recover costs associated with AB 2588 work on Rule 1402 related special reviews.
- One targeted proposal to amend Rule 301 subdivision (z), which has no fee impact, but which specifies the non-monetary consequence of non-payment of a “No Show” fee.
 - Twenty-two proposed administrative changes to Regulation III, which have no fee impact, but which include clarifications, deletions, or corrections to existing rule language.

SCAQMD continues to be fiscally prudent by seeking out cost-containment opportunities and by maintaining reserves in an effort to address challenges expected in future years. These challenges include, but are not limited to: changes in federal grant funding levels, increased retirement costs due to actuarial and investment adjustments, variations in one-time penalties, and uncertainty associated with external factors affecting the economy.

I. BACKGROUND

A. LEGAL AUTHORITY, DESCRIPTION OF SCAQMD’S PERMITTED SOURCE PROGRAM AND OTHER FEES, AND RELATIONSHIP OF FEES TO SCAQMD’S BUDGET

The California Health and Safety Code (H&SC) provides SCAQMD with the authority to adopt various fees to recover the costs of its programs. Section 40510(b) authorizes SCAQMD to adopt “a fee schedule for the issuance of variances and permits to cover the reasonable cost of permitting, planning, enforcement, and monitoring related thereto.” Thus, virtually every cost related to regulating permitted sources may be recovered under this type of fee (see H&SC Section 40506). Entities regulated through the Permitted Source Program receive two types of permits: facility permits and equipment-based permits. These permits apply to each permitted facility or each piece of permitted equipment. RECLAIM¹ and Title V facilities receive a facility permit, in addition to equipment-based permits; whereas other sources receive equipment-based permits.

The fee for equipment-based permits to construct or operate are based on the type of equipment involved, with higher fees for equipment with higher emissions and/or more complex relationships between operation and emissions, which require a higher level of staff effort to review and evaluate the associated permit applications for compliance with applicable rules and regulations. Each type of basic equipment and control equipment is assigned a fee schedule, A through H, as set forth in Rule 301, Tables IA and IB. For some equipment, a permit to construct is issued prior to issuing a permit to operate. For other equipment or application types, a permit to operate is issued directly.

¹ RECLAIM stands for REgional CLean Air Incentives Market, a cap-and-trade program that regulates the emissions of NO_x and SO_x in the South Coast Air Basin.

The fees for renewal of permits to operate are further divided into two components: an equipment-based permit renewal fee, and an emissions-based annual operating fee. The equipment-based permit renewal fee is based on the same equipment schedules used for the permit to construct/operate fee, i.e., the categories A through H, but some of the schedules are grouped together, resulting in only four fee rates for the equipment-based annual permit renewal fees. Each equipment fee schedule is assigned to one of the four annual permit renewal fee rates, based on the complexity of inspection and compliance activities and the emissions potential.

The emissions-based annual operating fee includes a flat fee paid by each facility, and a tiered fee for sources emitting four or more tons per year of criteria pollutants (e.g., volatile organic compounds (VOC), nitrogen oxides (NO_x), sulfur oxides (SO_x), and particulate matter (PM)) and lesser amounts for emissions of specified air toxics. State law authorizes the use of emissions-based fees (see H&SC Section 40510(c)(1)). RECLAIM and Title V facilities pay additional annual permit-related renewal fees to recover the additional costs associated with these types of facilities. SCAQMD uses schedules based on equipment type to ensure that permit to construct/operate fees and the equipment-based annual permit renewal fees reflect the costs required for permit processing and ongoing enforcement-related activities. For sources with fee schedules F, G, and H, the potential variability in time required for permit processing of large/complex sources is addressed through the use of a minimum permit processing fee, with an option for billing hours above a specified baseline, up to a maximum total fee. For other types of equipment, permit processing fees are flat fees. Certain minimum and maximum fees have been set in recognition of certain fixed costs and the practical limits to recovering regulatory costs that exist based on source size. The emissions-based annual operating fee is used to cover indirect regulatory costs such as planning, rulemaking, outreach, and air monitoring, which are also necessary to regulate the permitted source.²

SCAQMD has further subdivided certain permit-related activities and imposed fees to at least partially recover their costs on an individual basis, such as Source Testing Review, CEQA analysis, and newspaper noticing, rather than grouping these costs into the basic permit processing or operating fees. This enables SCAQMD to more closely allocate the costs of specific permit-related activities to the payor responsible for the costs. While there are many sub-types of fees within the basic structure, such as special processing fees for CEQA analysis or Health Risk Assessments (HRA), the three permit-related fees (permit processing, equipment-based annual permit renewal, and emissions-based annual operating fee) comprise the basic fee structure.

Also included in the Permitted Source Program are Rule 222 registration fees and plan fees, since these are similar to permits for the sources to which they apply (see H&SC Sections 40510(b), 40522; SCAQMD Rules (Rule) 301(u) and 306).

Additional fees also have been authorized by the legislature and are included in SCAQMD's existing fee regulation. These fees include: variance and other Hearing Board fees (see H&SC 52510(b); Rule 303); fees for the costs of programs related to indirect sources and areawide sources (see H&SC Section 40522.5; Rules 2202 and 314); fees to recover the costs to the air district and

² California courts have upheld the use of emissions-based fees to cover these types of costs, holding that such an allocation method is reasonably related to an air district's costs of regulating a permit holder's air pollution. (*San Diego Gas & Electric Co. v. San Diego County APCD* (1988) 203 Cal. App. 3d 1132, 1148).

State agencies of implementing and administering the Air Toxics Hot Spots Program (AB 2588) (see H&SC Section 44380 et seq; 17 California Code of Regulations Section 90700; Rule 307.1); and fees for notices and copying documents (see H&SC Section 40510.7; Rule 301(f)).³

The above-referenced fees comprise approximately 64% of SCAQMD's ~~budget~~ revenue. Other sources of revenue for SCAQMD include revenue from mobile sources, including the Clean Fuels Fee, Carl Moyer and Proposition 1B funds. These are special revenue funds outside of the General Fund budget which pay for specific technology advancement or emission reduction projects approved by the SCAQMD Governing Board and are consistent with the specific limits on the use of those funds. Periodically, funds to reimburse SCAQMD for its administrative costs in carrying out these projects are transferred by SCAQMD Governing Board action into SCAQMD's General Fund budget. A second type of mobile source revenue is provided by AB 2766 from the 1992 legislative session, which provides SCAQMD with 30% of a four-dollar fee assessed on each motor vehicle registered within SCAQMD's jurisdiction. These funds must be used for the reduction of pollution from motor vehicles, and for related planning, monitoring, enforcement, and technical studies necessary for the implementation of the California Clean Air Act (see H&SC Section 44223). Specific mobile-source related programs are funded with this revenue source, as well as a proportionate share of activities such as ambient air quality monitoring and regional modeling which are not specifically related to stationary or mobile sources individually. These motor vehicle fees are currently set at the statutory maximum. AB 2766 fees have not been increased in over 20 years. Thus, based on CPI, the real value of AB 2766 fees has declined by about 59%. The remainder of the AB 2766 revenues provided to SCAQMD is divided between a share that is subvented to cities and counties for mobile source emission reduction programs and a share that is used to fund mobile source emission reduction projects recommended by the Mobile Source Air Pollution Reduction Review Committee (MSRC) and approved by the SCAQMD Governing Board.

The Legislature also has imposed certain limits on SCAQMD's fee authority. If SCAQMD proposes to increase existing permit fees by more than the change in the CPI, the increase must be phased in over a period of at least two years (see H&SC Section 40510.5(b)). Also, if a fee increase greater than CPI is adopted, the SCAQMD Governing Board must make a finding, based on relevant information in the rulemaking record, that the increase is necessary and will result in an apportionment of fees that is equitable. This finding shall include an explanation of why the fee increase meets these requirements (see H&SC Sections 40510(a)(4) and 40510.5(a)). These findings will be included in the SCAQMD Governing Board Resolution presented for the Public Hearing on Proposed Amended Regulation III.

Moreover, the total amount of fees collected by SCAQMD shall not be more than the total amount collected in the 1993-1994 fiscal year, except that this total may be adjusted by the change in the CPI from year to year (see H&SC Section 40523). Also, this limitation does not apply to fees adopted pursuant to a new state or federal mandate imposed on and after January 1, 1994 (see H&SC Section 40523). SCAQMD has consistently complied with this limit. Total fees (other than mobile source fees) collected in FY 1993-94 were approximately \$69.6 million; adjusted by

³ The rule references are intended to provide examples of the different types of statutorily authorized fees. They are not intended to be a comprehensive listing of all applicable rule provisions.

CPI since that time the cap would be approximately \$125.4 million.⁴ Total projected fees (except mobile source fees) for FY 2018-19 are approximately \$104 million,⁵ which remains below the CPI adjusted cap and includes the projected revenue impacts associated with the proposed rule amendments discussed below.

The FY 2018-19 projected fees include the phased-in fee increase applicable to both Title V and non-Title V facilities, adopted by the SCAQMD Governing Board in June 2017. With respect to Title V facilities, the SCAQMD Governing Board approved an increase of 10.67% in each of FYs 2017-18 and 2018-19, and 10.66% in FY 2019-20. With respect to non-Title V facilities, the SCAQMD Governing Board approved an increase of 4% in each of FY 2017-18 and 2018-19. These fee increases were necessary because SCAQMD was not collecting funds sufficient to cover the reasonable costs of its regulatory program. In addition, the increases for the Title V facilities were a necessary response to a U.S. EPA review of SCAQMD’s Title V program. That review also found that SCAQMD was not recovering sufficient revenues to support the costs of that program. Deficits for the Permitted Source Program, including the Title V program, had been routinely covered through use of reserves which have been primarily funded with one-time penalty revenue.

B. PROPOSITION 26 COMPLIANCE

On November 2, 2010, the voters of California enacted Proposition 26, which was intended to limit certain types of fees adopted by state and local governments. Proposition 26 broadly defines a tax to mean any charge imposed by a local government that does not fall within seven enumerated exceptions for valid fees. If a charge does not fall within an enumerated fee exception, it is considered a tax, and must be adopted by vote of the people. SCAQMD does not have authority under state law to adopt a tax, so it may only impose a charge that is a valid fee under Proposition 26.

Proposition 26 requires that the local government prove by a preponderance of the evidence that the amount of the fee “[1] is no more than necessary to cover the reasonable costs of the governmental activity, and that [2] the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor’s burdens on, or benefits received from, the governmental activity.” (Cal. Const. art. XIIC §1). In this report, staff has provided a detailed explanation of the Permitted Source Program and the method of allocating program costs to the fee payors to satisfy this requirement.

Proposition 26 also provides that an agency must establish by a preponderance of the evidence that the fee fits within one of the fee exceptions. (Cal. Const., art. XIIC, §1). In addition to the

⁴ H&SC Section 40523 specifies that the limit for the total amount of fees collected by SCAQMD “may be adjusted annually in the 1994-95 fiscal year and subsequent fiscal years to reflect any increase in the California Consumer Price Index for the preceding calendar year, from January 1 of the prior year to January 1 of the current year, as determined by the Department of Industrial Relations.” However, the California CPI is compiled bi-monthly and no data is available for the month of January. Therefore, the adjustment has been made using the December CPI’s, similar to the CPI-based adjustment pursuant to Rule 320.

⁵ Draft estimate as of April 2018, subject to revisions in future versions of Staff Report. Note that this estimate is inclusive of fees adopted pursuant to new state or federal mandates imposed on and after January 1, 1994. Even so, it still remains below the CPI adjusted cap.

enumerated exceptions found in Proposition 26, courts have found that the proposition does not apply to fees adopted before its effective date. (*Brooktrails Township County. Servs. Dist. v. Bd. of Supervisors of Mendocino County* (2013) 218 Cal. App. 4th 195, 206).

All of the proposed fee increases discussed in this report fall within a recognized exception. In addition, all of the proposed increases bear a fair and reasonable relationship to a payor’s burdens on, or benefits received from SCAQMD’s activities.

II. RULE 320 AUTOMATIC ADJUSTMENT BASED ON CPI FOR REGULATION III

Rule 320 – Automatic Adjustment Based on Consumer Price Index for Regulation III-Fees, was adopted by the SCAQMD Governing Board on October 29, 2010. The rule establishes that in order to continue recovering agency costs, fees must keep pace at a minimum with inflation as measured using the CPI, unless otherwise directed by the SCAQMD Governing Board. Rule 320 provides for the automatic adjustment in fees annually commensurate with the rate of inflation.

Pursuant to Rule 320, most fees as set forth in Regulation III “[...] shall be automatically adjusted by the change in the California Consumer Price Index for the preceding calendar year, as defined in H&SC Section 40500.1(a)” (Appendix A). Therefore, staff is planning, where applicable, to update fees in Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 on July 1, 2018, to correspond with the increase in the Calendar Year 2017 CPI of 3.4%.

Appendix B – Summary of Proposed Amended Rules lists specific fees in Regulation III that would be adjusted based on the CPI increase. Table 1 lists the fees in Regulation III that are specifically excluded from CPI-based fee rate increase and the reason for exclusion.

Table 1: Fees Excluded from CPI-Based Fee Rate Adjustment

Fee	Reason for exclusion from CPI-based fee rate increase
Returned check service fee in various rules	Currently set by state law at \$25 (California Civil Code § 1719(a)(1))
Rule 301(w) – Enforcement Inspection Fees for Statewide Portable Equipment Registration Program (PERP) fees	Fee rates set by the state (California Code of Regulations title 13, §2450 et. seq.)
Rule 307.1(d)(2)(D) – Maximum fee for a small business as defined in Rule 307.1	Currently set by state law at \$300 (California Code of Regulations title 17, §90704(h)(2))
Rule 307.1 Table I – Facility Fees By Program Category; “State Fee” column figures only	Fee rates set by the state (H&SC Section 44380 et. seq.)
Rule 311(c) Air Quality Investment Program Fees	These fees pay for programs to reduce emissions under Rule 2202 – On Road Vehicle Mitigation Options and do not support SCAQMD’s Budget.

With respect to the proposed CPI adjustment, this increase is not subject to Proposition 26 because it is imposed by Rule 320, which was adopted prior to the effective date of Proposition 26. Rule 320 provides for an automatic adjustment of all SCAQMD fees by the change in the CPI from the previous year. By design, the CPI increase is reasonable because it recovers only the increase in SCAQMD's costs as a result of inflation and the manner in which those increased costs are allocated bears a fair and reasonable relationship to the burdens on SCAQMD's activities as established by the underlying fee schedule.

III. PROPOSED RULE AMENDMENTS WITH FEE IMPACTS

In addition to the Rule 320 CPI-based fee rate increase, staff is proposing to amend Rule 301 to include new fees which are necessary to meet the requirements of recently adopted Rules 1180 and 1466 and the recently enacted H&SC Section 42705.6 following the adoption of AB 1647 – Petroleum Refineries: Air Monitoring Systems. Staff is also proposing to amend Rules 301, 306, and 307.1 to include new fees which are necessary to provide more specific cost recovery for other regulatory actions taken by SCAQMD. Each of these proposed rule amendments is discussed in detail below.

1. New fees to recover costs associated with operating and maintenance of refinery-related community air monitoring system pursuant to Rule 1180 and H&SC Section 42705.6

Description of Proposed Amendment: In order to recover costs incurred by SCAQMD, staff is proposing to add subdivision (aa) to Rule 301. This new subdivision would require affected petroleum refineries to pay an annual fee to SCAQMD for operating and maintaining statutorily-required refinery-related community air monitoring system(s) in communities near these refineries. The new operating and maintenance (O&M) fee is based on an estimated cost of \$435,543 per monitoring station/per year and the number of monitoring stations that are estimated to be necessary to ensure adequate air monitoring coverage.

Proposed Amended Rule(s): Rule 301(aa) Refinery Related Community Air Monitoring System Annual Operating and Maintenance Fees

- (1) The owner or operator of a petroleum refinery subject to Rule 1180 shall pay an annual operating and maintenance fee for a refinery-related community air monitoring system designed, developed, installed, operated, and maintained by SCAQMD in accordance with California Health and Safety Code Section 42705.6.
- (2) The annual operating and maintenance fee per facility required by paragraph (aa)(1) shall be as follows:

<u>Facility Name* and Location</u>	<u>Annual Operating and Maintenance Fee</u>
<u>Andeavor Corporation (Carson)</u>	<u>\$871,086.00</u>
<u>Andeavor Corporation (Wilmington)</u>	<u>\$435,543.00</u>
<u>Chevron U.S.A, Inc. (El Segundo)</u>	<u>\$871,086.00</u>
<u>Delek U.S. Holdings, Inc. (Paramount)</u>	<u>\$217,771.50</u>
<u>Phillips 66 Company (Carson)</u>	<u>\$435,543.00</u>
<u>Phillips 66 Company (Wilmington)</u>	<u>\$435,543.00</u>
<u>PBF Energy, Torrance Refining Company (Torrance)</u>	<u>\$871,086.00</u>
<u>Valero Energy (Wilmington)</u>	<u>\$435,543.00</u>

*Based on the current facility names. Any subsequent owner(s) or operator(s) of the above listed facilities shall be subject to this rule.

- (3) The annual operating and maintenance fee required by this subdivision shall be billed with the annual operating permit renewal fee required by subdivision (d) beginning in calendar year 2020. If the annual operating and maintenance fee required by this subdivision is not paid in full within sixty (60) calendar days of its due date, a ten-percent (10%) penalty shall be imposed every sixty (60) calendar days from the due date.
- (4) No later than January 1, 2022 and every three years thereafter, the Executive Officer shall reassess the annual operating and maintenance fee required by this subdivision to ensure that the fee is consistent with the requirements of the California Health and Safety Code Section 42705.6 (f)(1) and (f)(2).

**Justification/
Necessity/
Equity:**

In 2017, the Legislature passed and the Governor signed AB 1647, adding Section 42705.6 to the H&SC. In addition to fenceline air monitoring requirements for refineries, H&SC Section 42705.6 also requires air districts to design, develop, install, operate and maintain refinery-related community air monitoring systems to monitor concentrations of air pollutants emitted into the ambient air by the refineries. H&SC Section 42705.6 also requires that the owner or operator of a petroleum refinery shall be responsible for the costs associated with implementing these provisions.

In response to this legislation, on December 1, 2017, the SCAQMD Governing Board adopted Rule 1180 – Refinery Fenceline and Community Air

Monitoring. To implement the statutory requirement for refineries to pay associated costs, Rule 1180 includes cost recovery provisions for refinery-related community air monitoring systems. Specifically, subdivision (j) and Table 2 of Rule 1180 identify and allocates the initial installation costs to the affected refineries for community air monitoring systems.⁶ Further, paragraph (j)(4) of Rule 1180 requires the affected petroleum refineries to pay annual O&M fees for community air monitoring systems pursuant to Rule 301. This proposed amendment to Rule 301 is necessary to specify these annual O&M fees.

The proposed amendment establishes the annual O&M fee required for community air monitoring systems based on the estimated costs associated with each refinery. Beginning in calendar year 2020 the proposed O&M fee would be billed to the refineries with the annual operating and permit renewal fee required by subdivision (d) of Rule 301. The proposed amendment also specifies a monetary penalty in case of non-payment of the O&M fee.

The O&M fee is based on the estimated costs to annually operate and maintain a community air monitoring system that provides adequate air monitoring coverage for each refinery. For adequate air monitoring coverage, staff considered a number of factors, such as facility size, location (e.g., its proximity to nearby communities and other refineries), relevant pollutants, and meteorological conditions. For the purposes of the O&M cost estimates, a community air monitoring station is defined as a permanent fixed monitoring location that measures all or most of the relevant pollutants. The per-station cost breakdown is provided in Table 2 below. These costs may be applied toward partial deployments (i.e., less than a complete set of measurements at more than one site) or for distributed monitoring (i.e., several location pollutant monitoring). Also, a refinery could be responsible for the cost associated with a portion of a station (if downwind of more than one refinery or if full equipment is not required), a single station, or multiple stations based on the need for adequate monitoring coverage. For details regarding the future implementation of refinery-related community air monitoring, SCAQMD staff is committed to developing a community air monitoring plan with public input.

⁶ Staff incorporates by reference the final rulemaking documents associated with the adoption of SCAQMD Rule 1180. See <http://www.aqmd.gov/docs/default-source/Agendas/Governing-Board/2017/2017-dec1-031.pdf>.

Table 2: Annual O&M Cost Estimates Per Monitoring Station

Routine costs associated with site maintenance ¹	\$29,950
Electricity	\$7,200
Utilities	\$5,470
Land/Site Lease	\$14,400
Lavatory Rental	\$2,880
Data validation, analysis, and mapping ²	\$54,016
Routine costs associated monitoring equipment maintenance ¹	\$16,100
Calibration Gases	\$6,100
Maintenance Parts	\$10,000
Technical and laboratory labor ³	\$335,477
One Air Quality Specialist at ½ effort, one Air Quality Instrument Specialist, one Air Quality Chemist at ¼ effort, and one Program Supervisor at ¼ effort	
Total O&M Cost⁴	\$435,543

¹ Based on the 2012 station cost estimates for the Anaheim monitoring station.

² Based on the previous SCAQMD contracts for data visualization and mapping.

³ Based on the FY 2017-18 Schedule of Burdened Rates (burdened hourly rate of \$121.17 for Program Supervisor, \$105.69 for Air Quality Specialist, \$101.55 for Air Quality Chemist, and \$86.17 for Air Quality Instrument Specialist). Includes salaries, benefits, overheads (e.g., share of utilities, insurance, payroll, systems, etc.). Annual staff labor cost at full effort is calculated with a 40-hour work week and 52 weeks per year.

⁴ It should be noted that the proposed O&M fees aggregated across the eight affected refineries (approximately \$4.6 million per year) are higher than the previous O&M cost estimates developed during the rule-making process of Rule 1180 (approximately \$3.5 million per year⁷). The previous cost estimates were based on one community air monitoring station for each refinery, or 8 monitoring stations in total. However, considering facility size, topography, and locations of communities impacted by refinery emissions, staff has revised the original estimate and determined that an adequate regional community monitoring network would require a total of 10.5 monitoring stations.

The estimated cost was based on SCAQMD's existing monitoring operations, as well as from information provided in recent studies similar to Rule 1180 measurements. However, the cost of a Rule 1180 community air monitoring network is expected to be higher than the cost of deploying and operating other monitoring networks, such as those used to support MATES-V. In contrast to MATES-V monitoring, Rule 1180 community air monitoring networks will involve a higher sampling frequency, a larger volume of monitoring data to be

⁷ See Final Staff Report for Rule 1180, released in December 2017.

processed, a longer list of pollutants to be measured, implementation of new monitoring stations, data visualization and website development and, for certain pollutants, the need to develop or adopt newly-developed measurement methods that have not been implemented by SCAQMD previously.

Overall, the O&M fees for a refinery-related community air monitoring system will be shared in a reasonably equitable manner based on the burdens imposed (costs to operate and maintain the community air monitoring station) and benefits received by the refineries (measurement of the emitted pollutants during operation) and the costs are limited to the amounts necessary for compliance with H&SC Section 42705.6. Staff has estimated the proposed fees based on the expectation that they will recover actual costs incurred. Neither overages nor deficits are anticipated at this time. Actual costs for implementation of the refinery-related community air monitoring pursuant to Rule 1180 and H&SC Section 42705.6 will be carefully tracked, and the fees will be reassessed triennially as required by PAR 301(aa)(4) to further ensure ongoing compliance with California Health and Safety Code Section 42705.6. The proposed fees in this amendment, based on initial estimates, may require adjustments in future Regulation III amendments to reflect actual ongoing costs. During the triennial fee reassessments, SCAQMD staff will use historical operating and maintenance costs associated with refinery-related community air monitoring to determine the appropriate fees and will take into consideration the existence of any historical differences between collected fees and program expenditures.

2. New fees to recover notification costs pursuant to Rule 1466

Description of Proposed Amendment: In order to recover costs incurred by SCAQMD to process required notifications, staff is proposing to amend Rule 301(x) for the purpose of adding a new fee for Rule 1466 notifications. The proposed fee for the Rule 1466 notification would be \$62.92 per notification.

Proposed Amended Rule(s): *Rule 301(x)* Rule 1149, ~~and~~ Rule 1166, and Rule 1466 Notification Fees

(1) Any person who is required by the District to submit a written notice pursuant to Rule 1149, Rule 1166, Rule 1466, or for soil vapor extraction projects shall pay a notification fee of ~~\$60.85~~62.92 per notification.

(2) Notifications pursuant to Rule 1466 paragraph (f)(2) shall be exempt from this subdivision.

Justification/ Necessity/ Equity: Rule 1466 is a new rule which was adopted on July 7, 2017 and amended on December 1, 2017. The purpose of Rule 1466 is to minimize off-site fugitive dust emissions containing toxic air contaminants. Rule 1466 requires a facility to provide notifications to SCAQMD prior to beginning earth-moving

activities and when ambient PM10 dust concentration limits are exceeded at Rule 1466 sites.

This new fee is necessary to recover the reasonable regulatory costs related to the notification requirements of Rule 1466. The fee is identical to the amount charged for Rule 1149 and Rule 1166 notifications. Moreover, the amount to be charged reflects cost recovery currently contained in Rule 301. Table 3 provides cost estimates for Rule 1466 notification requirements. Based on staff estimates, it will take an Office Assistant approximately 25-30 minutes to receive the notification, enter the information, and file the notification, and 15-20 minutes for a Staff Specialist to review the notification. Therefore, the recovery cost is calculated to be between \$53.53 and \$67.76 at the FY 2017-18 hourly burdened rates. This range of cost estimates is consistent with the current fee rate of \$60.85, as well as the CPI-adjusted notification fee rate of \$62.92 for Rule 1149 and Rule 1166. The proposed Rule 1466 notification fee is set at \$62.92, the same fee rate as Rule 1149 and Rule 1166 notification fees for similar notification requirements. Thus, the proposed Rule 1466 notification fee does not exceed the estimated cost of processing required notifications and is apportioned equitably based on the burden imposed by each notification.

Table 3: Cost Estimates for Rule 1466 Notification Requirements

Staff Position	Range of Processing Time (in Hours)*		×	FY 2017-18 Hourly Burdened Rate	=	Range of Cost*	
Office Assistant	0.42	0.50		\$65.06		\$27.11	\$32.53
Staff Specialist	0.25	0.33		\$105.69		\$26.42	\$35.23
Total Cost						\$53.53	\$67.76

* Rounded to the second decimal place.

Rule 1466 additionally requires notifications to be updated if there is a change in start date or exemption status, but those notifications are proposed to be exempt from the notification fee requirement because minimal staff time would be required to update changes in start date or exemption status.

3. New fees for RECLAIM permit processing during and after transition out of the NOx RECLAIM program

Description of Proposed Amendment: In order to recover costs incurred by SCAQMD, staff is proposing to add a new fee for work performed to transition facilities that will be exiting the NOx RECLAIM program in accordance with Regulation XX and Regulation XI. Currently, RECLAIM facilities, including both Title V and non-Title V facilities, are subject to an SCAQMD-issued facility permit. The facility permit identifies conditions associated with compliance with the RECLAIM program. In many cases, extensive changes will have to be made to the device conditions, device emissions and requirements, RECLAIM monitoring, reporting and recordkeeping requirements, and any other applicable sections of existing RECLAIM facility permits as part of the transition process.

In addition, staff is proposing a new fee to recover costs related to work performed following transition from the NOx RECLAIM program for any facility that voluntarily elects to convert a transitioned facility permit to conventional command and control equipment-based permits.

Proposed Amended Rule(s):

Rule 301(l)(16) Facility Permit Reissuance Fee for Facilities Exiting RECLAIM

A facility exiting the NOx RECLAIM program pursuant to Rule 2002 (f)(7) shall be assessed a Facility Permit Reissuance Fee for the conversion of its RECLAIM Facility Permit to a Command-and-Control Facility Permit. The conversion consists of removal of non-applicable RECLAIM provisions and addition of requirements for applicable command-and-control rules. The Facility Permit Reissuance Fee includes an initial flat fee, plus an additional time and materials (T&M) charge where applicable. Both the initial flat fee and T&M charge are tiered based on the number of permitted RECLAIM NOx sources at the facility. Both the initial flat fee and T&M charge are also differentiated based on a facility’s Title V status.

The initial flat fee to transition from NOx RECLAIM Facility Permit to Command-and-Control Facility Permit per Rule 2002(f)(7) shall be paid at the time of filing and assessed according to the following fee schedule.

<u>Number of Permitted RECLAIM NOx Sources</u>	<u>Non-Title V</u>	<u>Title V</u>
<u>Less than 10</u>	<u>\$2,232</u>	<u>\$3,160</u>
<u>Greater than or equal to 10 and less than 20</u>	<u>\$4,651</u>	<u>\$6,320</u>
<u>20 or more</u>	<u>\$13,023,302</u>	<u>\$21,067,640</u>

An additional T&M charge shall be assessed for time spent on the permit conversion in excess of the number of hours and at the hourly rate specified in the following fee schedule and billed following permit reissuance.

<u>Number of Permitted RECLAIM NOx Sources</u>	<u>Non-Title V</u>		<u>Title V</u>	
	<u>Begin Charging Hourly Rate After (hrs)</u>	<u>T&M Rate (\$/hr)</u>	<u>Begin Charging Hourly Rate After (hrs)</u>	<u>T&M Rate (\$/hr)</u>
<u>Less than 10</u>	<u>12</u>	<u>\$186.04</u>	<u>15</u>	<u>\$210.67</u>
<u>Greater than or equal to 10 and less than 20</u>	<u>25</u>	<u>\$186.04</u>	<u>30</u>	<u>\$210.67</u>
<u>20 or more</u>	<u>750</u>	<u>\$186.04</u>	<u>1060</u>	<u>\$210.67</u>

Rule 301(l)(17) Optional Conversion of Transitioned RECLAIM Facility Permit

A Facility that has transitioned out of the RECLAIM program in accordance with paragraph (l)(16) and that elects to convert all permitted equipment described on the RECLAIM Facility Permit to equipment/process based Permits to Operate (pursuant to Regulation II) shall pay a fee equal to the Change of Condition fee specified in Table FEE RATE-A, in accordance with the Schedule identified in Table IA or IB, for each equipment/process converted.

**Justification/
Necessity/
Equity:**

The proposed amendment is necessary to recover costs incurred by SCAQMD for revising the Facility Permit to remove permit conditions and emission limits that are no longer applicable for RECLAIM facilities exiting the NOx RECLAIM program. These evaluations will ensure that appropriate monitoring, recordkeeping, and reporting requirements, as well as justifiable emission limits are imposed in facility permits for facilities that exit the NOx RECLAIM program.

Equipment at RECLAIM facilities have been exempt from NOx emission requirements of rules such as Rules 476, 1109, and 1146 (also see Table 1 of Rule 2001(j)) under the RECLAIM program structure. In addition, RECLAIM

facilities are subject to Rule 2005 - New Source Review for RECLAIM rather than Rule 1303 - New Source Review Requirements. The process of exiting the NO_x RECLAIM program involves a case-by-case analysis of each device (piece of equipment), various processes associated with that equipment, as well as an overall evaluation of existing permit and regulatory limits and requirements and appropriate removal or justification (pursuant to other applicable rules) of existing Regulation XX monitoring, recordkeeping and reporting requirements, emission factors, and emission limits.

The proposed fees are based on estimated evaluation hours spent by an Air Quality Engineer II for the smaller, lower emitting facilities that have been identified as potentially eligible to exit the NO_x RECLAIM program. The proposed initial flat fees have been tiered based on number of RECLAIM devices. The number of devices are surrogates for whether a facility is characterized as simple, medium, or complex. Those facilities with less than 10 devices will require less work because they have fewer devices and the complexity of the overall evaluation is simpler. Generally, there are fewer monitoring, recordkeeping and reporting requirements at these facilities. Likewise, the range of emission factors and emission limits that need to be examined is more limited. The initial flat fee covers the estimated minimum or baseline number of hours needed to evaluate those smaller, simpler facilities. As the number of devices increase at a facility, the evaluation needed becomes more complex and more time consuming, and the case-by-case analysis of equipment-specific requirements is anticipated to require higher levels of effort for facilities with a higher RECLAIM device count. Thus, the baseline number of hours and the initial fees have been increased at each tier to reflect that increased complexity.

Initial fees shall be paid at the time of filing. Additional fees for evaluation hours beyond the baseline amount will be assessed at T&M rates consistent with existing rates in the RECLAIM section of the rule, specifically paragraphs (l)(12) and (l)(15). It is anticipated that the majority of evaluations will involve some T&M billing because the baseline hours have been set for each tier based on the minimum number of RECLAIM devices and the minimum level of effort.⁸ Any billing of T&M rates will be based on actual evaluation hours

⁸ Since the release of the draft PAR 301 on April 4, 2018, PAR 301(l)(16) fee schedules have been revised to include a lower initial flat fee based on a lower baseline number of evaluation hours for facilities with 20 or more permitted RECLAIM NO_x sources. The revisions were made to take into account the possibility that the overall evaluation efforts, and thus the associated costs, may be lower than staff's previous estimates if a facility has multiple pieces of equipment that are similar and subject to the same "landing rules" (i.e., command-and-control rules applicable to NO_x source equipment in a former NO_x RECLAIM facility). Based on staff's evaluation, this is more likely the case among facilities with a large number of permitted RECLAIM NO_x sources. The T&M charge applicable to the additional evaluation hours beyond the baseline will continue to ensure the recovery of reasonable costs incurred by SCAQMD.

spent by an Air Quality Engineer II beyond the baseline hours and will be billed after permit reissuance.

For each hour of engineer evaluation time, it is estimated that a minimum of 0.25 to 0.35 hours of senior engineer time, and 0.16 to 0.20 hours (each) of supervisor, manager, and senior office assistant time will be spent supervising, editing, reviewing, and documenting the evaluation, as well as modifying and producing the amended facility permit. To take into account any hours beyond the baseline number of hours, a minimum range of costs between \$185.98 and \$210.29 are derived per hour of evaluation by Air Quality Engineer II, based on the FY 2017-18 hourly burdened rates and as shown in Table 4. Average actual costs are expected to be slightly higher due to additional time by staff per hour of evaluation by Air Quality Engineer II.

The range of hourly costs reflects the differing complexity levels associated with evaluating the requirements of non-Title V versus Title V facilities. The Title V program imposes additional requirements such as inclusion of exempt equipment, rule tagging, and public and U.S. EPA noticing requirements. Thus, Title V facilities require a level of effort beyond that of non-Title V facilities and may require additional senior staff time. Accordingly, every hour by an Air Quality Engineer II requires additional time by other staff for Title V facilities compared to Non-Title V facilities. This range of the hourly cost estimates are comparable to the CPI-adjusted hourly rate of \$186.04 for non-Title V facilities and \$210.67 for Title V facilities in Rule 301 paragraphs (l)(12) and (l)(15). Therefore, the proposed amendment would set the initial tiered flat rates using these CPI-adjusted hourly rates multiplied by the baseline hours for each tier, and the T&M cost would be assessed at these same CPI-adjusted hourly rates. Using the CPI-adjusted hourly rates will also reduce the complexity of Regulation III fees.

Table 4: Per Hour Cost Estimates for Transitioning RECLAIM Facility Permits

Staff Position	Range of Staff Time Per Hour of Evaluation By Air Quality Engineer II			FY 2017-18 Hourly Burdened Rate		Range of Staff Cost Per Hour of Evaluation By Air Quality Engineer II*	
	100%	100%	x			\$105.69	=
Air Quality Engineer II	100%	100%	x	\$105.69	=	\$105.69	\$105.69
Senior Engineer	25.0%	35.0%	x	\$113.07	=	\$28.27	\$39.57
Supervising Engineer	16.0%	20.0%	x	\$121.17	=	\$19.39	\$24.23
Senior Engineering Manager	16.0%	20.0%	x	\$135.15	=	\$21.62	\$27.03
Senior Office Assistant	16.0%	20.0%	x	\$68.83	=	\$11.01	\$13.77
Total Cost						\$185.98	\$210.29

* Rounded to the second decimal place.

Therefore, staff proposes to set the hourly rates for Transitioning RECLAIM Facility Permits to be consistent with those established for RECLAIM-related permit processing. This is a one-time fee for the transition process associated with exiting the RECLAIM program.

Staff further proposes to allow for the use of the change of condition fee rates in lieu of the permit modification fee rates for facilities that may elect to convert a transitioned RECLAIM facility permit to equipment based permits. This is an option that a facility may choose and the fee rate is commensurate with the level of effort established for processing equivalent change of condition applications for equipment-specific permits.

Accordingly, the new fees are no more than necessary to cover the reasonable costs to the SCAQMD to reissue and transition permits for facilities exiting the RECLAIM program. The fees are equitable because the costs are allocated to facilities based on the burdens those facilities place on SCAQMD's activities to reissue or transition the permits in terms of estimated and actual staff time.

4. New fees to recover costs for periodic assessment of non-RECLAIM CEMS, FSMS, or ACEMS

Description of Proposed Amendment: In order to recover costs incurred by SCAQMD, staff is proposing to add a new fee associated with SCAQMD periodic assessments of non-RECLAIM Continuous Emissions Monitoring Systems (CEMS), Fuel Sulfur Monitoring Systems (FSMS), and Alternative Continuous Emissions Monitoring Systems

(ACEMS). The proposed fee for the periodic assessment would be \$907.51, plus an additional fee of \$172.01 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of \$5,738.49. These fees are consistent with the CPI-adjusted fees charged for comparable assessments and evaluations for RECLAIM devices. The proposed amendment would also remove a redundant and erroneous reference to Rule 301(i)(5)(A) for clarification purposes.

**Proposed
Amended
Rule(s):**

Rule 301(j)(5)(D) Periodic Assessment of an Existing ~~RECLAIM~~-CEMS, FSMS, or ACEMS

An existing ~~RECLAIM~~-CEMS, FSMS, or ACEMS, ~~which undergoes certification as in (i)(5)(A)~~, must be retested on a quarterly, semi-annual, or annual basis to remain in compliance with District ~~Regulations XX~~. The applicant shall pay a minimum processing fee of ~~\$877.67~~907.51 for this evaluation, if required. Additional fees will be assessed at a rate of ~~\$166.35~~172.01 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of ~~\$5,549.80~~5,738.49.

**Justification/
Necessity/
Equity:**

The proposed new fee is necessary to recover costs incurred by SCAQMD for periodic assessment of an existing non-RECLAIM CEMS, FSMS, or ACEMS as required by applicable rules. Currently, pursuant to other subparagraphs of Rule 301(j)(5), facilities pay a fee for SCAQMD review of RECLAIM and non-RECLAIM CEMS, FSMS, and ACEMS when initially installed (Rule 301(j)(5)(A)), when modified (Rule 301(j)(5)(B) and (C)), and when there is a change of ownership (Rule 301(j)(5)(E)). In addition, under Rule 301(j)(5)(D) -- the subparagraph made the focus of this proposal -- facilities are required to pay a fee for required periodic assessments of RECLAIM CEMS, FSMS, and ACEMS. Even though non-RECLAIM CEMS, FSMS, and ACEMS must also be reassessed periodically if they are to be relied upon for demonstrating compliance with other applicable SCAQMD regulations, the existing subparagraph does not specifically identify a fee to be assessed in this circumstance. Non-RECLAIM devices appear to have been inadvertently omitted from the subparagraph. Thus, this new fee is necessary in order for SCAQMD to recover the costs associated with that work.

The proposed new fee for the periodic assessment of non-RECLAIM devices is consistent with the fee charged for other evaluations and assessments of these devices under the current Rule 301(j)(5) as adjusted by CPI. The amount of time that is required to complete an assessment is the same regardless of whether the device is required by RECLAIM or other SCAQMD regulations. Therefore, the fee apportionment is equitable and would ensure that the same level of periodic assessment effort will be billed at consistent fee rates.

A periodic assessment of CEMS, FSMS, or ACEMS typically requires five to ten hours of evaluation time by an Air Quality Engineer II. For example, based on staff's review of CEMS assessments conducted for both RECLAIM and non-RECLAIM CEMS reports at a permitted facility from 2006 to 2014, the

average amount of evaluation time was 7.76 hours by an Air Quality Engineer II. The CEMS assessments were further reviewed by senior and supervising engineers. The average time for the secondary review consists of 1.94 hours for a senior engineer (approximately 25 percent of an Air Quality Engineer II's evaluation hours) and 0.93 hours for the supervising engineer (approximately 12 percent of an Air Quality Engineer II's evaluation hours). This secondary review includes a review of the technical work, a critique of the evaluator's conclusions and recommendations, approval of the paperwork in the report folder, and handling any fee related questions by the facility. There is also time spent by an office assistant to create the evaluation folders, enter data into the Source Testing database, and scan the reports and/or store in file cabinets. These tasks would take an average of 2.13 hours (approximately 27.5 percent of an Air Quality Engineer II's evaluation hours).

Note that the current fee for a periodic assessment of CEMS, FSMS, or ACEMS is based solely on the evaluation hours spent by the evaluating engineer at the Air Quality Engineer II level. To take into account the unbilled hours for secondary review by supervising and senior engineers and for administrative work performed by the clerical staff, a cost of \$166.39 is derived per hour of evaluation by an Air Quality Engineer II, based on the FY 2017-18 hourly burdened rates and as reflected in Table 5. This is comparable to the current hourly rate of \$166.35 for time spent on the evaluation of RECLAIM CEMS, FSMS, or ACEMS in excess of 10 hours.

Table 5: Per Hour Cost Estimates for Periodic Assessment of CEMS, FSMS, or ACEMS

Staff Position	FY 2017-18 Hourly Burdened Rate		Staff Time Per Hour of Evaluation By Air Quality Engineer II*		Staff Cost Per Hour of Evaluation By Air Quality Engineer II
Air Quality Engineer II	\$105.69	×	100.0%	=	\$105.69
Senior Engineer	\$113.07	×	25.0%	=	\$28.27
Supervising Engineer	\$121.17	×	12.0%	=	\$14.54
Office Assistant	\$65.06	×	27.5%	=	\$17.89
Total Staff Cost Per Hour of Evaluation By Air Quality Engineer II					\$166.39

* Based on staff's review of CEMS assessments conducted for both RECLAIM and non-RECLAIM CEMS reports at a permitted facility from 2006 to 2014.

Therefore, staff proposes to utilize the existing CPI-adjusted minimum processing fee (\$907.51) and the existing CPI-adjusted hourly rate (\$172.01) set by Rule 301(j)(5) for comparable evaluations and assessments. Those fees

and rates will not exceed the costs of SCAQMD’s assessment activities and are equitably allocated to the fee payor based on the costs to assess each device. The CPI-adjusted minimum processing fee of \$907.51 corresponds to approximately 5.28 hours of evaluation hours by an Air Quality Engineer II which is at the low end of the average amount of time necessary to complete these types of evaluation. Further, while the CPI-adjusted hourly rate is slightly higher than the calculated total staff cost per hour, the hourly rate will actually be covering costs for the first ten hours of work that were not fully recovered by the minimum fee. The CPI-adjusted maximum total fee of \$5,738.49 limits the payor’s liability and is reasonable because it will be based on actual time spent by SCAQMD staff. The maximum total fee corresponds to approximately 33.36 hours of evaluation hours by the same staff position and is anticipated to be sufficient to recover SCAQMD costs in the more complex evaluations. These fees are necessary to recovery the reasonable costs of regulatory services provided.

An additional amendment is also necessary to further clarify the rule’s intent by removing a redundant and erroneous reference to Rule 301(i)(5)(A).

5. Increased fees to recover costs associated with voluntary certification programs of Clean Air Solvent and Clean Air Choices Cleaner

Description of Proposed Amendment: In order to recover costs incurred by SCAQMD, staff is proposing to increase the initial flat fee charged for the Clean Air Solvent (CAS) and Clean Air Choices Cleaner (CACC) certification programs administered by SCAQMD. The CAS certification fee will be increased from \$835.46 to \$1,503.77. Additional fees for time spent on the analysis/certification process, in excess of 12 hours, continue to be billed at the current, CPI-adjusted hourly rate of \$135.77 per hour for time spent on the analysis/certification process in excess of 12 hours. The initial flat fee charged for CACC certification fee will be increased from \$880.18 to \$1,503.77, plus an additional fee of \$300 for quantification of total nitrogen, total phosphorous, and trace metals by a contracting laboratory. As with the CAS fees, additional fees for time spent on the analysis/certification process in excess of 12 hours will be assessed at the current CPI-adjusted hourly rate of \$135.77 per hour.

Proposed Amended Rule(s):

Rule 301(r) Fees for Certification of Clean Air Solvents

~~Persons applying for Clean Air Solvent certification shall pay the following fee for each product to be certified:~~

Gas Chromatograph/Mass Spectrometry Analysis	\$373.24 for five or fewer compounds \$34.63 for each additional compound
Density measurement	\$139.97
Time and material	\$131.31 per person per hour or prorated portion thereof
Clean Air Solvent Certificate	\$190.96

At the time of filing for a Clean Air Solvent certificate, the applicant shall submit a fee of ~~\$835.46~~1,503.77 for each product to be tested. Additional fees will be assessed at the rate of \$135.77 per hour for time spent on the analysis/certification process in excess of 12 hours. [...]⁹

Rule 301(s) Fees for Certification of Consumer Cleaning Products Used at Institutional and Commercial Facilities

~~Persons applying for certification of Consumer Cleaning Products Used at Institutional and Commercial Facilities shall pay the following fee for each product to be certified:~~

Gas Chromatograph/Mass Spectrometry Analysis	\$373.24 for five or fewer compounds \$34.63 for each additional compound
Time and material	\$131.31 per person per hour or prorated portion thereof
Clean Air Choices Cleaner Certificate	\$190.96

At the time of filing for certification of any Consumer Cleaning Products Used at Institutional and Commercial Facilities, the applicant shall submit a fee of ~~\$880.18~~1,503.77 for each product to be tested, plus an additional fee of \$300 for quantification of total nitrogen, total phosphorous, and trace metals by a contracting laboratory. Additional fees will be assessed at the rate of \$135.77 per hour for time spent on the analysis/certification process in excess of 12 hours. [...]

Justification/ Necessity/ Equity: The proposed amendment is necessary to recover costs incurred by SCAQMD for providing certification services via its CAS and CACC programs. CAS and CACC certification programs are part of SCAQMD's ozone reduction

⁹ For purposes of brevity, the entirety of paragraphs affected by proposed changes have not been included in this report. Instead, staff has only included excerpts of portions of rule language most impacted by the proposed changes.

strategy and are intended to facilitate use of low VOC products by providing 5 year certifications of products which meet certain standards. The SCAQMD does not consider these fees to be subject to Proposition 26 because these fees are not being imposed on any payor. Participation in these programs is voluntary and is not a result of any SCAQMD rule requirements. These fees are not part of SCAQMD's Permitted Source Program. Certification is available through SCAQMD's laboratory, as well as a limited number of private laboratories.

Even though these fees are not being imposed on any payor, the proposed fees sought through this amendment reflect the reasonable costs of services provided. In particular, the costs of SCAQMD's services have increased primarily because of a U.S. EPA requirement that all components be analyzed by the gas chromatograph test method (M313) and be calibrated prior to quantitative speciation analysis. Moreover, for CACC certification of consumer cleaning products used at institutional and commercial facilities, the proposed amendment includes an additional fee of \$300, which represents the amount typically invoiced to SCAQMD by a contracting laboratory, for quantification of total nitrogen, total phosphorous, and trace metals in a submitted sample.

The proposed amendment is also necessary to help further clarify the applicability of time and material costs, by specifying that the existing hourly rate of \$135.77 which reflects the CPI adjustment to the existing rate in the current rule would only apply when staff time spent on the analysis/certification process is in excess of 12 hours, the typical amount of time needed for SCAQMD staff to complete the necessary analyses prior to certifying a product (refer to the analysis below). The current version of the rule does not state when this hourly fee applies. Moreover, to provide further clarification and avoid potential confusion over the billable fees, the proposed amendment removes the itemized fee tables in Rule 301 subdivisions (r) and (s). This is because the gas chromatograph/mass spectrometry analysis and certificate costs do not represent additionally charged fees but are included in the calculation of the initial fees submitted at the time of filing for certification, and may be also included in the additional hourly fees if the total analysis/certification time takes more than 12 hours. Analyses such as gravimetric test to analyze solids and Karl-Fischer method to analyze water content have been historically performed on certification samples. However, due to the U.S. EPA test method and calibration requirement (which were not in place at the inception of CAS and CACC programs), all the components of interest in a submitted sample must now be screened on the same instrument prior to performing a final analysis. Once components are detected and identified, their concentrations are estimated, and in most cases, those components are then calibrated if they have not already been calibrated in the recent past. Once the calibrations are reviewed, the sample is then analyzed quantitatively and with quality control. These analyses are conducted to determine the VOC content and to validate the final result, and the associated

SCAQMD staff and other related costs are estimated to be \$1,503.77 per submitted sample/application.

Several staff persons are involved in the sample receiving, analysis, data review, and reporting of results in this certification process. An office assistant in the laboratory receives and logs the samples into the Laboratory Information Management Server (LIMS), which takes 15 minutes, or 0.25 hours, per sample. An Air Quality Chemist receives the sample through LIMS and spends about two hours analyzing the sample's density, solids, and water content through the testing procedures published by the American Society for Testing and Materials (ASTM). Based on those results, the sample is then analyzed on a gas chromatograph mass spectrometer to identify chemical constituents which requires preparation and screening of the sample and calibration of the instrumentation. The analysis procedures require an additional four hours of work by other Air Quality Chemists conducting each of these steps. Reported results then are reviewed by another chemist for three hours, a senior chemist for two hours, and then reported to the principal chemist for one hour of final review. Overall, the analysis and review work performed by several chemists at different levels require a total of 12 hours of staff time. Once the data is validated, a final report and certification recommendation is submitted to the laboratory manager for certification, which takes approximately 12 minutes or 0.2 hours.

There are additional costs associated with sample neutralization prior to its disposal and frequent replacement of gas chromatograph columns, both of which are necessary due to high pH levels of the submitted samples. There is also an extended cost for the instrumentation and consumable cost associated with the required analysis. Table 6 provides a summary of per sample/application cost breakdown based on the FY 2017-18 hourly burdened rates.

Table 6: Per Sample Cost Estimates for CAS/CACC Certification*

Staff Position	FY 2017-18 Hourly Burdened Rate		Staff Time Per Sample/ Certification Application (Hours)		Cost Per Sample/ Certification Application
Office Assistant	\$65.06	×	0.25	=	\$16.27
Air Quality Chemists	\$101.55	×	(2 + 4 + 3)	=	\$913.95
Senior Chemist	\$107.54	×	2	=	\$215.08
Principal Chemist	\$121.17	×	1	=	\$121.17
Lab Manager	\$135.15	×	0.2	=	\$27.03
Sample Disposal and Other Miscellaneous Duties					\$121.43
Extended Solvent Cost					\$88.84
Total Cost Per CAS Sample/Certification Application					\$1,503.77
Invoiced Cost for Quantification of Total Nitrogen, Total Phosphorous, and Trace Metals for CACC Certification					\$300.00
Total Cost Per CACC Sample/Certification Application					\$1,803.77

* Excludes costs for quantification of total nitrogen, total phosphorous, and trace metals under the CACC analysis requirements.

Based on the foregoing, staff proposes to raise the initial certification fees, submitted at the time of filing for certification, to \$1,503.77 per sample/certification application. Moreover, under the requirements of the CACC analysis, the current pricing does not include the analysis contracted out to an external laboratory for quantification of total nitrogen, total phosphorous, and trace metals, for which SCAQMD is invoiced for approximately \$300 per sample. To recover this cost, a new fee of \$300 is proposed to be added for the CACC certification only.

Those increased fees are not more than necessary to cover the reasonable costs to SCAQMD for providing certification services and the manner in which those fees are allocated to a fee payor bear a fair and reasonable relationship to the estimated costs of the burdens on and benefits received from certification by SCAQMD. They are necessary to recover the reasonable costs of providing these services.

6. New fees to recover costs associated with annual renewal of Rule 1105.1, Rule 1118, and Rule 1123 compliance plans

Description of Proposed Amendment: In order to recover costs incurred by SCAQMD for compliance activities, staff is proposing new fees based on the addition of three types of compliance plans to Rule 306(h). The compliance plans being added to the rule include: Rule 1105.1 (Reduction of PM10 and Ammonia Emissions from Fluid Catalytic Cracking Units), Rule 1123 (Refinery Process Turnarounds), and Rule 1118 (Flare Monitoring and Recording Plan). The fees charged are consistent with the fees charged for other plan reviews in Rule 306(h). Thus, non-Title V facilities with these newly added plans will have to pay an annual fee of \$406.79; Title V facilities with these newly added plans would have to pay an annual fee of \$460.64 for FY 2018-19 and \$509.74 for FY 2019-20 and thereafter.

Proposed Amended Rule(s):

Rule 306(h) Annual Review/Renewal Fee

An annual review/renewal fee shall be charged for plans listed in the following table in this subdivision. The annual review/renewal fee shall be an amount equal to the Rule 301(d)(2) Schedule A fee. In addition, annual reviews/renewals shall meet all relevant and applicable requirements of Rule 301(d) and 301(g), and be paid on an annual renewal date set by the Executive Officer.

Annual Review/Renewal Plan Fee by Rule Number

Rule/Reference	Plan Type
[...]	[...]
463(e)(1)(A)	Organic Liquid Storage - Self-Inspection of Floating Roof Tanks
<u>1105.1</u>	<u>Reduction of PM10 and Ammonia Emissions from Fluid Catalytic Cracking Units</u>
1118	<ul style="list-style-type: none"> • Control of Emissions from Refinery Flares - Flare Minimization Plan • <u>Control of Emissions from Refinery Flares – Flare Monitoring and Recording Plan</u>
<u>1123</u>	<u>Refinery Process Turnarounds</u>
1132	Further Control of VOC Emissions from High-Emitting Spray Booth Facilities
[...]	[...]

Justification/ Necessity/ Equity: Rule 306 was amended in June 2006 to recover costs associated with SCAQMD staff time spent on conducting compliance verification inspections by charging an annual renewal fee for 19 plan types identified in Rule 306 subdivision (h). According to staff estimates at that time, the total resources required to review compliance with each plan was comparable to the annual renewal fee under Rule 301(d)(2) Schedule A.

However, three refinery-specific compliance plans were inadvertently omitted during the 2006 amendment. The Rule 1105.1 and Rule 1123 compliance plans and the Rule 1118 Flare Monitoring and Recording Plan have always required the inclusion of ongoing compliance methods and procedures that, upon any change, would also require approval through revision/resubmittal. SCAQMD inspectors are obligated to verify ongoing compliance with each of these plans. Therefore, the proposed rule amendment is necessary to recover costs incurred by SCAQMD for compliance verification inspections as specified below:

- Rule 1105.1 governs emissions from fluid catalytic cracking units (FCCU), which are equipment used exclusively by petroleum refineries. Rule 1105.1 plans specify operating parameters to be monitored, the range of operating levels of proposed parameters, and the frequency of monitoring and recording for the FCCU control equipment (Rule 1105.1(e)(3)(A) and (e)(3)(B)). The plan may also identify one or more alternative compliance methods (Rule 1105.1(h)). The facility is required to monitor the operating parameters identified in the plan on an ongoing basis and should revise and resubmit the plan for approval as needed.
- Rule 1118 is another refinery-specific rule that impacts a limited number of facilities. Rule 1118 requires two types of plans: (1) Flare Monitoring and Recording Plans (Rule 1118(f)) and (2) Flare Minimization Plans (Rule 1118(d)(3)(A) and 1118(e)). Flare Minimization Plans are currently listed under Rule 306(h), which sets forth the annual review/renewal plan fee by rule number, and are required only for facilities that exceed their annual SO_x emissions target. Flare Monitoring and Recording Plans are proposed to be added to the list of plans in Rule 306(h). These plans include a list of details regarding the flow meters, HHV analyzers, total sulfur analyzers, and flame detection equipment used to monitor refinery flare performance (Rule 1118(f)(4)(A) through 1118(f)(4)(P)). These plans includes configurations, operating parameters, and monitoring frequencies, and must be updated when any changes arise.
- Rule 1123 applies specifically to turnarounds at petroleum refineries, which typically include completely emptying process vessels and opening them to the atmosphere as part of performing scheduled maintenance activities. Rule 1123 plans describe procedures for gas displacement or eduction (emptying the vessels of gases), the disposition of the gases removed, and the conditions for allowing venting to the atmosphere. The facility is required to comply with the procedures identified in the plan on an ongoing basis and should revise and resubmit the plan for approval as needed.

Based on typical staff time spent on conducting comprehensive refinery compliance “Blue Sky” audits, reviewing quarterly reports, responding to

notifications, investigating self-reported deviations, and responding to complaints (for equipment subject to each plan type), a minimum of five hours per plan is spent each year to verify compliance with each of these three approved plan types, plus at least a quarter of an hour of review/consult time by a supervising inspector. Therefore, based on the range of FY 2017-18 hourly burdened rates for all Air Quality Inspector levels and the rate for a supervising inspector,¹⁰ the annual review/renewal of a compliance plan would cost a minimum of \$408.32-\$508.48. Because site-specific complexities are often correlated with a facility's Title V status, senior inspectors are more likely to be involved in plan reviews for Title V facilities. To reflect this variability in the cost of staff effort and to also reduce the complexity of Regulation III fees, staff proposes to set the annual review/renewal fee for these three plans at the Schedule A fee rates, which would be CPI-adjusted to \$406.79 for non-Title V facilities, and for Title V facilities, \$460.64 for FY 2018-19 and \$509.74 for FY 2019-20 and thereafter.

The proposed fees will not exceed total SCAQMD compliance costs associated with these plans, and costs are apportioned equitably as they would apply to all compliance plans that require similar effort by SCAQMD staff to conduct compliance verification inspections. In addition, the manner in which the compliance costs are allocated bear a fair and reasonable relationship to the payor's burdens on, or benefits received from, the compliance activities because the fees are based on the low end of the average effort required. Moreover, the fee rates also equitably distinguish Title V and non-Title facilities as the former would typically require more staff hours and/or more senior staff effort to verify ongoing compliance for plan renewal.

7. Potentially increased fees by billing actual cost invoiced to SCAQMD for public notice publication

Description of Proposed Amendment: The proposed amendment to Rule 301 subparagraphs (j)(4)(A) and the proposed renumbered (m)(6)(A) would allow SCAQMD to bill the actual cost invoiced for public notice publication to a facility subject to public noticing requirement and electing to pay SCAQMD to arrange for publication of its public notice. Moreover, Rule 301 Table IIB would be deleted, as the pre-determined fee rates currently included in this table for public notice publication would be superseded by the proposed amendment. Finally, Rule 301(c)(4)(A) is proposed to be also amended, by removing the reference to the proposed deleted Table IIB and instead referencing Rule 301(j)(4) for both the public notice publication fee and public notice preparation fee.

¹⁰ The FY 2017-18 hourly burdened rates are \$76.48 for Air Quality Inspector, \$78.75 for Air Quality Inspector I, \$90.97 for Air Quality Inspector II, \$96.51 for Air Quality Inspector III, and \$103.70 for Supervising Air Quality Inspector.

**Proposed
Amended
Rule(s):**

Rule 301(j)(4)(A)

Pay ~~the actual cost a fee, as invoiced specified in Table IIB,~~ for publication of the notice by prominent advertisement in the newspaper of general circulation in the area affected where the facility is located and for the mailing of the notice to persons identified in Rule 212(g), or

Rule 301(m)(96)(A)

pay the actual cost ~~a fee, as invoiced specified in Table IIB,~~ for publication of the notice by prominent advertisement in the newspaper of general circulation in the area affected where the facility is located and for the mailing of the notice to persons identified in Rule 212(g), or

Table IIB: Fee for Public Notice Notification

{...}

Rule 301(c)(4)(A)

Pay a fee for publication of public notice, ~~as specified in Table II (B)~~ and a preparation fee as per Rule 301(i)(4), or

**Justification/
Necessity/
Equity:**

The proposed amendment is necessary to recover costs incurred by SCAQMD when a facility subject to a public noticing requirement voluntarily elects to pay SCAQMD to arrange for publication of its public notice. Pursuant to Rule 301, SCAQMD currently only charges a facility the applicable fee specified in Table IIB for public notice publication. However, these fees do not fully reflect the actual cost of publication in some cases.

For example, when SCAQMD issues a Title V permit, public notice in one or more newspapers is often required (Rule 3006(a)(1)(A)). When more than one newspaper notice is necessary, the current fees do not adequately provide for complete cost recovery.

Although SCAQMD does not consider these fees to be subject to Proposition 26 because they are voluntary, the fees imposed are nonetheless reasonable and are equitably apportioned. The proposed rule amendment would prevent current shortfalls and make the actual publication cost incurred by SCAQMD align with the public notice publication fee a facility is required to pay SCAQMD. Accordingly, the charges are no more than necessary to recover the reasonable noticing costs to SCAQMD and the manner in which those costs are allocated to the payor bear a fair or reasonable relationship to the payor's noticing burdens, or benefits received by the noticing.

Finally, as Rule 301(c)(4)(A) concerns public notice-related fees, it is also necessary to amend this subparagraph by removing the would-be-obsolete fee rate reference to Table IIB and referring to Rule 301(j)(4) instead. Currently, Rule 301(c)(4)(A) contains the erroneous rule reference to Rule 301(i)(4) for

the public notice preparation fee. Therefore, for rule clarity, it is necessary to also update this reference to refer instead to Rule 301(j)(4).

8. New fees to recover costs associated with optional catalyst equivalency evaluation

Description of Proposed Amendment: In order to recover costs incurred by SCAQMD, staff is proposing to add a new fee for work performed on Catalyst Equivalency Evaluations. Facilities that install Selective Catalytic Reduction (SCR) control equipment have requested the ability to change the catalyst used, provided it is equivalent to the catalyst being replaced. A permit condition will be imposed that allows facilities to submit optional requests for catalyst equivalency evaluations, which, if approved, would allow them to use any equivalent catalyst. Adding this evaluation review to Rule 306 would allow SCAQMD to charge time and material (T&M) fees to recover costs for engineering evaluation time, similar to the cost recovery for source test protocol and report evaluations. The new fee proposed by this amendment will be based on time incurred, billed at the hourly rate of \$155.80 for non-Title V facilities, and for Title V facilities, the hourly rate would be \$176.42 in FY 2018-19 and \$195.23 in FY 2019-20 and thereafter. A typical review is expected to take approximately 15 hours. Therefore, the expected cost per evaluation is estimated to range between \$2,300 and \$3,000, depending on the applicable fee rate and the actual review time. Even though this is a new fee, it will serve to reduce overall costs for a facility over time. Without this proposal, facilities are currently required to submit a permit modification application every time they replace the catalyst on their SCRs.

Proposed Amended Rule(s):

Rule 306(m) Protocol/Report/Catalyst Equivalency Evaluation Fees

(1) _____ [...]

(2) The fee for catalyst equivalency evaluation requests shall be the actual and reasonable evaluation hours assessed at the hourly rate specified in subdivision (d), and billed after project completion. Fees are due at the time specified in the bill, which will allow a reasonable time for payment.

Rule 306(q) Optional Expedited Protocol/Report/Catalyst Equivalency Evaluation Processing Fee

(1) _____ [...]

(2) Fees for requested expedited processing of Catalyst Equivalency Evaluations, will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to one half of staff's hourly rate as specified in subdivision (d). The established fee described in Rule 306(m)(2) shall be paid with the additional overtime fee and will be billed following project completion. Fees are due at the time specified in the bill, which will allow a reasonable time for payment.

Justification/ Necessity/ Equity: The proposed amendment is necessary to recover costs incurred by SCAQMD for conducting optional catalyst equivalency evaluations for a SCR, which is typically installed at Title V facilities. These evaluations, in accordance with permit conditions, allow a facility to use a new or different catalyst (if the evaluation deems it equivalent to the existing catalyst) without requiring an application for equipment modification.

The proposed fees are based on actual evaluation hours spent by an Air Quality Engineer II, billed after project completion. It is estimated that each request will take approximately 15 hours of engineer time. However, for each hour of engineer evaluation time, it is estimated that at least 0.25 hours of senior engineer time, and 0.13 hours (each) of supervisor, manager, and senior office assistant time will be spent supervising, editing, reviewing, documenting, and billing the evaluation, although staff estimates that these hours will be higher for some requests. To take into account these additional unbilled hours, a cost of \$176.23 is derived per hour of evaluation by Air Quality Engineer II, based on the FY 2017-18 hourly burdened rates and as shown in Table 7. This is comparable to the FY 2018-19 hourly rate of \$170.62 for Title V facilities in Rule 306(d), which is proposed to be CPI-adjusted to \$176.42.

Table 7: Per Hour Cost Estimates for Catalyst Equivalency Evaluation

Staff Position	FY 2017-18 Hourly Burdened Rate		Staff Time Per Hour of Evaluation By Air Quality Engineer II		Staff Cost Per Hour of Evaluation By Air Quality Engineer II
Air Quality Engineer II	\$105.69	x	100.0%	=	\$105.69
Senior Engineer	\$113.07	x	25.0%	=	\$28.27
Supervising Engineer	\$121.17	x	13.0%	=	\$15.75
Senior Enforcement Manager	\$135.15	x	13.0%	=	\$17.57
Senior Office Assistant	\$68.83	x	13.0%	=	\$8.95
Total Staff Cost Per Hour of Evaluation By Air Quality Engineer II					\$176.23

Therefore, for ease of administration, staff proposes to set the hourly rates as specified in Rule 306(d) for conducting catalyst equivalency evaluations, with applicable CPI-based fee increase. The proposed new fees will not exceed the reasonable costs to the SCAQMD of conducting catalyst equivalency evaluations and the fees are apportioned equitably as they would be paid only by facilities that submit optional requests for catalyst equivalency evaluations.

In addition, the manner in which costs are allocated bear a fair and reasonable relationship to the payor's burdens on, or benefits received from, the evaluations because the cost to each payor is based on actual evaluation hours. Moreover, while facilities would still have the option to submit applications for equipment modification in lieu of an equivalency determination, the proposed fees would represent a more equitable fee apportionment for catalyst equivalency evaluation, as they more closely reflect the actual cost involved. With the proposed rule amendment, a typical catalyst equivalency evaluation request submitted by a Title V facility in FY 2018-19 is estimated at \$2,646.30 (\$176.42/hour x 15 hours) and at \$2,928.45 (\$195.23/hour x 15 hours) if submitted in FY 2019-20; if the request is submitted by a non-Title V facility, the estimated cost is \$2,337.00 (\$155.80/hour x 15 hours). These proposed fees must be compared to the other option of catalyst replacement which involves submissions of applications for equipment modification every time the catalyst is replaced. That other option costs significantly more. Based on Table FEE RATE-A in Proposed Amended Rule 301, the CPI-adjusted FY 2018-19 fees for SCR permit modifications would be \$5,097.71 for Title V facilities, and \$4,501.77 for non-Title V facilities (Schedule C fee rates), which are significantly higher than the fee amounts estimated with the proposed amendment.

9. New fees to recover costs associated with AB 2588 work for Potentially High Risk Level Facilities

Description of Proposed Amendment: In order to recover costs incurred by SCAQMD, staff is proposing to add new fees for the work undertaken by the AB 2588 program staff in determining Rule 1402 compliance for facilities designated as a Potentially High Risk Level Facility, as defined under Rule 1402. The proposed Potentially High Risk Level Facility Fees would be assessed on a T&M basis at the hourly rate of \$172.88 under Proposed Amended Rule 307.1(d)(5). The proposed fees would be billed annually and due at the time of the AB 2588 annual billing. A maximum of \$100,000 per year per facility is also proposed for the Potentially High Risk Level Facility Fees to provide cost certainty for the affected facilities. Corresponding amendments are proposed for Rule 307.1 Table I to add additional clarity. Finally, the proposed amendment would add to Rule 307.1 several definitions related to the proposed new fees, and add a table footnote to Table I to clarify that PS stands for priority score.

Proposed Amended Rule(s):

Rule 307.1(c) Definitions

[...]

(17) POTENTIALLY HIGH RISK LEVEL FACILITY means a facility designated by the Executive Officer pursuant to the definition in Rule 1402.

(18) POTENTIALLY HIGH RISK LEVEL FACILITY FEE means the fee charged to facilities upon designation as a Potentially High Risk Level Facility under Rule 1402. The fee will be assessed on a Time and

Materials (T&M) basis to cover the District’s costs in determining Rule 1402 compliance. This includes, but is not limited to, evaluation of findings pursuant to Rule 1402(g).

[...]

(23) SIGNIFICANT RISK LEVEL is a maximum individual cancer risk of at least one hundred per million (100 x 10⁻⁶) or a total acute or chronic hazard index of at least five (5) for any target organ system at any receptor location.

[...]

Rule 307.1(d)(5) Potentially High Risk Level Facility Fees

When a facility is designated as a Potentially High Risk Level Facility, as defined under Rule 1402, the owner/operator of the facility shall pay a fee for staff time at the rate of \$172.88 per hour to offset the District’s costs to determine Rule 1402 compliance. The Potentially High Risk Level Facility Fees are billed annually and are due at the time of the AB 2588 annual billing which allows a reasonable time for payment. The Potentially High Risk Level Facility Fees will not exceed \$100,000 per year per facility.

Rule 307.1 TABLE I

FACILITY FEES BY PROGRAM CATEGORY

FACILITY PROGRAM CATEGORY	COMPLEXITY	DISTRICT FEE	STATE FEE	TOTAL FACILITY FEE
<i>HRA Tracking*¹</i>	[...]			
[...]				
<i>Risk ≥10 <50 in a million or HI>1</i>	Simple Facility	[...]	\$3,014	[...]
	Medium Facility	[...]	\$3,349	[...]
	Complex Facility	[...]	\$3,684	[...]
<i>Risk ≥100 in a million</i>	Simple Facility	[...]	\$5,693	[...]
	Medium Facility	[...]	\$6,028	[...]
	Complex Facility	[...]	\$6,363	[...]
<i><u>Potentially High Risk Level</u></i>	<u>Simple Facility</u>	<u>T & M²</u>	<u>\$5,693³</u>	<u>\$ (T&M² + 5,693³)</u>
	<u>Medium Facility</u>	<u>T & M²</u>	<u>\$6,028³</u>	<u>\$ (T&M² + 6,028³)</u>
	<u>Complex Facility</u>	<u>T & M²</u>	<u>\$6,363³</u>	<u>\$ (T&M² + 6,363³)</u>
<i>Voluntary Risk Reduction</i>	[...]			

<i>District Tracking^{***4}</i>	[...]
[...]	

^{1*} HRA Tracking --- (PS > 10 with HRA) Risk ≥ 1, <10 in a million, or HI ≥ 0.1, ≤ 1

² T & M --- Annual District fee will be capped at \$100,000 per year per facility.

³ For facilities with Risk > 100 in a million, the state fee is equivalent to that of the “Risk ≥ 100 in a million” category. For facilities with HI > 5.0, the state fee is equivalent to the “Risk ≥10 <50 in a million or HI>1” category.

^{4***} District Tracking --- PS > 1, ≤ 10

HRA --- Health Risk Assessment

HI --- Hazard Index, Acute or Chronic

PS --- Priority Score

**Justification/
Necessity/
Equity:**

In October 2016, the SCAQMD Governing Board amended Rule 1402 to include special requirements for Potentially High Risk Level Facilities (typically those facilities with an estimated cancer risk that exceeds 100 in-one-million). Potentially High Risk Level Facilities must implement an Early Action Risk Reduction Plan to immediately reduce elevated health risks. Implementation of the Early Action Risk Reduction Plan occurs while the facility prepares their emission inventory of toxics, Health Risk Assessment (HRA), and Risk Reduction Plan concurrently. Since the 2016 adoption of the amended Rule 1402, SCAQMD has incurred a significant amount of additional costs associated with Potentially High Risk Level Facility designation and compliance. Therefore, the proposed amendment is necessary to recover costs incurred by SCAQMD staff by allowing collection of fees from Potentially High Risk Level Facilities in determining Rule 1402 compliance.

The proposed fees are estimated on evaluation hours spent by the evaluating staff for document review, emissions estimation, prioritization, risk calculation, public notification, and risk reduction for facilities designated as a Potentially High Risk Level Facility. Based on staff’s review of documents submitted by Potentially High Risk Level Facilities, the average amount of evaluation time by an Air Quality Engineer II varies depending on complexity and completeness of documents submitted. The work is further evaluated by a Senior Engineer, Program Supervisor, and Planning and Rules Manager. For every hour spent by the Air Quality Engineer II, the average time for the review by a Senior Engineer is typically 25 percent of an Air Quality Engineer II’s evaluation hour. Likewise, the amount of time necessary for review by a Program Supervisor and Planning and Rules Manager is typically 12.5% percent (for each) of an Air Quality Engineer II’s evaluation hour. Secondary review includes a review of the technical work, a critique of the evaluating engineer's conclusions and recommendations, and handling of any pending legal issues if these facilities are under orders for abatement. There is also time spent by a senior office assistant to create facility folders, scan reports and/or store into file cabinets, prepare public notification material and mail outs. Note that the billing will be based solely on the evaluation hours spent by the evaluating engineer at the Air Quality Engineer II level. To take into

account the unbilled hours for secondary review by a Senior Engineer, Program Supervisor, and Planning and Rules Manager and for administrative work performed by the clerical staff, a cost of \$172.88 is derived per hour of evaluation. This hourly rate is based on the FY 2017-18 hourly burdened rates and is shown in Table 8.

Table 8: Per Hour Cost Estimates for Potentially High Risk Facility Evaluation

Staff Position	FY 2017-18 Hourly Burdened Rate		Staff Time Per Hour of Evaluation By Air Quality Engineer II		Staff Cost Per Hour of Evaluation By Air Quality Engineer II
Air Quality Engineer II	\$105.69	x	100.0%	=	\$105.69
Supervising Engineer	\$121.17	x	12.5%	=	\$15.15
Senior Engineer	\$113.07	x	25.0%	=	\$28.27
Planning and Rules Manager	\$135.15	x	12.5%	=	\$16.89
Senior Office Assistant	\$68.83	x	10.0%	=	\$6.88
Total Staff Cost Per Hour of Evaluation By Air Quality Engineer II					\$172.88

Therefore, staff proposes to set the hourly rate at \$172.88 as specified in proposed Rule 307.1(d)(5) for Potentially High Risk Level Facility evaluations. The proposed new fees are no more than necessary to cover the reasonable costs of SCAQMD for these compliance evaluations and the costs are apportioned equitably as they would be paid only by facilities that are designated as a Potentially High Risk Level Facility. Currently, there are three such facilities. It should be further noted that for Potentially High Risk Level Facilities with an estimated cancer risk that exceeds 100 in-one-million, they remain subject to the state fees of \$5,693, \$6,028, and \$6,363 for simple, medium, and complex facility, respectively. For those facilities with a chronic or acute HI of greater than 5.0, they will be subject to the state fees of \$3,014, \$3,349, and \$3,684 for a simple, medium, and complex facility, respectively. Moreover, the manner in which costs are allocated bear a fair and reasonable relationship to the payor's burdens on or benefits received from the evaluations because the fees are based on actual time spent on compliance evaluations for each fee payor.

This fee is intended to offset the costs associated with administering the requirements of Rule 1402 for Potentially High Risk Level Facilities. Based on SCAQMD staff’s current experience with existing potentially high risk facilities, the total evaluation hours per year for each facility is unlikely to exceed 600 hours. To provide cost certainty for the affected facilities, an annual cap of \$100,000 per affected facility is additionally proposed. This cap is equivalent to approximately 578 evaluation hours billed at the proposed hourly rate of \$172.88. To add clarity to the proposed amended PAR 307.1, several new definitions associated with the proposed new fees need to be added, and Table I and its footnotes also need to be amended.

10. New fees to recover costs associated with AB 2588 work on Rule 1402 related special reviews

Description of Proposed Amendment: In order to recover costs incurred by SCAQMD, staff is proposing to add new fees related to the preparation or revision of an Air Toxics Inventory Report (ATIR) pursuant to Rule 1402, and to increase the current fee rate beyond the CPI adjustment for the preparation or revision of a Health Risk Assessment (HRA) pursuant to Rule 1402. The proposed new fees would be added to the current Rule 307.1 Special Risk Assessment Fee, proposed to be renamed as “Special Review Fee” to be inclusive of both ATIR and HRA reviews. The Special Review Fee would be assessed at the hourly rate of \$150.62 for the total actual and reasonable time incurred by SCAQMD staff, plus any actual contractor costs as invoiced.

Proposed Amended Rule(s):

Rule 307.1(c)(~~257~~)

~~SPECIAL RISK ASSESSMENT~~ REVIEW FEE means the fee charged to facilities to cover the cost of the qualified District personnel or a qualified consultant, as determined by the Executive Officer (EO), engaged by the District under contract, in the event that the EO determines that an ~~existing air toxics inventory report or health risk assessment~~ should be revised and the owner/operator cannot perform this task without errors or delays.

Rule 307.1(d)(3) Special ~~Risk Assessment~~ Review Fees

When a facility’s air toxics inventory report or health risk assessment submitted pursuant to Rule 1402 ~~was~~ prepared or revised by District personnel or a contractor engaged by the District, the owner/operator of the facility for which an air toxics inventory report or health risk assessment is performed shall pay the fees equal to the total actual and reasonable time incurred by District, including actual contractor costs as invoiced and District staff time assessed at the hourly rate of ~~\$131.34~~ \$150.62. When the air toxics inventory report or health risk assessment is conducted or is evaluated and verified by a consultant engaged by the District or District personnel, the fees charged will be in addition to all other fees required.

**Justification/
Necessity/
Equity:** In recent years, there has been a surge of ATIRs and HRAs requiring review by SCAQMD. In the meantime, SCAQMD staff has seen an increasing amount of submitted documents requiring substantial modifications or revisions and, in some cases, a complete overhaul of the entire document where the facility was not able to perform the task without errors or delays. Rule 1402 gives the EO the authority to reject a submitted ATIR or HRA and modify the revised ATIR or HRA and approve it as modified (Rule 1402(d)(4) and (e)(2)).

Rule 307.1 currently includes Special Risk Assessment Fees that are billed to a facility whose HRA requires either preparation or revision by SCAQMD staff and/or by a contractor engaged by SCAQMD. The proposed amendment is necessary as it would allow SCAQMD to collect similar fees for the costs incurred by SCAQMD for the preparation or revision required for an ATIR submitted by a facility pursuant to Rule 1402. Moreover, the proposed increase to raise the current rule's hourly rate from \$131.31 to \$150.62, which is beyond the CPI-based increase, is also necessary to recover the costs incurred by SCAQMD for the increased time and effort undertaken by SCAQMD staff related to the preparation or revision of an HRA. The proposed new fees are apportioned equitably as they would be paid by only those facilities whose ATIRs and/or HRAs require either preparation or revision by SCAQMD staff and/or by a contractor engaged by SCAQMD. It should be noted for clarification purposes that, when the ATIR or HRA is conducted or is evaluated and verified by SCAQMD staff or a consultant engaged by SCAQMD, the fees charged will be in addition to all other fees required.

These fees would represent the total actual and reasonable evaluation time incurred by SCAQMD staff, assessed at the hourly rate of \$150.62, plus the actual costs incurred by SCAQMD for the amount invoiced by a SCAQMD approved independent consultant. The proposed fees would be billed after project completion. ATIRs and HRAs are typically reviewed by either an Air Quality Specialist or an Air Quality Engineer II, both of which have the same hourly burdened rate. The work is further evaluated by a Senior Engineer, Program Supervisor, and Planning and Rules Manager. For every hour spent by the Air Quality Engineer II, the average time for the review by a Senior Engineer is typically 20 percent and a Program Supervisor is typically 10 percent of an Air Quality Engineer II's evaluation hour. Likewise, the amount of time necessary for review by a Planning and Rules Manager is typically 5 percent of an Air Quality Engineer II's evaluation hour. Secondary review includes a review of the technical work, and a critique of the evaluating engineer's conclusions and recommendations. There is also about 5 percent of time spent by a senior office assistant to create facility folders, scan reports and/or store into file cabinets, and prepare mail outs. Note that the billing will be based solely on the evaluation hours spent by the evaluating engineer at the Air Quality Engineer II level. To take into account the unbilled hours for secondary review by a Senior Engineer, Program Supervisor, Planning and Rules Manager, and for administrative work performed by the clerical staff, a cost of \$150.62 is derived per hour of evaluation by an Air Quality Engineer

II. This hourly rate is based on the FY 2017-18 hourly burdened rates and is shown in Table 9.

Table 9: Per Hour Cost Estimates for Special Review of ATIR & HRA

Staff Position	FY 2017-18 Hourly Burdened Rate		Staff Time Per Hour of Evaluation By Air Quality Engineer II*		Staff Cost Per Hour of Evaluation By Air Quality Engineer II
Air Quality Engineer II / Air Quality Specialist	\$105.69	x	100.0%	=	\$105.69
Senior Air Quality Engineer	\$113.07	x	20.0%	=	\$22.61
Program Supervisor	\$121.17	x	10.0%	=	\$12.12
Planning and Rules Manager	\$135.15	x	5.0%	=	\$6.76
Senior Office Assistant	\$68.83	x	5.0%	=	\$3.44
Total Staff Cost Per Hour of Evaluation By Air Quality Engineer II/Air Quality Specialist					\$150.62

IV. PROPOSED RULE AMENDMENTS WITH NO FEE IMPACTS AND/OR ADMINISTRATIVE CHANGES

The proposed rule amendments in this section do not result in increased fees. Rather, these amendments generally include administrative changes such as clarifications, deletions, re-numbering, and corrections to existing rule language. The first amendment listed below also adds a consequence for non-payment of a required fee.

In addition to the proposed amendments to specific rule language as discussed below, all fee rates applicable for FY 2017-18 only are now obsolete and are proposed to be removed from all Regulation III rules.¹¹ Moreover, additional amendments that represent renumbering of rule sections/tables, due solely to any proposed addition and/or deletion of preceding rule sections/tables, are not separately listed below. Finally, all of the amended fee rates shown below reflect the proposed CPI-based fee increase and do not include any additional increase beyond the CPI-based adjustment.

¹¹ In the version of PAR 309 released on April 4, 2018, the FY 2017-18 fee rates were inadvertently CPI-adjusted instead being deleted. The error has been corrected in the version of PAR 309 included as part of the May 4, 2018 Public Hearing package.

1. Updating the TAC thresholds to be consistent with the state or SCAQMD's Annual Emission Reporting thresholds

Description of Proposed Amendment: In order to be consistent with the reporting accuracy thresholds set by Appendix A of the AB 2588 Air Toxics "Hot Spots" Emission Inventory Criteria and Guidelines Regulation and SCAQMD's Annual Emission Reporting (AER) program, changes to the thresholds for Table IV for three compounds are proposed to be made. These compounds are chlorinated dioxins and dibenzofurans (26 species), chlorofluorocarbons (CFCs), and 1,1,1-trichloroethane.

Proposed Amended Rule(s):

Rule 301

TABLE IV
TOXIC AIR CONTAMINANTS AND OZONE DEPLETERS

TOXIC COMPOUNDS	Fee \$/1 lb	Annual Emission Thresholds (lbs)
Ammonia (Reporting Period 07/01/04 and beyond)	\$0.03	200
Asbestos	\$6.3152	0.0001
Benzene	\$2.1320	2.0
Cadmium	\$6.3152	0.01
Carbon tetrachloride	\$2.1320	1.0
Chlorinated dioxins and dibenzofurans (26 species)	\$10.5490	0.0000201
Ethylene dibromide	\$2.1320	0.5
Ethylene dichloride	\$2.1320	2.0
Ethylene oxide	\$2.1320	0.5
Formaldehyde	\$0.479	5.0
Hexavalent chromium	\$8.4271	0.0001
Methylene chloride	\$0.08	50.0
Nickel	\$4.2034	0.1
Perchloroethylene	\$0.479	5.0
1,3-Butadiene	\$6.3152	0.1
Inorganic arsenic	\$6.3152	0.01
Beryllium	\$6.3152	0.001
Polynuclear aromatic hydrocarbons (PAHs)	\$6.3152	0.2
Vinyl chloride	\$2.1320	0.5
Lead	\$2.1320	0.5
1,4-Dioxane	\$0.479	5.0
Trichloroethylene	\$0.167	20.0
Chlorofluorocarbons (CFCs)	\$0.412	—1
1,1,1-trichloroethane	\$0.05	—1

Justification/ Necessity/ The emission threshold has been corrected for chlorinated dioxins and dibenzofurans to meet the reporting requirements of the Emission Inventory

Equity: Criteria and Guidelines for the Air Toxics “Hot Spots” Program (AB 2588). These reporting requirements are enforceable state regulations because they are incorporated by reference into Title 17 of the California Code of Regulations, section 93300.5. If the facilities emitting chlorinated dioxins and dibenzofuran continue to have similar levels of emissions as reported in recent years, the proposed change in the emission threshold in Table IV may result in a nominal increase in fee payment for a number of these facilities. The nominal increase is estimated at less than \$10/year collectively for all facilities, which is within the year-to-year variations of the total emission-based fees paid for chlorinated dioxins and dibenzofuran over CY 2014-16.

With respect to chlorofluorocarbons (CFCs) or 1,1,1-trichloroethane, no emission thresholds were previously specified in Table IV, meaning the fee applied to sources emitting any amount of these compounds. Thresholds have been added which are consistent with SCAQMD’s AER supplemental reporting guidelines. The thresholds for these two compounds meet the minimum AB 2588 requirements. Adding these thresholds will not increase fees for any source because it increases the threshold for when the fee applies. In fact, the change will result in some facilities being exempt from the fee, but the overall loss in fee revenue is estimated to be less than \$1 per year per compound.

These emissions fees are equitable because they allocate costs based on the amount of emissions discharged and the greater regulatory burden those emissions impose on the SCAQMD’s Permitted Source Program. The thresholds establish that the fee does not apply to facilities emitting de minimis levels of specific compounds for which no reporting is required. Total fees do not exceed the reasonable costs of the SCAQMD’s activities.

2. Specification of payment due date and non-payment consequence for Rule 301(z) “No Show” fees

Description of Proposed Amendment: Owners and operators of gasoline transfer and dispensing facilities are required to complete certain performance and reverification tests. Typically, these facilities hire third party testers for this type of work. These testers schedule a specific time with SCAQMD and a SCAQMD inspector is sent to the facility to observe the testing. Despite the existence of a specifically scheduled time for performance of the tests, often testers fail to arrive at the facility thereby causing SCAQMD to incur costs associated with the inspector sent to observe the tests. When this happens, SCAQMD imposes a “No Show” fee on the tester pursuant to Rule 301(z). The proposed amendment to Rule 301(z) would specify a time limit for payment of the “No Show” fee for scheduled testing of gasoline dispensing equipment pursuant to Rule 461, and the consequence of non-payment. Specifically, the “No Show” fee would need to be paid within 60 days of the date of the invoice. If the fee is not paid, the account would become delinquent 30 days after the due date, and any delinquent account holder would not be allowed to schedule any future tests within SCAQMD’s

jurisdiction until all overdue fees are paid in full. The proposed amendment would additionally clarify that the “No Show” fee would apply to individual testers and testing companies alike for a reverification or performance test.

**Proposed
Amended
Rule(s):**

Rule 301(z) “No Show” Fee for Rule 461 – Gasoline Dispensing Equipment Scheduled Testing

(1) Reverification, and Performance Testing

If a testing company and/or tester does not show for a Reverification test, or Performance test within one hour of its original scheduled time, and an SCAQMD inspector arrives for the inspection, a “No Show” fee of ~~\$412.43~~426.45 shall be charged to the testing company and/or tester. The fee shall be paid within 60 days of the date of the invoice. If the fee is not paid, the account will become delinquent 30 days after the due date. Any delinquent account holder will not be allowed to schedule any future tests within SCAQMD jurisdiction until all overdue fees are paid in full.

(2) Pre-Backfill Inspection

If a contracting company is not ready for a Pre-Backfill inspection of its equipment at the original scheduled time, and/or did not notify the SCAQMD inspector of postponement/cancellation at least three hours prior to the scheduled time, a “No Show” fee of ~~\$412.43~~426.45 shall be charged to the contracting company. The fee shall be paid within 60 days of the date of the invoice. If the fee is not paid, the account will become delinquent 30 days after the due date. Any delinquent account holder will not be allowed to schedule any future pre-backfill inspections within SCAQMD jurisdiction until all overdue fees are paid in full.

Necessity:

The “No Show” fee is imposed on contractors, including testing companies or testers and contracting companies, when they are not able to commence with either reverification or performance testing within one hour of the scheduled test time or pre-backfill inspections at the scheduled time. Certain contractors routinely schedule tests that are unreasonably close together given the type of tests and the distances between test sites. A SCAQMD inspector’s time will be wasted if the contractor fails to show up at the scheduled time. The “No Show” fee was instituted to reimburse SCAQMD for inspector time spent in these cases. Currently, however, there are no implications for non-payment of the “No Show” fee. Since the affected parties are not permit holders, any non-payment of fees would not have a direct impact on the contractors’ ability to continue their operations.

Therefore, the proposed amendment is necessary to specify the payment due date and non-payment consequence for the “No Show” fee. The proposed requirement for the fee to be paid within 60 days of the date of the invoice would allow for a reasonable amount of time for fee payment. At the same time, the proposed non-payment consequence would prevent future scheduling

of testing or pre-backfill inspections and provide an incentive to pay the “No Show” fee. Moreover, without the proposed language, the only means for SCAQMD to recover the associated costs would be to file claims with the small claims court which creates an additional burden and cost to SCAQMD.

3. Numbering of Rule 301 fee rate tables on pages PAR 301-70 through PAR 301-73

Description of Proposed Amendment: The proposed amendment would number the currently unnumbered fee rate tables in Rule 301: Table FEE RATE-A for the table “Summary Permit Fee Rates - Permit Processing, Change Of Conditions, Alteration/Modification”; Table FEE RATE-B for the table “Summary of ERC Processing Rates, Banking, Change Of Title, Alteration/Modification, Conversion to Short Term Credits, Re-Issuance of Short Term Credits, Retirement of Short Term Credits for Transfer into Rule 2202, and Transfer of ERCs out of Rule 2202”; and Table FEE RATE-C for the table “Summary of Permit Fee Rates Change Of Operator”. The proposed amendment would also revise all references to these tables in Rule 301 by the proposed table numbering.

Proposed Amended Rule(s):

Rule 301

TABLE FEE RATE-A. FY 2018-19
SUMMARY PERMIT FEE RATES - PERMIT PROCESSING, CHANGE OF CONDITIONS, ALTERATION/MODIFICATION

TABLE FEE RATE-A. FY 2019-20 and thereafter
SUMMARY PERMIT FEE RATES - PERMIT PROCESSING, CHANGE OF CONDITIONS, ALTERATION/MODIFICATION

TABLE FEE RATE-B. SUMMARY OF ERC PROCESSING RATES, BANKING, CHANGE OF TITLE, ALTERATION/MODIFICATION, CONVERSION TO SHORT TERM CREDITS, RE-ISSUANCE OF SHORT TERM CREDITS, RETIREMENT OF SHORT TERM CREDITS FOR TRANSFER INTO RULE 2202, and TRANSFER OF ERCs OUT OF RULE 2202

TABLE FEE RATE-C. SUMMARY OF PERMIT FEE RATES CHANGE OF OPERATOR

Necessity: The proposed amendment is necessary to ensure clarity of the applicable fee rates in Rule 301, by numbering the three primary fee rate tables that are currently unnumbered and are referred to inconsistently throughout the rule. The proposed amendment would also update all references to each of these fee rate tables by using the proposed table numbering in lieu of the full or abbreviated table name.

4. Clarification of table content by revising table titles for Rule 301 Tables IA and IB on pages PAR 301-74 through PAR 301-90

Description of Proposed Amendment: The proposed amendment would revise table titles for Tables IA and IB in Rule 301 to clarify that they include fee schedules, not fee rates.

Proposed Amended Rule(s): *Rule 301*
 TABLE IA - PERMIT FEE RATE SCHEDULES FOR CONTROL EQUIPMENT
 TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT

Necessity: Rule 301 Tables IA and IB list the fee rate schedules applicable for each control and basic equipment, respectively. The fee rates for each fee rate schedule are separately listed in the proposed numbered Tables FEE RATE-A, or specified throughout Rule 301. The proposed amendment would add clarity to the content of Tables IA and IB.

5. Correction of a typographical error in rule citations

Description of Proposed Amendment: The proposed amendment to Rule 301 subparagraphs (b)(10)(B), (b)(10)(C), and (b)(10)(D) would correct a typographical error in citing the rule's paragraph (j)(5).

Proposed Amended Rule(s): *Rule 301(b)(10)* [...]
 (B) For the purpose of this rule, a “time-shared CEMS” means a CEMS as described in paragraph (j)(5) which is common to several sources of emissions at the same facility.
 (C) [...] An FSMS is a total sulfur monitoring system configured similar to the CEMS described in paragraph (j)(5) [...]
 (D) [...] Instead of directly monitoring the pollutant emissions at a source required to have a CEMS as in paragraph (j)(5), [...]

Necessity: The proposed amendment would add clarity to Rule 301(b)(10) by correcting the abovementioned typographical error so that the corrected citation would follow the citation convention for rule subdivisions (i.e., a parenthetical lower case character).

6. Removal of obsolete rule language

Description of Proposed Amendment: The proposed amendment to Rule 301 paragraphs (c)(1) and (l)(4) would remove rule language related to outdated provisions or requirements that are no longer applicable or rendered obsolete due to a recent rule amendment.

Proposed Amended Rule(s):***Rule 301(c)(1)(A)(iv)***

~~For applications submitted prior to July 1, 1990, [...]~~

Rule 301(c)(1)(C)

~~[...] or where a Permit to Construct was granted prior to August 1, 1982 [...]
In the case where a portion of the permit evaluation fee was paid when a Permit to Construct was granted [...]~~

Rule 301(c)(1)(DC)(iii)

This clause shall apply to applications for a Permit to Operate for equipment already constructed without first obtaining a required Permit to Construct. If, at the time the Permit to Operate is granted or denied, it is determined that any annual operating permit fee as provided in subdivision (d) of this rule had been based on incorrect information, the applicant will be billed for or credited with the difference, as appropriate.

Rule 301(c)(1)(FE)

~~[...] This subparagraph shall, upon request of the applicant, apply to applications which have been received before July 1, 1996, but not yet been processed or which have not received final determination regarding applicable permit processing fees.~~

Rule 301(l)(4) Facility Permit Fees

~~(A) — Existing facilities entering the RECLAIM program [...]~~

~~(B) — New facilities with new equipment entering the RECLAIM program [...]~~

Necessity:

The proposed amendment is necessary to clarify rule applicability, by removing rule language related to outdated provisions or requirements that are no longer applicable or rendered obsolete due to a recent rule amendment. Specifically,

- Rule 301(c)(1)(A)(iv) concerns those permit applications submitted prior to July 1, 1990. There are currently no pending applications submitted prior to this date.
- Rule 301(c)(1)(C) includes outdated language concerning those Permits to Construct granted prior to August 1, 1982. It also includes language concerning “a portion” of permit evaluation fees paid, which is not permissible under the current rule, as these fees are due when permit applications are submitted and would not be paid in parts. The remainder of Rule 301(c)(1)(C)—which concerns applications for a Permit to Operate for equipment already constructed without first obtaining a required permit to Construct—is proposed to be moved under the proposed renumbered subparagraph (c)(1)(C) – Higher Fee for Failing to Obtain a Permit), as clause (iii).

- The final sentence in Rule 301(c)(1)(F) references permit applications received before July 1, 1996. There are currently no pending applications received prior to this date.
- Rule 301(1)(4) specifies RECLAIM facility permit fees for existing and new facilities entering the RECLAIM program. However, this fee is no longer applicable as no facilities will be entering the RECLAIM program pursuant to the amended Rule 2001(b)(4), which was adopted in January 2018 as one of the first steps to sunset the NOx RECLAIM program.

7. Removal of an extraneous reference to a fee rate table

Description of Proposed Amendment: The proposed amendment to the renumbered Rule 301 subparagraph (c)(1)(D) would remove the extraneous reference to the Summary of ERC Processing Rates, Banking, Change of Title, Alteration/Modification, Conversion to Short Term Credits, Re-Issuance of Short Term Credits, Retirement of Short Term Credits for Transfer Into Rule 2202, and Transfer of ERCs Out of Rule 2202 table.

Proposed Amended Rule(s): *Rule 301(c)(1)(D)* Small Business

When applications are filed in accordance with the provisions of subparagraphs (c)(1)(A), (c)(1)(~~HG~~)(i), (c)(1)(~~DC~~) or paragraph (c)(3) for a Small Business as defined in Rule 102 – Definition of Terms, the fees assessed shall be fifty percent (50%) of the amount set forth in ~~the Summary Permit Fee Rates – Permit Processing, Change of Conditions, Alteration/Modifications~~ ~~†Table FEE RATE-A~~ and in the Summary of ERC Processing Rates, Banking, Change of Title, Alteration/Modification, Conversion to Short Term Credits, Re-Issuance of Short Term Credits, Retirement of Short Term Credits for Transfer Into Rule 2202, and Transfer of ERCs Out of Rule 2202 table.

Necessity: The proposed amendment is necessary to add clarity to Rule 301(c)(1)(D), by removing the extraneous reference to the Summary of ERC Processing Rates, Banking, Change of Title, Alteration/Modification, Conversion to Short Term Credits, Re-Issuance of Short Term Credits, Retirement of Short Term Credits for Transfer Into Rule 2202, and Transfer of ERCs Out of Rule 2202 table (proposed to be numbered as Table FEE RATE-B). The fifty-percent small business discount pursuant to Rule 301(c)(1)(D) is applicable only to those applications filed in accordance with the provisions of Rule 301 subparagraphs (c)(1)(A), (c)(1)(G)(i), (c)(1)(C) or paragraph (c)(3), all of which refer to fees in Table FEE RATE-A only and do not refer to fees in Table FEE RATE-B.

8. Clarification of all CEQA document types and sub-types for payment of initial CEQA document preparation fees

Description of Proposed Amendment: The proposed amendment to Rule 301(j)(1)(A) would clarify all types, including sub-types, of CEQA documents for which an initial preparation fee is applicable. Specifically, sub-types of CEQA documents would be listed under each type of CEQA documentation that is currently included in the fee schedule table.

Proposed Amended Rule(s):

Rule 301(j)(1)(A) CEQA Document Preparation

[...] If preparation of CEQA documentation is deemed necessary, the applicant shall pay an initial fee for the preparation of necessary CEQA documentation according to the following schedule:

Notice of Exemption (upon applicant request)	\$332.69 344.00
Negative Declaration (ND), including Supplemental or Subsequent ND	\$5,016.905,187.47
Mitigated Negative Declaration (MND), including Supplemental or Subsequent MND	\$5,016.905,187.47
Environmental Impact Report (EIR), including Supplemental or Subsequent EIR	\$6,689.156,916.58
Supplemental or Subsequent EIR	\$6,689.15
Addendum to EIR, including Addendum to ND/MND	\$3,466.693,584.56

[...]

Necessity: Rule 301(j)(1)(A) specifies the applicable fee rates for the initial preparation fee of necessary CEQA documentation, for projects where SCAQMD is determined as the Lead Agency by the Executive Officer. There are multiple types of CEQA documents that can be prepared. However, the current fee table included in Rule 301(j)(1)(A) does not explicitly list several sub-types of CEQA documents that are parallel to those types of CEQA documents currently listed in the table and can be considered as sub-types of currently listed CEQA document types. Therefore, the proposed amendment is necessary to add clarity to the current rule, by specifying in the Rule 301(j)(1)(A) table that: 1) a Negative Declaration (ND) includes Supplemental or Subsequent ND; 2) a Mitigated Negative Declaration (MND) includes Supplemental or Subsequent MND; 3) an Environmental Impact Report (EIR) includes Supplemental or Subsequent EIR; and 4) an Addendum to EIR includes Addendum to ND/MND. The fees for preparation of these types of documents are not being increased; they are only being adjusted for CPI.

9. Correction of a typographical error in fee rate

Description of Proposed Amendment: The proposed amendment to Rule 301 clause (j)(5)(B)(i) would correct a typographical error, where the current rate of \$887.67 should have been \$877.67. The correction would result in a less-than-3.4 percent increase to the current rate of \$887.67, as the CPI-based adjustment of 3.4 percent is proposed to be based upon the correct fee rate of \$877.67.

Proposed Amended Rule(s): *Rule 301(j)(5)(B)(i)*
If one or more CEMS or FSMS components (excluding additional pollutant monitors) are replaced, modified, or added, the applicant shall pay a minimum processing fee of ~~\$887.67~~907.51; and [...]

Necessity: The proposed amendment is necessary to correct an inadvertent typographical error for the current fee rate included in Rule 301(j)(5)(B)(i). The proposed correction would make the fee rate consistent with similar fees related to the review of CEMS, FSMS, and ACEMS in clause (j)(5)(B)(iv) and subparagraphs (j)(5)(C) and (j)(5)(D), where the fee rate is currently set at \$877.67 and would be CPI-adjusted to \$907.51.

10. Clarification of all applicable fees and fee rates associated with facility permit amendment

Description of Proposed Amendment: The proposed amendment to Rule 301(l)(4) would add clarity to the rule by: 1) adding language that indicates that an application for a Facility Permit Amendment is to be filed any time other application(s) related to any equipment in the facility permit are submitted, and the amendment fee is in addition to any equipment-specific or plan-related fees; 2) consolidating language regarding engineering evaluation and emission changes; 3) removing redundant fee rate tables and instead referring to Table VII for Facility Permit Amendment Fees; and 4) clarifying the applicable fees and their fee rate references for other application(s) related to any equipment affected by the facility permit amendment.

Proposed Amended Rule(s): *Rule 301(l)(54)* Facility Permit Amendment
At the time of filing an application for a Facility Permit Amendment, a Facility Permit Amendment Fee shall be paid and an application for such amendment shall be submitted. The Facility Permit Amendment Fees for an application or group of applications that requires an engineering evaluation or causes a change in emissions are listed in Table VII and shall be based on the type of facility permit. ~~as follows:~~ Facility Permit Amendment Fees are in addition to

Facility Permit Amendment Fee	RECLAIM	Title V	RECLAIM & Title V
FY 2017-18	\$1,088.60	\$1,158.42	\$2,247.02
FY 2018-19	\$1,132.14	\$1,282.02	\$2,414.16
FY 2019-20 and thereafter	\$1,132.14	\$1,418.68	\$2,550.82

plus the sum of applicable fees assessed for each application required for affected equipment as specified in the Summary Permit Fee Rate tables. The Facility Permit Amendment Fee for an application that does not require an engineering evaluation or causes a change in emissions shall be based on the type of facility permit as follows:

Facility Permit Amendment Fee	RECLAIM	Title V	RECLAIM & Title V
FY 2017-18	\$1,088.60	\$1,158.42	\$2,247.02
FY 2018-19	\$1,132.14	\$1,282.02	\$2,414.16
FY 2019-20 and thereafter	\$1,132.14	\$1,418.68	\$2,550.82

plus the applicable administrative permit change fee based on the equipment schedule as set forth in Rule 301 subparagraph (c)(3)(C) (for administrative equipment applications) or Table FEE RATE-A (for non-administrative equipment applications) or Rule 306 (i)(1) for each application required for affected equipment. All delinquent fees, court judgments in favor of SCAQMD and administrative civil penalties associated with the facility must be paid before a Facility Permit Amendment application will be accepted.

Necessity: The proposed rule amendment is necessary to add clarity to the renumbered Rule 301(1)(4), by simplifying the rule language and utilizing references to applicable rule sections and tables to reduce redundancy, and by inserting additional rule references where applicable.

11. Removal of Title V fee rate for RTC transaction registration fee

Description of Proposed Amendment: The proposed amendment to the proposed renumbered Rule 301(1)(8) would remove the Title V fee rate for payment of transaction registration fee related to RECLAIM Trading Credits (RTCs), thereby effectively lowering the applicable fee rate for Title V facilities to the CPI-adjusted fee rate for non-Title V facilities.

Proposed Amended Rule(s): *Rule 301(1)(98) Transaction Registration Fee*
 The transferor and transferee of an RTC shall jointly register the transaction with the District pursuant to District Rule 2007 – Trading Requirements. At the time the transaction is registered with the District, the transferee shall pay

a Transaction Registration Fee of ~~\$169.60~~175.37 at the time the transaction is registered with the SCAQMD, as shown in the following table below in this paragraph:

Facility Registration Fee	Non-Title V	Title V
FY 2017-18	\$163.08	\$173.54
FY 2018-19	\$169.60	\$192.06
FY 2019-20 and thereafter	\$169.60	\$212.53

Necessity: There are currently differential fee rates for Title V and non-Title V facilities in the proposed renumbered Rule 301(I)(8). The differential rates exist for many fees throughout Regulation III and were adopted in June 2017, as a result of the programmatic effort to refine SCAQMD’s revenue-cost alignment. However, implementation of the current fee structure reduced RTC transaction processing efficiency and increased the potential for processing errors since fee determination now requires manual validation of the RTC transferee’s Title V status. Consequently, the current fee differential between Title V and non-Title V facilities is less than the cost associated with the additional staff effort needed to process, validate, and bill at the higher Title V rate. Staff believes that, with respect to RTC transaction registration, the lower non-Title V rate is sufficient to recover the reasonable costs of its activities. As a result, it is proposed that Title V fee rates be lowered such that non-Title V fee rates would apply to the RTC transaction registration fee, regardless of the Title V status of the transferee.

12. Clarification of applicable fees related to processing of an Initial Title V Facility Permit, and revision and renewal of an existing Title V permit

Description of Proposed Amendment: The proposed amendment would clarify the applicable fees related to the processing of an Initial Title V Facility Permit, and the revision or renewal of an existing Title V permit, by restructuring the current Rule 301, paragraphs (m)(3) through (m)(8).

First, the proposed amended subparagraph (m)(3) would cover all Initial Title V Facility Permit applications, regardless of whether the applicant is an existing permitted facility. It would further clarify all applicable fees that are due at the time of application filing.

Second, the proposed amendment would consolidate current subparagraphs (m)(6) and (m)(7) into the proposed amended subparagraph (m)(4). The fee rates in this subparagraph would be replaced with a reference to Table VII for all applicable fee rates for payment of Title V Facility Permit Amendment or Revision Fees.

Third, the proposed amended subparagraph (m)(5) would also replace the fee rates in this subparagraph with a reference to Table VII for all applicable fee

rates for payment of the Title V Facility Permit Renewal Fee. Additionally, clarifications would be made regarding the timing of billing/paying the initial renewal processing fee versus the final renewal fee.

Finally, the proposed amendment would also update the fee rate reference to subdivision (j) in proposed amended paragraph (m)(3), and paragraphs (n)(3) and (n)(4), from the erroneous reference to subdivision (i).

**Proposed
Amended
Rule(s):**

Rule 301(m)(3) Permit Processing Fees for Existing Facilities with Existing District Permits Applying for an Initial Title V Facility Permit

[...]

(C) [...] the facility shall submit additional applications with the applicable fees in subdivisions (c) and (ij) for each piece of equipment for which a revision is requested. [...]

~~(4D) Permit Processing Fee Applicability~~

~~The permit processing fee for~~ If a new facility is required to obtain a Title V facility permit to construct, the facility shall be submit initial Title V fees as specified in paragraph (m)(3). These fees are in addition to the sum of all the applicable fees in subdivisions (c) and (ij) for all equipment at the facility.

~~(5E) Rule 301 Fee Applicability~~

~~The permit processing fee for~~ If an existing facility is required to obtain a Title V facility permit because of a modification, pursuant to paragraph (c)(2) of Rule 301, the facility shall be submit initial Title V fees those specified in paragraph (m)(3). These fees are in addition to plus the sum of all the applicable fees in subdivisions (c) and (ij) for all new and modified equipment at the facility.

~~(6) Administrative Permit Revision Fee~~

~~Notwithstanding paragraphs (l)(6), (l)(9), and (m)(3), and except as provided in paragraphs (l)(5), (l)(7), (l)(12), (m)(3), (m)(5) and (m)(8), the permit processing fee for an administrative permit revision shall be a fee of \$1,158.42 for FY2017-18, \$1,282.02 for FY2018-19 and \$1,418.68 for FY 2019-20 and thereafter.~~

(74) Permit Revision Fee

The permit processing fees for a Facility Permit Amendment or Revision shall be based on the Facility Permit type as specified in Table VII. Facility Permit Amendment or Revision includes any administrative permit revision or amendment, minor permit revision or amendment, de minimis significant permit revision or amendment, or and any significant permit revision or amendments shall be \$1,158.42 for FY 2017-18, \$1,282.02 for FY 2018-19 and \$1,418.68 for FY 2019-20

~~and thereafter plus the applicable fee in paragraphs (l)(5), (l)(6), (m)(3), and (m)(4). RECLAIM facilities shall only pay the fee specified in paragraph (l)(5).~~

(85) Renewal Fees

The fees for renewal of a Title V Facility Permit, at the end of the term specified on the permit, ~~shall be~~ are specified in Table VII. Renewal fees include both an initial processing fee of \$2,631.19 for FY 2017-18, \$2,911.94 for FY 2018-19 and \$3,222.35 for FY 2019-20 and thereafter to be paid that is due when the application is submitted; and a final fee of \$184.10 for FY 2017-18 and \$203.74 for FY 2018-19 and \$225.46 for FY 2019-20 and thereafter per hour for time spent on the application in excess of 8 hours, assessed after SCAQMD evaluation is complete and the permit is issued, and is due upon notification by the District SCAQMD of the amount due when the permit is issued.

Rule 301(n)(3) Facility Permit Revision

[...] shall be the sum of applicable fees assessed for each affected equipment as specified in subdivisions (c) and (ij).

Rule 301(n)(4) Change of Operating Condition

[...] shall be the sum of fees assessed for each equipment or process subject to the change of condition as specified in subdivisions (c) and (ij).

Necessity: The proposed rule amendment is necessary to clarify all applicable fees related to the processing of an Initial Title V Facility Permit, and the revision or renewal of an existing Title V permit.

The current structure of Rule 301, paragraphs (m)(3) through (m)(5), can cause confusion over the applicable fees, as an Initial Title V Permit application can be filed by different types of facilities in different situations and for different reasons. Therefore, the proposed rule restructuring and additional clarifications in the proposed amended paragraphs (m)(3) are necessary to improve rule clarity regarding all applicable fees.

The proposed amendment would also more clearly distinguish between the processing fee to obtain an Initial Title V Permit (specified in proposed amended subparagraph (m)(3)), the processing fee for a Title V permit revision (specified in proposed amended subparagraph (m)(4)), and the processing fee for a Title V permit renewal (specified in proposed amended subparagraph (m)(5)). Therefore, it would become unnecessary to reference the current paragraphs (m)(3), (m)(4), (m)(5), and (m)(8) in the proposed amended paragraph (m)(4) (or current paragraphs (m)(6) and (m)(7)).

Moreover, by referring to Table VII regarding all applicable fee rates for facility permit revision/amendment fee, it would become unnecessary to

reference subdivision (l) for Title V facilities that are concurrently in the RECLAIM program.

Additional clarifications would be made in the proposed amended subparagraph (m)(5), regarding the timing of billing/paying the initial renewal processing fee versus the final renewal fee.

Currently, the proposed amended paragraph (m)(3), and paragraphs (n)(3) and (n)(4), all contain the erroneous rule reference to subdivision (i) with regards to the applicable fees assessed for each piece of equipment/process affected by a facility permit related application. Therefore, for rule clarity, it is necessary to update this reference to subdivision (j).

13. Clarification of change of operator fee applicability

Description of Proposed Amendment: The proposed amendment to the proposed numbered Table FEE RATE-C in Rule 301 would clarify that the change of operator fees apply to RECLAIM facilities, while also clarifying that the limits to the change of operator fees are not applicable to RECLAIM facilities. An additional clarification is also proposed to specify that the fees are for each permit unit application.

Proposed Amended Rule(s): *Rule 301*
TABLE FEE RATE-C. SUMMARY OF PERMIT FEE RATES
CHANGE OF OPERATOR^a

[...]

^a Fees are for each permit unit application and apply to all facilities, including RECLAIM facilities. The change of operator fee for Non-RECLAIM Title V facilities shall not exceed ~~\$8,383.28 for FY 2017-18, \$9,277.78-9,593.22 for FY 2018-19 and \$10,266.79~~ 10,615.86 for FY 2019-20 and thereafter per facility and for all other Non-RECLAIM facilities shall not exceed ~~\$15,756.06 for FY 2017-18 and \$16,386.30-16,943.43 for FY 2018-19 and thereafter~~ per facility. There is no limit to the change of operator fees for RECLAIM facilities.

Necessity: The current table footnote of the proposed numbered Rule 301 Table FEE RATE-C specifically describes limits to the change of operator fees for non-RECLAIM facilities, including non-RECLAIM Title V and other non-RECLAIM facilities. Change of operator fees are applicable for RECLAIM facilities pursuant to the proposed renumbered Rule 301(1)(6). However, Table FEE RATE-C does not explicitly refer to RECLAIM facilities as the fee rates are differentiated between Title V and non-Title V facilities, regardless of a facility’s RECLAIM status. This lack of reference to RECLAIM facilities in both the table and the table note has led some applicants to mistakenly interpret that RECLAIM facilities are not subject to the change of operator fees, or are subject to a fee limit similar to the limits specified for non-RECLAIM facilities. Therefore, the proposed amendment

is necessary to clarify that the change of operator fees apply to all facilities, including RECLAIM facilities and that there is no limit to the change of operator fees for RECLAIM facilities.

14. Addition of existing equipment/process to Table IB - Permit Fee Rate Schedules for Basic Equipment

Description of Proposed Amendment: The proposed amendment would add two existing equipment/processes to Table IB, which establishes permit fee rate schedules for basic equipment. They include: 1) Carbon Dioxide Production Facility as Schedule F equipment/process, and 2) Chippers, Greenwaste (not including I.C. Engines) as Schedule A equipment/process.

Proposed Amended Rule(s): *TABLE IB - PERMIT FEE RATE SCHEDULES FOR BASIC EQUIPMENT*

Equipment/Process	Schedule
[...]	[...]
Bulk Loading/Unloading	C
<u>Carbon Dioxide Production Facility</u> Including, but not limited to, all or part of the following: <u>Separator, Knockout Pot,</u> <u>Scrubber, Chiller, Pumps,</u> <u>Blowers, Oil Separator,</u> <u>Compressor, Intercoolers, Filters,</u> <u>Cooling Tower</u>	F
Carpet Processing System Including, but not limited to, all or part of the following: Process Tanks, Dryers, Carpet Beaters, Carpet Shears	D
[...]	[...]
Chip Dryer	D
<u>Chippers, Greenwaste, not including</u> <u>I.C. Engine</u>	A
Circuit Board Etchers	B
[...]	[...]

Necessity: Fees for the permitting of equipment are determined pursuant to Rule 301(c)(1)(A). For ease of understanding and greater transparency, Table 1B was created as a means of identifying the appropriate fee schedule for specific types of equipment commonly permitted by SCAQMD. It does not, and cannot, include the name of every potential piece of equipment. When equipment is not on Table 1B, Rule 301(c)(1)(A)(iii) provides SCAQMD

with authority to determine the most appropriate fee schedule. Table 1B has been periodically updated on an as-needed basis, e.g., when permits for certain types of equipment become more frequent. These updates help the regulated community determine which fee schedule applies.

Carbon Dioxide Production Facilities are not currently listed in Rule 301, Table IB - Permit Fee Rate Schedules for Basic Equipment. Pursuant to Rule 301(c)(1)(A)(iii), however, Schedule F fee rates have been applied since 1984 to Carbon Dioxide Production equipment/process as Carbon Dioxide Production plants are similar in size, scope, and complexity to Hydrogen Production plants, for which Schedule F fee rates apply. There are currently three active permits for Carbon Dioxide Production Facilities. The proposed addition of Carbon Dioxide Production Facilities to Table IB is necessary to memorialize the applicable fee rate schedule for equipment/process used at these facilities to ensure consistency and improve transparency.

Greenwaste chippers are also not currently listed in Table IB. The May 5, 2017 amendment to Rule 219(g)(2) clarified an exemption for wood shredding to specifically exclude greenwaste management (i.e., organic waste material generated from gardening, agricultural, or landscaping activities including, but not limited to, leaves, grass clippings, tree and shrub trimmings and plant remains). As such, greenwaste chippers were specifically identified as requiring a permit to operate, and therefore subject to permit fees based on Schedule A in accordance with Rule 301(c)(1)(I) until 12 months from the Rule 219 amendment.

Pursuant to Rule 301(c)(1)(A)(iii), Schedule A fee rates may continue to be charged based on SCAQMD staff's review of the permit applications for greenwaste chippers, which revealed that the level of project complexity and the required permitting staff's effort are commensurate with a Schedule A categorization. However, the proposed addition of greenwaste chippers to Table IB is necessary to memorialize the applicable fee rate schedule for such equipment to ensure consistency and improve transparency. The proposed addition excludes internal combustion (I.C.) engines used by greenwaste chippers, as more complex permitting will be required when the engines used to power such equipment are larger. These larger engines are permitted separately and do not need to be associated with the chipper itself such that the appropriate fee schedule based on size of the engine can be addressed independently from the chipper.

15. Clarification and simplification of fee rate table for facility permit fees

Description of Proposed Amendment:	The proposed amendment to Rule 301 Table VII would revise the table title to more accurately reflect the facility permit fees covered by this fee rate table. The proposed amendment would also simplify Table VII by consolidating the
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Title V and RECLAIM fees. References to Table VII are proposed to be added throughout Rule 301, where applicable.

Proposed Amended Rule(s):

TABLE VII
SUMMARY OF FACILITY PERMIT FEES FOR FACILITIES THAT ARE RECLAIM ONLY, TITLE V ONLY, & AND BOTH RECLAIM & TITLE V FEES

Description	Rule section	FY 2017-18	FY 2018-19	FY 2019-20 and thereafter
RECLAIM (1)				
Facility Permit Amendment/Revision Fee with Engineering Evaluation <ul style="list-style-type: none"> • RECLAIM Only • Title V Only* • RECLAIM & Title V* <p><i>* Includes administrative, minor, de minimis significant, or significant amendment/revision</i></p>	(1)(54) (m)(4)	\$1,088.60	\$1,132.14 1,170.63 \$1,325.61	\$1,132.14 1,170.63 \$1,466.92
Facility Amendment Fee without Engineering Evaluation <ul style="list-style-type: none"> • RECLAIM only • RECLAIM & Title V 	(1)(5)	\$1,088.60	\$1,132.14	\$1,132.14
Facility Permit Change of Operator <ul style="list-style-type: none"> • Facility Permit Amendment Fee <p style="text-align: center;">+ Plus</p> <ul style="list-style-type: none"> • Application Processing Fee for Each Application 	(c)(2) (1)(76) (m)(4) (n)(5)	\$1,088.60	\$1,132.14 + \$658.74	\$1,132.14 + \$658.74
		Facility Permit Amendment/Revision Fee (See Above) Processing Fees (See Table FEE RATE-C)		

Description	Rule section	FY 2017-18	FY 2018-19	FY 2019-20 and thereafter
TITLE V (m)				
Administrative Permit Revision Fee	(m)(6)	\$1,158.42	\$1,282.02	\$1,418.68
Permit Revision Fee	(m)(7)			
• Minor permit revision		\$1,158.42	\$1,282.02	\$1,418.68
• De minimis significant permit revision		\$1,158.42	\$1,282.02	\$1,418.68
• Significant permit revision		\$1,158.42	1,282.02	\$1,418.68
<u>Title V Facility Permit Renewal Fees (Due at Filing)</u>	(m)(8))	\$2,631.19	\$2,911.94 <u>3,010.95</u>	\$3,222.35 <u>3,331.91</u>
+ Plus	(m)(9)	+	+ Plus	+ Plus
<u>Hourly Rate for Calculation of Final Fee if for Evaluation Time in eExceeds of 8 hours (Due upon Notification)</u>		\$184.10 per hour	\$203.74 <u>210.67 per hour</u>	\$225.46 <u>233.13 per hour</u>
Change of Operator				
• Administrative Permit Revision Fee	(m)(6)	\$1,158.42	\$1,282.02	\$1,418.68

Necessity: The proposed amendment would reduce redundancy and opportunities for potential discrepancies by listing all facility permit related fee rates in Rule 301 Table VII, and where applicable, replacing facility permit related fee rates in rule sections with a reference to Table VII. The proposed amendment would also remove artificial distinctions between fee categories that have the same fee rates and clarify divisions between Title V-only, RECLAIM-only, and RECLAIM & Title V permit revisions/amendments.

16. Removal or addition of multiple references in Rule 301, Rule 304, and Rule 313

Description of Proposed Amendment: The proposed amendment would remove or update incorrect references and add needed clarifications throughout Rule 301. Specifically, it would: 1) replace a reference to “Table I” in clause (c)(1)(A)(iii) with a reference to “Table IA or Table IB”; 2) in subparagraph (c)(1)(I), reference the proposed numbered Table FEE RATE-A to specify the location for identifying “Schedule A” fee rates; 3) remove "Table III" table title from the emission fee threshold table included in paragraph (e)(5), as Table III in this subdivision refers to the Emission Fees table, which appears at the end of the rule; 4) in subparagraph (e)(10)(D), replace the erroneous reference to subparagraph (e)(8)(D), which does not exist in the current Rule 301, with the correct reference to subparagraph (e)(8)(C); 5) in subdivision (h), replace the erroneous reference to paragraph (e)(9) with the correct reference to paragraph (e)(10); 6) remove an irrelevant reference to the ERC processing rates table (Table FEE RATE-B) in proposed renumbered paragraph (l)(5) regarding change of operating conditions and in paragraph (q)(1) regarding NESHAP evaluations, as ERC processing fee rates are not applicable to the fees associated with those two paragraphs; 7) in proposed renumbered paragraph (l)(9), replace the erroneous reference to paragraph (e)(8)(B) with the correct reference to paragraph (e)(8)(A); 8) in paragraph (v)(6), replace the erroneous reference to subdivision (n) with the correct reference to subdivision (o); 9) remove the extraneous reference to Rule 306(d) in Rule 304(l)(3); and 10) in Rule 313(e)(1), replace the erroneous reference to Rule 306(f) with the correct reference to Rule 303(f).

Proposed Amended Rule(s):

Rule 301(c)(1)(A)(iii)

A person applying for permits for any equipment/process not otherwise listed in Table IA or Table IB shall pay the fees associated with Schedule C. Prior to the issuance of a permit, these fees are subject to adjustment, as necessary.

Rule 301(c)(1)(~~II~~) Applications Submitted for Equipment Previously Exempted by Rule 219

[...] the permit processing fees assessed shall be in accordance with Schedule A of Table FEE RATE-A.

Rule 301(e)(5) Emission Fee Thresholds

[...]

Table III

Air Contaminant(s)	Annual Emissions Threshold (TPY)
[...]	[...]

Rule 301(e)(10)(D)

The fees due and payable for the emissions reported or reportable pursuant to subparagraph (e)(8)(~~DC~~) shall be assessed according to the fee rate for that contaminant specified in Tables III, IV, and V, and further increased by fifty percent (50%). The fee rate to be applied shall be the fee rate in effect for the year in which the emissions are actually reported, and not the fee rate in effect for the year the emissions actually occurred.

Rule 301(h) Reinstating Revoked Permits

If a Permit to Operate is revoked for nonpayment of annual permit fees based on emissions or fees on non-permitted emissions, it may be reinstated upon payment by the permit holder of such overdue fees and accrued surcharge in accordance with (e)(~~9~~10).

Rule 301(l)(~~65~~) Change of Operating Condition

[...] a Change of Condition Fee shall be paid. Such fee shall be equal to the sum of fees assessed for each equipment subject to the change of condition as specified in ~~the Summary Permit Fee Rates – Permit Processing, Change of Conditions, Alteration/Modification – Table FEE RATE-A and in the Summary ERC Processing Rates – Banking, Change of Title, Alteration/Modification table.~~ [...]

Rule 301(q)(1)

At the time of filing an application for a Change of Operating Conditions submitted solely to comply with the requirements of a NESHAP, a NESHAP Evaluation Fee shall be paid. The fee shall be ~~\$336.57~~348.01. Additional fees shall be assessed at a rate of ~~\$166.35~~172.01 per hour for time spent in the evaluation in excess of two (2) hours, to a maximum total fee not to exceed the applicable Change of Conditions Fees listed for each affected piece of equipment as specified in ~~the Summary Permit Fee Rates – Permit Processing, Change of Conditions, Alteration/Modification – Table FEE RATE-A and in the Summary ERC Processing Rates – Banking, Change of Title, Alteration/Modification table.~~

Rule 301(l)(~~109~~) RECLAIM Pollutant Emission Fee

At the end of the reporting period specified in subparagraph (e)(8)(~~BA~~), RECLAIM facilities shall pay a RECLAIM Pollutant Emission Fee based on the facilities' total certified RECLAIM pollutant emissions. [...]

Rule 301(v)(6) Procedure 4 & 5 Evaluation

Fees for requested expedited reviews and evaluation of Procedure 4 or 5 plans per Rule 301(~~no~~) Asbestos Fees will be an additional fee of fifty percent (50%) of the Procedure 4 & 5 plan evaluation fee.

Rule 304(l)(3)

the operator pays a fee for the processing of the self-testing plan request at a rate of ~~\$131.31~~135.77 per person per hour, ~~pursuant to Rule 306(d)~~, so as not to exceed the amount necessary to recover the District costs.

Rule 313(e)(1)

The Executive Officer may, upon finding of administrative error by District staff regarding the calculation, imposition, noticing, handling, invoicing, and/or collection of any fee set forth in this Regulation, rescind, reduce, increase or modify such fee. In no case may the Executive Officer reduce the amount of the excess emission fee below that specified in Rule 3036(f), unless otherwise ordered by the Hearing Board.

Necessity: The proposed amendments would add clarity to Rule 301, Rule 304, and Rule 313 by removing outdated or erroneous references and adding clarifying references at multiple rule sections.

17. Clarification of applicable fee rates for annual emission fees

Description of Proposed Amendment: The proposed amendment to Rule 301 Table III – Emission Fees would clarify the applicable fee rates for larger amounts of annual emissions per criteria pollutant. For ease of use, it would make each bin of annual emissions mutually exclusive (refer to first table column), and except for carbon monoxide, repeat the applicable CPI-adjusted emission fees for the bin with annual emissions greater than 75 tons/year and less than 100 tons/year (refer to fourth table row) in the bin with annual emissions greater than or equal to 100 tons/year (refer to fifth table row).

Proposed Amended Rule(s): *Rule 301*

TABLE III - EMISSION FEES

Annual Emissions (tons/yr)	Organic Gases* (\$/ton)	Specific Organics** (\$/ton)	Nitrogen Oxides (\$/ton)	Sulfur Oxides (\$/ton)	Carbon Monoxide (\$/ton)	Particulate Matter (\$/tons)
4 – 25	\$[...]	\$[...]	\$[...]	\$[...]	-	\$[...]
>25 – 75	\$[...]	\$[...]	\$[...]	\$[...]	-	\$[...]
>75 and <100	\$1,469.4 <u>1,519.3</u> <u>7</u>	\$257.08 <u>265.82</u>	\$846.20 <u>874.97</u>	\$1,017.80 <u>1,052.41</u>	-	\$1,121.67 <u>1,159.81</u>
≥100	<u>1,519.3</u> <u>7-</u>	<u>\$265.82</u> -	<u>\$874.97</u> -	<u>\$1,052.41-</u>	\$[...]	<u>\$1,159.81</u> -

Necessity: The current organization of Rule 301 Table III – Emission Fees may cause potential confusion as to whether emission fees would apply to annual

emissions greater than or equal to 100 tons/year of all criteria pollutants, except carbon monoxide. Therefore, the proposed amendment is necessary to remove this ambiguity regarding applicable emission fees.

18. Correction of subparagraph numbering in Rule 304.1(c)(3)

Description of Proposed Amendment: The proposed amendment would renumber all subparagraphs following (c)(3)(I) as subparagraph (c)(3)(J) does not currently exist.

Proposed Amended Rule(s): *Rule 304.1(c)(3)* Continuous Non-Recording Ambient Sampling With Laboratory Analysis of Sample Collected (Weekdays Only).
 [...] [...] [...]
 (~~K~~J) Analysis of Each Sample Collected in (G) For Particulates. [...]
 (~~L~~K) Gas Chromatograph/Mass Spectrometry Identification For [...] Any Sample Collected Above.
 (~~M~~L) Additional Fees for Sample Pick-up and Analysis After [...] Normal Weekday Work-ing Hours.

Necessity: Rule 304.1 subparagraph (c)(3)(J) was deleted in 2005, but the ensuing subparagraphs were not renumbered accordingly. The proposed amendment is a belated administrative correction.

19. Correction of a typographical error regarding reference to Rule 109

Description of Proposed Amendment: The proposed rule amendment would remove the erroneous reference to Rule 109.1 in Rules 306 and 301, and where applicable, replace it with the intended reference to Rule 109 – Recordkeeping for Volatile Organic Compound Emissions.

Proposed Amended Rule(s): *Rule 306(b)* Definitions
 [...] Plans include, but are not limited to, the following: [...] Title V Exclusion Requests; ~~Rule 109.1~~; Smoke Management Plans; Burn Management Plans; Emergency Burn Plans; Post Burn Evaluation Reports; Rule 109 Alternative Recordkeeping System Plan; ~~and~~ Solid Waste Air Quality Assessment Test Reports (Health and Safety Code Section 41805.5); [...]

Rule 306(k) Alternative Recordkeeping System Plan Discount
 For alternative recordkeeping system plan filed pursuant to Rule 109-1, [...]

Rule 301(c)(3)(D)
 For permits reissued because of Rule 109-~~or Rule 109.1~~, [...]

Necessity: The proposed amendment is necessary to remove from Rules 306 and 301 the erroneous references to Rule 109.1, which does not exist. This typographical error initially occurred during the 2000 amendment to Rule 306. Based on the associated staff report, the originally intended reference was Rule 109, specifically the rule’s subdivision (f) which discusses alternative recordkeeping systems and an associated plan. Therefore, it is necessary to replace the erroneous reference with a reference to Rule 109 where applicable.

20. Clarification of applicable fee rates for plan filing and plan evaluation fees and the timing of billing any additional fees

Description of Proposed Amendment: The proposed amendment to Rule 306(i)(1) would correct a typographical error that occurred during the 2017 amendment to Rule 306, which inadvertently removed the specific reference to "Various Location" for Rule 1166 plans under the list of Type A plans. The proposed amendment would restore the deleted reference and further clarify that Type C plans include Rule 1166 Fixed Site plans. The proposed amendment would further clarify the applicable fee rates for: 1) payment of plan filing fee by referencing Rule 306(c), and 2) payment of any additional fees due to the adjustment to plan evaluation fees at the time a plan is approved or rejected, by referencing Rule 306(d). Finally, the proposed amendment would also clarify the timing of billing additional plan evaluation fees, if any.

Proposed Amended Rule(s):

Rule 306(i)(1) Plan Filing and Plan Evaluation or Submittal Fees

In addition to payment of the filing fee pursuant to subdivision (c), the initial payment for plan evaluation fees shall be as shown in the table below in this subparagraph and paid at the time of filing. The adjustment to plan evaluation fees will be determined at the time a plan is approved or rejected and may include additional fees based upon actual review and work time billed at a rate pursuant to subdivision (d). ~~Notification of the amount due or refund will be provided to the applicant, and any additional fees due to the adjustment to plan evaluation fees will be billed following project completion.~~

A – Rule 403, and 461 Plans and Rule 1166 Various Location Plans	Non-Title V	Title V
— FY 2017-18	\$144.88	\$154.17
FY 2018-19	\$150.68 155.80	\$170.62 176.42
FY 2019-20 and thereafter	\$150.68 155.80	\$188.81 195.23
B – Rule 444, 1133 and 1415 Plans	See Rule 306(c)	See Rule 306(c)
C – All Other Plans, including Rule 1166 Fixed Site Plans	Non-Title V	Title V

— FY 2017-18	\$507.06	\$539.58
FY 2018-19	\$527.34 545.27	\$597.15 617.45
FY 2019-20 and thereafter	\$527.34 545.27	\$660.81 683.28

Necessity: Historically, the plan evaluation fee rate has been always higher for Rule 1166 Fixed Site Plans than for Rule 1166 Various Location Plans. This is because Rule 1166 Fixed Site Plans require more evaluation and review time than Rule 1166 Various Locations Plans. Rule 1166 Various Location Plans are designed for limited excavations and do not require additional evaluation regarding CEQA, site history/location, excavation processes, etc. Therefore, when initially implemented, the initial payment for Rule 1166 Various Location Plan evaluation fees was set based on an amount equivalent to one hour of evaluation time at the applicable Rule 306(d) fee rates (as for all Type A plans under Rule 306(i)(1)), whereas the initial payment for Rule 1166 Fixed Site Plans was set based on an amount equivalent to 3.5 hours of evaluation time at the applicable Rule 306(d) fee rates (as for all Type C plans under Rule 306(i)(1)).

However, during the 2017 amendment to Rule 306, the specific reference to "Various Location" was inadvertently removed and, therefore, it erroneously appears that all Rule 1166 Plans would be subject to the Type A plan evaluation fees. It is therefore necessary to restore the deleted reference and further clarify that the Type C plan evaluation fees are applicable to Rule 1166 Fixed Site Plans.

Furthermore, Rule 306(i)(1) currently lacks specific fee rate cross-references for payment of plan filing fee and any additional plan evaluation fees. Hence, it is necessary to clarify the applicable fee rates by: 1) referencing Rule 306(c) for payment of plan filing fees, and 2) referencing Rule 306(d) for any additional fees due to the adjustment to plan evaluation fees at the time a plan is approved or rejected. The added reference to Rule 306(d) is consistent with how the initial payment for plan evaluation fees were determined, as explained above.

Finally, for added rule clarity, it is also necessary to specify that any additional plan evaluation fees would be billed based upon actual plan review and work time, and the billing would occur after project completion.

21. Clarification of timing of request for optional expedited plan evaluation, the associated fees, and timing of fee payment

Description of Proposed Amendment: The proposed amendment to Rule 306(i)(5) would clarify that a request for optional expedited processing of plan evaluation can only be made upon initial work submittal, and approval of such a request is contingent upon SCAQMD's ability to implement the necessary policies and procedures and the availability of qualified staff for overtime work. The proposed

amendment would further clarify the intent of Rule 306(i)(5) by specifying all applicable fees for optional expedited plan evaluation processing and by specifying the billing and timing of all fee payments in a consistent manner as in Rule 306(i)(1).

**Proposed
Amended
Rule(s):**

Rule 306(i)(5) Optional Expedited Plan Evaluation Processing Fee

Initial fees for requested expedited processing of plan evaluation will shall be an additional fifty percent (50%) of the applicable plan filing and initial evaluation fees pursuant to paragraph (i)(1), and shall be submitted at the time that the expedited processing is requested. The adjustment to expedited plan evaluation processing fee will be determined at the time a plan is approved or rejected and may include additional fees based upon actual review and work time billed at a rate for staff overtime which is equal to one half of staff's hourly rate as specified in subdivision (d). Notification of the amount due or refund will be provided to the applicant and any additional fees due to the adjustment to expedited plan evaluation processing fees will be billed following project completion. A request for expedited plan evaluation work can only be made upon initial work submittal, and approval of such a request is contingent upon the ability of the District to implement the necessary policies and procedures and the availability of qualified staff for overtime work.

Necessity:

For SCAQMD's resource planning purposes, the proposed amendment to Rule 306(i)(5) is necessary to clarify that a request for an expedited processing of plan evaluation can only be made upon initial work submittal and that the approval of any request for expedited plan evaluation is contingent upon SCAQMD's ability to implement the necessary policies and procedures and the availability of qualified staff for overtime work. This proposed amendment is similar to the existing requirement under Rule 301(v) for expedited processing of a permit, CEQA work, an application for an ERC/STC, Air Dispersion Modeling, HRA, and Asbestos Procedure 4 & 5 notifications.

The proposed amendment is additionally necessary to clarify the intent of Rule 306(i)(5) by specifying all applicable fees for optional expedited plan evaluation processing. Similar to Rule 301(v), the additional fees required for expedited plan evaluation represent fifty percent, or one half, of all applicable fees for a regular plan evaluation, which include plan filing fee, initial payment of plan evaluation fees, and any additional fees billed based upon actual review and work time, pursuant to Rule 306(i)(1). The proposed amendment is also necessary to clarify the billing process by specifying the billing and timing of all payments in a consistent manner as in Rule 306(i)(1).

22. Clarification of applicable fees and timing of payment for source test protocol/report evaluation

Description of Proposed Amendment:

The proposed amendment to Rule 306 subdivisions (m) and (q) would lower applicable fees for Title V facilities for the evaluation of source test protocols and reports to the current rates for non-Title V facilities, plus the proposed CPI-based adjustment. The amendment would also remove the current fee rate tables which reference both Non-Title V and Title V facilities, and instead specify the CPI-adjusted minimum fee in the rule text, and reference the applicable hourly rate to Rule 306 subdivision (d). The proposed amendment would further clarify the timing for paying the minimum and additional fees for an evaluation of source test protocols and reports. It would also clarify all fees to be billed for an expedited evaluation of source test protocol or report. Rule 306 subdivision (d) is proposed to be also amended to clarify that the CPI-adjusted hourly rate is applicable to the total evaluation time incurred by evaluating staff. Finally, Rule 301(v)(4) is proposed to be amended to remove its applicability to requested expedited evaluation of source test protocols and reports.

Proposed Amended Rule(s):

Rule 306(m) Protocol/Report/Catalyst Equivalency¹² Evaluation Fees

(1) A minimum fee of \$409.45 shall be charged for the evaluation of source test protocols and reports. ~~consist of a minimum fee, plus an~~ Additional fees for time spent on the evaluation in excess of 5 hours shall be assessed at ~~an~~ the hourly rate specified in subdivision (d) for non-Title V facilities. The established minimum fee and additional fees for time spent on the evaluation in excess of 5 hours shall be billed after project completion. Fees are due at the time specified in the bill, which will allow a reasonable time for payment. ~~as follows:~~

A Minimum Fee	Non-Title V	Title V
— FY 2017-18	\$380.76	\$405.18
— FY 2018-19	\$395.99	\$448.41
— FY 2019-20 and thereafter	\$395.99	\$496.21
B Hourly Rate for Additional Fee	Non-Title V	Non-Title V
— FY 2017-18	\$144.88	\$154.17
— FY 2018-19	\$150.68	\$170.62

¹² The proposed amendment related to catalyst equivalency evaluation in Rule 306 subdivisions (m) and (q) is separately discussed in Section III, Item 9: New fees to recover costs associated with optional catalyst equivalency evaluation.

— FY 2019-20 — and thereafter	\$150.68	\$188.81
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(2) [...]

Rule 306(q) Optional Expedited Protocol/Report/Catalyst Equivalency Evaluation Processing Fee

(1) Fees for requested expedited processing of Protocol/Report Evaluations, will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to one half of staff’s hourly rate ~~plus mileage as specified in subdivision (d) for non-Title V facilities.~~ The established “minimum fee” and additional fees for time spent on the evaluation in excess of 5 hours found in Rule 306(m)(1) shall be paid ~~at the time of filing~~ with the additional overtime fee billed following project completion ~~(adjustments to the final bill will be made accordingly for the processing time which is included in the minimum fee).~~ Fees are due at the time specified in the bill which will allow a reasonable time for payment. Request for expedited Protocol/Report Evaluation work can only be made upon initial work submittal, and approval of such a request is contingent upon the ability of the District to implement the necessary policies and procedures and the availability of qualified staff for overtime work.

Hourly Rate in Addition to Rule 301 (m) Fee	Non-Title V	Title V
— FY 2017-18	\$220.03	\$234.14
— FY 2018-19	\$245.42	\$259.12
— FY 2019-20 and thereafter	\$245.42	\$286.74

(2) [...]

Rule 306(d) Plan Evaluation Fee

The plan evaluation fee shall be an amount equal to the total actual and reasonable time incurred by ~~the District staff~~ for evaluation of a plan, assessed at the hourly rate per person per hour or prorated portion thereof as follows:

Facility Type	Non-Title V	Title V
FY 2017-18	\$144.88	\$154.17
FY 2018-19	\$150.68 155.80	\$170.62 176.42
FY 2019-20 and thereafter	\$150.68 155.80	\$188.81 195.23

Rule 301(v)(4) Air Dispersion Modeling, and HRA, Source Test Protocols and Reports Fees

Fees for requested expedited review and evaluation of air dispersion modelings, and health risk assessments, ~~source test protocols and source test reports~~ will be an additional fee based upon actual review and work time billed at a rate for staff overtime which is equal to the staff's hourly rate of ~~\$139.34~~144.05 plus ~~\$72.26~~74.72 per hour (one half of hourly plus mileage).

Necessity: The proposed amendment is necessary to further clarify the applicable fees and billing time for the evaluation of source test protocols and reports.

There are currently differential fee rates for Title V and non-Title V facilities in Rule 306 subdivisions (m) and (q). The differential rates exist for many fees throughout Regulation III and were adopted in June 2017, as a result of the programmatic effort to refine SCAQMD's revenue-cost alignment. However, based on staff's evaluation of the billing process for source test protocol/report evaluation (which is different than the billing of most fees for the permitted source program), the current fee differential between Title V and non-Title V facilities is less than the cost associated with the additional staff effort needed to determine, track, and bill at the higher Title V rate. Staff believes, that with respect to Source Testing, the lower non-Title V rate is sufficient to recover the reasonable costs of its activities. As a result, it is proposed that Title V fee rates be lowered such that non-Title V fee rates would apply to all fees related to evaluation of source test protocols and reports, including the minimum fees and additional fees for time spent on the evaluation in excess of 5 hours under Proposed Amended Rule 306(m)(1), and the overtime fee for expedited evaluation of source test protocols and reports under Proposed Amended Rule 306(q)(1). For the overtime fee, staff also proposes to not include mileage, therefore resulting in a lower overall hourly rate for expedited source test protocol/report evaluation: \$233.70 [= (\$150.68 × (1 + 3.4%)) + (\$150.68 × (1 + 3.4%) × 0.5)], as compared to \$253.76 [= \$245.42 × (1 + 3.4%)] based on the current rule's non-Title V overtime rate, adjusted for CPI increase.

To simplify the rule language, remove redundant fee rates in the Proposed Amended Rule 306 subdivisions (m) and (q), and to reduce repetition of the same fee rates in Rule 306, staff proposes to remove the current fee rate tables in Rule 306 subdivisions (m) and (q), specify the CPI-adjusted minimum fee in the rule text, and reference the applicable hourly rate to Rule 306 subdivision (d). Rule 306 subdivision (d) is proposed to be also amended to clarify that the CPI-adjusted hourly rate is applicable to the total evaluation time incurred by evaluating staff.

Moreover, the proposed amendment is necessary to further clarify the timing for paying the minimum and additional fees for evaluation of source test protocols and reports. The proposed amendment would add the clarification in Proposed Amended Rule 306(m)(1) that "[t]he established minimum fee

and additional fees for time spent on the evaluation in excess of 5 hours shall be billed after project completion. Fees are due at the time specified in the bill, which will allow a reasonable time for payment.” At the same time, it would delete from current Rule 306(q) the language requiring the minimum fee to be paid at the time of filing, and the language regarding adjustments to the final bill to reflect overtime fee. In lieu of the language proposed to be deleted, Proposed Amended Rule 306(q)(1) would clarify that, for optional expedited evaluation of source test protocol or report, all applicable fees, including the minimum fee, additional fees for time spent on the evaluation in excess of 5 hours, and overtime fee, will all be billed after project completion.

Finally, Rule 301(v)(4) is proposed to be amended to remove its applicability to requested expedited evaluation of source test protocols and reports. This proposed amendment is necessary as there currently exists an ambiguity regarding the applicable fee rate(s) for an optional request for expedited evaluation of source test protocols and reports. The proposed amendments to Rule 306(q) and to Rule 301(v)(4) would remove this ambiguity and result in an overtime fee that is billed based on one half of the same hourly rate as charged for a regular/non-expedited evaluation of source test protocols and reports for time spent on the evaluation in excess of 5 hours.

23. Removal of a redundant definition and correction of small business maximum fee and typographical errors in Rule 307.1

Description of Proposed Amendment: The proposed amendment to Rule 307.1(c)(13) would remove the redundant definition of Industry-Wide Facility, which refers to those facilities already encompassed in the more expansive definition of State Industry-Wide Facility under the proposed renumbered Rule 307.1(c)(29). Additionally, staff proposes to amend Rule 307.1(d)(2)(D) to correct the inadvertent past adjustments to the small business maximum fee, based on CPI increases. This maximum fee is set by state law at \$300 and should not have been adjusted for CPI (California Code of Regulations Title 17, Section 90704(h)(2)). Finally, the proposed amendment to Rule 307.1(d)(9) would correct two typographic errors, including: 1) the erroneous abbreviation of the North American Industry Classification System (NAICS) in subparagraph (d)(9)(D), and 2) the erroneous NAICS code for the Boat Building industry in subparagraph (d)(9)(F).

Proposed Amended Rule(s):

Rule 307.1(c)(13)

~~INDUSTRY WIDE FACILITY means a facility that qualifies to be included in an industry wide emission inventory prepared by the District pursuant to Health and Safety Code Section 44232, or an individual facility which emits less than ten (10) tons per year of each criteria pollutant, falls within a class composed of primarily small businesses, and whose emissions inventory report was prepared by the District.~~

Rule 307.1(d)(2)(D)

The maximum fee that a small business as defined in this rule shall pay is ~~\$377.22~~300.00.

Rule 307.1(d)(9)(D)

The facility is a wastewater treatment plant as described by NAICS Code 221320, [...]

Rule 307.1(d)(9)(F)

The facility is primarily a boat building and repair facility or primarily a ship building and repair facility as described by NAICS Codes 336611, 336612, 488390 or 811490, [...]

Necessity: The proposed amendment would remove the redundant definition of Industry-Wide Facility in Rule 307.1(c)(13). This definition refers to a subset of State Industry-Wide Facilities as defined in the proposed renumbered Rule 307.1(c)(27). Moreover, all related requirements in Rule 307.1 refer to State Industry-Wide Facility and not to Industry-Wide Facility. At the same time, it is necessary to amend Rule 307.1(d)(2)(D) to correct the inadvertently CPI-adjusted small business maximum fee back to the maximum of \$300 as set by state law. The proposed amendment is also necessary to correct the aforementioned typographical errors in Rule 307.1.

V. IMPACT ASSESSMENT

A. FISCAL IMPACT FOR SCAQMD

For FY 2018-19, the 3.4% across-the-board CPI adjustments in Regulation III fees, (other than fees excluded) commensurate with the change in the CY 2017 CPI, will result in \$3.1 million for FY 2018-19. Other proposed rule amendments with fee impacts will generate approximately \$1.3 million and continue our efforts to more fully recover the costs of the Permitted Source Program activities. These projected fee impacts, along with the ~~third~~second-year phase-in of the fee increases for Title V and non-Title V facilities (10.67% and 4.0% respectively), would contribute to the majority of fee revenue changes from FY 2017-18 to FY 2018-19 as estimated in Table 10 (excluding mobile source revenue which are special revenue funds outside of the General Fund budget).

Table 10: Actual and Estimated SCAQMD Revenue

Revenue Category	FY 2015-2016 Actual* (Thousands)	FY 2016-2017 Actual* (Thousands)	FY 2017-2018 Estimated** (Thousands)	FY 2018-2019 Projected (Thousands)	Changes in Revenue (from FY 2017-2018 Estimated)	
					Thousands	%
					Emission Fees	\$18,985
Annual Renewal Fees (w/o PERP)	\$46,380	\$47,561	\$51,395	\$57,271	\$5,876	11.4%
Permit Processing Fees	\$17,240	\$20,729	\$18,051	\$19,857	\$1,805	10.0%
Mobile Sources/Clean Fuels	\$21,968	\$23,793	\$26,177	\$30,625	\$4,448	17.0%
Sources Test & Lab Analysis	\$683	\$734	\$756	\$782	\$26	3.4%
Hearing Board Fees	\$164	\$188	\$317	\$259	-\$58	-18.4%
Transportation Program (Rule 2202) Fees	\$892	\$840	\$920	\$951	\$31	3.4%
Other Revenue***	\$28,093	\$36,083	\$32,965	\$31,642 <u>33,158</u>	-\$1,324 <u>192</u>	- <u>4.0</u> <u>6%</u>
Total	\$134,405	\$148,893	\$150,409	\$161,115 <u>162,631</u>	\$10,706 <u>12,222</u>	7.1 <u>8.1%</u>

(Note: Numbers may not sum up due to rounding.)

* Information as reported in the Comprehensive Annual Financial Reports (FYs 2015-16 & 2016-17).

** Estimates are based on actual revenue received through February 2018.

*** Other Revenues include: CARB Subvention; State and Federal Grants; Interest; Lease Income; Penalties/Settlements; Subscriptions; AB 2588 Reimbursement; Miscellaneous Revenues; Portable Equipment Registration Program (PERP); Area Sources; and Transfers In (from special revenue funds).

B. CALIFORNIA ENVIRONMENTAL QUALITY ACT

Pursuant to the California Environmental Quality Act (CEQA) and SCAQMD Rule 110, the SCAQMD, as lead agency for the proposed project, has reviewed Proposed Amended Regulation III, which consists of fee updates, new fees and amendments to Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315, in accordance with: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. With respect to the proposed fee updates, new fees, and amendments in Proposed Amended Regulation III that are strictly administrative in nature, it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Therefore, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Activities Covered by General Rule. Additionally, the entirety of the proposed project is statutorily exempt from CEQA requirements pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges, because the proposed fee updates, new fees, and amendments to Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 involve charges by public agencies for the purpose of meeting operating expenses and financial reserve needs and requirements. A Notice of Exemption has been prepared pursuant to CEQA Guidelines Section

15062 – Notice of Exemption. If the project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino counties.

C. SOCIOECONOMIC IMPACT ASSESSMENT

A draft socioeconomic impact assessment for the automatic CPI-based fee increase ~~was~~ ~~has been~~ prepared as a separate report and was posted online on March 14, 2018 (available on SCAQMD’s website at: http://www.aqmd.gov/docs/default-source/finance-budgets/fy-2018-19/draft-socioeconomic-assessment-for-automatic-cpi-increase_2018.pdf.) A draft socioeconomic impact assessment of other proposed rule amendments with fee impacts was also prepared and has been conducted. It is scheduled to be ~~was~~ released for public review and comment on April 4, 2018, ~~along with this Draft Staff Report.~~ Both documents have now been finalized in preparation for the public hearing.

VI. DRAFT FINDINGS UNDER CALIFORNIA HEALTH AND SAFETY CODE

Before adopting, amending or repealing a rule, the SCAQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference, as defined in H&SC Section 40727, as well as findings of equity under H&SC Section 40510.5(a). The draft findings are as follows:

A. NECESSITY

Based on the analysis provided in Sections II, III, and IV of this report, the SCAQMD Governing Board has determined that a need exists in order to recover reasonable and actual costs incurred by SCAQMD in implementing necessary clean air programs and to add rule clarity, to amend Regulation III – Fees, including Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314 and 315 to fund the Proposed Budget in Fiscal Year 20178-189-Budget and thereafter.

B. EQUITY

Health and Safety Code Section 40510.5(a) requires the SCAQMD Governing Board to find that an increased fee will result in an equitable apportionment of fees when increasing fees beyond the CPI. Based on the analysis provided in Section III of this report, the proposed new fees ~~or~~ and proposed increases in fee rates beyond the CPI in Proposed Amended Rules 301, 306, and Rule 307.1 are found to be equitably apportioned because such fees are necessary to better align program costs and revenues, are based on the reasonable costs to SCAQMD, and are reasonably related to the benefits received and burdens imposed by the fee payors.

C. AUTHORITY

The SCAQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from H&SC Sections 40000, 40001, 40440, 40500, 40500.1, 40502, 40506, 40510, 40510.5, ~~40511, 40512,~~ 40522, 40522.5, 40523, ~~40701.5, 40702,~~ ~~41512,~~ and 44380, and Clean Air Act section 502(b)(3) [42 U.S.C. §7661(b)(3)] .

D. CLARITY

The SCAQMD Governing Board has determined that Proposed Amended Regulation III – Fees, including Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314 and 315, ~~as proposed to be amended~~, are ~~is~~ written or displayed so that their meaning can be easily understood by the persons directly affected by them.

E. CONSISTENCY

The SCAQMD Governing Board has determined that Proposed Amended Regulation III – Fees, including Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314 and 315 ~~as proposed to be amended~~, are ~~is~~ in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations.

F. NON-DUPLICATION

The SCAQMD Governing Board has determined that Proposed Amended Regulation III – Fees, including Proposed Amended Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314 and 315, ~~as proposed to be amended~~, does not impose the same requirements as any existing state or federal regulation and are necessary and proper to execute the power and duties granted to, and imposed upon, the SCAQMD.

G. REFERENCE

The SCAQMD Governing Board, in amending Regulation III – Fees ~~these rules~~, references the following statutes which the SCAQMD hereby implements, interprets, or makes specific: H&SC Sections 40500, 40500.1, ~~40502, 40506, 40510, 40510.5, 40511, 40512, 40522, 40522.5, 40523, 41512, and 44380~~, and Clean Air Act section 502(b)(3) [42 U.S.C §7661(b)(3)].

VII. COMMENTS AND RESPONSES

~~No written public comments have been submitted to the SCAQMD staff since the March 19, 2018 release of Proposed Amended Regulation III – Fees and the accompanying Preliminary Draft Staff Report, and the March 20, 2018 Public Consultation Meeting on PAR III. Since the April 4, 2018 release of the 30-day package for Proposed Amended Regulation III – Fees, three comment letters were submitted to SCAQMD. One comment letter was submitted by the Western States Petroleum Association (WSPA) with regards to the proposed Refinery Related Community Air Monitoring System Annual Operating and Maintenance Fees as specified in PAR 301(aa). Two additional comment letters were submitted by the Southern California Air Quality Alliance (SCAQA) and the California Council for Environmental and Economic Balance (CCEEB), respectively, with regards to the proposed Facility Permit Reissuance Fee for Facilities Exiting RECLAIM as specified in PAR 301(l)(16).~~

Comment Letter - 1



Western States Petroleum Association
Credible Solutions • Responsive Service • Since 1907

Bridget McCann
Manager, Southern California Region

April 9, 2017

Dr. Philip Fine
Deputy Executive Officer, Planning and Rules
South Coast Air Quality Management District
21865 Copley Dr
Diamond Bar, CA, 91765

Via e-mail at: pfine@aqmd.gov

Re: Proposed Amended Regulation III – Fees, Rule 301(aa) Refinery Related Community Air Monitoring System Annual Operating and Maintenance Fees

Dear Dr. Fine:

Western States Petroleum Association (WSPA) appreciates this opportunity to provide feedback on South Coast Air Quality Management District (SCAQMD or District) Proposed Amended Regulation III – Fees, Rule 301(aa) Refinery Related Community Air Monitoring System Annual Operating and Maintenance Fees. WSPA is a non-profit trade association representing companies that explore for, produce, refine, transport and market petroleum, petroleum products, natural gas and other energy supplies in five western states including California.

In response to the Proposed Amended Regulation III – Fees Draft Staff Report and Proposed Amended Rule 301, Permitting and Associated Fees draft language, WSPA offers the following comments:

- 1. Refinery-related community air monitoring system operating and maintenance fees pursuant to Rule 1180 and California Health and Safety Code (H&SC) Section 42705.6 should be reassessed by SCAQMD in a Regulation III rulemaking process every three years. 1-1
 - a. As part of the reassessment, SCAQMD should take into consideration and remove any costs that are not refinery related pursuant to H&SC Section 42705.6 (f)(2).
- 2. A mechanism should be developed for annual carry-over of any unused refinery-related community air monitoring system operating and maintenance fees. Examples of acceptable mechanisms would include: 1-2
 - a. Separate funds to collect annual carry-over fees from individual facilities to apply against refinery-related community air monitoring system operating and maintenance fees for each corresponding facility the following year
 - b. Carry-over of any unused refinery-specific community air monitoring system operating and maintenance fees should be allocated to the funding refinery(ies) to offset annual consumer price index (CPI) adjustments per Rule 320 Automatic Adjustment Based on Consumer Price Index for Regulation III-Fees
- 3. The District should allow facilities to review their respective refinery-related community air monitoring system operating and maintenance costs pursuant to Rule 1180 and H&SC Section 42705.6 prior to the finalization of any SCAQMD financial audit. 1-3

970 W. 190th Street, Suite 304, Torrance, California 90502
(310) 808-2146 Fax: (310)324-9063
bmccann@wspa.org www.wspa.org

Dr. Fine
April 9, 2017
Page 2

If you have any questions, please contact me at (310) 808-2146 or by email at bmccann@wspa.org.

Sincerely,



cc: Patty Senecal, WSPA
Jason Low, SCAQMD
Aaron Katzenstein, SCAQMD
Michael Krause, SCAQMD

970 W. 190th Street, Suite 304, Torrance, California 90502
(310) 808-2146 Fax: (310)324-9063
bmccann@wspa.org www.wspa.org

- 1-1 Response:** SCAQMD staff has revised PAR 301 (aa) specific to Refinery Related Community Air Monitoring System Annual Operating and Maintenance Fees to include a provision for triennial reassessments pertaining to refinery-related community air monitoring operating and maintenance costs.
- 1-2 Response:** Staff has estimated these fees based on the expectation that they will recover actual costs incurred. Neither overages nor deficits are anticipated at this time. During the triennial fee reassessment required by paragraph (aa)(4) of PAR 301 the SCAQMD staff will evaluate if a fee adjustment is necessary. SCAQMD staff will use historical operating and maintenance costs associated with refinery-related community air monitoring to determine the appropriate fees during the reassessment and will take into consideration the existence of any historical differences between collected fees and program expenditures.
- 1-3 Response:** The SCAQMD financial audit is conducted prior to Governing Board approval of the annual budget and generally would not provide the level of detail being requested in the comment. However, the SCAQMD staff can provide the comparison of the annual fees collected for the operation and maintenance of refinery-related community air monitoring systems to annual expenditures upon request.

Comment Letter - 2



April 18, 2018

Elaine Shen, Ph.D.
Program Supervisor
South Coast Air Quality Management District
21865 E. Copley Drive
Diamond Bar, CA 91765

Re: PAR 301

Dear Dr. Shen:

As Executive Director of the Southern California Air Quality Alliance I am providing the following comments on the proposed amendments to Rule 301 dealing with fees for permit revisions necessitated by a facility exiting RECLAIM.

Proposed Rule 301(l)(16) requires the payment of fees based on the number of permit RECLAIM NOx sources at a facility. The fee rate table proposes three schedules: less than 10 sources, 10-20 sources and more than 20 sources. The fee increase between the second schedule (\$6,320) and the third (\$12,067) is more than a factor of three. In our view this is too great a “jump” between facilities with 20 and facilities with 21 or more. We would suggest an intermediate step be provided. Additionally, if most of the NOx sources at a facility are the same (i.e., boilers, emergency generators, i.c. engines, etc. subject to the same command and control rule requirements) each additional unit adds little to the work involved in revising permit conditions. Rule 301 has provisions for discounting permit evaluation fees for multiple pieces of equipment in other sections and there should be a similar consideration for RECLAIM facilities with multiple pieces of equipment subject to the same “landing rules.” Perhaps this could be done by aggregating the multiple pieces of equipment subject to the same landing rules so that they don’t each count as a “separate” NOx source for purposes of Rule 301(l)(16). This would allow for a lower “base rate” to be charged, but T&M fees could be assessed if they were needed.

2-1

2-2

We also believe that close administrative oversight and time management will be necessary to assure that facilities are equitably charged for the time work needed to revise the facility permits, and that the District’s Fee Review Committee should be available to review and correct instances of inequitable treatment. We will continue to closely monitor the implementation of these provisions.

2-3

2-4

Very truly yours

Curtis L. Coleman, Esq.
Executive Director
Southern California Air Quality Alliance

6601 Center Drive West
Suite 500
Los Angeles, CA 90045
Attn: Curtis L. Coleman
(310) 348-8186 Ph
(310) 861-1484 Fax
colemanlaw@earthlink.net

cc: Dr. Philip Fine

2-1 Response: The fees proposed pursuant to PAR 301(I)(16) include an initial flat fee, plus an additional time and materials (T&M) charge where applicable. Both the initial flat fee and T&M charge are tiered based on the number of permitted RECLAIM NOx sources at the facility. Both the initial flat fee and T&M charge are also differentiated based on a facility’s Title V status. The fee rates referred to in the comment represent the proposed initial flat fees for Title V facilities with 10 to 19 pieces of permitted RECLAIM NOx source equipment (\$6,320) and for Title V facilities with 20 or more pieces of permitted RECLAIM NOx source equipment (\$21,067), respectively. (\$12,067 stated in the comment was likely a typographical error.)

The proposed initial flat fee covers the estimated minimum or baseline number of hours needed to evaluate and convert each facility permit. The baseline number of hours and the initial fees have been increased at each tier to reflect the increased complexity that is typically correlated with the number of devices to be evaluated. Because the baseline hours have been set for each tier based on the minimum number of RECLAIM devices and the minimum level of effort, it is anticipated that the majority of evaluations will involve some T&M billing to fully recover reasonable costs of necessary efforts by SCAQMD. The additional T&M charge will be determined on a case-by-case basis, depending on the total number of hours needed to complete each permit conversion. Therefore, the difference in total payable fees (i.e., initial flat fee plus T&M charge) may not be as great as suggested in the comment between facilities classified in different tiers as specified in the proposed fee schedules in PAR 301(I)(16).

2-2 Response: As stated in the comment, the overall evaluation efforts, thus the associated costs, may be lower than staff’s previous estimates if a facility has multiple pieces of equipment that are similar and subject to the same “landing rules” (i.e., command-and-control rules applicable to NOx source equipment in a former NOx RECLAIM facility). Based on staff’s evaluation, this is more likely the case among facilities with a large number of permitted RECLAIM NOx sources. Therefore, the fee schedules in PAR 301(I)(16) have been revised to include a lower initial flat fee based on a lower baseline number of hours for facilities with 20 or more permitted RECLAIM NOx sources. Specifically, the applicable baseline hours have been lowered to 50 hours from 70 hours for non-Title V facilities, and to 60 hours from 100 hours for Title V facilities. Correspondingly, the applicable initial flat fee has been lowered to \$9,302 from \$13,023 for non-Title V facilities, and to \$12,640 from \$21,067 for Title V facilities. At the same time, the T&M charge applicable to the evaluation hours that are additional to the baseline hours will continue to ensure the recovery of reasonable costs incurred by SCAQMD to evaluate and convert a NOx RECLAIM Facility Permit to a Command-and-Control Facility Permit. Moreover, the lower initial flat fee for facilities with 20 or more permitted RECLAIM NOx sources will also serve to narrow the difference from the initial flat fee for facilities with 10-19 permitted RECLAIM NOx sources. For Title V facilities, the difference is reduced from a factor of 3.3 to a factor of 2.

2-3 Response: SCAQMD will exercise appropriate oversight over the permit conversion process. Since SCAQMD undertook the initiative in 2016 to expeditiously reduce its permit application backlogs, staff has implemented multiple efficiency-improving measures. As a result, the number of pending applications decreased by nearly half between second quarter of 2016 and fourth quarter of 2017. SCAQMD staff will ensure that the lessons learned and efficiency gained through the backlog-reducing effort will be fully applied to the conversion from a RECLAIM Facility Permit to a Command-and-Control Facility Permit. The fees proposed pursuant to PAR 301(I)(16) have been based on the most up-to-date permit processing experience and are necessary to recover the reasonable costs of SCAQMD’s efforts.

2-4 Response: SCAQMD staff will continue to ensure that all fees are appropriately billed and collected. With respect to the Fee Review Committee, the scope of its authority is defined by Rule 313. Generally, the Committee has authority to adjust fees or reinstate permits where there has been an administrative error by SCAQMD, to extend the due date for payment of certain fees for good cause, and to waive or refund fees under circumstances set forth in Rule 313.



California Council for Environmental and Economic Balance

101 Mission Street, Suite 1440, San Francisco, California 94105
415-512-7890 phone, 415-512-7897 fax, www.cceeb.org

Comment Letter - 3

April 24, 2018

Elaine Shen, Ph.D.

Program Supervisor Planning, Rule Development & Area Sources
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765
Submitted electronically to eshen@aqmd.gov

RE: Proposed Amended Regulation III – Fees

Dear Dr. Shen,

We submit the following comments on behalf of the California Council for Environmental and Economic Balance (CCEEB) on Proposed Amended Regulation III (PAR III).¹ CCEEB is a nonpartisan, nonprofit coalition of business, labor, and public leaders that advances strategies for a healthy environment and sound economy. CCEEB represents many facilities that operate in the South Coast Air Quality Management (District) and that are subject to its fees.

Our comment is regarding the new fees proposed for permit processing during a facility's transition out of the Regional Clean Air Incentives Market (RECLAIM) to command-and-control rules. As currently drafted, PAR 301(l)(16) establishes a facility permit reissuance fee for facilities exiting NOx RECLAIM pursuant to Rule 2002(f)(7). As proposed, the District would bill facilities by an initial flat fee, plus an additional time and materials (T&M) charge where applicable. Both the initial flat fee and T&M charge are differentiated based upon a facility's Title V status, and then tiered based on the number of permitted NOx RECLAIM sources at the facility.

CCEEB seeks that the T&M charges be capped at \$13,023 for non-Title V and \$21,067 for Title V facilities. We believe this supports the District's approach to identify the least resource intensive pathway and to minimize cost impacts during the RECLAIM transition.² It will also ensure RECLAIM permit reissuance costs are adequately recovered and also provide facilities the needed economic certainty regarding the transition.³

3-1

¹ SCAQMD PAR III referenced is dated April 4, 2018

² SCAQMD NOx RECLAIM Working Group Presentation. April 12, 2018.

³ The proposed cap on charges would provide cost recovery for up to approximately 70 hours for a non-Title V facilities and 110 hours for Title V facilities, assuming the T&M charges specified in paragraph (l)(16).

RE: PAR Reg. III

April 24, 2018

Page 2 of 2

CCEEB also agrees with other stakeholders in the need for a downward adjustment of the initial flat fee as proposed in the third tier of 20 or more permitted RECLAIM NOx sources. We understand that District staff is planning to make this adjustment to close the large disparity between the second and third initial flat fee tiers as proposed in paragraph (l)(16).

3-2

We appreciate the opportunity to provide these comments on the PAR III and look forward to continuing to engage staff in the rulemaking and broader public process. In the meantime, should you have any questions or wish to discuss our comments further, please contact me (billq@cceeb.org or 415-512-7890 ext. 115), Janet Whittick (janetw@cceeb.org or ext. 111), or Devin Richards (devinr@cceeb.org or ext. 110).

Sincerely,



Bill Quinn
CCEEB Vice President
South Coast Air Project Manager

cc: Philip Fine, SCAQMD
Jerry Secundy, CCEEB
Janet Whittick, CCEEB
Devin Richards, CCEEB
CCEEB South Coast Air Project Members

- 3-1 Response:** SCAQMD staff will continue to ensure that all fees are appropriately billed and collected, and they are no more than necessary to recover the reasonable costs of SCAQMD’s efforts. Staff believes that, at this initial stage of program transition where no facilities have exited the NOx RECLAIM program, it is premature to establish a cap or maximum of T&M charges that SCAQMD will be able to collect. For instance, if a facility has a large number of permitted RECLAIM NOx sources that will be subject to multiple command-and-control rules and compliance plan requirements, the suggested caps could potentially hinder SCAQMD’s ability to adequately recover the reasonable costs of SCAQMD staff’s evaluation hours to complete the conversion of a RECLAIM Facility Permit to a Command-and-Control Facility Permit.
- 3-2 Response:** The comment with respect to the difference in initial flat fees is addressed in Response 2-1 to the SCAQA comment letter (Comment Letter – 2). As separately discussed in Response 2-2, the fee schedules in PAR 301(I)(16) have been revised to include a lower initial flat fee based on a lower baseline number of hours for facilities with 20 or more permitted RECLAIM NOx sources. The T&M charge, which is applicable to the evaluation hours that are additional to the baseline hours, will continue to ensure the recovery of reasonable costs incurred by SCAQMD.

APPENDIX A – RULE 320

(Adopted October 29, 2010)

RULE 320. AUTOMATIC ADJUSTMENT BASED ON CONSUMER PRICE INDEX FOR REGULATION III FEES

(a) Purpose

The purpose of this rule is to automatically adjust most fees established in Regulation III by the California Consumer Price Index each year, unless a rule adopted for a specific year provides otherwise for some or all of those fees.

(b) Applicability

Effective July 1 of each calendar year after October 29, 2010, each fee set forth in Regulation III as of October 29, 2010 shall be automatically adjusted by the change in the California Consumer Price Index for the preceding calendar year, as defined in Health and Safety Code §40500.1(a).

(c) Exceptions

(1) The provisions of subdivision (b) shall not apply for any fiscal year for which a rule is adopted for a specific fee or fees or for all fees that provides for a different adjustment or no adjustment. In such a case, subdivision (b) shall again apply for the subsequent years.

(2) The provisions of subdivision (b) shall not apply to any fee which is charged for a dishonored check, which shall be as set forth by statute, nor to Rule 317, which shall instead be automatically adjusted as stated in Rule 317(d)(2).

(d) This rule shall become inoperative if the voters do not enact Proposition 26 on the November 2, 2010 ballot.

APPENDIX B – SUMMARY OF PROPOSED AMENDED RULES

Rule	Referencing	CPI	Fee Impacts	No Fee Impacts and/or Administrative Changes
301(b)(10)	Definitions- Continuous Emissions Monitoring System (CEMS)			✓
301(c)(1)(A)(iii)	Fees for Permit Processing			✓
301(c)(1)(A)(iv)*	Fees for Permit Processing			✓
301(c)(1)(C)(iii)	Higher Fee for Failing to Obtain a Permit			✓
301(c)(1)(D)	Fees for Permit Processing - Small Business			✓
301(c)(1)(E)	Fees for Permit Processing - Small Business			✓
301(c)(1)(H)	Applications Submitted for Equipment Previously Exempted by Rule 219			✓
301(c)(1)(I)	Standard Streamlined Permits	✓		✓
301(c)(3)(A)	Change of Operating Condition, Alteration/Modification/Addition	✓		✓
301(c)(3)(B)(i)	Change of Operating Condition, Alteration/Modification/Addition	✓		✓
301(c)(3)(B)(ii)	Change of Operating Condition, Alteration/Modification/Addition	✓		✓
301(c)(3)(C)	Change of Operating Condition, Alteration/Modification/Addition	✓		✓
301(c)(3)(D)	Change of Operating Condition, Alteration/Modification/Addition (Permit Reissued per Rule 109)			✓
301(c)(4)(A)	Fee for Evaluation of Applications for Emission Reductions		✓	✓

Rule	Referencing	CPI	Fee Impacts	No Fee Impacts and/or Administrative Changes
301(d)(2)	Annual Operating Fees	✓		✓
301(d)(3)(A)	Credit for Solar Energy Equipment	✓		
301(e)(4)	Flat Annual Operating Emission Fee	✓		
301(e)(5)	Emission Fee Thresholds			✓
301(e)(9)(A)	Annual Emission Report Standard Evaluation Fee	✓		
301(e)(10)(D)	Notice to Pay and Late Filing Surcharge			✓
301(e)(16)	Reporting GHG Emissions and Paying Fees	✓		
301(f)	Certified Permit Copies and Reissued Permits	✓		✓
301(g)	Reinstating Expired Applications or Permits; Surcharge	✓		✓
301(h)	Reinstating Revoked Permits			✓
301(j)(1)(A)	CEQA Document Preparation	✓		✓
301(j)(1)(B)	CEQA Document Assistance	✓		
301(j)(4)	Payment for Public Notice	✓		✓
301(j)(4)(A)	Payment for Public Notice		✓	✓
301(j)(5)(A)	Payment for Review of CEMS, FSMS, ACEMS			✓
301(j)(5)(B)(i)	Modification of an Existing Certified CEMS, FSMS, or ACEMS	✓		✓
301(j)(5)(B)(iv)	Modification of an Existing Certified CEMS, FSMS, or ACEMS	✓		
301(j)(5)(C)	Modification of CEMS, FSMS, or ACEMS Monitored Equipment	✓		
301(j)(5)(D)	Periodic Assessment of an Existing CEMS/FSMS/ACEMS	✓	✓	
301(j)(5)(E)	CEMS, FSMS, or ACEMS Change of Ownership	✓		

Rule	Referencing	CPI	Fee Impacts	No Fee Impacts and/or Administrative Changes
301(j)(6)(A)	Certification of Barbeque Charcoal Lighter Fluid	✓		
301(j)(6)(B)	Repackaging of Certified Barbeque Charcoal Igniter Products	✓		
301(j)(7)	Fees for Inter-basin, Inter-District, or Interpollutant Transfers of ERCs	✓		✓
301(j)(8)	Fees for Grid Search to Identify Hazardous Air Pollutant Emitting Facilities	✓		
301(l)(3)	Change of Operating Condition			✓
301(l)(4)(A)*	Facility Permit Fees (RECLAIM)			✓
301(l)(4)(B)*	Facility Permit Fees (RECLAIM)			✓
301(l)(4)	Facility Permit Amendment			✓
301(l)(5)	Change of Operating Condition			✓
301(l)(6)	Fee for Change of Operator			✓
301(l)(8)	Transaction Registration Fee	✓		✓
301(l)(9)	RECLAIM Pollutant Emission Fee			✓
301(l)(9)(D)	Minimum Processing Fee (RECLAIM)	✓		
301(l)(10)	Certified Permits Copies (RECLAIM)	✓		✓
301(l)(11)	Reissued Permits (RECLAIM)	✓		✓
301(l)(12)	Breakdown Emission Report Evaluation Fee (RECLAIM)	✓		✓
301(l)(14)	Mitigation of Non-Tradeable Allocation Credits (RECLAIM)	✓		✓
301(l)(15)	Evaluation Fee to Increase an Annual Allocation (RECLAIM)	✓		✓
301(l)(16)	Facility Permit Reissuance Fee for Facilities Exiting RECLAIM		✓	
301(l)(17)	Optional Conversion of Transitional RECLAIM Facility Permit		✓	

Rule	Referencing	CPI	Fee Impacts	No Fee Impacts and/or Administrative Changes
301(m)(3)(A)	Permit Processing Fees for Facilities Applying for an Initial Title V Permit (Title V)	✓		✓
301(m)(3)(B)	Permit Processing Fees for Facilities Applying for an Final Title V Permit (Title V)	✓		✓
301(m)(3)(C)	Permit Processing Fees for Facilities Applying for an Initial Title V Facility Permit (Title V)			✓
301(m)(3)(D)	Permit Processing Fees for Facilities Applying for a Final Title V Permit (Title V)			✓
301(m)(3)(E)	Permit Processing Fees for Facilities Applying for a Final Title V Permit (Title V)			✓
301(m)(4)	Permit Revision Fee (Title V)			✓
301(m)(5)	Renewal Fees (Title V)			✓
301(m)(6)*	Administrative Permit Revision Fee (Title V)			✓
301(m)(6)(A)	Public Notice Fees (Title V)		✓	✓
301(m)(7)	Public Hearing Fees (Title V)	✓		✓
301(n)(3)	Facility Permit Revision			✓
301(n)(4)	Change of Operating Condition			✓
301(n)(5)	Fee for Change of Operator (Facility Permit)			✓
301(n)(7)	Certified Permit Copies (Facility Permit)	✓		
301(n)(8)	Reissued Permits (Facility Permit)	✓		
301(q)(1)	NESHAP Evaluation Fee			✓
301(r)	Fees for Certification of Clean Air Solvents		✓	✓
301(s)	Fees for Certification of Consumer Cleaning Products Used at Institutional and Commercial Facilities		✓	✓
301(t)(4)	Duplicate of Facility Registrations	✓		

Rule	Referencing	CPI	Fee Impacts	No Fee Impacts and/or Administrative Changes
301(t)(5)	Reissued Facility Registrations	✓		
301(u)(1)	Initial Filing Fee (Rule 222)	✓		
301(u)(2)	Change of Operator/Location (Rule 222)	✓		
301(u)(3)	Annual Renewal Fee (Rule 222)	✓		
301(v)(1)	Fees for Expedited Processing (Permit Processing)	✓		✓
301(v)(2)	Fees for Expedited Processing (CEQA)	✓		
301(v)(3)	CEMS, FSMS, and ACEMS Fee (Expedited Processing)	✓		✓
301(v)(4)	Air Dispersion Modeling and HRA Fees (Expedited Processing)	✓		✓
301(v)(5)	ERC/STC Application Fees (Expedited Processing)	✓		
301(v)(6)	Procedure 4 & 5 Evaluation			✓
301(x)	Rule 1149, Rule 1166, and Rule 1466 Notification Fees	✓	✓	
301(y)(1)	Initial Certification Fee (Rules 1111,1121 and 1146.2)	✓		
301(y)(2)	Additional Fee for Modification or Extension of Families to Include a New Model(s) (Rules 1111,1121 and 1146.2)	✓		
301(z)(1)	Reverification and Performance Testing (Rule 461 No Show Fee)	✓		✓
301(z)(2)	Pre-Backfill Inspection (Rule 461 No Show Fee)	✓		✓
301(aa)	Refinery Related Community Air Monitoring System Annual Operating and Maintenance Fees		✓	✓
301 Table (Fee Rate A)	Summary Permit Fee Rates – Permit Processing, Change of Conditions, Alteration/Modification	✓		✓

Rule	Referencing	CPI	Fee Impacts	No Fee Impacts and/or Administrative Changes
301 Table (Fee Rate B)	Summary of ERC Processing Rates	✓		✓
301 Table (Fee Rate C)	Summary of Permit Fee Rates Change of Operator	✓		✓
301 Table IA	Permit Fee Rate Schedules for Control Equipment			✓
301 Table IB	Permit Fee Rate Schedules for Basic Equipment			✓
301 Table IIA	Special Processing Fees – AQ Analysis/HRA	✓		
301 Table IIB	Fee for Public Notice Publication			✓
301 Table IIC	CEMS, FSMS And ACEMS Fee Schedule	✓		
301 Table III	Emissions Fees	✓		✓
301 Table IV	Toxic Air Contaminants and Ozone Depleters	✓		✓
301 Table V	Annual Clean Fuels Fees	✓		
301 Table VI	Demolition, Asbestos and Lead Notification Fees	✓		
301 Table VII	Summary of RECLAIM and Title V Fees	✓		✓
303	Hearing Board Fees	✓		
304	Equipment, Materials, and Ambient Air Analyses	✓		
304(I)(3)		✓		✓
304.1	Hearing Board Fees	✓		
304.1(c)(3)	Continuous Non-Recording Ambient Sampling With Laboratory Analysis of Sample Collected			✓
306(b)	Definitions			✓
306(c)	Plan Filing Fee	✓		✓
306(d)	Plan Evaluation Fee	✓		
306(e)	Duplicate Plan Fee	✓		
306(f)	Inspection Fee (Plans)	✓		

Rule	Referencing	CPI	Fee Impacts	No Fee Impacts and/or Administrative Changes
306(g)	Change of Condition Fee (Plans)	✓		
306(h)	Annual Review/Renewal Fee		✓	
306(i)(1)	Payment of Fees - Plan Filing or Submittal Fee	✓	✓	✓
306(i)(5)	Expedited Processing		✓	✓
306(k)	Alternative Recordkeeping System Plan Discount			✓
306(l)	Plan Application Cancellation Fee	✓		
306(m)	Protocol/Report Evaluation Fees		✓	✓
306(q)	Optional Expedited Protocol/Report Evaluation Processing Fee		✓	✓
306(r)(1)	Regulation XXVII – Fees for Rule 2701	✓		
306(r)(2)	Regulation XXVII – Fees for Rule 2702	✓		
307.1(c)	Definitions		✓	✓
307.1(d)(2)	Flat Fees	✓	✓	
307.1(d)(3)	Special Review Fees	✓	✓	✓
307.1(d)(5)	Potentially High Risk Level Facility Fees		✓	
307.1(d)(9)(D)	Exemptions			✓
307.1(d)(9)(F)	Exemptions			✓
307.1 Table I	Facility Fees by Program Category	✓	✓	
308	On – Road Motor Vehicle Mitigation Options	✓		
309	Fees For Regulation XVI And Regulation XXV	✓		
311	Air Quality Investment Program (AQIP) Fees	✓		
313	Authority to Adjust Fees And Due Dates	✓		
313(e)(1)	Adjustment of Fees			✓

Rule	Referencing	CPI	Fee Impacts	No Fee Impacts and/or Administrative Changes
314	Fees For Architectural Coatings	✓		
315	Fees For Training Classes And License Renewals	✓		

Note: * Denotes rule section proposed for deletion.

ATTACHMENT I

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Final Socioeconomic Impact Assessment for Rule 320 - Automatic Adjustment Based on Consumer Price Index for Regulation III Fees

May 2018

Deputy Executive Officer
Planning, Rule Development & Area Sources
Philip M. Fine, Ph.D.

Assistant Deputy Executive Officer
Planning, Rule Development & Area Sources
Susan Nakamura

Authors: Anthony Oliver, Ph.D., Air Quality Specialist

Contributor: Nancy Cole, Financial Analyst

Reviewed By: Elaine Shen, Ph.D., Program Supervisor
Jillian Wong, Ph.D., Planning & Rules Manager
Donna Peterson, Financial Services Manager
Teresa Barrera, Senior Deputy District Counsel
Sheri Hanizavareh, Senior Deputy District Counsel

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
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EXECUTIVE OFFICER:

WAYNE NASTRI

EXECUTIVE SUMMARY

Rule 320 – Automatic Adjustment Based on Consumer Price Index (CPI) for Regulation III Fees requires adjustments of most fee rates in Regulation III by the California CPI annually unless the Governing Board votes to amend the rule to not require the CPI increase or requires a different increase for a given year. The October 29, 2010 SCAQMD Governing Board Resolution requires, by March 15, an assessment of the increase in fee rates based on the previous year’s CPI. A socioeconomic analysis was conducted to assess the impacts of such adjustment.¹ In addition, the analysis provides background information, historical trends of SCAQMD revenues from various fees and sectoral distributions of these fees. A summary of the analysis and findings is presented below.

Fee Increases	Pursuant to Rule 320, an across-the-board 3.4-percent increase in fee rates (equivalent to the change in the California CPI from December 2016 to December 2017) will occur on July 1, 2018 unless the Governing Board decides to forego the 3.4-percent increase.
Affected Facilities	Nearly all the facilities regulated by the SCAQMD would be affected by the proposed fee increases. These facilities belong to every sector of the economy.
Approach and Findings	<p>The analysis herein initially examines the impact of the existing Regulation III fees on various industries. The fees examined include emissions fees, permit processing fees, annual permit renewal fees, toxic hot spot fees, source testing fees, and a portion of fees under Rule 2202 – On-Road Motor Vehicle Mitigation Options. The current fee rates together with the most recent equipment and activity profiles of individual facilities were used to generate facility level fee estimates. These estimates were then aggregated to the industry level.</p> <p>The manufacturing sector is the largest contributor to SCAQMD’s emission fees (68 percent), permit processing fees (41 percent), and annual permit renewal fees (36 percent). Overall, the costs of complying with the current Regulation III rates are very small relative to the region-wide industry output or value-added (less than 0.01 percent).</p>
Impact of Fee Increase	Based on the fee categories examined in the analysis and last year’s activity levels, the across-the-board CPI-based fee rate increase <i>per se</i> is projected to bring additional revenue totaling \$2.74 million to SCAQMD. The manufacturing sector as a whole would incur the largest increase in fees (approximately \$1.20 million for about 3,700 facilities), followed by the services sector (approximately \$0.49 million for about 10,600 facilities) and the retail trade sector (approximately \$0.37 million for about 4,000 facilities). Within the manufacturing sector, the petroleum and coal products manufacturing industry, mostly comprised of refineries, will experience an increase of approximately \$0.51 million.

¹ Proposed amendments to Regulation III with fee impacts will be analyzed in a separate socioeconomic report.

INTRODUCTION

The SCAQMD General Fund is comprised of revenues from a number of sources. The majority of SCAQMD revenues are derived from emission fees, annual renewal fees, permit processing fees, and a portion of vehicle registration fees collected by the state (mobile sources/clean fuels). Other sources of revenues include Hearing Board fees, source test/analysis fees, transportation program (Rule 2202) fees, reimbursement for work associated with the AB 2588 program (toxic hot spot program), civil penalties/settlements, and other revenues.

Pursuant to Rule 320, an across-the-board 3.4-percent increase in fee rates (equivalent to the change in the California Consumer Price Index from December 2016 to December 2017) will occur on July 1, 2018 unless the Governing Board decides to forego the 3.4-percent increase. For the past five fiscal years² (FY), the annual increase in fee rates mirroring the CPI were as follows: 2.0% in 2013-2014, 1.6% in 2014-2015, 1.4% in 2015-2016, 2.4% in 2016-17, and 2.5% in 2017-2018.

In order to examine the impact of a fee rate increase on various industry sectors, this report focuses the analysis on emission fees, permit processing fees, annual permit renewal fees, toxic hot spot fees, source test fees, and a portion of Rule 2202 fees.³ Other fees that are also subject to the automatic CPI increase are area source fees and Hearing Board fees; however, they account for a relatively small portion of the total revenue.

The SCAQMD is required to undertake socioeconomic analyses by California Health and Safety Code (H&SC) Section 40440.8(a) for proposed rules and rule amendments that "will significantly affect air quality or emissions limitations". Although the proposed CPI-based fee adjustment does not satisfy this criterion, the analysis herein is presented per the October 29, 2010 Special Governing Board Resolution related to Rule 320, which directs staff to prepare, annually, a socioeconomic analysis of the impacts of an automatic adjustment in a given year.

REVENUE TREND

Table 1 lists historical revenue for two prior FYs, estimated revenue for the current FY 2017-2018, and projected revenue for FY 2018-2019 by major fee category. Estimated revenue for FY 2017-2018 is based on actual revenue received through February 2018. FY 2018-2019 projected revenue is based on forecasts estimated by various SCAQMD operational units. Emission fees, permit processing fees, and annual permit renewal fees together represent approximately 60 percent of SCAQMD's estimated total FY 2017-2018 revenues.

² A fiscal year runs from July 1 to June 30. For example, FY 2017-2018 refers to the period of July 1, 2017 to June 30, 2018. In comparison, calendar year (CY) 2017 refers to the period of January 1 to December 31, 2017.

³ Employers that are subject to Rule 2202 can choose among various compliance options, including participation in the Air Quality Investment Program (AQIP). The AQIP program fees consist of a registration fee and an investment fee, the latter of which goes to a special revenue account to obtain necessary emissions reduction or air quality benefits and is not part of the General Fund.

Compared to the estimated revenue in FY 2017-2018, a net total revenue increase of \$12.2 million is projected for FY 2018-2019, which reflects the impact of both already-adopted fee increases to be implemented this year, and the Rule 320 automatic increase, as well as the fee increases proposed in PAR III. These changes include the across-the-board CPI-based fee rate increase, a 2017 Board-approved Title V/Non-Title V fee increase, additional state funding, the forecasted changes in activity levels, and proposed amendments to Regulation III with fee impacts. This estimated revenue increase is inclusive of the CPI-based fee rate increase, the impact of which is also estimated separately in Table 6.

Table 1: Actual and Estimated SCAQMD Revenue

Revenue Category	FY 2015-2016 Actual* (Thousands)	FY 2016-2017 Actual* (Thousands)	FY 2017-2018 Estimated** (Thousands)	FY 2018-2019 Projected (Thousands)	Changes in Revenue (from FY 2017-2018 Estimated)	
					Thousands	%
					Emission Fees	\$18,985
Annual Renewal Fees (w/o PERP)	\$46,380	\$47,561	\$51,395	\$57,271	\$5,876	11.4%
Permit Processing Fees	\$17,240	\$20,729	\$18,051	\$19,857	\$1,805	10.0%
Mobile Sources/Clean Fuels	\$21,968	\$23,793	\$26,177	\$30,625	\$4,448	17.0%
Sources Test & Lab Analysis	\$683	\$734	\$756	\$782	\$26	3.4%
Hearing Board Fees	\$164	\$188	\$317	\$259	-\$58	-18.4%
Transportation Program (Rule 2202) Fees	\$892	\$840	\$920	\$951	\$31	3.4%
Other Revenue***	\$28,093	\$36,083	\$32,965	\$33,158	\$192	0.6%
Total	\$134,405	\$148,893	\$150,409	\$162,631	\$12,222	8.1%

(Note: Numbers may not sum up due to rounding.)

* Information as reported in the Comprehensive Annual Financial Reports (FYs 2015-16 & 2016-17).

** Estimates are based on actual revenue received through February 2018.

*** Other Revenues include: CARB Subvention; State and Federal Grants; Interest; Lease Income; Penalties/Settlements; Subscriptions; AB 2588 Reimbursement; Miscellaneous Revenues; Portable Equipment Registration Program (PERP); Area Sources; and Transfers In (from special revenue funds).

HISTORICAL REVENUE ANALYSIS

The following sub-sections examine the distribution of revenues from various fee categories among key industries for either FY 16-17 or CY 2017 as described below. It should be noted that this analysis has used the most recent invoiced amounts at the current fee rates to arrive at an estimated picture of the current fee revenue by industry. Thus, the figures below may differ slightly from Table 1 because data sources may reflect different time periods.

Emission Fees

For FY 17-18 emission fees account for approximately 13 percent of SCAQMD's estimated total revenue (Table 1). In May 2001, a flat emissions fee was introduced for all facilities with at least one operating permit.⁴ The flat fee implemented recommendations

⁴ Excluding equipment in Rule 222—Filing Requirements for Specific Emission Sources Not Requiring a Written Permit Pursuant to Regulation II.

by the California State Auditor in 1998, the Revenue Committee established by the Executive Officer in 2000, and the independent consultant for the Fee Structure Study—Thompson, Cobb, Bazilio & Associates (March 1999).

Table 2 shows the estimated revenue collected or to be collected from more than 21,000 facilities for flat emission fees (\$2.66 million) and emissions-based fees (\$15.16 million), the latter of which contributed approximately 85 percent of total emission fees collected.⁵ These emissions include permitted and non-permitted emissions of NO_x, SO_x, VOC, TSP, CO, and specific organic gasses (SPOG) as well as toxic air contaminants⁶ for facilities required to report their actual emissions each year. Also included were clean fuels fees for stationary sources.

The services sector (NAICS 54-81) that is made of almost 7,000 facilities contributed the highest share of the flat emission fee, contributing \$0.87 million or 33 percent of the total amount. It is followed by the retail trade sector (NAICS 44-45), with \$0.45 million paid by about 3,600 facilities. In comparison, emission-based fees were mostly collected from larger-sized businesses located within certain industry sectors. Among the 927 facilities that were subject to emission-based fees, nearly half were manufacturers (NAICS 31-33), and they contributed 78 percent of the total emission-based fees invoiced in 2017. The petroleum and coal industry (NAICS 324) alone contributed \$9.60 million to emissions-based fees, accounting for 82 percent of the manufacturing sector and 63 percent of total emissions-based fees.

⁵ Emission-based fees were derived from 2017 emissions and the invoiced amount, or the amount a facility should have paid, in Calendar Year 2017 based on the existing Rule 301 fee rates.

⁶ Listed in Table IV of Rule 301.

Table 2: Estimated Emission Fee Revenue by Industry in 2017 (MM\$)

Industry	NAICS	Flat Fee*			Emission-based Fees			Total	
		MM\$	%	# of Fac.**	MM\$	%	# of Fac.**	MM\$	%
Agriculture, Forestry, Fishing & Hunting	11	\$0.01	0.38%	81	\$0.13	0.89%	35	\$0.14	0.81%
Mining	21	\$0.03	1.16%	245	\$0.44	2.88%	72	\$0.47	2.63%
Oil and Gas Extraction	211	\$0.02	0.73%	154	\$0.21	1.39%	47	\$0.23	1.29%
Mining (except oil and gas)	212-213	\$0.01	0.43%	91	\$0.23	1.49%	25	\$0.24	1.34%
Construction	23	\$0.09	3.53%	749	\$0.04	0.27%	9	\$0.13	0.75%
Manufacturing	31-33	\$0.41	15.26%	3,240	\$11.76	77.59%	414	\$12.17	68.29%
Food Manufacturing	311	\$0.02	0.88%	187	\$0.09	0.60%	38	\$0.11	0.64%
Wood Products Manufacturing	321	\$0.01	0.32%	67	\$0.01	0.04%	4	\$0.01	0.08%
Petroleum and Coal Products Mfg.	324	\$0.01	0.42%	90	\$9.59	63.25%	39	\$9.60	53.88%
Chemical Manufacturing	325	\$0.04	1.45%	308	\$0.26	1.69%	45	\$0.30	1.66%
Nonmetallic Mineral Product Mfg.	327	\$0.03	1.03%	219	\$0.47	3.11%	24	\$0.50	2.80%
Primary & Fabricated Metal Mfg.	331-332	\$0.10	3.59%	764	\$0.41	2.68%	95	\$0.50	2.82%
Machinery Manufacturing	333	\$0.02	0.78%	166	\$0.03	0.18%	5	\$0.05	0.27%
Computer and Electronic Product Mfg.	334	\$0.03	1.12%	238	\$0.03	0.21%	18	\$0.06	0.34%
Electrical Equipment & Appliance Mfg.	335	\$0.01	0.51%	109	\$0.01	0.09%	10	\$0.03	0.15%
Motor Vehicle & Trans. Equipment Mfg.	336	\$0.03	0.99%	211	\$0.09	0.61%	28	\$0.12	0.66%
Other Manufacturing	312-339	\$0.11	4.16%	881	\$0.78	5.14%	108	\$0.89	4.99%
Utilities	22	\$0.13	4.76%	1,010	\$0.98	6.43%	79	\$1.10	6.18%
Transportation & Warehousing	48-49	\$0.07	2.55%	542	\$0.37	2.41%	30	\$0.43	2.43%
Information	51	\$0.08	3.15%	671	\$0.02	0.11%	6	\$0.10	0.57%
Publishing Industries, Except Internet	511	\$0.00	0.11%	23	\$0.00	0.01%	1	\$0.00	0.03%
Motion Picture & Sound Recording	512	\$0.01	0.29%	62	\$0.02	0.10%	5	\$0.02	0.13%
Internet Services and data processing	518, 519	\$0.01	0.25%	52	\$0.00	0.00%	0	\$0.01	0.04%
Other Information	Other in 51	\$0.07	2.51%	534	\$0.00	0.00%	0	\$0.07	0.37%
Wholesale Trade	42	\$0.13	4.84%	1,027	\$0.25	1.63%	48	\$0.38	2.11%
Retail Trade	44-45	\$0.45	16.95%	3,589	\$0.22	1.42%	70	\$0.67	3.74%
Car & Parts Dealers	441	\$0.03	1.28%	271	\$0.00	0.02%	4	\$0.04	0.20%
Gas Stations	447	\$0.21	8.08%	1,708	\$0.07	0.48%	15	\$0.29	1.62%
Other Retail Trade	Other in 44-45	\$0.20	7.59%	1,610	\$0.14	0.92%	51	\$0.34	1.92%
Finance and Insurance	52	\$0.04	1.39%	296	\$0.00	0.01%	2	\$0.04	0.21%
Real Estate and Rental Leasing	53	\$0.13	4.82%	1,025	\$0.00	0.02%	3	\$0.13	0.74%
Services	54-81	\$0.87	32.91%	6,987	\$0.81	5.34%	138	\$1.68	9.45%
Professional and Technical Services	54	\$0.07	2.58%	547	\$0.01	0.03%	12	\$0.07	0.41%
Accommodation	721	\$0.03	1.00%	211	\$0.00	0.00%	0	\$0.03	0.15%
Food Services & Drinking Places	722	\$0.02	0.64%	137	\$0.00	0.01%	3	\$0.02	0.10%
Automotive Repairs & Maintenance	8111	\$0.24	9.12%	1,935	\$0.01	0.08%	4	\$0.25	1.42%
Dry Cleaning & Laundry Services	8123	\$0.13	4.98%	1,054	\$0.00	0.00%	3	\$0.13	0.74%
Health Care & Social Assistance	62	\$0.09	3.55%	754	\$0.11	0.72%	46	\$0.20	1.14%
Other Services	Other in 54-81	\$0.29	11.05%	2,349	\$0.68	4.50%	70	\$0.98	5.48%
Public Administration	92	\$0.18	6.87%	1,456	\$0.13	0.83%	17	\$0.31	1.73%
Unclassified***	N/A	\$0.04	1.43%	304	\$0.02	0.16%	4	\$0.06	0.35%
Totals		\$2.66	100%	21,222	\$15.16	100%	927	\$17.82	100%

* Flat emission fees based on FY 16-17.

** Almost all facilities paying emission-based fees also pay the flat fee.

*** Facilities with no NAICS codes assigned are categorized as "unclassified."

Permit Processing Fees and Annual Permit Renewal Fees

Permit processing and annual permit renewal fees by industry are shown in Table 3. Applicants for permits to construct/operate equipment listed in Rule 301 pay a permit processing fee which varies by equipment type and size. Permit fees also include other charges based on additional time and materials billed for SCAQMD staff time (if specified by the applicable rule), and other fees as required (modeling, Title V fees, CEQA analysis fees, etc.) The fee, except for time and material fees, is paid at the beginning of the permit application process. Variances in permit processing fee amounts between Table 3 - Estimated Permit Processing & Annual Permit Renewal Fee Revenue by Industry and Table 1 – Actual and Estimated SCAQMD Revenue reflect the fact that application fees are collected at time of application, but are recognized as revenues at the time the majority of permit work is completed.

As Table 3 indicates, an estimated total of \$12.29 million from about 4,300 facilities that applied for permits to construct or operate was invoiced during FY 2016-2017. It should be noted that a facility could apply for multiple permits. As with emission fees, the majority of the permit processing fee revenue came from the manufacturing sector. It contributed \$5.00 million, or 41 percent, of the total revenue in this fee category, followed by the services sector with \$2.46 million (20 percent).

Operating permits must be renewed annually. An annual fee is assessed on the renewed permits to support continuing SCAQMD inspection and compliance activities and other permit related activities. Approximately 27,000 facilities held operating permits as of March 6, 2017. The revenue from these facilities at the current fee rate is estimated to be \$47.54 million (Table 3). The manufacturing sector, with nearly 4,000 facilities, was the largest contributor, paying \$17.25 million or 36 percent of the total annual renewal fee revenue. The service sector with more than 10,000 facilities paid about \$9.20 million and the retail trade sector with about 4,000 facilities paid about \$8 million.

Area Source Fees (Architectural Coatings)

Rule 314 – Fees for Architectural Coatings, was adopted on June 6, 2008 requiring manufacturers to pay fees, as well as report sales and emissions of architectural coatings to the SCAQMD. The rule affects about 200 architectural coatings manufacturers. Beginning in 2009 and each subsequent calendar year, Rule 314 requires architectural coatings manufacturers to report to SCAQMD the total annual quantity (in gallons) and emissions of each of their architectural products distributed or sold into or within the SCAQMD for use in the SCAQMD during the previous calendar year. Fees are assessed on the manufacturers' reported annual quantity of architectural coatings as well as the cumulative VOC emissions from the reported annual quantity of coatings. All fees collected from architectural coating sales in FY 2016-2017 pursuant to Rule 314 were about \$2.1 million which is around 1.4 percent of the SCAQMD's total revenue for that FY. These fees are collected from paint manufacturers who are classified under the chemical manufacturing sector (NAICS 325).

Table 3: Estimated Permit Processing & Annual Permit Renewal Fee Revenue by Industry (\$MM)

Industry	NAICS	Permit Processing Fees ¹			Annual Permit Renewal Fees ²		
		MM\$	%	# of Fac.	MM\$	%	# of Fac.
Agriculture, Forestry, Fishing & Hunting	11	\$0.05	0.43%	20	\$0.14	0.29%	114
Mining	21	\$0.23	1.88%	63	\$1.38	2.90%	340
Oil and Gas Extraction	211	\$0.10	0.82%	34	\$0.99	2.09%	223
Mining (except oil and gas)	212-213	\$0.13	1.06%	29	\$0.39	0.82%	117
Construction	23	\$0.49	4.00%	202	\$1.33	2.79%	1,072
Manufacturing	31-33	\$5.00	40.67%	696	\$17.25	36.29%	3,715
Food Manufacturing	311	\$0.35	2.88%	61	\$1.37	2.87%	231
Wood Products Manufacturing	321	\$0.01	0.05%	5	\$0.08	0.16%	82
Petroleum and Coal Products Mfg.	324	\$0.89	7.25%	37	\$4.36	9.17%	98
Chemical Manufacturing	325	\$0.44	3.58%	85	\$1.94	4.07%	352
Nonmetallic Mineral Product Mfg.	327	\$0.18	1.48%	28	\$1.21	2.55%	234
Primary & Fabricated Metal Mfg.	331-332	\$1.41	11.49%	166	\$3.44	7.23%	846
Machinery Manufacturing	333	\$0.18	1.47%	32	\$0.38	0.80%	204
Computer and Electronic Product Mfg.	334	\$0.18	1.46%	55	\$0.73	1.53%	275
Electrical Equipment & Appliance Mfg.	335	\$0.13	1.04%	23	\$0.43	0.90%	124
Motor Vehicle & Trans. Equipment Mfg.	336	\$0.48	3.94%	48	\$0.89	1.88%	241
Other Manufacturing	312-339	\$0.74	6.03%	156	\$2.44	5.12%	1,028
Utilities	22	\$1.04	8.45%	114	\$2.16	4.54%	1,042
Transportation & Warehousing	48-49	\$0.43	3.49%	97	\$1.32	2.78%	632
Information	51	\$0.17	1.38%	86	\$0.50	1.06%	747
Publishing Industries, Except Internet	511	\$0.05	0.39%	9	\$0.05	0.10%	34
Motion Picture & Sound Recording	512	\$0.03	0.28%	16	\$0.13	0.28%	76
Internet Services and data processing	518,519	\$0.01	0.06%	16	\$0.05	0.10%	55
Other Information	Other in 51	\$0.08	0.65%	45	\$0.27	0.58%	582
Wholesale Trade	42	\$0.44	3.58%	169	\$2.70	5.67%	1,205
Retail Trade	44-45	\$1.20	9.73%	882	\$8.62	18.13%	3,979
Car & Parts Dealers	441	\$0.09	0.74%	38	\$0.23	0.49%	302
Gas Stations	447	\$0.52	4.19%	272	\$5.86	12.32%	1,821
Other Retail Trade	Other in 44-45	\$0.59	4.80%	572	\$2.53	5.32%	1,856
Finance and Insurance	52	\$0.09	0.75%	67	\$0.32	0.67%	356
Real Estate and Rental Leasing	53	\$0.28	2.25%	160	\$0.96	2.02%	1,170
Services	54-81	\$2.46	20.06%	1,444	\$9.20	19.34%	10,634
Professional and Technical Services	54	\$0.48	3.93%	178	\$1.14	2.41%	793
Accommodation	721	\$0.06	0.46%	51	\$0.22	0.46%	272
Food Services & Drinking Places	722	\$0.10	0.82%	134	\$0.64	1.35%	2,378
Automotive Repairs & Maintenance	8111	\$0.38	3.11%	230	\$1.65	3.48%	2,271
Dry Cleaning & Laundry Services	8123	\$0.08	0.68%	114	\$0.54	1.14%	1,239
Health Care & Social Assistance	62	\$0.25	2.05%	145	\$1.12	2.35%	830
Other Services	Other in 54-81	\$1.11	9.01%	592	\$3.88	8.16%	2,851
Public Administration	92	\$0.28	2.31%	156	\$1.11	2.34%	1,529
Unclassified*	N/A	\$0.13	1.04%	102	\$0.56	1.17%	398
Totals		\$12.29	100%	4,258	\$47.54	100%	26,933

¹ Based on permit applications in FY 2016-2017.

² Based on permits held on March 6, 2018.

* Facilities with no NAICS codes assigned are categorized as "unclassified."

Toxic Hot Spots Fees

AB 2588 toxic hot spots fees are calculated based on health risks and priority scores. The most recent invoiced revenue for FY 2016-2017 was approximately \$1.67 million (Table

4). The services sector's share of this total was 35 percent, followed by manufacturing (30 percent) and retail trade (21 percent).

Source Testing Fees

The revenue from source testing fees is based on the invoiced source test fees during FY 2016-2017. During this period of time, the source test fee revenue from Rules 304 and 304.1 was \$0.53 million (Table 4). The manufacturing sector accounted for 56 percent of this revenue, followed by services (17 percent).

Rule 2202 Fees

Rule 2202 – On-Road Motor Vehicle Mitigation Options applies to employers with 250 or more employees in the SCAQMD's jurisdiction. It provides employers with three compliance options: (1) the Employee Commute Reduction Program (ECRP); (2) emission reduction strategies (ERS) such as the use of clean fuel vehicles, re-powering of diesel engine marine vessels, and vehicle scrapping; and (3) the AQIP. Employers choosing the ECRP option pay a plan review fee to the SCAQMD at the time they file their ECRP Plan. Employers choosing an ERS pay a registration fee. Employers choosing to invest in AQIP pay a registration fee and an investment fee. The investment fee portion goes to a special revenue account which is not part of the General Fund.

The revenue from Rule 2202 fees herein is based on the invoiced Rule 2202 fees during FY 2016-2017. A total of \$0.83 million was collected from Rule 2202 fees for ECRP, ERS, and AQIP registration fees. The services sector accounted for approximately 35 percent of the estimated Rule 2202 fee revenue. Unlike many of the other fee categories, only 14 percent of the revenue came from the manufacturing sector.

Table 4: Estimated Source Testing and Toxic Hot Spot Fees by Industry (\$MM)

Industry	NAICS	Source Testing Fees			Toxic Hot Spots Fees		
		MMS\$	%	# of Fac.	MMS\$	%	# of Fac.
Agriculture, Forestry, Fishing & Hunting	11	\$0.00	0.26%	2	\$0.00	0.00%	0
Mining	21	\$0.01	2.12%	11	\$0.01	0.46%	72
Oil and Gas Extraction	211	\$0.01	1.83%	9	\$0.01	0.37%	47
Mining (except oil and gas)	212-213	\$0.00	0.30%	2	\$0.00	0.09%	25
Construction	23	\$0.01	1.25%	8	\$0.03	1.65%	9
Manufacturing	31-33	\$0.30	56.47%	192	\$0.49	29.56%	414
Food Manufacturing	311	\$0.03	5.20%	20	\$0.00	0.08%	38
Wood Products Manufacturing	321	\$0.00	0.00%	0	\$0.00	0.04%	4
Petroleum and Coal Products Mfg.	324	\$0.05	10.22%	17	\$0.07	4.47%	39
Chemical Manufacturing	325	\$0.01	2.71%	14	\$0.02	1.39%	45
Nonmetallic Mineral Product Mfg.	327	\$0.00	0.54%	5	\$0.01	0.30%	24
Primary & Fabricated Metal Mfg.	331-332	\$0.12	22.72%	67	\$0.21	12.61%	95
Machinery Manufacturing	333	\$0.02	3.01%	8	\$0.02	1.18%	5
Computer and Electronic Product Mfg.	334	\$0.00	0.46%	3	\$0.02	0.94%	18
Electrical Equipment & Appliance Mfg.	335	\$0.01	2.14%	6	\$0.02	1.25%	10
Motor Vehicle & Trans. Equipment Mfg.	336	\$0.02	3.88%	19	\$0.04	2.57%	28
Other Manufacturing	312-339	\$0.03	5.58%	33	\$0.08	4.74%	108
Utilities	22	\$0.07	12.78%	32	\$0.05	3.04%	79
Transportation & Warehousing	48-49	\$0.01	1.75%	6	\$0.02	1.09%	30
Information	51	\$0.00	0.21%	2	\$0.01	0.42%	6
Publishing Industries, Except Internet	511	\$0.00	0.00%	0	\$0.00	0.11%	1
Motion Picture & Sound Recording	512	\$0.00	0.00%	0	\$0.00	0.22%	5
Internet Services and data processing	518,519	\$0.00	0.21%	2	\$0.00	0.03%	0
Other Information	Other in 51	\$0.00	0.00%	0	\$0.00	0.06%	0
Wholesale Trade	42	\$0.02	3.62%	16	\$0.07	3.97%	48
Retail Trade	44-45	\$0.01	1.67%	9	\$0.35	21.10%	70
Car & Parts Dealers	441	\$0.00	0.33%	2	\$0.03	1.79%	4
Gas Stations	447	\$0.00	0.86%	3	\$0.23	13.96%	15
Other Retail Trade	Other in 44-45	\$0.00	0.47%	4	\$0.09	5.34%	51
Finance and Insurance	52	\$0.00	0.09%	1	\$0.01	0.39%	2
Real Estate and Rental Leasing	53	\$0.01	0.97%	4	\$0.02	1.02%	3
Services	54-81	\$0.09	16.80%	60	\$0.58	34.55%	138
Professional and Technical Services	54	\$0.02	3.72%	11	\$0.02	1.09%	12
Accommodation	721	\$0.00	0.17%	1	\$0.00	0.06%	0
Food Services & Drinking Places	722	\$0.00	0.23%	2	\$0.00	0.23%	3
Automotive Repairs & Maintenance	8111	\$0.01	0.98%	7	\$0.37	22.38%	4
Dry Cleaning & Laundry Services	8123	\$0.00	0.93%	3	\$0.10	6.14%	3
Health Care & Social Assistance	62	\$0.02	4.04%	10	\$0.01	0.40%	46
Other Services	Other in 54-81	\$0.04	6.75%	26	\$0.07	4.24%	70
Public Administration	92	\$0.00	0.69%	5	\$0.00	0.24%	17
Unclassified*	N/A	\$0.01	1.30%	4	\$0.04	2.51%	4
Totals		\$0.53	100%	352	\$1.67	100%	927

* Facilities with no NAICS codes assigned are categorized as "unclassified."

Major Revenue Sources by Industry

Approximately 61 percent of the SCAQMD's FY 2017-2018 estimated revenue comes from the following major revenue categories: emission fees, permit processing fees, annual permit renewal fees, toxic hot spot fees, source test fees, and a portion of Rule 2202 fees. The amount of these total fee revenues incurred by the major economic sectors is shown in Table 5. These total fee revenues were estimated based on recent invoiced amounts at

current fee rates. Thus, these figures may differ slightly from those in Table 1, which are based on actual revenue received.

Table 5: Revenues from Major Fee Categories by Sector

Sector	NAICS	Revenues from Permit and Emission-based Fees (MM\$)
Agriculture, Forestry, Fishing & Hunting	11	\$0.34
Mining	21	\$2.10
Construction	23	\$1.99
Manufacturing	31-33	\$35.33
Utilities	22	\$4.43
Transportation & Warehousing	48-49	\$2.25
Information	51	\$0.81
Wholesale Trade	42	\$3.63
Retail Trade	44-45	\$10.96
Finance and Insurance	52	\$0.50
Real Estate and Rental Leasing	53	\$1.40
Services	54-81	\$14.30
Public Administration	92	\$1.83
Unclassified*	N/A	\$0.80
Total		\$80.68

The Manufacturing sector (NAICS 31-33) provides the greatest amount of fee revenue for FY 16-17 at about \$35.33 million, which is a 44 percent share of fee revenues (Figure 1). This is followed by the services sector (NAICS 54-81), providing about \$14.30 million, representing a 18 percent share, and the retail trade sector (NAICS 44-45), providing \$10.96 million, representing a 14 percent share.

Figure 1: Share of Major Fee Revenue by Sector

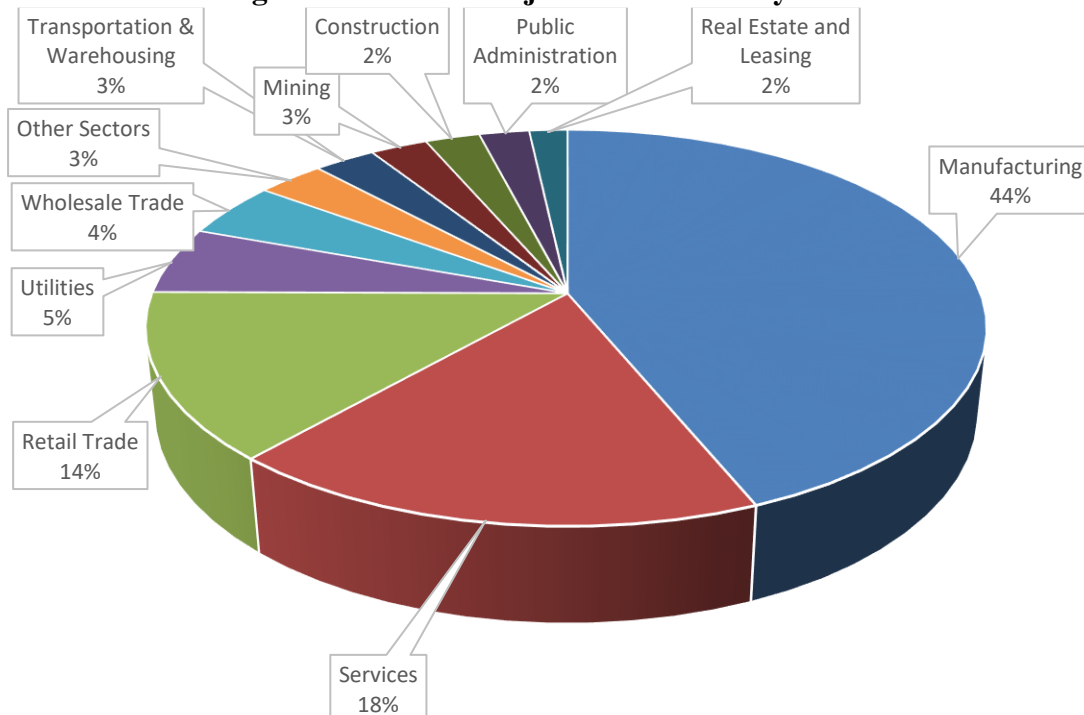


Table 6 shows the percentage of fees from these categories relative to each industry's total (gross) output and value-added to evaluate them relative to different economic measures of industries within SCAQMD's jurisdiction.⁷ Value-added is a measure of compensation of employees, production taxes less subsidies, and gross operating surplus; thus to a certain degree reflects each industry's profit margin. Collectively, revenue from these fees is estimated to amount to approximately \$80.68 million, based on invoiced amounts at the current fee rates.

As shown in Table 6, the amount of fees paid by each industry is relatively small compared to that industry's regional output or value-added. This is the case for both industries which are predominantly comprised of small businesses, such as retail trade, and for industries predominately comprised of large businesses, such as refineries.

The petroleum and coal products manufacturing industry (NAICS 324) paid a total of \$14.99 million in various fees, which represented six hundredths of one percent of the sector's output and about a quarter of a percent of the sector's value-added. Other industries that also paid among the highest amount of fees relative to their outputs or value-added were the pipeline transportation industry (NAICS 486), the mining industry (NAICS 212), the nonmetallic mineral product manufacturing industry (NAICS 327), and primary metal manufacturing (NAICS 331). Overall, SCAQMD's fee revenue, as a whole, represented less than one-hundredth of one percent of the aggregate industry output or value-added in the four-county region.

Table 6: Share of Major Revenue by Detailed Industry

Industry Sector	NAICS	MM\$	% of Total Fees	% of Total Output	% of Total Value-Added
Farm (Agricultural Products)	111-112	\$0.28	0.35%	0.01%	0.01%
Agriculture & Forestry support activities	115	\$0.06	0.07%	0.01%	0.01%
Oil & Gas Extraction	211	\$1.34	1.66%	0.04%	0.05%
Mining (except oil and gas)	212	\$0.55	0.69%	0.06%	0.10%
Support Activities for Mining	213	\$0.21	0.25%	0.05%	0.07%
Utilities	22	\$4.43	5.49%	0.04%	0.05%
Construction	23	\$1.99	2.47%	0.00%	0.01%
Wood Products Mfg.	321	\$0.10	0.12%	0.01%	0.02%
Nonmetallic Mineral Product Mfg.	327	\$1.90	2.36%	0.06%	0.14%
Primary Metal Mfg.	331	\$1.63	2.03%	0.03%	0.13%
Fabricated Metal Product Mfg.	332	\$4.06	5.03%	0.02%	0.05%
Machinery Manufacturing	333	\$0.65	0.80%	0.01%	0.02%
Computer & Electronic Product Mfg.	334	\$1.01	1.25%	0.00%	0.00%
Electrical Equipment & Appliance Mfg.	335	\$0.62	0.77%	0.01%	0.03%
Motor Vehicle Mfg.	3361-3363	\$0.37	0.46%	0.01%	0.02%
Transport Equip. Mfg. Excl. Motor Veh.	3364-3369	\$1.22	1.51%	0.00%	0.01%
Furniture & Related Product Mfg.	337	\$0.31	0.39%	0.01%	0.02%
Miscellaneous Mfg.	339	\$0.56	0.70%	0.00%	0.01%
Food Mfg.	311	\$1.87	2.32%	0.01%	0.04%
Beverage and Tobacco Product Mfg.	312	\$0.35	0.43%	0.00%	0.01%
Textile & Textile Product Mills	313-314	\$0.43	0.54%	0.01%	0.05%
Apparel, Leather & Allied Product Mfg.	315-316	\$0.05	0.07%	0.00%	0.00%
Paper Mfg.	322	\$0.55	0.68%	0.01%	0.04%

⁷Output and Value-added data for 2015, the most recent historical data, by detailed industry were compiled by Regional Economic Modeling, Inc. (REMI) in 2017 year dollars.

Industry Sector	NAICS	MMS\$	% of Total Fees	% of Total Output	% of Total Value-Added
Printing & Related Support Activities	323	\$0.50	0.62%	0.01%	0.02%
Petroleum and Coal Products Mfg.	324	\$14.99	18.57%	0.06%	0.26%
Chemical Mfg.	325	\$2.72	3.37%	0.01%	0.02%
Plastics and Rubber Products Mfg.	326	\$1.44	1.78%	0.02%	0.05%
Wholesale Trade	42	\$3.63	4.50%	0.00%	0.00%
Retail Trade	44-45	\$10.96	13.59%	0.01%	0.02%
Air Transportation	481	\$0.06	0.08%	0.00%	0.00%
Rail Transportation	482	\$0.02	0.02%	0.00%	0.00%
Water Transportation	483	\$0.01	0.02%	0.00%	0.00%
Truck Transportation	484	\$0.20	0.24%	0.00%	0.00%
Couriers & Messengers	491-492	\$0.04	0.05%	0.00%	0.00%
Transit & Ground passenger Transportation	485	\$0.10	0.12%	0.00%	0.01%
Pipeline Transportation	486	\$0.67	0.83%	0.21%	0.29%
Scenic & Sightseeing Transportation	487-488	\$0.86	1.06%	0.01%	0.01%
Warehousing & Storage	493	\$0.30	0.37%	0.00%	0.01%
Publishing Industries, Except Internet	511	\$0.11	0.13%	0.00%	0.00%
Motion Picture & Sound Recording Industries	512	\$0.20	0.25%	0.00%	0.00%
Internet Services & Data Processing	518-519	\$0.07	0.09%	0.00%	0.00%
Broadcasting, Except Internet	515	\$0.09	0.11%	0.00%	0.00%
Telecommunications	517	\$0.34	0.42%	0.00%	0.00%
Monetary Authorities	521-522, 525	\$0.20	0.25%	0.00%	0.00%
Securities, Commodity Contracts, Investments	523	\$0.22	0.27%	0.00%	0.00%
Insurance Carriers & Related Activities	524	\$0.09	0.11%	0.00%	0.00%
Real Estate	531	\$1.11	1.38%	0.00%	0.00%
Rental & Leasing Services	532-533	\$0.29	0.36%	0.00%	0.00%
Professional and Technical Services	54	\$1.77	2.19%	0.00%	0.00%
Management of Companies & Enterprises	55	\$0.05	0.06%	0.00%	0.00%
Administrative & Support Services	561	\$1.50	1.86%	0.00%	0.00%
Waste Management & Remediation Services	562	\$1.80	2.23%	0.04%	0.08%
Education Services	61	\$1.26	1.56%	0.01%	0.01%
Ambulatory Health Care Services	621	\$0.54	0.67%	0.00%	0.00%
Hospitals	622	\$0.89	1.11%	0.00%	0.01%
Nursing & Residential Care Facilities	623	\$0.17	0.21%	0.00%	0.00%
Social Assistance	624	\$0.11	0.13%	0.00%	0.00%
Performing Arts & Spectator Sports	711	\$0.08	0.10%	0.00%	0.00%
Museums, Historical Sites, Zoos, and Parks	712	\$0.03	0.04%	0.00%	0.01%
Amusement, Gambling, and Recreation	713	\$0.39	0.48%	0.00%	0.01%
Accommodation	721	\$0.33	0.41%	0.00%	0.01%
Food Services & Drinking Places	722	\$0.78	0.96%	0.00%	0.00%
Repair & Maintenance	811	\$3.11	3.86%	0.02%	0.03%
Personal & Laundry Services	812	\$1.18	1.46%	0.01%	0.01%
Membership Associations and Organizations	813	\$0.31	0.39%	0.00%	0.01%
Government	92	\$1.83	2.27%	0.00%	0.00%
Unclassified*	N/A	\$0.80	0.99%		
Totals		\$80.68	100%	0.005%	0.007%

*Facilities with no NAICS codes assigned are categorized as "unclassified."

REVENUE IMPACTS OF PROPOSED FEE RATE INCREASE BY INDUSTRY

Rule 320 requires annual adjustment of most fee rates in Regulation III by an amount equal to the change in CPI, which is 3.4 percent for the period of December 2016 to December 2017 unless the Board decides in a rulemaking hearing to forgo the CPI increase. In order to analyze only the impact of the CPI-based increase, the estimation is based on FY 16-17 emissions and the current equipment and activity profile of individual facilities. Thus, this estimate excludes any other changes to revenue, such as Title V/Non-Title V fee increase, additional state funding, and changes in activity levels, as discussed in the Revenue Trend section. Based on this methodology, the fee rate increases from the 3.4 percent CPI increase are estimated to increase total SCAQMD revenue by approximately \$2.74 million. This estimate is only for the CPI-based increase and thus differs from the estimate in Table 1, for reasons discussed above.⁸

Table 7 shows the distribution of these fee changes across the affected industries. It includes the majority subset of the fees subject to the CPI-based rate increase. They include emission fees, permit processing fees, annual permit renewal fees, AB 2588 fees, source test fees, and a portion of Rule 2202 fees.

The manufacturing sector as a whole would experience the largest increase in fees (approximately \$1.20 million for about 3,700 facilities), followed by the services sector (approximately \$0.48 million for about 10,600 facilities), the retail trade sector (approximately \$0.37 million for about 4,000 facilities), with the remaining sectors accounting for \$0.68 million. Within the manufacturing sector, the petroleum and coal products manufacturing industry, mostly comprised of refineries, will have an increase of around \$0.51 million, or over 18 percent of the overall increase.

SUMMARY

The above analysis provides background information on SCAQMD's revenue and summarizes the economic impact on facilities regulated by SCAQMD due to the automatic consumer price index (Rule 320) increase. Based on the fee categories examined in the analysis and last year's activity levels, SCAQMD revenues are expected to increase by \$2.74 million as a result of this fee rate increase. However, the amount of SCAQMD fees paid by each industry remained small relative to the industry's economic output or value-added (less than 0.01 percent overall).

⁸ A socioeconomic assessment of proposed amendments to Regulation III with fee impacts will be released at least 30 days prior to the public hearing, which is currently scheduled for May 4, 2018.

Table 7: Revenue Impact of the Fee Rate Increase by Industry Sector

Industry	NAICS	Estimated Number of Affected Facilities	Revenue Change Due to 3.4% CPI Adjustment	Percent of Total CPI Increase
Agriculture, Forestry, Fishing & Hunting	111-115	114	\$11,512	0.42%
Mining	21	340	\$71,309	2.60%
Oil and Gas Extraction	211	223	\$45,502	1.66%
Mining (except oil and gas)	212-213	117	\$25,807	0.94%
Construction	23	1,072	\$67,626	2.47%
Manufacturing	31-33	3,715	\$1,201,262	43.79%
Food Manufacturing	311	231	\$63,693	2.32%
Wood Products Manufacturing	321	82	\$3,335	0.12%
Petroleum and Coal Products Mfg.	324	98	\$509,491	18.57%
Chemical Manufacturing	325	352	\$92,367	3.37%
Nonmetallic Mineral Product Mfg.	327	234	\$64,655	2.36%
Primary & Fabricated Metal Mfg.	331-332	846	\$193,653	7.06%
Machinery Manufacturing	333	204	\$21,988	0.80%
Computer and Electronic Product Mfg.	334	275	\$34,205	1.25%
Electrical Equipment & Appliance Mfg.	335	124	\$21,156	0.77%
Motor Vehicle & Trans. Equipment Mfg.	336	241	\$53,892	1.96%
Other Manufacturing	312-339	1,028	\$142,827	5.21%
Utilities	22	1,042	\$150,505	5.49%
Transportation & Warehousing	48-49	632	\$76,660	2.79%
Information	51	747	\$27,664	1.01%
Publishing Industries, Except Internet	511	34	\$3,635	0.13%
Motion Picture & Sound Recording	512	76	\$6,862	0.25%
Internet Services and data processing	518, 519	55	\$2,534	0.09%
Other Information	Other in 51	582	\$14,633	0.53%
Wholesale Trade	42	1,205	\$123,528	4.50%
Retail Trade	44-45	3,979	\$372,734	13.59%
Car & Parts Dealers	441	302	\$13,498	0.49%
Gas Stations	447	1,821	\$234,605	8.55%
Other Retail Trade	Other in 44-45	1,856	\$124,632	4.54%
Finance and Insurance	52	356	\$17,140	0.62%
Real Estate and Rental Leasing	53	1,170	\$47,568	1.73%
Services	54-81	10,634	\$486,173	17.72%
Professional and Technical Services	54	793	\$60,077	2.19%
Accommodation	721	272	\$11,311	0.41%
Food Services & Drinking Places	722	2,378	\$26,378	0.96%
Automotive Repairs & Maintenance	8111	2,271	\$90,733	3.31%
Dry Cleaning & Laundry Services	8123	1,239	\$29,480	1.07%
Health Care & Social Assistance	62	830	\$58,231	2.12%
Other Services	Other in 54-81	2,851	\$209,964	7.65%
Public Administration	92	1,529	\$62,167	2.27%
Unclassified*	N/A	398	\$27,127	0.99%
Totals		26,933	\$2,742,975	100%

*Facilities with no NAICS codes assigned are categorized as "unclassified."

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ATTACHMENT J

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

Final Socioeconomic Impact Assessment of Proposed Amended Regulation III - Fees

May 2018

Deputy Executive Officer
Planning, Rule Development & Area Sources
Philip M. Fine, Ph.D.

Assistant Deputy Executive Officer
Planning, Rule Development & Area Sources
Susan Nakamura

Author: Anthony Oliver, Ph.D., Air Quality Specialist

Contributors: Glenn Kasai, Air Quality Engineer II
Payam Pakbin, Ph.D., Air Quality Specialist
Brad Parrack, Principal Air Quality Chemist
Janice West, Air Quality Engineer II

Reviewed By: Elaine Shen, Ph.D., Program Supervisor
Jillian Wong, Ph.D., Planning & Rules Manager
Donna Peterson, Financial Services Manager
Teresa Barrera, Senior Deputy District Counsel
Sheri Hanizavareh, Senior Deputy District Counsel

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
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Supervisor, Second District
County of San Bernardino

HILDA L. SOLIS
Supervisor, First District
County of Los Angeles

EXECUTIVE OFFICER:

WAYNE NASTRI

EXECUTIVE SUMMARY

A socioeconomic analysis was conducted to assess the potential impacts of Proposed Amended Regulation (PAR) III – Fees. This assessment provides analysis of the proposed amendments to Regulation III with fee impacts other than the CPI-based increase. It includes the estimated fee impacts by proposed amendment and by industry. It also includes a macroeconomic impact analysis, which projects how PAR III would impact the regional economy. A summary of the analysis and findings is presented below.

A separate socioeconomic analysis has been conducted to assess the potential impacts of the Rule 320 - Automatic Adjustment of Fees Based on Consumer Price Index (CPI), which was released on March 14, 2018. This CPI-based fee increase adjusts fees for the cost of inflation, thereby holding the real (adjusted for inflation) fee amount constant over time. The regional economic impact analysis included in this assessment is based on the real dollar value of fees, therefore it assumes the implementation of Rule 320 in all years of the analysis horizon.

<p>Proposed Amendment with Fee Impacts</p>	<p>Fee increases are estimated for the following proposed amendments:</p> <ul style="list-style-type: none"> • Refinery-Related Community Air Monitoring System Annual Operation and Maintenance (O&M) Fees • Rule 1466 Notification Fees • Facility Permit Reissuance Fees for RECLAIM Transition • Periodic Assessment Fees for an Existing Non-RECLAIM Continuous Emissions Monitoring Systems (CEMS), Fuel Sulfur Monitoring Systems (FSMS), or Alternative Continuous Emission Monitoring Systems (ACEMS) • Clean Air Solvent (CAS) and Clean Air Choices Cleaner (CACC) Certification Fees • Annual Review/Renewal Fee for Rule 1105.1, Rule 1118, and Rule 1123 Compliance Plans • Public Notice Publication Fees • Fees for Optional Catalyst Equivalency Evaluation • AB 2588 Potentially High Risk Level Facility Fees • AB 2588 Special Review Fees
<p>Affected Industries</p>	<p>The industries affected by PAR III vary by proposed amendment. Overall, the proposed amendments would potentially affect every sector of the regional economy. The greatest number of potentially affected facilities are estimated to be in the manufacturing sector (NAICS 31-33), followed by the utilities sector (NAICS 22) and services sectors (NAICS 54-81).</p>

<p>Estimated Fee Increases</p>	<p>Based on the proposed amendments evaluated in this analysis, the overall fee impact of PAR III is estimated to be \$1.29 million in Fiscal Year (FY) 2018-19, \$5.82 million in FY 2019-20, and \$4.99 million in FY 2020-21 and thereafter. The large increase from FY 2019-20 to FY 2020-21 results from the beginning of implementing the proposed Rule 1180 Community Air Monitoring System Annual O&M Fees, which are estimated to cost \$4.57 million annually, all of which will be incurred by the eight affected petroleum refineries (NAICS 324110).</p> <p>The manufacturing sector, which includes the petroleum refineries, is estimated to experience the largest fee increase from the proposed amendments, with an increase of about \$4.57 million on average over the 2018-2027 time period, representing a 97 percent share of the increase.</p>
<p>Projected Job Impacts of the Estimated Fee Increases</p>	<p>A macroeconomic job impact analysis was conducted based on the estimated increases in fees paid by the affected industries. This analysis projects an average annual increase of 57 jobs in the four-county region over a ten-year period (2018-2027). The positive job impact is a net result of projected increases in jobs in local government, professional, scientific, and technical services, and administrative and waste management services, combined with smaller decreases in the manufacturing and mining and oil and gas extraction sectors.</p>

INTRODUCTION

Various fee schedules are specified in Regulation III – Fees to cover the Permitted Source Program, as well as additional fees authorized by the Legislature. In June 2017, the SCAQMD Governing Board approved fee increases for non-Title V facilities necessary to recover reasonable costs of its regulatory programs. It additionally approved fee increases for Title V facilities as a necessary response to a U.S. EPA Title V Program Evaluation Report (2016), which recommended that SCAQMD take measures to cover program funding deficits. PAR III – Fees continues these cost recovery efforts with 10 proposals that have potential fee impacts. These proposed amendments with fee impacts are in addition to the fee adjustments required by Rule 320 – Automatic Adjustment Based on Consumer Price Index (CPI) for Regulation III Fees. The CPI-only socioeconomic impacts have been analyzed in the Draft Socioeconomic Impact Assessment for Rule 320, released on March 14, 2018 (see: http://www.aqmd.gov/docs/default-source/finance-budgets/fy-2018-19/draft-socioeconomic-assessment-for-automatic-cpi-increase_2018.pdf).

In order to examine the impact of the proposed amendments with fee impacts, this report quantifies the fee impact by each proposed amendment and by the potentially affected industries. These estimated increases in fees by industry are used as inputs into the macroeconomic job impact analysis along with the corresponding increase in SCAQMD spending to estimate the impact on jobs in the region. As noted above, the Rule 320 CPI-based fee adjustments have been examined in a separate assessment. This CPI-based fee increase adjusts fees for the cost of inflation, thereby holding the real (adjusted for inflation) fee amount constant over time. The regional economic impact analysis included in this assessment is based on the real dollar value of fees and therefore assumes the implementation of Rule 320 in all years of the analysis horizon. SCAQMD is required to undertake socioeconomic analyses by California Health and Safety Code (H&SC) Section 40440.8(a) for proposed rules and rule amendments that "*will significantly affect air quality or emissions limitations*". Although PAR III – Fees does not satisfy this criterion, the analysis herein is presented to provide further information to the Governing Board and stakeholders on the impacts of PAR III.

PROPOSED RULE AMENDMENTS WITH FEE IMPACTS

1. Refinery-Related Community Air Monitoring System Annual O&M Fees

On December 1, 2017, the SCAQMD Governing Board adopted Rule 1180 – Refinery Fenceline and Community Air Monitoring in response to Assembly Bill (AB) 1647. AB 1647 added H&SC section 42705.6, which in addition to requiring fenceline air monitoring refineries, also requires air districts to design, develop, install, operate and maintain refinery-related community air monitoring systems. Rule 1180 includes cost recovery provisions for refinery-related community air monitoring systems. In order to recover costs incurred by SCAQMD to operate these monitoring systems, staff is proposing to amend Rule 301. The proposed amendment would require affected petroleum refineries to pay an annual fee to SCAQMD for operating and maintaining statutorily-required refinery-related community air monitoring system(s) in communities near these refineries.

The facilities affected by Rule 1180 are all petroleum refineries within SCAQMD’s jurisdiction, with exemptions applicable to an owner or operator of a petroleum refinery that has a maximum capacity to process less than 40,000 barrels per day of crude oil. Eight major petroleum refineries are affected and they are classified under the industry of Petroleum Refineries (NAICS 324110), all of which are located in Los Angeles county.

The annual fees for community air monitoring are based on the estimated cost of operation and maintenance of a community air monitoring station, which are provided in Table 1. These costs may be applied toward partial deployments (i.e., less than a complete set of measurements at more than one site) or for distributed monitoring (i.e., several location pollutant monitoring). Also, a refinery could be responsible for the cost associated with a portion of a station (if downwind of more than one refinery), a single station, or multiple stations based on the need for adequate monitoring coverage.

The fee impact for this proposed amendment is estimated as the total of the Annual Operating and Maintenance Fee paid by all refineries, provided for in Proposed Amended Rule 301(aa). This results in a total fee impact for this proposed amendment of \$4,573,201 annually, beginning in FY 2020-21.

Table 1: R1180 Community Monitoring Site Cost Estimate

Routine costs associated with site maintenance	\$29,950
Electricity ¹	\$7,200
Utilities ¹	\$5,470
Land/Site Lease ¹	\$14,400
Lavatory Rental ¹	\$2,880
Data validation, analysis, and mapping ²	\$54,016
Routine costs associated monitoring equipment maintenance	\$16,100
Calibration Gases ¹	\$6,100
Maintenance Parts ¹	\$10,000
Technical and laboratory labor	\$335,477
One Air Quality Specialist at ½ effort, one Air Quality Instrument Specialist, one Air Quality Chemist at ¼ effort, and one Program Supervisor at ¼ effort ³	
Total O&M Cost	\$435,543

¹ Based on the 2012 station cost estimates for the Anaheim monitoring station.

² Based on the previous SCAQMD contracts for data visualization and mapping.

³ Based on the FY 2017-18 Schedule of Burdened Rates (burdened hourly rate of \$121.17 for Program Supervisor, \$105.69 for Air Quality Specialist, \$101.55 for Air Quality Chemist, and \$86.17 for Air Quality Instrument Specialist). Includes salaries, benefits, overheads (e.g., share of utilities, insurance, payroll, systems, etc.). Annual staff labor cost at full effort is calculated with a 40-hour work week and 52 weeks per year.

2. Rule 1466 Notification Fee

Rule 1466 is a new rule which was adopted on July 7, 2017 and amended on December 1, 2017. The purpose of Rule 1466 is to minimize off-site fugitive dust emissions containing toxic air contaminants. Rule 1466 requires a facility to provide notifications to SCAQMD prior to beginning earth-moving activities and when ambient PM₁₀ dust concentration limits are exceeded at Rule 1466 sites.

In order to recover costs incurred by SCAQMD, staff is proposing to amend Rule 301(x) for the purpose of adding a new fee for Rule 1466 notifications. The proposed fee for the Rule 1466 notification would be \$62.92 per notification. Updated notifications will not be subject to this proposed fee.

The industries potentially affected by this notification fee are described in the Final Staff Reports for Proposed Rule 1466 (July 2017) and Proposed Amended Rule 1466 (December 2017). The majority of potentially affected sites are within the manufacturing sector (NAICS 31-33), many are also within the administrative and waste management services sector (NAICS 56), and the public administration sector (NAICS 92). Potentially affected sites may also be in the utilities (NAICS 22), transportation (NAICS 48), and real estate and leasing (NAICS 53) sectors.

The fee impact of this proposed amendment is estimated based on the average annual number of sites affected by this rule as described in the Final Staff Report for PAR 1466 (December 2017), which is 10 per year. It is assumed that a site that complies with Rule 1466 requirements will need to notify SCAQMD only prior to the beginning of earth-moving activities and will not have a PM₁₀ exceedance. Therefore, the affected site will not be required to submit more than one notification subject to the proposed fee. Thus, the annual cost of this proposed amendment is estimated to be \$629 ($\$62.92/\text{notification} \times 10 \text{ sites}$).

3. Facility Permit Reissuance Fees for RECLAIM Transition

In order to recover costs incurred by SCAQMD, staff is proposing to add a new fee for work performed to transition facilities that will be exiting the NO_x RECLAIM program in accordance with Regulation XX and Regulation XI. In addition, staff is proposing provisions to recover costs related to work performed following transition from the NO_x RECLAIM program for any facility that voluntarily elects to convert a transitioned facility permit to conventional command and control equipment-based permits. The initial flat fee and additional time and materials (T&M) fee schedule are shown in Tables 2 and 3.

Table 2: Initial Flat Fee Schedule for RECLAIM Transition

Number of Permitted RECLAIM NO _x Sources	Non-Title V	Title V
Less than 10	\$2,232	\$3,160
Greater than or equal to 10 and less than 20	\$4,651	\$6,320
20 or more	\$9,302	\$12,640

Table 3: Hourly Fee Rates for Additional T&M for RECLAIM Transition

Number of Permitted RECLAIM NO _x Sources	Non-Title V		Title V	
	Begin Charging Hourly Rate After (hrs)	T&M Rate (\$/hr)	Begin Charging Hourly Rate After (hrs)	T&M Rate (\$/hr)
Less than 10	12	\$186.04	15	\$210.67
Greater than or equal to 10 and less than 20	25	\$186.04	30	\$210.67
20 or more	50	\$186.04	60	\$210.67

The facilities potentially affected by this proposed amendment are the universe of NO_x RECLAIM facilities. There are about 250 such facilities which span across many industries of the regional economy (Table A1). The majority of the facilities are in the manufacturing sector (NAICS 31-33), followed by the utilities sector (NAICS 22), and the transportation and warehousing sectors (NAICS 48-49). These facilities are located within all the four counties within SCAQMD's jurisdiction.

The number of NO_x RECLAIM facilities, both non-Title V and Title V, are categorized by the number of permitted RECLAIM NO_x sources in Table 4, which corresponds with the fee schedules given in Tables 2 and 3. For ease of reference in this fee impact analysis, facilities with less than 10 permitted RECLAIM NO_x sources are categorized as "simple", those with 10 or more and less than 20 are categorized as "medium", and those with 20 or more are categorized as "complex". The initial flat fee depends on a facility's size and

whether or not is a Title V facility. The additional T&M fee is an hourly rate and only depends on whether or not the facility is Title V.

The fee impact of this proposed amendment is estimated based on the anticipated schedule for the sunset of NO_x RECLAIM program. It is expected that permits will be transitioned for half of the facilities in each category during FY 2018-19 and the remaining half during FY 2019-20. In addition, there are additional time and materials (T&M) fees that must be paid for permit processing that require more staff time than the hourly thresholds described in Rule 301(l)(16). Staff has made conservative estimates of the costs and fee impacts. It is assumed that half of simple facilities will require additional T&M charges, and at least 75 percent of medium and complex facilities will require an additional T&M charge. It is further assumed that the amount of T&M fees for a facility that requires it will be at least 50 percent of the base rate of hours.

Table 4: Number of Affected Facilities and Estimated Cost of Permit Transition Fee

Facility Size (Number of Permitted RECLAIM NO _x Sources)	# of Facilities			Fees				
	Non-Title V	Title V	Total	Non-Title V	Title V	FY 2018-19	FY 2019-20	Total
Less than 10 (Simple)	98	81	179	\$272,363	\$320,745	\$298,924	\$294,184	\$593,108
10 or more and less than 20 (Medium)	13	28	41	\$81,393	\$240,164	\$164,266	\$157,290	\$321,556
20 or more (Complex)	4	25	29	\$65,114	\$726,812	\$411,763	\$380,163	\$791,926
Total	115	134	249	\$418,869	\$1,287,720	\$874,953	\$831,636	\$1,706,589

The total fee impact is estimated to be about \$875,000 during FY 2018-19 and \$832,000 during FY 2019-20. The total amount for the two year period is \$1.71 million, of which about \$419,000 is estimated to be paid by non-Title V facilities and \$1.28 million is estimated to be paid by Title V facilities. Twenty-nine complex facilities are estimated to pay the largest amount of fees at \$792,000, followed by 179 simple facilities with about \$593,000 and 41 medium facilities with about \$321,000, over the two year period.

4. Periodic Assessment Fees of an Existing Non-RECLAIM CEMS, FSMS, or ACEMs

In order to recover costs incurred by the SCAQMD, staff is proposing to add a new fee associated with SCAQMD periodic assessments of non-RECLAIM CEMS, FSMS, and ACEMS. The proposed fee for the periodic assessment would be \$907.51, plus an additional fee of \$172.01 per hour for time spent on the evaluation in excess of 10 hours up to a maximum total fee of \$5,738.49.

The non-RECLAIM facilities affected by this proposed amendment are classified within many different sectors of the regional economy (see Appendix, Table A1). The majority of facilities are in the utilities sector (NAICS 22), followed by the manufacturing sector (31-33). This fee will also apply to current RECLAIM facilities once they have transitioned out

of the NOx RECLAIM program, pursuant to the applicable rule. These facilities are located in all the four counties within SCAQMD's jurisdiction.

Staff has estimated that there would be five to 10 assessments subject to this fee per year, and the fee amount would not exceed the minimum processing fee as it is expected that no more than 10 hours of staff evaluation time would be required for each assessment. The fee impact for this proposed amendment is estimated based on the higher-end estimate of 10 assessments and the minimum fee of \$907.51, and is therefore estimated to be approximately \$9,075 per year.

5. Fees for Clean Air Solvent (CAS) and Clean Air Choice Cleaner (CACC) Voluntary Certification

In order to recover costs incurred by SCAQMD, staff is proposing to increase the fees charged when facilities voluntarily seek certification under the CAS and CACC programs administered by SCAQMD. The CAS certification fee will be increased from \$835.46 to \$1503.77, plus additional fees assessed at the rate of \$135.77 per hour for time spent on the analysis/certification process in excess of 12 hours. The CACC certification fee will be increased from \$880.18 to \$1503.77, plus an additional fee of \$300 for quantification of total nitrogen, total phosphorous, and trace metals by a contracting laboratory and additional fees assessed at the rate of \$135.77 per hour for time spent on the analysis/certification process in excess of 12 hours.

Based on information from past program participants, applicants with products for certification are formulators who buy off-the-shelf components and combine them in a manner suitable for the product's intended use. They may also be resellers or consultants who buy products from elsewhere and relabel them for use within SCAQMD's jurisdiction. Businesses involved in these types of operations are best classified as Chemical Manufacturers (NAICS 327) and Chemical and Allied Products Merchant Wholesalers (NAICS 4246). Past program information indicates that none of the applicants are facilities located within SCAQMD's jurisdiction.

The increase in certification fees for CAS and CACC samples is \$668.31 (\$1503.77-\$835.46) and \$623.59 (\$1503.77-\$880.18), respectively. CACC samples will be charged an additional \$300 fee for the additional analysis that is contracted out to a third-party lab. It is expected that all samples will be billed at the flat rates. Data from the past five years of the certification program shows an average of 10 CAS samples per year and average of 5 CACC samples per year. Based on this information the fee impact is estimated to be \$6,683 from CAS samples and \$4,618. Taken together this yields an estimate of \$11,301 as the annual fee impact for this proposed amendment.

6. Annual Review/Renewal of R1105.1, R1118, and R1123 Compliance Plans

In order to recover costs incurred by SCAQMD, staff is proposing new fees based on the addition of three types of compliance plans to Rule 306(h). The compliance plans being added to the rule include: Rule 1105.1 (Reduction of PM10 and Ammonia Emissions from Fluid Catalytic Cracking Units), Rule 1123 (Refinery Process Turnarounds), and Rule 1118 (Flare Monitoring and Recording Plan). Thus, non-Title V facilities with these newly

added plans will have to pay an annual fee of \$406.79; Title V facilities with these newly added plans would have to pay an annual fee of \$460.64 for FY 2018-19 and \$509.74 for FY 2019-20 and thereafter.

The potentially affected facilities are estimated based on the facilities with current plans that will begin to billed annually under the proposed amendments. These facilities are all classified as Title V and are comprised of nine petroleum refineries (NAICS 324110) and three industrial gas manufacturing facilities (NAICS 325120). All facilities are located within Los Angeles county.

The fee impact of this proposed amendment is estimated based on the Title V fee rate, which is applicable to all twelve affected facilities. The fee impact is estimated to be \$5,528 for FY 2018-19 and increases to \$6,117 thereafter, due to the increase in the Title V fee rate.

7. Public Notice Publication Fees

The proposed amendment to Rule 301 subparagraphs (j)(4)(A) and the proposed renumbered (m)(6)(A) would allow SCAQMD to bill the actual cost invoiced for public notice publication to a facility subject to the public noticing requirement and electing to pay SCAQMD to arrange for publication of its public notice. This is a change from the current fee schedule in Table IIB (Rule 301), which may not fully cover the invoiced amount of public notice publication.

Facilities potentially affected by this proposed amendment are any which may be subject to a public noticing requirement. Based on past data where SCAQMD arranged for publication of public notices, the affected industries are estimated. Table A1 in the Appendix shows number of affected facilities by industry that have had SCAQMD administer public notices for them during 2016-2107. The majority of facilities (59) are classified within the manufacturing sector (NAICS 31-33). This is followed by the services sector (NAICS 54-81), with 27 facilities, and the utilities sector with 15 facilities. These facilities are located within all the four counties within SCAQMD's jurisdiction.

The fee impact of this proposed amendment is estimated based on historical fee information from 2016 and 2017 (Table 5). These data show that the average revenue received from facilities over this two year period was about \$80,200, while the average amount paid to publishers was about \$111,000, implying a deficit of about \$31,000 on average to SCAQMD for public notice publication. As this proposed amendment would equate the amount SCAQMD pays to publishers to the revenue facilities pay, the fee impact is estimated to be the historical average amount of the deficit, or about \$31,000 per year.

Table 5: Public Notice Publication Revenue and Cost

	2016	2017	Average
Revenue from facilities	\$74,241	\$86,156	\$80,198
Payments to publishers (Cost)	\$81,945	\$140,164	\$111,055
Deficit	-\$7,704	-\$54,008	-\$30,856

8. Fees for Optional Catalyst Equivalency Evaluation

In order to recover costs incurred by SCAQMD, staff is proposing to add a new fee for work performed on Catalyst Equivalency Evaluations. The new fee proposed by this amendment will be based on time incurred, billed at the hourly rate of \$155.80 for non-Title V facilities, and for Title V facilities, the hourly rate would be \$176.42 in FY 2018-19 and \$195.23 in FY 2019-20 and thereafter.

The facilities affected by this proposed amendment are all facilities with active Selective Catalytic Reduction (SCR) permits. These facilities are classified within many sectors of the regional economy. Table A2 in the Appendix shows the number of affected facilities by industry classification. The greatest number of affected facilities are classified within the utilities sector (NAICS 22), this is followed by manufacturing sector (NAICS 31-33).

A typical review is expected to take approximately 15 hours. Therefore, the expected cost per evaluation is estimated to range between \$2,300 and \$3,000, depending on the applicable fee rate and the actual review time. Even though this is a new fee, it will serve to reduce overall costs for a facility over time. Without this proposal, facilities are currently required to submit a permit modification application every time they replace the catalyst on their SCRs. Though this new fee is expected to result in cost-savings over time for affected facilities, for purposes of the analysis it is conservatively assumed to result in no revenue change from the status quo.

9. AB 2588 Potentially High Risk Facilities Fees

In order to recover costs incurred by SCAQMD, staff is proposing to add new fees for the work undertaken by AB 2588 staff in determining Rule 1402 compliance for facilities designated as a Potentially High Risk Level Facility, as defined under Rule 1402. The proposed Potentially High Risk Level Facility Fees would be assessed on a T&M basis at the hourly rate of \$172.88. A maximum of \$100,000 per year per facility is also proposed for the Potentially High Risk Level Facility Fees to provide cost certainty for the affected facilities.

The facilities affected by this proposed amendment are those currently designated as Potentially High Risk Facilities, pursuant to Rule 1402. There are currently three facilities with this designation. These facilities are classified within the Fabricated Metal Manufacturing (NAICS 332) and Petroleum and Coal Products Manufacturing (NAICS 324) industries and are all located in Los Angeles county.

The fee impact will be based on the number of hours that are charged at the T&M fee rate of \$172.99, with a cap of \$100,000 per facility. Based on the review time for the three currently designated Potentially High Risk Level Facilities, it is not expected that staff would spend more than 600 hours of review time per year per facility. However, it is conservatively assumed here for purposes of socioeconomic analysis that the fee impact would be the \$100,000 maximum per facility resulting in an estimated \$300,000 per year for all three Potentially High Risk Level Facilities.

10. AB 2588 Special Reviews Fees

In order to recover costs incurred by SCAQMD, staff is proposing to add new fees related to the preparation or revision of an Air Toxics Inventory Report (ATIR) pursuant to Rule 1402, and to increase the current fee rate beyond the CPI adjustment for the preparation or revision of a Health Risk Assessment (HRA) pursuant to Rule 1402. The Fee would be assessed at the hourly rate of \$150.62.

The facilities potentially affected under this proposed amendment would be any AB 2588 facility with a submitted air toxics inventory report that is prepared or revised by District personnel or a contractor engaged by the district. AB2588 facilities belong to many different sectors of the regional economy. The number of these facilities by industry classification is provided in Table A1 of the Appendix. The greatest number of facilities (200) are classified within the manufacturing sector (NAICS 31-33), followed by the services sector (NAICS 54-81), with 64 facilities.

The fee impact for this proposed amendment is conservatively estimated to be \$20,000 per ATIR that needs to be prepared or revised by staff, based on a consultant's recent bid or about 150 hours of staff time. It is further conservatively assumed that there will be no more than three special reviews conducted during a year. Historically there has only been one HRA that has been subject to special review. Based on this information, the annual fee impact for this proposed amendment is estimated to be \$60,000.

SUMMARY OF FEE IMPACTS OF PAR III

Of the ten proposed amendments with fee impacts, nine are estimated to result in positive fee increases for facilities, and one to result in fee savings for facilities. The fee impacts by proposed amendment are shown in Table 4 for FY 2018-19, FY 2019-20, FY 2020-21 and thereafter, and an annual average over 2018-2027. The average annual fee impact shown in Table 6 considers the cost over a 10-year period used for the analysis in this assessment. The annual average fee impacts over a 10-year horizon allows for comparison of the fee impacts of proposed amendments over a period of time by accounting for fees that may vary over time or are zero for certain years. The fee impacts in total are estimated be \$1.29 million in FY 2018-19, \$5.82 million in FY 2019-20, and \$4.99 million in FY 2020-21. The Refinery-related Community Air Monitoring System Annual O&M Fees is the proposed amendment with the greatest fee impact. Other proposed amendments result in small fee impacts relative to the community air monitoring fee.

Table 6: Estimated Fee Impacts by Proposed Amendment

Proposed Amendment	Annual Fee Impact			
	FY 2018-2019	FY2019-2020	FY 2020-2021 and thereafter	Average Annual ² (2018-2027)
Refinery-Related Community Air Monitoring System Annual O&M Fees	\$0	\$4,573,202	\$4,573,202	\$4,115,881
Rule 1466 Notification Fee	\$629	\$629	\$629	\$629
Facility Permit Reissuance Fees for RECLAIM Transition ¹	\$874,953	\$831,636	\$0	\$177,330
Periodic Assessment Fees for an Existing Non-RECLAIM CEMS, FSMS, or ACEMS	\$9,075	\$9,075	\$9,075	\$9,075
CAS and CACC Certification Fees	\$11,301	\$11,301	\$11,301	\$11,301
Annual Review/Renewal Fee for Rule 1105.1, Rule 1118, and Rule 1123 Compliance Plans	\$5,528	\$6,117	\$6,117	\$6,058
Public Notice Publication Fees	\$31,000	\$31,000	\$31,000	\$31,000
Fees for Optional Catalyst Equivalency Evaluation ³	\$0	\$0	\$0	\$0
AB2588 Potentially High Risk Level Facility Fees	\$300,000	\$300,000	\$300,000	\$300,000
AB2588 Special Review Fees	\$60,000	\$60,000	\$60,000	\$60,000
Total	\$1,292,486	\$5,822,960	\$4,991,323	\$4,711,274

¹ Fees incurred during RECLAIM transition only. The transition is expected to be completed by the end of FY 2019-20.

² This is the average of annual fee impacts over a ten year horizon. It accounts for fees that may vary over time or are zero for certain years.

³ This proposed amendment is expected to result in fee reduction for affected facilities, but is conservatively assumed to have no fee impact here for purposes of analysis.

As discussed in the previous section, the fee impacts from PAR III are estimated to be incurred by all industries within the regional economy. Table 7 shows the distribution of these fee impacts by industry, by FY and on average annually over a 10-year horizon. The manufacturing sector as a whole would incur the largest increase in fees with \$0.84 million in FY 2018-19, \$5.39 million in FY 2019-2020, and \$4.93 million in FY 2020-21 and thereafter, which comprises a 97% share of the fee impacts of PAR III on average. Within the manufacturing sector the petroleum and coal products manufacturing industry (NAICS 324) will incur a 90% share of the fee impacts, primarily as a result of the refinery related community monitoring system O&M fees that will be incurred by facilities in this industry.

Table 7: Fee Impact of the PAR III by Industry

Industry	NAICS	Fee Impact of PAR III				
		FY 2018-2019	FY 2019-2020	FY 2020-2021 and thereafter	Average Annual (2018-2027)	Share of Fee Impact
Agriculture, Forestry, Fishing & Hunting	111-115	\$0	\$0	\$0	\$0	0.0%
Mining	21	\$63,526	\$60,395	\$277	\$12,613	0.3%
Oil and Gas Extraction	211	\$45,902	\$43,640	\$221	\$9,131	0.2%
Mining (except oil and gas)	212-213	\$17,625	\$16,755	\$55	\$3,482	0.1%
Construction	23	\$0	\$0	\$0	\$0	0.0%
Manufacturing	31-33	\$843,107	\$5,392,890	\$4,931,984	\$4,569,187	97.4%
Food Manufacturing	311	\$37,011	\$35,271	\$1,872	\$8,726	0.2%
Wood Products Manufacturing	321	\$140	\$140	\$140	\$140	0.0%
Petroleum and Coal Products Mfg.	324	\$206,662	\$4,775,782	\$4,688,944	\$4,249,400	90.6%
Chemical Manufacturing	325	\$59,376	\$56,914	\$6,815	\$17,081	0.4%
Nonmetallic Mineral Product Mfg.	327	\$34,444	\$32,878	\$2,819	\$8,988	0.2%
Primary & Fabricated Metal Mfg.	331-332	\$312,152	\$307,281	\$213,764	\$232,954	5.0%
Machinery Manufacturing	333	\$3,686	\$3,512	\$172	\$858	0.0%
Computer and Electronic Product Mfg.	334	\$22,539	\$21,495	\$1,455	\$5,568	0.1%
Electrical Equipment & Appliance Mfg.	335	\$4,884	\$4,710	\$1,370	\$2,056	0.0%
Motor Vehicle & Trans. Equipment Mfg.	336	\$51,007	\$48,746	\$5,327	\$14,237	0.3%
Other Manufacturing	312-339	\$111,205	\$106,160	\$9,303	\$29,179	0.6%
Utilities	22	\$163,168	\$155,861	\$15,585	\$44,371	0.9%
Transportation & Warehousing	48-49	\$66,896	\$63,765	\$3,647	\$15,983	0.3%
Information	51	\$3,514	\$3,340	\$0	\$685	0.0%
Publishing Industries, Except Internet	511	\$0	\$0	\$0	\$0	0.0%
Motion Picture & Sound Recording	512	\$0	\$0	\$0	\$0	0.0%
Internet Services and data processing	518, 519	\$0	\$0	\$0	\$0	0.0%
Other Information	Other in 51	\$3,514	\$3,340	\$0	\$685	0.0%
Wholesale Trade	42	\$3,875	\$3,702	\$362	\$1,047	0.0%
Retail Trade	44-45	\$10,962	\$10,441	\$421	\$2,477	0.1%
Car & Parts Dealers	441	\$0	\$0	\$0	\$0	0.0%
Gas Stations	447	\$0	\$0	\$0	\$0	0.0%
Other Retail Trade	Other in 44-45	\$10,962	\$10,441	\$421	\$2,477	0.1%
Finance and Insurance	52	\$3,514	\$3,340	\$0	\$685	0.0%
Real Estate and Rental Leasing	53	\$7,364	\$7,016	\$336	\$1,707	0.0%
Services	54-81	\$58,782	\$56,868	\$20,129	\$27,668	0.6%
Professional and Technical Services	54	\$8,170	\$7,822	\$1,143	\$2,513	0.1%
Accommodation	721	\$10,597	\$10,075	\$55	\$2,111	0.0%
Food Services & Drinking Places	722	\$0	\$0	\$0	\$0	0.0%
Automotive Repairs & Maintenance	8111	\$0	\$0	\$0	\$0	0.0%
Dry Cleaning & Laundry Services	8123	\$0	\$0	\$0	\$0	0.0%
Health Care & Social Assistance	62	\$6,761	\$6,761	\$6,761	\$6,761	0.1%
Other Services	Other in 54-81	\$33,254	\$32,210	\$12,170	\$16,283	0.3%
Public Administration	92	\$13,545	\$13,023	\$3,003	\$5,059	0.1%
Unclassified**	N/A	\$42,303	\$40,390	\$3,651	\$11,190	0.2%
Totals		\$1,280,556	\$5,811,030	\$4,979,393	\$4,692,673	100.0%

*Excludes the fee impacts of R1466 Notification Fees, which are minimal, and CAS and CCAC fees, which are not expected to be incurred by facilities within SCAQMD's jurisdiction.

**Facilities with no NAICS codes assigned are categorized as "unclassified."

MACROECONOMIC IMPACTS ON THE REGIONAL ECONOMY

The REMI model (PI+ v2.1.2) was used to assess the total socioeconomic impacts of PAR III fee increases and the corresponding SCAQMD revenue increase. It links the economic activities in the counties of Los Angeles, Orange, Riverside, and San Bernardino, and for each county, it is comprised of five interrelated blocks: (1) output and demand, (2) labor and capital, (3) population and labor force, (4) wages, prices and costs, and (5) market shares.¹

The assessment herein was performed relative to a baseline scenario where none of the PAR III fee increases are implemented. PAR III would create a policy scenario under which the affected facilities would incur additional estimated annual costs of \$1.29 million in FY 2018-19, \$5.82 million in FY 2019-20, and \$4.99 million in FY 2020-21 and following years (Table 6). As these fee increases are recommended for cost recovery purposes of mostly-mandated existing and future activities, the baseline scenario represents a situation where SCAQMD is not able to fully cover its costs and is in a deficit situation. For purposes of the macroeconomic impact analysis, the estimated fee increase was converted from FY to calendar year and was analyzed for a 10-year period from 2018 to 2027, where the highest level of fee increase is realized by 2021 and is held constant for following years of the analysis horizon. The macroeconomic impact analysis is based on the real dollar value of fees, therefore it assumes the implementation of Rule 320 in all years of the analysis horizon.

The impact of the proposed new fees and fee rate increases was simulated with the REMI model using estimates of the fee increase, along with the corresponding increase in SCAQMD revenue. The estimated increase in fees by industry (Table 7) were input into the REMI model as an increase in production cost for the affected industries.² The resulting increase in SCAQMD revenue was input in the REMI model as an increase in local government spending, distributed by the proportion of population in each of the four counties.³ This modeling approach assumes a balanced government budget, where an increase in revenue, relative to the baseline scenario, must be equivalent to an increase in

¹ Within each county, producers are made up of 66 private non-farm industries, three government sectors, and a farm sector. Trade flows are captured between sectors as well as across the four counties and the rest of U.S. Market shares of industries are dependent upon their product prices, access to production inputs, and local infrastructure. The demographic/migration component has 160 age/gender/race/ethnicity cohorts and captures population changes in births, deaths, and migration. (For details, please refer to REMI online documentation at <http://www.remi.com/products/pi>.)

² CAS & CACC fees and public notice publication fees may include cost elements that are associated with work performed by a third party. However, SCAQMD has been paying and will continue to pay the invoiced amount billed to the District by the third-party. Therefore, there will be no change in sales for the third-party.

³ Instead of using the default “local government spending” policy variable in REMI, staff elected to use a “custom local government spending” policy variable that it considers to more accurately reflect the SCAQMD spending portfolio. This custom policy variable has a lower proportion of local government spending going into the construction industry and proportionately allocates the difference to local government and professional services sectors. The simulation using this custom policy variable results in a prediction of a lower net job gain than would have been found with the default policy variable. This follows the approach taken in the Socioeconomic Assessment of the PAR III Fees from June 2017.

government spending.⁴ In addition, there are certain cost elements of the operation and maintenance of refinery-related community air monitoring systems that are not associated with work performed by SCAQMD staff, as described in Table 1. Accordingly, these costs are modeled as an increase in spending for corresponding industries. This includes spending on operational needs such as utilities, equipment rental, and real estate leases, which will increase sales (Table 8).

Table 8: Community Monitoring Industries Incurring Cost vs. Benefiting from Spending

Source of Recurring Community Monitoring Costs	REMI Industries Incurring Compliance Costs (NAICS)	REMI Industries Benefitting from Compliance Spending (NAICS)
Equipment Installation and Calibration	Petroleum Refineries (324110)	<i>Recurring Cost:</i> Professional, Scientific, and Technical Services (54)
Real estate lease		<i>Recurring Cost:</i> Real Estate (531)
Operations - Utilities		<i>Recurring Cost:</i> Utilities (21)
Operations - Equipment rental		<i>Recurring Cost:</i> Rental and lease (532)
Operations – Labor (community monitoring)		<i>Recurring Cost:</i> Public Administration (92) ³

Employment

Based on these inputs into the REMI model, the macroeconomic impacts of the estimated fee increases on the regional economy were simulated. The total effect on jobs consists of the effect on the directly affected sectors combined with the indirect and induced effects, which result as increased industry costs and government spending cascade through the regional economy. The overall PAR III fee increases are projected to lead to a net gain of 57 jobs on average per year above the baseline scenario job forecast from 2018 to 2027 (Table 9). The net gain of jobs is a result of a gain in jobs from increased SCAQMD spending and foregone jobs in the industries most affected by the proposed fee increases. The foregone jobs are most concentrated in the mining, oil and gas extraction sector with two jobs foregone followed by the manufacturing sector with one job foregone. These jobs foregone either occur in industries most significantly affected by the fee increase or industries which are significant intermediate suppliers to the affected industries. The jobs gained from the increase in SCAQMD spending are most highly concentrated in the local government sector, which includes SCAQMD and all other local government agencies in the region, along with gains in industries servicing the local government sector, such as professional, scientific, and technical services. It also includes job gains in sectors related to the O&M of refinery-related community monitoring sites, aside from the government sector.

⁴ This increase in revenue and equivalent increase in spending is relative to the baseline scenario, where SCAQMD is not fully recovering cost and is in a deficit situation.

Table 9: Projected Job Impacts of Proposed Fee Rate Increases by Sector

Sector	NAICS	Jobs			Average Annual (2018-2027)		
		2019	2023	2027	Jobs	Baseline Jobs	% Change
Agriculture, Forestry, Fishing, and Related Activities	11	0	0	0	0	29,915	0.000%
Mining, Oil and Gas Extraction	21	0	-2	-3	-2	22,782	-0.008%
Utilities	22	0	0	0	0	19,655	0.000%
Construction	23	0	2	-1	1	509,373	0.000%
Manufacturing	33	-1	-1	-2	-1	619,897	0.000%
Wholesale Trade	42	0	0	0	0	520,619	0.000%
Retail Trade	44-45	0	2	1	2	1,019,074	0.000%
Transportation and Warehousing	48-49	0	1	0	1	418,732	0.000%
Information	51	0	0	0	0	345,931	0.000%
Finance and Insurance	52	0	2	1	2	493,492	0.000%
Real Estate and Rental and Leasing	53	0	2	2	2	596,142	0.000%
Professional, Scientific, and Technical Services	54	1	11	9	9	887,699	0.001%
Management of Companies and Enterprises	55	0	-1	-1	0	118,339	0.000%
Administrative and Waste Management Services	56	1	4	3	3	827,079	0.000%
Educational Services	61	0	1	1	1	258,452	0.000%
Health Care and Social Assistance	62	1	5	4	4	1,398,071	0.000%
Arts, Entertainment, and Recreation	71	0	0	0	0	362,362	0.000%
Accommodation and Food Services	72	0	3	3	3	816,264	0.000%
Other Services, except Public Administration	81	0	2	2	2	740,108	0.000%
State and Local Government	92	10	36	34	31	1,038,452	0.003%
Total		13	68	54	57	11,042,436	0.001%

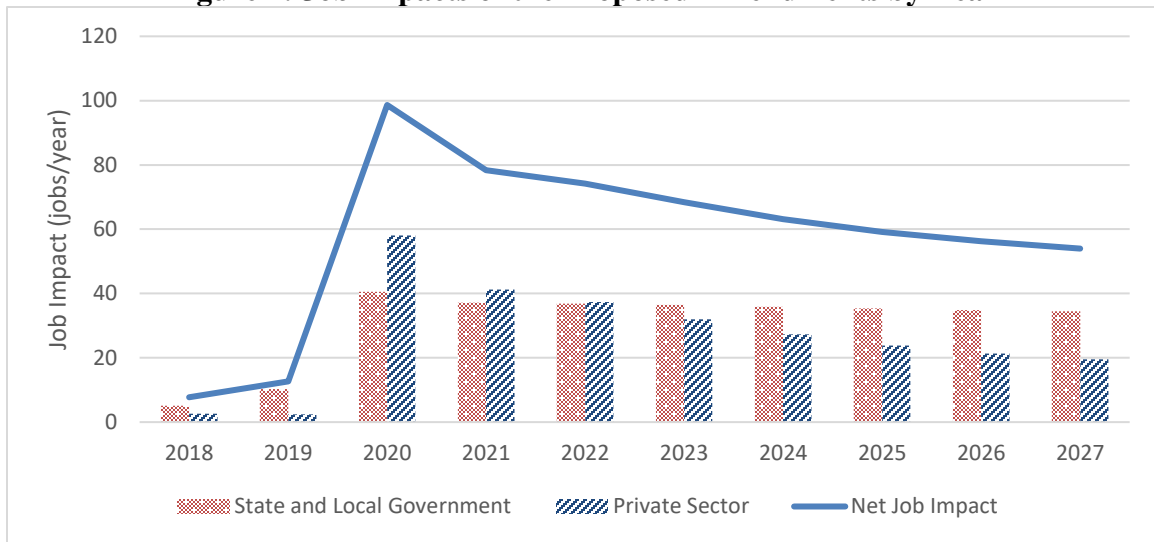
It should be noted that, as the baseline scenario represents a deficit situation for SCAQMD, direct job gains estimated for the local government sector include potentially prevented staffing reductions, which may occur if the deficit situation continues at SCAQMD. At the same time, the sector's direct job gains may also include new positions added to perform new and/or expanded program functions to meet recently adopted SCAQMD rules and state mandates. However, the potential employment impact pertinent to SCAQMD is not specifically considered in this job impact analysis due to modeling constraints.⁵ Overall, these changes in jobs are very small relative to the size of the regional economy (11.1 million payroll and self-employment jobs), representing a change of about 0.001 percent.

Figure 1 illustrates the net change in jobs over the 2018-2027 time period. The first year impact of approximately eight job gains increases to about 99 jobs in the third year due to the increased spending from the community air monitoring O&M spending. Following

⁵ As common in economic modelling, each economic sector is represented by the average behavior of all entities belonging to that sector. Therefore the REMI model's representation of an average local government agency will not precisely predict any specific staffing changes, timing of changes, nor specific labor costs of SCAQMD.

2020, the net job gains will diminish, as jobs foregone in the affected industries increase and local government job decrease.

Figure 1: Job Impacts of the Proposed Amendments by Year



CONCLUSION

Based on the proposed amendments, the fee impact of PAR III is estimated to be \$1.29 million in FY 2018-19, \$5.82 million in FY 2019-20, and \$4.99 million in FY 2020-21 and thereafter. The manufacturing sector is estimated to incur the greatest increases in fees, followed by the utilities sector. Based on the estimated fee increases by industry and the corresponding increases in SCAQMD revenue, the macroeconomic job impact of the estimated fee increase was simulated. The job impact analysis projects a net gain in jobs over the 2018-2027 period relative to the baseline scenario, resulting primarily from prevented job losses and job gains in local government and jobs foregone in mining and oil and gas extraction and manufacturing. Ultimately, the projected job impact is very small relative to the regional economy, representing a change of about 0.001 percent.

REFERENCES

Final Staff Report Proposed Rule 1466 – Control of Particulate Emissions from Soils with Toxic Air Contaminants. Diamond Bar, California: South Coast Air Quality Management District, July 2017.

Final Staff Report Proposed Amended Rule 1466 – Control of Particulate Emissions from Soils with Toxic Air Contaminants. Diamond Bar, California: South Coast Air Quality Management District, December 2017.

Regional Economic Modeling Inc. (REMI). Policy Insight® for the South Coast Area (70 sector model). Version 2.1.2, 2017.

U.S. EPA. 2016. “South Coast Air Quality Management District Title V Operating Permit Program Evaluation.” San Francisco, CA: U.S. Environmental Protection Agency, Region 9. https://www.epa.gov/sites/production/files/2016-09/documents/south_coast_air_quality_management_district-title_v_evaluation_report-2016-09-30.pdf.

APPENDIX

Table A1: Estimated Number of Affected Facilities by Proposed Amendment

Industry	NAICS	R1180 Community Monitoring Fees	RECLAIM Transition	Non- RECLAIM, CEMS, FSMS, ACEMS	R1105.1, 1118, 1123 Compliance Plans	Public Notice Publication	Optional Catalyst Equivalency Evaluation	AB2588 Potentially High Risk Facilities	AB2588 Special Review Fees
Agriculture, Forestry, Fishing & Hunting	111-115	0	0	0	0	0	0	0	0
Mining	21	0	18	5	0	0	4	0	35
Oil and Gas Extraction	211	0	13	4	0	0	4	0	24
Mining (except oil and gas)	212-213	0	5	1	0	0	0	0	11
Construction	23	0	0	0	0	0	0	0	3
Manufacturing	31-33	8	138	32	12	59	33	3	200
Food Manufacturing	311	0	10	5	0	2	3	0	6
Wood Products Manufacturing	321	0	0	0	0	1	0	0	0
Petroleum and Coal Products Mfg.	324	8	26	11	9	21	15	1	27
Chemical Manufacturing	325	0	15	3	3	4	6	0	24
Nonmetallic Mineral Product Mfg.	327	0	9	4	0	3	1	0	11
Primary & Fabricated Metal Mfg.	331-332	0	28	0	0	9	3	2	66
Machinery Manufacturing	333	0	1	0	0	0	0	0	1
Computer and Electronic Product Mfg.	334	0	6	0	0	2	0	0	6
Electrical Equipment & Appliance Mfg.	335	0	1	1	0	1	0	0	6
Motor Vehicle & Trans. Equipment Mfg.	336	0	13	1	0	7	1	0	20
Other Manufacturing	312-339	0	29	7	0	12	4	0	33
Utilities	22	0	42	43	0	15	39	0	53
Transportation & Warehousing	48-49	0	18	2	0	4	1	0	14
Information	51	0	1	0	0	0	0	0	5
Publishing Industries, Except Internet	511	0	0	0	0	0	0	0	0
Motion Picture & Sound Recording	512	0	0	0	0	0	0	0	5
Internet Services and data processing	518, 519	0	0	0	0	0	0	0	0
Other Information	Other in 51	0	1	0	0	0	0	0	0
Wholesale Trade	42	0	1	4	0	1	2	0	19
Retail Trade	44-45	0	3	0	0	2	2	0	9
Car & Parts Dealers	441	0	0	0	0	0	0	0	0

Industry	NAICS	R1180 Community Monitoring Fees	RECLAIM Transition	Non- RECLAIM, CEMS, FSMS, ACEMS	R1105.1, 1118, 1123 Compliance Plans	Public Notice Publication	Optional Catalyst Equivalency Evaluation	AB2588 Potentially High Risk Facilities	AB2588 Special Review Fees
Gas Stations	447	0	0	0	0	0	0	0	0
Other Retail Trade	Other in 44-45	0	3	0	0	2	2	0	9
Finance and Insurance	52	0	1	0	0	0	1	0	0
Real Estate and Rental Leasing	53	0	2	1	0	1	2	0	2
Services	54-81	0	11	30	0	27	22	0	64
Professional and Technical Services	54	0	2	0	0	1	1	0	5
Accommodation	721	0	3	1	0	0	0	0	0
Food Services & Drinking Places	722	0	0	0	0	0	0	0	0
Automotive Repairs & Maintenance	8111	0	0	0	0	0	0	0	0
Dry Cleaning & Laundry Services	8123	0	0	0	0	0	0	0	0
Health Care & Social Assistance	62	0	0	8	0	9	8	0	22
Other Services	Other in 54-81	0	6	21	0	17	13	0	37
Public Administration	92	0	3	5	0	1	8	0	15
Unclassified*	N/A	0	11	42	0	4	1	0	2
Totals		8	249	164	12	111	115	3	421

*Facilities with no NAICS codes assigned are categorized as "unclassified."

ATTACHMENT K



**South Coast
Air Quality Management District**

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

SUBJECT: NOTICE OF EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

PROJECT TITLE: PROPOSED AMENDED REGULATION III – FEES

Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the South Coast Air Quality Management District (SCAQMD) is the Lead Agency and has prepared a Notice of Exemption for the project identified above.

The proposed project is amending Regulation III – Fees (Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315) to incorporate fee updates, new fees, and amendments to multiple rules. SCAQMD staff has reviewed the proposed project pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA.

With respect to the proposed fee updates, new fees, amendments, and administrative changes in Proposed Amended Regulation (PAR) III that are strictly administrative in nature, it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Thus, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Activities Covered by General Rule. Additionally, the entirety of the proposed project is statutorily exempt from CEQA requirements pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges, because the proposed fee updates, new fees, and amendments to Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 involve charges by public agencies for the purpose of meeting operating expenses and financial reserve needs and requirements. A Notice of Exemption has been prepared pursuant to CEQA Guidelines Section 15062 – Notice of Exemption. If the project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside, and San Bernardino counties.

Any questions regarding this Notice of Exemption should be sent to Barbara Radlein (c/o Planning, Rule Development and Area Sources) at the above address. Ms. Radlein can also be reached at (909) 396-2716. Ms. Elaine Shen is also available at (909) 396-2715 to answer any questions regarding the proposed amended regulation.

Date: April 10, 2018

Signature: _____

A handwritten signature in black ink, appearing to read "Barbara Radlein".

Barbara Radlein
Program Supervisor, CEQA Section
Planning, Rules, and Area Sources

NOTICE OF EXEMPTION

To: County Clerks Counties of Los Angeles, Orange, Riverside and San Bernardino	From: South Coast Air Quality Management District 21865 Copley Drive Diamond Bar, CA 91765
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Project Title: Proposed Amended Regulation III – Fees

Project Location: The SCAQMD has jurisdiction over the four-county South Coast Air Basin (all of Orange County and the non-desert portions of Los Angeles, Riverside and San Bernardino counties), and the Riverside County portions of the Salton Sea Air Basin (SSAB) and Mojave Desert Air Basin (MDAB). The SCAQMD’s jurisdiction includes the federal nonattainment area known as the Coachella Valley Planning Area, which is a sub-region of Riverside County and the SSAB.

Description of Nature, Purpose, and Beneficiaries of Project: Proposed Amended Regulation (PAR) III will: 1) pursuant to Rule 320, increase fees where applicable by 3.4% consistent with the Consumer Price Index; 2) add new fees which are necessary to meet the requirements of recently adopted rules and state mandates; 3) add new fees or increase fee rates which are necessary to provide more specific cost recovery for other regulatory actions taken by the agency; and 4) make other proposed amendments to Regulation III that will have no fee impact, but include clarifications, deletions, or corrections to existing rule language.

Public Agency Approving Project: South Coast Air Quality Management District	Agency Carrying Out Project: South Coast Air Quality Management District
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Exempt Status:

CEQA Guidelines Section 15061(b)(3) – Activities Covered by General Rule
CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges

Reasons why project is exempt: SCAQMD staff has reviewed the proposed project pursuant to: 1) CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 – Review for Exemption, procedures for determining if a project is exempt from CEQA. With respect to the proposed fee updates, new fees, amendments, and administrative changes in PAR III that are strictly administrative in nature, it can be seen with certainty that there is no possibility that the proposed project may have a significant adverse effect on the environment. Thus, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Activities Covered by General Rule. Additionally, the entirety of the proposed project is statutorily exempt from CEQA requirements pursuant to CEQA Guidelines Section 15273 – Rates, Tolls, Fares, and Charges, because the proposed fee updates, new fees, and amendments to Rules 301, 303, 304, 304.1, 306, 307.1, 308, 309, 311, 313, 314, and 315 involve charges by public agencies for the purpose of meeting operating expenses and financial reserve needs and requirements.

Date When Project Will Be Considered for Approval (subject to change):
SCAQMD Governing Board Hearing: May 4, 2018; SCAQMD Headquarters

CEQA Contact Person: Ms. Barbara Radlein	Phone Number: (909) 396-2716	Email: bradlein@aqmd.gov	Fax: (909) 396-3982
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Regulation Contact Person: Ms. Elaine Shen	Phone Number: (909) 396-2715	Email: eshen@aqmd.gov	Fax: (909) 396-3324
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Date Received for Filing: _____ **Signature:** _____ *(Signed Upon Board Approval)*
Barbara Radlein
Program Supervisor, CEQA Section
Planning, Rule Development & Area Sources

FY 2018-19 SCAQMD Budget, Goals and Priority Objectives and Regulation III

Governing Board Meeting
May 4, 2018



FY 2018-19 Topics

- Goals and Priority Objectives
- General Fund Budget
- Reg. III Fee Adjustments

Hierarchy

Mission Statement

To clean the air and protect the health of all residents in the South Coast Air District through practical and innovative strategies.

Goal I

Achieve clean
air standards

Priority
Objectives (8)

Goal II

Enhance public
education and
equitable treatment
for all communities

Priority
Objectives (5)

Goal III

Operate
efficiently and
transparently

Priority
Objectives (7)

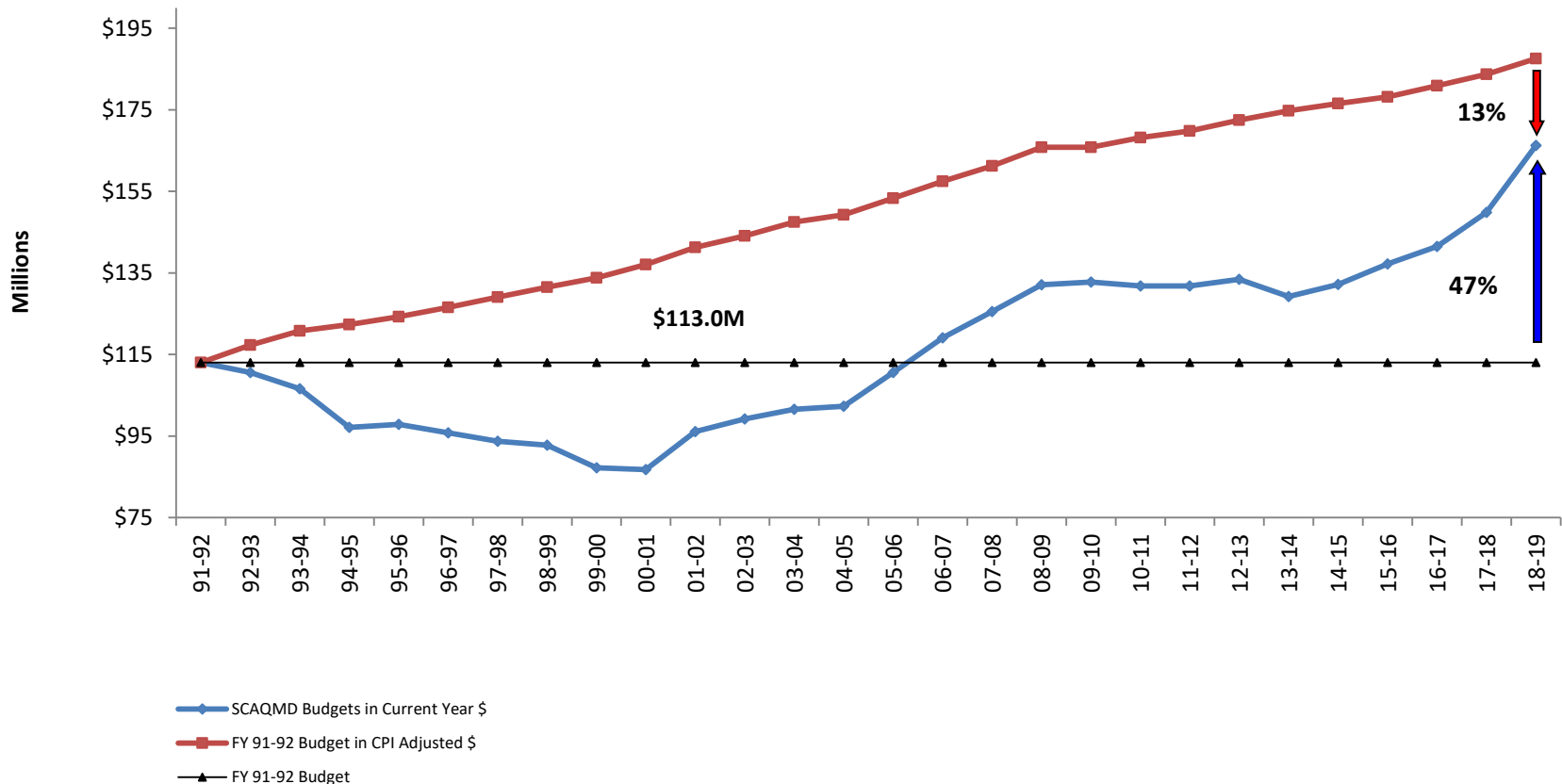
FY 2018-19 General Fund Budget Summary

	FY 2017-18			FY 2018-19
	<u>Budget</u>	<u>Amended*</u>	<u>Estimate</u>	<u>Proposed</u>
Revenue**	\$147.0	\$157.7	\$150.4	\$162.6
Program Cost	<u>\$149.9</u>	<u>\$162.4</u>	<u>\$151.3</u>	<u>\$166.2</u>
Change to Fund Balance	<u>-\$2.9</u>	<u>-\$4.7</u>	<u>-\$0.9</u>	<u>-\$3.6</u>

*Board approved changes through March 2018.

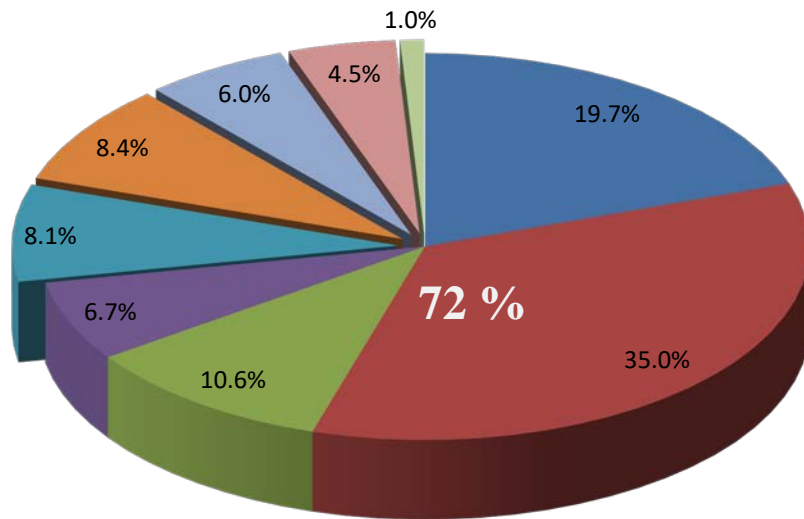
**FY 2018-19 Proposed Revenue Budget includes a projected CPI fee increase of 3.4% with an additional 10.67% increase for Title V annual operating permit renewal and permit processing fees and an additional 4% for Non-Title V annual operating permit renewal and permit processing fees.

Inflation Impact on SCAQMD Budgets FY 1991-92 through FY 2018-19



Expenditures by Activity

FY 2018-19 Proposed Budget



- Permits
- Compliance
- Monitoring
- Rules
- Programs
- Adv. Tech.
- Customer/Business Asst
- Operations
- Policy

Program	Activities
Compliance	Inspections, Investigations, PERP, Arch Coatings
Customer/Business Assistance	Billings Services, Outreach, Public Records
Programs	AQMP, CEQA, Transportation
Rules	Rulemaking, Modeling
Monitoring	PM Sampling, Ambient Network/Air Analysis
Permits	Permit Processing/Services
Operations	Bldg Maint/Systems, Comp Ops, Fin, HR, Purchasing, Training
Policy	Outreach, Legislation, Advisory Groups/Governing Board
Advance Technology	Mobile Sources/Carl Moyer, Clean Fuels, Prop. 1B, MSRC

FY 2018-19 General Fund Budget Five Year Projection

(\$ in millions)	FY 17-18 Estimated	FY 18-19 Projected	FY 19-20 Projected	FY 20-21 Projected	FY 21-22 Projected	FY 22-23 Projected
STAFFING		876.4	886	886	886	886
Revenues *	\$150.4	\$162.6	\$167.6	\$167.2	\$166.1	\$168.0
Program Costs	\$151.3	\$166.2	\$174.6	\$173.8	\$172.1	\$168.4
Change in Fund Balance	-\$0.9	-\$3.6	-\$7.0	-\$6.6	-\$6.0	-\$0.4
UNRESERVED FUND BALANCE (at Year-End)	\$44.2	\$40.6	\$33.6	\$27.0	\$21.0	\$20.6
% of REVENUE	29%	25%	20%	16%	13%	12%
<ul style="list-style-type: none"> Includes projected CPI fee increase of 3.4% for FY 2018-19 with the second year of an additional fee increase approved by the Governing Board in June 2017,(10.67% for Title V annual operating permit renewal and permit processing fees and an additional 4% for non-Title V annual operating permit renewal). FY 19-20 includes CPI of 3% with the third year of the fee increase for Title V facilities approved in June 2017. FY 20-21, FY 21-22 and FY 22-23 have CPI fee increases of 2.9%, 2.9% and 2.8% respectively. 						

Proposed Amended Regulation (PAR) III - Fees

- Annual CPI-based fee increase: 3.4% across the board
- 10 targeted proposals with new fees or fee increases
 - *Cost recovery to meet requirements of recently adopted rules and state mandates*
 - California H&SC Section 42705.6 & SCAQMD Rule 1180: Refinery-Related Community Air Monitoring System Annual O&M Fee
 - RECLAIM Sunset: Facility Permit Reissuance Fee for converting RECLAIM Facility Permit to a Command-and-Control Facility Permit; Fee for optional conversion of a Command-and-Control Facility Permit to traditional Permits to Operate
 - Rule 1402: Potentially High Risk Level Facility Fee; Special Review Fee
 - Rule 1466: Notification Fee
 - *More specific cost recovery for other regulatory actions/services*
 - Current rules do not provide cost recovery or provide insufficient cost recovery
- 23 proposals with no fee impact and/or administrative changes

Recommended Actions:

- Adopt the Executive Officer's FY 2018-19 Proposed Goals and Priority Objectives;
- Adopt the FY 2018-19 Draft Budget; &
- Approve the Amendments to Regulation III

BOARD MEETING DATE: May 4, 2018

AGENDA NO. 34

PROPOSAL: Determine that Proposed Amendments to Rule 408 – Circumvention Are Exempt from CEQA and Amend Rule 408

SYNOPSIS: Proposed Amended Rule 408 would limit the existing exemption from the prohibition on suppressing emissions to cases in which the only violation is an odor nuisance. It otherwise prohibits suppressing or concealing emissions without reducing emissions that violate any air pollution requirement. The proposed amendments would also prohibit temporary alterations to normal business operations or equipment to suppress emissions for the purpose of evading detection or concealing emissions during monitoring or testing.

COMMITTEE: Stationary Source, March 16, 2018, Reviewed

RECOMMENDED ACTIONS:

Adopt the attached Resolution:

1. Determining that the proposed amendments to Rule 408 – Circumvention are exempt from the requirements of the California Environmental Quality Act; and
2. Amending Rule 408 – Circumvention.

Wayne Natri
Executive Officer

PF:SN:MK:HF:NS

Background

Rule 408 was adopted in 1976 to prohibit dilution of emissions to mask an air pollution problem. At the time of adoption, the only exemption to the rule were those cases in which Section 41700 of the Health and Safety Code or Rule 402 – Nuisance were the only rules violated. Under Title 40 of the Code of Federal Regulations (CFR) Section 63.4 – Prohibited activities and circumvention and Title 40 of the CFR Section 61.19 - Circumvention, one cannot conceal an emission that would constitute noncompliance with a relevant standard. The CFR authorizes states, and in turn, air districts, to adopt their own circumvention regulations. Rule 408 was adopted when the South Coast Air Quality Management District (SCAQMD) was the Southern California Air Pollution Control District. Rule 408 replaced the existing prohibitory rules that were in effect in each of the four counties for years prior to the formation of the SCAQMD. Rule 408 was adopted to prohibit the construction, installation, or use of any equipment designed

to conceal emissions without a concurrent reduction in the release of air contaminants to the atmosphere. Specifically, the current rule prohibits the circumvention of Chapter 3 (commencing with Section 41700) of Part 4, Division 26 of the California Health and Safety Code, or SCAQMD rules. Prohibitions from circumventing rules and regulations are part of several state implementation plans and are included in other California air agencies' regulatory programs. Many California air districts have a similar stand-alone rule or a circumvention clause as part of their general prohibition rules. To address compliance issues that have been raised during recent enforcement activities, amendments to Rule 408 are now being proposed.

Proposal

The purpose of PAR 408 is to restrict the current nuisance exemption to only apply to odor nuisances under Health and Safety Code Section 41700 or Rule 402. PAR 408 also prohibits temporarily altering normal business operations or equipment to evade detection of emissions during monitoring or testing. The following key amendments are also proposed to:

- Modify the language to indicate circumvention of any “law, regulation, rule, permit, order, or plan required by a rule” constitutes a violation of Rule 408;
- Add a provision that prohibits altering normal operations or equipment to suppress emissions for the purpose of evading detection or concealing emissions during monitoring or testing; and
- Retain the exemption for cases in which the only violation is a nuisance, but limit the exemption to odor nuisances.

Public Process

The public process for PAR 408 consisted of two public consultation meetings, held on January 11, 2018 and March 14, 2018, and one working group meeting, held on February 23, 2018.

Key Issues

Some stakeholders have requested guidelines to ensure PAR 408 is implemented consistently. Staff is developing a support document containing examples to assist stakeholders in understanding how the rule will be implemented. Staff can revise this document in the future as further circumvention examples are encountered. The support document will be made available on the SCAQMD Rule Support webpage (<http://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/support-documents>).

California Environmental Quality Act

Pursuant to the California Environmental Quality Act (CEQA) and SCAQMD Rule 110, the SCAQMD, as lead agency for the proposed project, has reviewed the proposed amendments to Rule 408 pursuant to: 1) CEQA Guidelines Section 15002(k) - General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 - Review for Exemption, procedures for determining if a project is exempt from CEQA. SCAQMD staff has determined 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. Therefore, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Activities Covered by General Rule. Also, the proposed amendments to Rule 408 are categorically exempt because they are designed to further protect or enhance the environment pursuant to CEQA Guidelines Section 15308 – Actions by Regulatory Agencies for Protection of the Environment. A Notice of Exemption has been prepared pursuant to CEQA Guidelines Section 15062 - Notice of Exemption. If the project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties.

Socioeconomic Impact Assessment

PAR 408 clarifies the rule language and makes several revisions that are administrative in nature and will not impose any additional costs to facilities or result in other socioeconomic impacts. Implementation of PAR 408 will provide greater assurance that monitored air emissions are more representative of actual conditions by prohibiting alteration of normal operations or equipment to suppress emissions. The proposed amendments do not significantly affect air quality and emission limitations as they do not require installation of pollution controls, require material formulations or process changes, or establish an emission limit or standard, and therefore, no socioeconomic analysis is required under California Health and Safety Code Sections § 40440.8 and § 40728.5.

AQMP and Legal Mandates

The California Health and Safety Code requires the SCAQMD to adopt an Air Quality Management Plan (AQMP) to meet state and federal ambient air quality standards in the South Coast Air Basin. In addition, the California Health and Safety Code requires the SCAQMD to adopt rules and regulations that carry out the objectives of the AQMP but the proposed amendments are not control measures in the 2016 AQMP. However, PAR 408 will improve enforceability and enhance compliance with SCAQMD rules and regulations.

Resource Impacts

Existing SCAQMD resources will be sufficient to implement the proposed amendments to Rule 408 with minimal additional resource needs.

Attachments

- A. Summary of Proposal
- B. Key Issues and Responses
- C. Rule Development Process
- D. Key Contacts List
- E. Resolution
- F. Rule Language for Proposed Amended Rule 408
- G. Final Staff Report
- H. Notice of Exemption
- I. Board Meeting Presentation

ATTACHMENT A
SUMMARY OF PROPOSAL

Proposed Amended Rule 408 – Circumvention

Staff proposes the following amendments to improve enforceability and clarify rule language.

The following are proposed rule revisions:

1. Modify the language to indicate circumvention of any “law, regulation, rule, permit, order, or plan required by a rule” constitutes a violation of Rule 408.
2. Add a provision that prohibits altering normal operations or equipment to suppress emissions for the purpose of evading detection or concealing emissions during monitoring or testing.
3. Retain the exemption for cases in which the only violation is a nuisance, but limit it to odor nuisances.

The following are the proposed rule clarifications:

1. Rearrange the rule language to make the intent clear.
2. Replace the term “reduces” with “suppresses” as suppression is more indicative of circumvention.
3. Include the term “technique” to clarify that actions not involving equipment are also a violation of Rule 408.

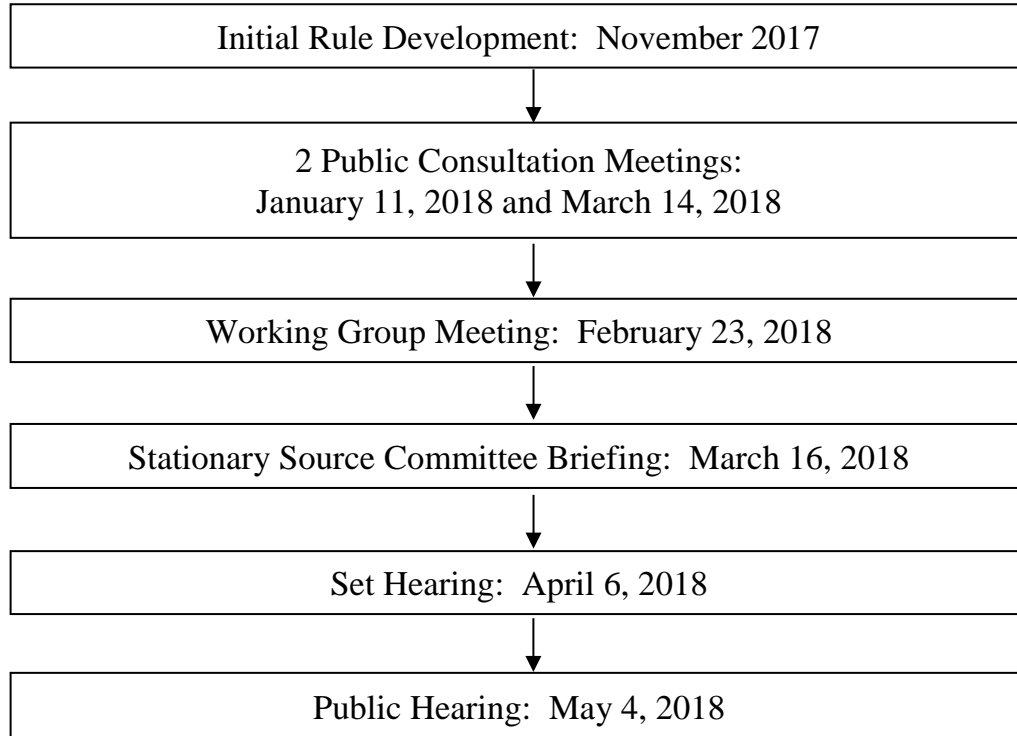
ATTACHMENT B
KEY ISSUES AND RESPONSES

Proposed Amended Rule 408 – Circumvention

Rule Enforcement

- Some stakeholders have requested guidelines to ensure PAR 408 is implemented consistently. Staff is developing a support document containing examples to assist stakeholders in understanding how the rule will be implemented. Staff can revise this document in the future as further circumvention examples are encountered. The support document will be made available on the SCAQMD Rule Support webpage (<http://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/support-documents>).

ATTACHMENT C
RULE DEVELOPMENT PROCESS
Proposed Amended Rule 408 – Circumvention



6 months spent in rule development
2 Public Consultation Meetings
1 Working Group Meeting

ATTACHMENT D
KEY CONTACTS LIST

Amvac Chemical Corporation

Andeavor

BizFed

California Council for Environmental and Economic Balance

California Small Business Alliance

Del Amo Action Committee

FDI

Inland Empire Disposal Association

Keramida

Latham & Watkins

Los Angeles County Sanitation Districts

Metropolitan Water District

MicroVention

Oil Well Service

Orange County Sanitation District

Ramboll Environ

Republic Services

SA Recycling

Signal Hill Petroleum

Southern California Air Quality Alliance

Southern California Edison

Southern California Gas Company

Trihydro Corp.

Vopak

Western States Petroleum Association

Whittingham Public Affairs Advisors

ATTACHMENT E

RESOLUTION NO. 18-_____

A Resolution of the Governing Board of the South Coast Air Quality Management District (SCAQMD) determining that the Amendments to Rule 408 – Circumvention are exempt from the requirements of the California Environmental Quality Act (CEQA).

A Resolution of the SCAQMD Governing Board adopting Proposed Amended Rule 408 – Circumvention.

WHEREAS, the SCAQMD Governing Board finds and determines that Proposed Amended Rule 408 is considered a “project” pursuant to CEQA per CEQA Guidelines Section 15002(k) – General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and

WHEREAS, the SCAQMD has had its regulatory program certified pursuant to Public Resources Code Section 21080.5 and has conducted a CEQA review pursuant to such program (SCAQMD Rule 110); and

WHEREAS, the SCAQMD Governing Board finds and determines after conducting a review of the proposed project in accordance with CEQA Guidelines Section 15002(k) - General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA, and CEQA Guidelines Section 15061 - Review for Exemption, procedures for determining if a project is exempt from CEQA, that the proposed amendments to Rule 408 exempt from CEQA; and

WHEREAS, the SCAQMD Governing Board finds and determines that it can be seen with certainty that there is no possibility that the proposed project may have any significant effects on the environment, and is therefore, exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Activities Covered By General Rule; and

WHEREAS, the SCAQMD Governing Board finds and determines that the proposed project is also categorically exempt from CEQA requirements pursuant to CEQA Guidelines Section 15308 – Actions by Regulatory Agencies for Protection of the Environment, because the proposed amendments to Rule 408 are designed to further protect or enhance the environment; and

WHEREAS, the SCAQMD staff has prepared a Notice of Exemption for the proposed project that is completed in compliance with CEQA Guidelines Section 15062 – Notice of Exemption; and

WHEREAS, Proposed Amended Rule 408, the May 4, 2018 SCAQMD Governing Board letter, including the Final Staff Report, Notice of Exemption and other supporting documentation, were presented to the SCAQMD Governing Board and the SCAQMD Governing Board has reviewed and considered the entirety of this information, considered staff testimony and public comment prior to approving the project; and

WHEREAS, the SCAQMD Governing Board finds and determines, taking into consideration the factors in Section (d)(4)(D) of the Governing Board Procedures (codified as Section 30.5(4)(D)(i) of the Administrative Code), that if any modifications to Proposed Amended Rule 408 have been made since the notice of public hearing was published they are not so substantial as to significantly affect the meaning of the proposed amended rules within the meaning of Health and Safety Code Section 40726 because: (a) the changes do not impact emission reductions, (b) the changes do not affect the number or type of sources regulated by the rules, (c) the changes are consistent with the information contained in the notice of public hearing, and (d) the consideration of the range of CEQA alternatives is not applicable because Proposed Amended Rule 408 is exempt from CEQA; and

WHEREAS, Proposed Amended Rule 408 will not be submitted for inclusion into the State Implementation Plan; and

WHEREAS, the SCAQMD staff conducted public consultation meetings regarding Proposed Amended Rule 408 on January 11, 2018 and March 14, 2018 and a working group meeting on February 23, 2018; and

WHEREAS, Health and Safety Code Section 40727 requires that prior to adopting, amending or repealing a rule or regulation, the SCAQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the public hearing and in the Final Staff Report; and

WHEREAS, the SCAQMD Governing Board has determined that a need exists to amend Rule 408 – Circumvention to clarify rule language, limit the existing exemption to odor nuisances, and prohibit alteration of normal business operations or equipment for the purpose of evading detection or concealing emissions during monitoring or testing; and

WHEREAS, the SCAQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from Sections 39002, 40000, 40001, and 40702 of the Health and Safety Code; and

WHEREAS, the SCAQMD Governing Board has determined that Rule 408, as proposed to be amended, is written and displayed so that its meaning can be easily understood by persons directly affected by them; and

WHEREAS, the SCAQMD Governing Board has determined that Rule 408, as proposed to be amended, is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, or state or federal regulations; and

WHEREAS, the SCAQMD Governing Board has determined that Rule 408, as proposed to be amended, does not impose the same requirements as any existing state or federal regulations, and the proposed amended rule is necessary and proper to execute the powers and duties granted to, and imposed upon, the SCAQMD; and

WHEREAS, the SCAQMD Governing Board, in amending the regulation, references the following statutes which the SCAQMD hereby implements, interprets or makes specific: Health and Safety Code Sections 40001 (rules and regulations), 40702 (adopt regulation to execute duties), and Title 40 of the Code of Federal Regulations Sections 61.19 (Circumvention) and 63.4 (Prohibited activities and circumvention); and

WHEREAS, the SCAQMD Governing Board has determined that a Socioeconomic Impact Assessment is not required, pursuant to Health and Safety Code Section 40440.8 or 40728.5, because Proposed Amended Rule 408 is administrative in nature and will not have a significant impact on air quality or emissions limitations; and

WHEREAS, the public hearing has been properly noticed in accordance with all provisions of Health and Safety Code Section 40725; and

WHEREAS, the SCAQMD Governing Board has held a public hearing in accordance with all provisions of law; and

WHEREAS, the SCAQMD specifies the Manager for Rule 408 as the custodian of the documents or other materials which constitute the record of proceedings upon which the adoption of the proposed amendments are based, which are located at the South Coast Air Quality Management District, 21865 Copley Drive, Diamond Bar, California; and

WHEREAS, stakeholders requested that the SCAQMD make available to the public a separate document consisting of various examples of circumvention that may be updated as necessary; and

NOW, THEREFORE BE IT RESOLVED, that the SCAQMD Governing Board does hereby determine, pursuant to the authority granted by law, that Proposed Amended Rule 408 is exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Activities Covered by General Rule, and CEQA Guidelines Section 15308 – Actions by Regulatory Agencies for Protection of the Environment. This information was presented to the SCAQMD Governing Board, whose members reviewed, considered and approved the information therein prior to acting on Proposed Amended Rule 408; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board does hereby amend, pursuant to the authority granted by law, Rule 408, by adopting Proposed Amended Rule 408 as set forth in the attached, and incorporated herein by this reference; and

BE IT FURTHER RESOLVED, that the SCAQMD Governing Board directs staff to develop a support document consisting of examples of circumvention that is available to the public.

Attachment

DATE: _____

CLERK OF THE BOARDS

ATTACHMENT F

(Adopted May 7, 1976)(Amended May 4, 2018)

PROPOSED AMENDED RULE 408. CIRCUMVENTION

- (a) A person shall not build, erect, install, or use any equipment or technique that suppresses or conceals an emission, the use of which, without resulting in a reduction in the total release of air contaminants to the atmosphere if that release of air contaminants, reduces or conceals an emission which would otherwise constitute a violation of Chapter 3 (commencing with Section 41700) of Part 4, of Division 26 of the Health and Safety Code or of these rules any law, regulation, rule, permit, order, or plan required by rule. This rule shall not apply to cases in which the only violation involved is of Section 48700 of the Health and Safety Code, or Rule 402 of these Rules.
- (b) A person shall not alter normal business operations or equipment to suppress emissions for the purpose of evading detection or concealing emissions during monitoring or testing.
- (c) Subdivision (a) of this rule shall not apply to cases in which the only violation is nuisance odor under Section 41700 of the Health and Safety Code or nuisance odor under Rule 402.

ATTACHMENT G

SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT

**Final Staff Report
Proposed Amended Rule 408 – Circumvention**

May 2018

Deputy Executive Officer

Planning, Rule Development, and Area Sources
Philip M. Fine, Ph.D.

Assistant Deputy Executive Officer

Planning, Rule Development, and Area Sources
Susan Nakamura

Planning and Rules Manager

CEQA and Rule Development
Michael Krause

Author	Nicole Silva – Air Quality Specialist
Reviewed By:	Heather Farr – Program Supervisor Daphne Hsu – <u>Senior</u> Deputy District Counsel
Contributors:	Barbara Baird – Chief Deputy Counsel Megan Lorenz – Principal Deputy District Counsel Laki Tisopulos – Deputy Executive Officer Marian Coleman – Deputy Executive Officer Amir Dejbakhsh – Assistant DEO Andrew Lee – Senior AQ Engineering Manager Jason Aspell – Senior Enforcement Manager Scott Caso – Senior Enforcement Manager Rafael Reynosa – Senior Enforcement Manager Victor Yip – Senior Enforcement Manager John Anderson – AQ Analysis and Compliance Supervisor Kiersten Melville – AQ Analysis and Compliance Supervisor Amanda Sanders – Supervising AQ Inspector Shawn Bennage – Supervising AQ Inspector

**SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT
GOVERNING BOARD**

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Speaker of the Assembly Appointee

VICE CHAIRMAN: DR. CLARK E. PARKER, SR.
Senate Rules Committee Appointee

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County of Riverside

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Council Member, 15th District
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MICHAEL A. CACCIOTTI
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DWIGHT ROBINSON
Council Member, Lake Forest
Cities of Orange County

JANICE RUTHERFORD
Supervisor, Second District
County of San Bernardino

HILDA L. SOLIS
Supervisor, First District
County of Los Angeles

EXECUTIVE OFFICER:

WAYNE NASTRI

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EXECUTIVE SUMMARY

Rule 408 was adopted in 1976 to prohibit dilution to mask an air pollution problem. At the time of adoption, the only exemption to the rule were those cases in which Section 48700¹ (sic) of the Health and Safety Code or Rule 402 – Nuisance were the only rules violated. The purpose of proposed amended rule (PAR) 408 is to restrict the current exemption to only odor nuisances under Health and Safety Code Section 41700 or Rule 402 and prohibit temporarily altering normal business operations or equipment to evade detection of emissions during monitoring or testing.

BACKGROUND

Under Title 40 of the Code of Federal Regulations (CFR) Section 63.4 – Prohibited activities and circumvention² and Title 40 of the CFR Section 61.19 - Circumvention³, one cannot conceal an emission that would constitute noncompliance with a relevant standard. The CFR authorizes states, and in turn, air districts, to adopt their own circumvention regulations. Rule 408 was adopted on May 7, 1976 when the South Coast Air Quality Management District (SCAQMD) was the Southern California Air Pollution Control District. This rule replaced the existing prohibitory rules that were in effect in each of the four county regions for years prior to the formation of the SCAQMD. Rule 408 was adopted to prohibit the construction, installation, or use of any equipment ~~or technique~~ designed to conceal emissions without a concurrent reduction in the release of air contaminants to the atmosphere. Specifically, the current rule prohibits the circumvention of Chapter 3 (commencing with Section 41700) of Part 4, Division 26 of the California Health and Safety Code (H&SC), or SCAQMD rules. Circumvention rules and regulations are part of several state implementation plans ~~as well as~~ and are included in many other California air ~~districts' rulebooks~~ agencies' regulatory programs. Many of the California air districts have a similar stand-alone rule or a circumvention clause as part of their general prohibition rules. The proposed amendments to Rule 408 will address compliance issues that have ~~been raised~~ arisen during recent enforcement ~~activity~~ activities.

PROPOSED AMENDMENT

The purpose of proposed amended rule (PAR) 408 is to clarify the rule language and make several revisions. The following are the proposed rule clarifications:

1. Rearrange the rule language to make the intent clear.
2. Replace the term “reduces” with “suppresses” as suppression is more indicative of circumvention.
3. Include the term “technique” to clarify that actions not involving equipment is also a violation of Rule 408.

The following are the proposed rule revisions:

¹ Inclusion of Health and Safety Code Section 48700 in the current version of the rule is an error. It should reference Section 41700.

² 40 CFR 63.4 Prohibited activities and circumvention.

³ 40 CFR 61.19 Circumvention.

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1. Modify the language to indicate circumvention of any “law, regulation, rule, permit, order, or plan required by a rule” constitutes a violation of Rule 408.
2. Add a provision that prohibits altering normal operations or equipment to suppress emissions for the purpose of evading detection or concealing emissions during monitoring or testing.
3. Retain the exemption for cases in which the only violation is a nuisance, but limit it to odor nuisances.

The purpose of the first revision is to amend the language to ~~indicate~~ specify that circumventing a “law, regulation, rule, permit, order, or plan required by a rule” constitutes a violation of Rule 408; the current rule language only states that circumventing the Health and Safety Code or SCAQMD rule constitutes a violation. This proposed amendment clarifies the SCAQMD’s authority; the SCAQMD already has the authority to issue a citation for circumventing a “law, regulation, rule, permit, order, or plan required by a rule.” Looking at each term individually:

- Plan includes any plan required by SCAQMD rules, including but not limited to:
 - Air monitoring plan (e.g., Rule 1420.2 - Emissions Standard for Lead),
 - Compliance plan (e.g., Rule 1146 - Emissions of Oxides of Nitrogen from Industrial, Institutional and Commercial Boilers, Steam Generators, and Process Heaters),
 - Emission control plan (e.g., Rule 1110.2 - Emissions from Gaseous_ and Liquid-Fueled Engines), or
 - Risk Reduction Plan (e.g., Rule 1402 - Control of Toxic Air Contaminants from Existing Sources).
- Order may include, but is not limited to, a stipulated order for abatement or a standard order for abatement, pursuant to SCAQMD Regulations ~~5 and 12~~ and 8.
- Permit includes any permit condition in a SCAQMD issued air quality permit or equipment description.
- Rule includes requirements in any SCAQMD rule.
- Regulation or law includes any regulation or law that the SCAQMD has authority to enforce.

The second proposed amendment prohibits altering normal business operations or equipment to evade detection of emissions during monitoring or testing. This is to address facilities that might, for example, block emission stacks, reduce their throughput, redirect throughput to other locations, or block monitors during monitoring or testing.

To prove a business altered their normal business operation to *evade detection* necessitates proving the intent. Normal business operations can change for a variety of reasons that would not indicate circumvention. Routine changes may include, but are not limited to, seasonal increase or decrease of work, large projects or work orders that may temporarily change emissions levels, or improving the efficiency of an operation that could change emissions. To prove intent, the onus is on enforcement staff, who will assess ~~all~~ the available facts. For example, staff may be able to prove a facility is purposely reducing their work load or altering equipment to suppress emissions by reviewing operator logs, fuel usage, production records, purchase records, work orders, and interviewing employees, etc. Another factor enforcement staff would take into consideration is the length of time an operation was altered. Alteration of business operations or equipment for

purposes other than evading detection or concealing emissions during monitoring and testing, such as enhancements to business practices to facilitate the sustained reduction of emissions or to reduce potential impacts on neighboring communities and other sensitive receptors would not be viewed as circumvention.

The purpose of subdivision (b) is to prevent a facility from suppressing emissions or evading detection during ~~source~~-testing or monitoring. Stakeholders expressed concern with the monitoring requirement because of the availability of low cost sensors and future community monitoring requirements. Assembly Bill 617, adopted on July 26, 2017, requires community air monitoring systems to be established to assist in the development of a strategy to reduce community exposure to air contaminants in affected communities.⁴ In addition, SCAQMD Rule 1180 – Refinery Fenceline and Community Air Monitoring, adopted on December 1, 2017, requires petroleum refineries to develop fenceline air monitoring plans and deploy fenceline monitoring. Circumventing monitoring is included in PAR 408, not only to address a facility ~~possibly~~-avoiding monitoring required by an existing rule or order, but also ~~because to address~~ future community monitorings. ~~will read~~ Community monitors would measure ambient air pollution concentrations and the data from those monitors will-would be evaluated to determine potential sources of emissions. Accurate and complete data is critical to obtain a comprehensive understanding of the emissions affecting impacted communities.

The last proposed revision is to the existing exemption that allows concealing emissions when mitigating nuisances. Field inspections found facilities attempting to use that exemption to violate SCAQMD rules. That exemption is being limited to only include mitigating nuisance *odors*. The current exemption also references an incorrect section of the Health and Safety Code. Current rule language references Section 48700 instead of Section 41700. Staff has corrected the Health and Safety code reference and has also moved the exemption to a separate subdivision to improve clarity.

CIRCUMVENTION EXAMPLES

As stated earlier, PAR 408 was initiated to address recent enforcement issues. The following hypothetical examples are provided to assist in understanding the proposed amendments, but are not intended to be an exhaustive list of examples of cases where this rule may or may not be applicable. These examples are a snapshot of enforcement scenarios to ~~further help stakeholders~~ understand the applicability of the rule and its amendments. More examples will be compiled in a support document that will be made available on the SCAQMD Rule Support webpage (<http://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/support-documents>) and will be updated when necessary.

Example 1

A facility routes their exhaust gas through a bypass stack to conceal an emission exceedance from an installed emission monitoring system, flow monitoring system, or air pollution control device. Enforcement staff identifies the bypass stack and cites the facility for violating Rule 408.

⁴ Assembly Bill No. 617 as referenced in https://leginfo.legislature.ca.gov/faces/billTextClient.xhtml?bill_id=201720180AB617.

This example illustrates a violation of Rule 408(a) because the facility concealed emissions that would have been a rule violation.

Example 2

A person may use dust suppressants on a variety of surfaces with particulate matter accumulation to comply with Rule 403 – Fugitive Dust. A person using compliant dust suppressants to comply with Rule 403 *would not be in violation of the rule* Rule 408 since the technique to suppress the dust is also suppressing or reducing air pollutant emissions; and therefore, would result in an overall reduction in the total release of air contaminants to the atmosphere.

This example illustrates compliance with Rule 408(a) because the facility used a Rule 403 compliant technique to suppress and reduce the total release of air contaminants to the atmosphere.

Example 3

A facility moves the stack of their permitted air polluting equipment to redirect air pollutant emissions away from a nearby sensitive receptor with the intent to reduce exposure without increasing or decreasing the level of emissions.

This example illustrates compliance with Rule 408(a) because the move was permanent, but the facility would be required to file a permit modification before making the change per Rule 203 – Permit to Operate, or submit a modification to any affected monitoring plan, to ensure the modification to the exhaust stacks are properly reflected in ~~affected~~ its monitoring plan.

If the facility moved the stack to evade detection from a nearby monitor, this example would illustrate a violation of Rule 408(b) because the facility changed equipment to conceal the emissions from the monitoring device.

Example 4

Many rules, plans, or permit conditions require facilities to control emissions. A facility may attempt to conceal an emission violation by blocking the exhaust stack or altering the equipment to bypass the equipment's sensor that takes criteria pollutant or toxic emissions readings. This would conceal the total emissions released from the facility without reducing the total release of air contaminants.

This example illustrates a violation of Rule 408(a) because the facility ~~used a technique to alter~~ equipment to conceal a violation and Rule 408(b) for bypassing the sensor.

~~If~~ Further, if the facility blocked the exhaust stack to prevent an ambient air monitor from detecting accurate emissions, this example would illustrate a violation of Rule 408(b) because the facility was altering equipment to evade detection during monitoring.

Example 5

A rule requires monitoring outside of the facility. Due to odor complaints, the facility installed fans at their equipment's exhaust points to mitigate odors released to the surrounding community. The fans were also directing regulated emissions away from the air monitoring equipment and concealing emissions that would have exceeded permit conditions.

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This example illustrates a violation of Rule 408(a) and (b) because the odor mitigation concealed regulated emissions that would have violated a permit condition during monitoring.

If the only emission was an odor, the facility could suppress or conceal that odor emission using equipment or techniques and not be in violation of Rule 408 because the action is exempt pursuant to Rule 408(c).

Example 6

A facility was found in violation of a rule for exceeding criteria pollutant or toxic emission allowances. The SCAQMD Hearing Board required the facility to meet certain emissions limits. To ensure the facility corrects their violation, pursuant to the Hearing Board's order, enforcement staff placed air monitoring equipment outside the facility. The facility altered its normal business operation by outsourcing part of their production to avoid higher emission readings during monitoring and resumed normal business operation after monitoring ceased.

This example illustrates a violation of Rule 408(b) because the facility altered normal business operations for the purpose of suppressing emissions during monitoring.

Example 7

A facility complying with ambient air monitoring requirements ~~received~~receives a large work order. The blower on the facility's spray booth breaks down and the facility documents that the equipment cannot be repaired or replaced until after the work order is scheduled for completion. The facility maintains supporting documentation for this breakdown. The facility outsources the work order to another facility so the job may be completed on schedule.

This example illustrates compliance with Rule 408(b) because the facility did not alter their normal business operations to conceal emissions and had documents to support the legitimate reason for outsourcing.

Example 8

A facility that produces digester gas is required to source test its flare. In order to follow the source test protocol correctly, the source test requires a 60 minute test run time at a specified load. After 45 minutes, the facility has to stop the source test because there was not a sufficient amount of gas. The facility will be required to wait until there is an adequate quantity of gas to complete the source test at the specified load and duration. The facility also maintains proper documentation to demonstrate why the source test could not be completed.

This example illustrates compliance with Rule 408-(b) because the facility was not trying to conceal emissions during a source test; the facility had a valid reason to stop the source test and maintained proper documentation to support the reason for its failure to complete the source test.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA)

Pursuant to the California Environmental Quality Act (CEQA) and SCAQMD Rule 110, the SCAQMD, as lead agency for the proposed project, has reviewed the proposed amendments to Rule 408 pursuant to: 1) CEQA Guidelines Section 15002(k) - General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA

Guidelines Section 15061 - Review for Exemption, procedures for determining if a project is exempt from CEQA. Since the proposed project is comprised of updates to the existing rule for the purpose of clarifying the meaning of circumvention, SCAQMD staff has determined 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. Therefore, the proposed project is considered to be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Activities Covered by General Rule. Also, the proposed amendments to Rule 408 are categorically exempt because they are designed to further protect or enhance the environment pursuant to CEQA Guidelines Section 15308 – Actions by Regulatory Agencies for Protection of the Environment. A Notice of Exemption will be prepared pursuant to CEQA Guidelines Section 15062 - Notice of Exemption. If the proposed project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties.

SOCIOECONOMIC ASSESSMENT

The proposed amendments to Rule 408 clarify the rule language and make several revisions that are administrative in nature and will not impose any additional costs to the affected facilities or result in other socioeconomic impacts. In addition, the proposed amendments do not significantly affect air quality emission limitations, and therefore, no socioeconomic analysis is required under California Health and Safety Codes § 40440.8 and § 40728.5.

COMMENTS

Key Comments from Public Meetings

Public Consultation Meeting #1 General Comment:

Stakeholders expressed concern that the proposed amendment will change enforcement practices.

Response to General Comment:

SCAQMD enforcement practices will not change. Circumvention will be assessed on a case-by-case basis, evaluating whether the actions taken by a facility was to circumvent any law, order, permit, rule, or plan required by a rule.

Public Consultation Meeting #2: Bill LaMarr – California Small Business Alliance

Will businesses be notified if a community monitor is placed near their facility? Is it possible that a business will not know a monitor is near their site?

Response to Mr. LaMarr:

Public notifications will be part of the community monitoring program but there may be instances where a facility is not aware of a monitor placed near their facility. The burden will be on the SCAQMD to prove if a facility violated subdivision (b) by altering their normal business operation or equipment in order to evade detection by a community monitor.

Final Staff Report

Public Consultation Meeting #2: Susan Stark – Andeavor

What if a facility reduces emissions for an extended period of time, such as five years, due to the presence of a monitor? Would that be considered a violation of subdivision (b)?

Response to Ms. Stark:

The length of time a business alters their operations is one factor enforcement staff takes into consideration when determining whether detection is being evaded and a violation occurred. Further, the question assumes enforcement staff would not notice a reduction in emissions before five years. Enforcement staff may discover that the facility reduced their emissions before the five years in question during routine inspection or investigation. Enforcement staff reviews operating logs and speak with facility staff to gain insight as to why the facility may have altered their business operations. It would not be a violation of PAR 408 if the facility permanently reduces their emissions due to business reasons or a community concern, even with the presence of a monitor.

Public Consultation Meeting #2: Kenneth Pacheco – Andeavor

Staff clarified that normal business operations may include changes due to seasonal work, but for our business, it is not really seasonal. Operations may change on a daily basis depending on a series of factors, for example, what is driving the market at that time. How would SCAQMD view that as altering business operations?

Response to Mr. Pacheco:

Staff cited seasonal changes as just one example of a change in normal business operations that would not be considered circumvention. Staff recognizes that business operations may change on a daily basis and understands that some businesses are market driven or dependent on the amount of work orders received. The purpose of subdivision (b) was to address those instances in which a facility alters their business to evade detection by monitors or a source test.

Stationary Source Committee: Curt Coleman – Southern California Air Quality Alliance

The commenter suggested developing guidelines, outside of the staff report, containing various circumvention scenarios that could be available to the regulated community to serve as guidance for affected stakeholders and, if needed, periodically updated.

Response to Mr. Coleman:

Staff provided a variety of examples in the staff report to assist in a better understanding of the rule. Due to the vast number of different sources regulated in our region, it would not be possible to list all scenarios that would or would not apply to this rule. Instead, staff provided examples within this staff report as a point of reference to address the stated concerns of stakeholders during this rule development. Staff will also develop a separate document outside of the staff report that will be published on the SCAQMD's Support Documents webpage for rules (<http://www.aqmd.gov/home/rules-compliance/rules/scaqmd-rule-book/support-documents>).

Comment Letters Received



California Council for Environmental and Economic Balance

101 Mission Street, Suite 1440, San Francisco, California 94105
415-512-7890 phone, 415-512-7897 fax, www.cceeb.org

March 22, 2018

Nicole Silva
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765
Submitted electronically to nsilva@aqmd.gov

RE: Proposed Amended Rule 408: Circumvention

Dear Ms. Silva,

We submit the following comments on behalf of the California Council for Environmental and Economic Balance (CCEEB) on Proposed Amended Rule: Circumvention (PAR 408). CCEEB is a nonpartisan, nonprofit coalition of business, labor, and public leaders that advances strategies for a healthy environment and sound economy. CCEEB represents many facilities that operate in the South Coast Air Quality Management (District) and that are subject to PAR 408.¹

Since the release of preliminary rule language, staff has committed to working with stakeholders on the proposed amendments. We would like to acknowledge the significant improvements made in addressing stakeholder concerns regarding PAR 408. While many of the concerns raised by CCEEB's have been addressed, additional comments have developed through the District's public process.

Our primary, high-level comments are:

- **Provide additional examples of when PAR 408 would not be applicable** – Staff should provide additional examples of when a facility would not be in violation of PAR 408.
- **Develop a checklist or a related document for standardized enforcement review** – Additional guidance for enforcement staff should be developed to ensure standardize interpretation of PAR 408 and that the rule writer's intent is clearly understood.

What follows is a more detailed discussion of each of these points.

Examples of Non-Applicability of PAR 408

CCEEB asks that the District clarify the intended applicability of PAR 408 by providing additional examples of when a facility would not be in violation of the rule. We are

¹ SCAQMD PAR 408 referenced as presented at March 14, 2018 Public Consultation Meeting.

particularly interested in better understanding how enforcement would apply to proposed subsection (b), which currently states that “[a] person shall not alter normal business operations or equipment to suppress emissions for the purpose of evading detection or concealing emissions during monitoring or testing.” Enforcement of this provision requires two subjective inquiries – 1) what are “normal business operations or equipment,” and 2) what is the “purpose” of altering those operations or equipment. Additional examples will provide necessary clarification to guide both facility operators and enforcement staff. The current draft staff report includes four examples of circumvention.² Only one of these is when a facility would not be in violation of PAR 408. The other three are examples of when a facility would be in violation of the rule. CCEEB believes additional examples of when PAR 408 would not be applicable are needed.

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Enforcement Guidance

Similarly, guidance, in the form of a standardized check-list or a set of questions or factors, will also support District implementation of PAR 408 in two main ways. First, enforcement staff will be better able to understand the rule writer’s intent of PAR 408, while still considering enforcement on a case-by-case basis. Second, it will provide greater consistency by defining and standardizing how sections of PAR 408 can be interpreted. For example, different inspectors may interpret different activities as altering of normal business operations or require testing or monitoring of varying durations under PAR 408(b).

1-2

A check-list or set of questions with respect to circumvention involving alteration of normal business practices or equipment to suppress emissions for the purpose of evading detection or concealing emissions during monitoring or testing should include a requirement that the inspector (1) describe the alteration, (2) explain how the alteration enabled the facility to avoid detection during monitoring or testing, and (3) provide any alternative explanation from the facility regarding the rationale for the alteration. Requiring that inspectors factually outline the elements of a circumvention violation will promote consistency in the interpretation and application of this rule, since a conclusory statement from the inspector that the facility altered to avoid detection or to conceal emissions would not be sufficient.

Ultimately, enforcement guidance will support staff in fully realizing the rule writer’s intent of PAR 408, given the amendments are based upon recent enforcement issues.³ CCEEB requests that this additional guidance be included in the Staff Report so that it memorializes staff’s intent contemporaneous with rule adoption.

We appreciate the opportunity to provide these comments on PAR 408. Should you have any questions or wish to discuss our comments further, please contact me (billq@cceeb.org or 415-512-7890 ext. 115), Janet Whittick (janetw@cceeb.org or ext. 111), or Devin Richards (devinr@cceeb.org or ext. 110).

² SCAQMD. Draft Staff Report. “Proposed Amended Rule 408: Circumvention.” February 2018.

³ SCAQMD. Public Consultation Meeting. “Proposed Amended Rule 408: Circumvention.” March 14, 2018.

RE: PAR 408

March 22, 2018

Page 3 of 3

Sincerely,



Bill Quinn
CCEEB Vice President
South Coast Air Project Manager

cc: Philip Fine, SCAQMD
Jerry Secundy, CCEEB
Janet Whittick, CCEEB
Devin Richards, CCEEB
CCEEB South Coast Air Project Members

Response to Comment 1-1:

Staff included additional examples of circumvention in the staff report, section “Circumvention Examples,” to address this request. It is not possible to address all types of sources and potential violation scenarios. Enforcement staff will implement this rule on a case-by-case basis. The scenarios included in this staff report will not be a comprehensive list of rule violations; however, they should serve as a guide to assist stakeholders’ understanding of the examples of applicability of, or compliance with, the rule and its implementation.

Response to Comment 1-2:

Due to the diversity and complexity of the industries regulated within the SCAQMD, it is not possible to develop a standardized checklist or set of questions for enforcement staff to rely. Most inspections vary depending on the type of facility and rules with which the facility must comply.

~~In~~ With regards to subdivision (b) of this rule, if there was an alteration of business operations or equipment that enforcement staff observed or noted, staff would have to provide evidence that the alteration was made to evade detection or conceal emissions. If the facts obtained demonstrated that the facility altered their business operation to evade detection or conceal emissions, the facts that lead to that conclusion would be detailed by staff.

Comment Letter #2

Comment Letter 2

John C. Heintz
Direct Dial: 213.891.7395
john.heintz@lw.com

355 South Grand Avenue, Suite 100
Los Angeles, California 90071-1560
Tel: +1.213.485.1234 Fax: +1.213.891.8763
www.lw.com

LATHAM & WATKINS LLP

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Houston Shanghai
London Silicon Valley
Los Angeles Singapore
Madrid Tokyo
Milan Washington, D.C.

March 23, 2018

Philip Fine, Ph.D
Deputy Executive Officer
South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Re: Regulatory Flexibility Group Comments on the South Coast Air Quality Management District's Proposed Amended Rule 408

Dear Dr. Fine:

Thank you for the opportunity to provide these comments regarding the District's Proposed Amended Rule ("PAR") 408, Circumvention. We submit these comments on behalf of the Regulatory Flexibility Group ("RFG"), a coalition of California entities whose operations are subject to regulation under the Clean Air Act and corresponding state and regional air quality programs. RFG members have participated in the review of and comment on SCAQMD regulations since its formation in the fall of 1990, and we have appreciated the opportunity to work with Staff and other stakeholders over the last several months on PAR 408. RFG is appreciative that, following several public meetings and the receipt of comments from a wide variety of stakeholders, the District has made a number of changes to its initial draft rule that more appropriately tailor the rule to achieve its intended purposes while minimizing unintended consequences. RFG further appreciates the District's revisions to the initial draft rule that preserves facilities' ongoing ability to proactively address and manage potential nuisance odors.

RFG does, however, request an additional confirmation regarding PAR 408 subsection (b), which currently states that "[a] person shall not alter normal business operations or equipment to suppress emissions for the purpose of evading detection or concealing emissions during monitoring or testing." RFG recognizes and supports the District's goal to address facilities that intentionally set out to game testing or evade monitoring, but we are concerned with the potential for inconsistent enforcement given the rule's subjective language. We therefore request that the District clarify in the staff report that this rule is a "specific intent" rule and that, to establish a violation, the District will need to demonstrate a facility engaged in willful and intentional actions for the express purpose of evading detection or concealing emissions during monitoring or testing. We assume that alteration of business practice for purposes other than evading detection or concealing emissions and enhancements to business practices to facilitate the sustained reduction of emissions or reduce potential impacts on neighboring communities and

2-1

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March 23, 2018
Page 2

LATHAM & WATKINS^{LLP}

other sensitive receptors would not be viewed as circumvention, and we request the District's confirmation of the same.

Thank you for the opportunity to submit these comments, and thank you for putting forward a robust stakeholder process that has resulted in a rule language that will help protect our air quality while appropriately considering the unique operational challenges across business sectors.

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Best regards,

/s John Heintz

John C. Heintz
Of LATHAM & WATKINS LLP

Cc: Michael A. Krause, SCAQMD
Robert A. Wyman, Latham & Watkins
Michael J. Carroll, Latham & Watkins
Regulatory Flexibility Group

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Response to Comment 2-1:

Altering normal business operations or equipment for purposes other than evading detection or concealing emissions during monitoring or testing is not a violation of subdivision (b). A facility can alter their business to enhance their operations or to reduce potential impacts on neighboring communities and sensitive receptors. In such cases, that would not be viewed as circumvention. The facility may be asked to demonstrate that the alteration of their normal business operation was not to evade detection or conceal emissions during monitoring or testing. Ultimately, the burden of proof is on SCAQMD to prove a violation of subdivision (b).

DRAFT FINDINGS UNDER THE CALIFORNIA HEALTH AND SAFETY CODE

Health and Safety Code Section 40727 requires that prior to adopting, amending or repealing a rule or regulation, the SCAQMD Governing Board shall make findings of necessity, authority, clarity, consistency, non-duplication, and reference based on relevant information presented at the hearing. The draft findings are as follows:

Necessity –Proposed amended Rule 408 – Circumvention is necessary to prevent a facility from using the nuisance exemption to conceal the release of excess emissions or evade detection from testing or monitoring.

Authority - The SCAQMD Governing Board obtains its authority to adopt, amend, or repeal rules and regulations from Health and Safety Code Sections 39002, 40000, 40001, and 40702.

Clarity - The SCAQMD Governing Board has determined that Proposed Amended Rule 408 – Circumvention, is written and displayed so that the meaning can be easily understood by persons directly affected by them.

Consistency - The SCAQMD Governing Board has determined that Proposed Amended Rule 408 - Circumvention, is in harmony with, and not in conflict with or contradictory to, existing statutes, court decisions, federal or state regulations.

Non-Duplication - The SCAQMD Governing Board has determined that Proposed Amended Rule 408 - Circumvention does not impose the same requirement as any existing state or federal regulation, and the proposed amendments are necessary and proper to execute the powers and duties granted to, and imposed upon, the SCAQMD.

Reference - In adopting this regulation, the SCAQMD Governing Board references the following statutes, which the SCAQMD hereby implements, interprets, or makes specific: California Health and Safety Code sections 40001; and 40702; and Title 40 of the Code of Federal Regulations Sections 61.19 and 63.4.

REFERENCES

1. Prohibited Activities and Circumvention, 40 CFR 63.4, available at <https://www.law.cornell.edu/cfr/text/40/63.4>.
2. Circumvention, 40 CFR 61.19, available at <https://www.law.cornell.edu/cfr/text/40/61.19>.
3. District Rules Database, California Air Resources Board. <https://www.arb.ca.gov/drdb/drdb.htm>.
4. AB-617 Nonvehicular air pollution: criteria air pollutants and toxic air contaminants. California Legislative Information, available at https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB617.

ATTACHMENT H



**South Coast
Air Quality Management District**

21865 Copley Drive, Diamond Bar, CA 91765-4178
(909) 396-2000 • www.aqmd.gov

SUBJECT: NOTICE OF EXEMPTION FROM THE CALIFORNIA ENVIRONMENTAL QUALITY ACT

PROJECT TITLE: PROPOSED AMENDED RULE 408 - CIRCUMVENTION


Pursuant to the California Environmental Quality Act (CEQA) Guidelines, the South Coast Air Quality Management District (SCAQMD) is the Lead Agency and has prepared a Notice of Exemption for the project identified above.

The proposed project is comprised of amendments to Rule 408 – Circumvention. SCAQMD staff has reviewed the proposed project pursuant to: 1) CEQA Guidelines Section 15002(k) - General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 - Review for Exemption, procedures for determining if a project is exempt from CEQA.

Since the proposed project is comprised of updates to the existing requirements on circumvention, SCAQMD staff has determined that it can be seen with certainty that there is no possibility that the proposed amendments to Rule 408 may have a significant adverse effect on the environment. Therefore, the project is considered to be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) – Activities Covered by General Rule. In addition, the proposed amendments to Rule 408 are categorically exempt because they are designed to further protect or enhance the environment pursuant to CEQA Guidelines Section 15308 – Actions by Regulatory Agencies for Protection of the Environment. A Notice of Exemption has been prepared pursuant to CEQA Guidelines Section 15062 – Notice of Exemption. If the project is approved, the Notice of Exemption will be filed with the county clerks of Los Angeles, Orange, Riverside and San Bernardino counties.

Any questions regarding this Notice of Exemption should be sent to Diana Thai (c/o Planning, Rule Development and Area Sources) at the above address. Ms. Thai can also be reached at (909) 396-3443. Ms. Nicole Silva is also available at (909) 396-3384 to answer any questions regarding the proposed amended rule.

Date: April 24, 2018

Signature: 

Barbara Radlein
Program Supervisor, CEQA Section
Planning, Rules, and Area Sources

NOTICE OF EXEMPTION

To: County Clerks
Counties of Los Angeles, Orange,
Riverside, and San Bernardino

From: South Coast Air Quality Management District
21865 Copley Drive
Diamond Bar, CA 91765

Project Title: Proposed Amended Rule 408 - Circumvention

Project Location: The SCAQMD has jurisdiction over the four-county South Coast Air Basin (all of Orange County and the non-desert portions of Los Angeles, Riverside and San Bernardino counties), and the Riverside County portions of the Salton Sea Air Basin (SSAB) and Mojave Desert Air Basin (MDAB). The SCAQMD's jurisdiction includes the federal nonattainment area known as the Coachella Valley Planning Area, which is a sub-region of Riverside County and the SSAB.

Description of Nature, Purpose, and Beneficiaries of Project: SCAQMD staff is proposing amendments to Rule 408 to address specific circumstances where facilities may attempt to avoid compliance by prohibiting a facility from altering business operations or equipment to evade detection or conceal emissions during monitoring and testing, and by limiting the existing exemption for cases in which the only violation is an odor nuisance.

Public Agency Approving Project:
South Coast Air Quality Management District

Agency Carrying Out Project:
South Coast Air Quality Management District

Exempt Status:

CEQA Guidelines Section 15061(b)(3) – Activities Covered by General Rule

CEQA Guidelines Section 15308 – Actions by Regulatory Agencies for Protection of the Environment

Reasons why project is exempt: SCAQMD staff has reviewed the proposed amendments to Rule 408 pursuant to: 1) CEQA Guidelines Section 15002(k) - General Concepts, the three-step process for deciding which document to prepare for a project subject to CEQA; and 2) CEQA Guidelines Section 15061 - Review for Exemption, procedures for determining if a project is exempt from CEQA. Since the proposed project is comprised of updates to the existing requirements on circumvention, SCAQMD staff has determined 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. Therefore, the proposed project is considered to be exempt from CEQA pursuant to CEQA Guidelines Section 15061(b)(3) - Activities Covered by General Rule. Also, the proposed amendments to Rule 408 are categorically exempt because they are designed to further protect or enhance the environment pursuant to CEQA Guidelines Section 15308 - Actions by Regulatory Agencies for Protection of the Environment.

Date When Project Will Be Considered for Approval (subject to change):

SCAQMD Governing Board Hearing: May 4, 2018; SCAQMD Headquarters - Auditorium

CEQA Contact Person:

Ms. Diana Thai

Phone Number:

(909) 396-3443

Email:

dthai@aqmd.gov

Fax:

(909) 396-3982

Rule Contact Person:

Ms. Nicole Silva

Phone Number:

(909) 396-3384

Email:

nsilva@aqmd.gov

Fax:

(909) 396-3807

Date Received for Filing: _____

Signature: _____

Barbara Radlein
Program Supervisor, CEQA Section
Planning, Rule Development & Area Sources

Attachment I

Proposed Amended Rule 408: Circumvention

GOVERNING BOARD MEETING

May 4, 2018

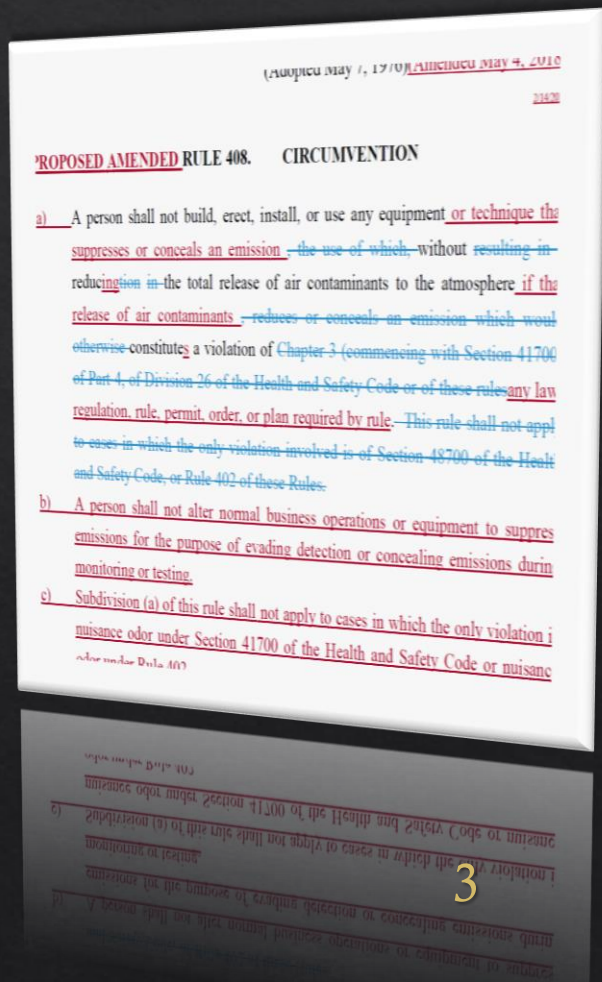
Background



- Predates SCAQMD
All four county air agencies prohibit “dilution as a solution” to air pollution
- Rule 408 - *Circumvention* adopted by predecessor to SCAQMD in May 1976
- Recent enforcement issues triggered this proposed amendment
- Amendment supports current enforcement practices

Proposed Amendment

- Modify the language to further specify circumvention of any “law, regulation, rule, permit, order, or plan required by a rule” constitutes a violation
- Prohibit altering operations or equipment to evade detection of emissions during monitoring or testing
- Retain the exemption for cases in which the only violation is a nuisance, but limit it to odor nuisances
- Clarify rule language
 - Example guidance document will be developed to provide more clarification for stakeholders



Key Issues

Comment

- Stakeholders are concerned that the proposed amendment will modify current enforcement practices, therefore suggesting staff develop an enforcement support document

Response

- SCAQMD enforcement practices will not change
- There are a variety of scenarios, examples provided in staff report
- Staff is developing a support document containing hypothetical examples to assist in understanding rule implementation and will provide online

Staff Recommendations



- Determine that Proposed Amendments to Rule 408 – Circumvention Are Exempt from CEQA
- Adopt Resolution
- Amend Rule 408 - Circumvention